



ANNUAL STATEMENT

For the Year Ended December 31, 2017

of the Condition and Affairs of the

AFFILIATED FM INSURANCE COMPANY

NAIC Group Code.....0065, 0065 (Current Period) (Prior Period)	NAIC Company Code..... 10014	Employer's ID Number..... 05-0254496
Organized under the Laws of RI	State of Domicile or Port of Entry RI	Country of Domicile US
Incorporated/Organized..... May 6, 1949	Commenced Business..... June 1, 1950	
Statutory Home Office	270 Central Avenue..... Johnston RI US 02919-4949 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	270 Central Avenue..... Johnston RI US..... 02919-4949 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	401-275-3000 <i>(Area Code) (Telephone Number)</i>
Mail Address	P.O. Box 7500..... Johnston RI US 02919-0750 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	270 Central Avenue..... Johnston RI US 02919-4949 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	401-275-3000 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.fmglobal.com	
Statutory Statement Contact	Jeffrey Black <i>(Name)</i> jeffrey.black@fmglobal.com <i>(E-Mail Address)</i>	401-415-1559 <i>(Area Code) (Telephone Number) (Extension)</i> 401-946-8306 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
1. Thomas Alan Lawson	President & Chief Executive Officer	2. Jonathan Irving Mishara	Senior Vice President & Secretary
3. Theresa Ann Molloy	Vice President & Controller	4. William Alfred Mekrut #	Vice President & Treasurer

OTHER

Bret Nils Ahnell	Executive Vice President	Kevin Scott Ingram	Senior Vice President
Jonathan William Hall	Chief Operating Officer	Christopher Johnson	Executive Vice President
Paul Edward LaFleche	Senior Vice President	Jeanne Ruth Lieb	Senior Vice President
Jonathan Irving Mishara	Senior Vice President	Enzo Rebula	Senior Vice President
Michael Robert Turner	Executive Vice President		

DIRECTORS OR TRUSTEES

Frank Thomas Connor	Colin Richard Day	Daniel Lee Knotts	Thomas Alan Lawson
John Anderson Luke Jr	Gracia Catherine Martore	Christine Mary McCarthy	Stuart Blain Parker
Edward Joseph Rapp	Shivan Sivaswamy Subramaniam	Israel Ruiz	Michel Giannuzzi
Glenn Rodney Landau #			

State of..... Rhode Island
County of..... Providence

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

_____ (Signature) Thomas Alan Lawson	_____ (Signature) Jonathan Irving Mishara	_____ (Signature) Theresa Ann Molloy
1. (Printed Name) President & Chief Executive Officer	2. (Printed Name) Senior Vice President & Secretary	3. (Printed Name) Vice President & Controller
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me
This 22nd day of February 2018
John A. Soares III Notary Public
Expires July 5, 2021

a. Is this an original filing? Yes [X] No []
b. If no 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	1,368,166,033		1,368,166,033	1,393,460,344
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....	1,357,295,441		1,357,295,441	1,060,569,866
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....29,189,116, Schedule E-Part 1), cash equivalents (\$.....165,483,873, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	194,672,989		194,672,989	190,101,714
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....			.0	80,531
10. Securities lending reinvested collateral assets (Schedule DL).....	42,880,694		42,880,694	26,468,450
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	2,963,015,157	.0	2,963,015,157	2,670,680,905
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	12,364,108		12,364,108	11,832,460
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	148,211,137	4,433,044	143,778,093	130,762,771
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	11,363,640		11,363,640	102,301,637
16.2 Funds held by or deposited with reinsured companies.....	13,398		13,398	13,398
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	20,444,583		20,444,583	
18.2 Net deferred tax asset.....			.0	
19. Guaranty funds receivable or on deposit.....	42,864		42,864	50,480
20. Electronic data processing equipment and software.....			.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....	19,455		19,455	67,443,297
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other-than-invested assets.....	11,982,750	.0	11,982,750	9,798,052
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	3,167,457,092	4,433,044	3,163,024,048	2,992,883,000
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTAL (Lines 26 and 27).....	3,167,457,092	4,433,044	3,163,024,048	2,992,883,000

DETAILS OF WRITE-INS

1101.....			.0	
1102.....			.0	
1103.....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. Equities and Deposits in Pools and Associations.....	350,000		350,000	350,000
2502. Accounts Receivable State Tax Refunds.....	532,337		532,337	1,120,415
2503. Cash Clearing Accounts.....	11,100,413		11,100,413	8,327,637
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	11,982,750	.0	11,982,750	9,798,052

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	569,005,714	577,612,530
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	41,350,363	12,025,121
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	64,197,922	66,308,751
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	438,445	387,967
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	6,606,128	5,836,860
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		31,124,845
7.2 Net deferred tax liability.....	92,708,000	93,960,000
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$....46,438,779 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	383,839,642	368,169,765
10. Advance premium.....	524,622	130,259
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	240,451	229,071
12. Ceded reinsurance premiums payable (net of ceding commissions).....	107,309,496	103,303,578
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....		
14. Amounts withheld or retained by company for account of others.....	501,075	530,747
15. Remittances and items not allocated.....	4,179,184	4,648,935
16. Provision for reinsurance (including \$....69,000 certified) (Schedule F, Part 8).....	3,640,341	4,536,989
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	47,352,088	54,452,847
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....		7,967,347
22. Payable for securities lending.....	42,880,694	26,468,450
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	18,377,417	16,537,173
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,383,151,582	1,374,231,235
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	1,383,151,582	1,374,231,235
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	4,000,000	4,000,000
31. Preferred capital stock.....	7,250,000	7,250,000
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	270,210,661	270,210,661
35. Unassigned funds (surplus).....	1,498,411,805	1,337,191,104
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	1,779,872,466	1,618,651,765
38. TOTAL (Page 2, Line 28, Col. 3).....	3,163,024,048	2,992,883,000

DETAILS OF WRITE-INS

2501. Miscellaneous Accounts Payable.....	18,377,417	16,537,173
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	18,377,417	16,537,173
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	442,216,791	421,458,002
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	437,906,500	226,028,505
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	18,816,559	13,863,054
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	122,940,362	113,332,230
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	579,663,421	353,223,789
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(137,446,630)	68,234,213
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	58,414,137	53,358,323
10. Net realized capital gains (losses) less capital gains tax of \$.....17,204,000 (Exhibit of Capital Gains (Losses)).....	31,948,635	428,589
11. Net investment gain (loss) (Lines 9 + 10).....	90,362,772	53,786,912
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....43,279).....	(43,279)	99,559
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	(564,595)	(234,749)
15. Total other income (Lines 12 through 14).....	(607,874)	(135,190)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(47,691,732)	121,885,935
17. Dividends to policyholders.....	483,059	457,523
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).....	(48,174,791)	121,428,412
19. Federal and foreign income taxes incurred.....	(31,224,155)	38,011,671
20. Net income (Line 18 minus Line 19) (to Line 22).....	(16,950,636)	83,416,741
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	1,618,651,765	1,479,589,281
22. Net income (from Line 20).....	(16,950,636)	83,416,741
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(15,879,000).....	182,952,606	59,995,530
25. Change in net unrealized foreign exchange capital gain (loss).....	10,545,467	(3,007,376)
26. Change in net deferred income tax.....	(14,627,000)	646,000
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(1,088,884)	(2,189,247)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	896,648	708,336
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from Protected Cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....	(507,500)	(507,500)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	161,220,701	139,062,484
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	1,779,872,466	1,618,651,765
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0
1401. Miscellaneous income.....	63	100
1402. Balances (charged off) / recovered.....	(32,824)	60,819
1403. Loss on foreign exchange.....	(531,834)	(295,668)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	(564,595)	(234,749)
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	448,182,743	415,759,685
2. Net investment income.....	66,347,351	56,122,837
3. Miscellaneous income.....	(607,874)	(135,192)
4. Total (Lines 1 through 3).....	513,922,220	471,747,330
5. Benefit and loss related payments.....	329,062,173	64,102,061
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	143,040,388	115,455,639
8. Dividends paid to policyholders.....	471,679	447,941
9. Federal and foreign income taxes paid (recovered) net of \$.....(1,404,636) tax on capital gains (losses).....	37,549,273	54,013,600
10. Total (Lines 5 through 9).....	510,123,513	234,019,241
11. Net cash from operations (Line 4 minus Line 10).....	3,798,707	237,728,089
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	508,796,758	374,241,074
12.2 Stocks.....	271,173,581	200,372,565
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(52,583)	3,966
12.7 Miscellaneous proceeds.....	80,531	7,957,399
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	779,998,287	582,575,004
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	485,990,916	463,405,396
13.2 Stocks.....	354,152,018	263,558,669
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....	7,967,347	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	848,110,281	726,964,065
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(68,111,994)	(144,389,061)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	507,500	507,500
16.6 Other cash provided (applied).....	69,392,062	(33,177,356)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	68,884,562	(33,684,856)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	4,571,275	59,654,172
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	190,101,714	130,447,542
19.2 End of year (Line 18 plus Line 19.1).....	194,672,989	190,101,714

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

20.0001		
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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.....	248,240,990	131,814,344	135,941,517	244,113,817
2.	Allied lines.....	181,725,586	86,996,318	92,587,067	176,134,837
3.	Farmowners multiple peril.....	0		0	0
4.	Homeowners multiple peril.....	2,071,731	1,054,058	1,078,711	2,047,078
5.	Commercial multiple peril.....	67,485,711	32,688,329	33,047,617	67,126,423
6.	Mortgage guaranty.....	0		0	0
8.	Ocean marine.....	18,294,729	8,851,434	8,498,194	18,647,969
9.	Inland marine.....	161,105,718	77,231,171	82,997,621	155,339,268
10.	Financial guaranty.....	0		0	0
11.1	Medical professional liability - occurrence.....	0		0	0
11.2	Medical professional liability - claims-made.....	0		0	0
12.	Earthquake.....	0		0	0
13.	Group accident and health.....	0		0	0
14.	Credit accident and health (group and individual).....	0		0	0
15.	Other accident and health.....	0		0	0
16.	Workers' compensation.....	(16)	39	(27)	50
17.1	Other liability - occurrence.....	0		0	0
17.2	Other liability - claims-made.....	0		0	0
17.3	Excess workers' compensation.....	0		0	0
18.1	Products liability - occurrence.....	0		0	0
18.2	Products liability - claims-made.....	0		0	0
19.1, 19.2	Private passenger auto liability.....	0		0	0
19.3, 19.4	Commercial auto liability.....	0		0	0
21.	Auto physical damage.....	0		0	0
22.	Aircraft (all perils).....	0		0	0
23.	Fidelity.....	0		0	0
24.	Surety.....	0		0	0
26.	Burglary and theft.....	0		0	0
27.	Boiler and machinery.....	65,687,020	29,534,072	29,688,942	65,532,150
28.	Credit.....	0		0	0
29.	International.....	0		0	0
30.	Warranty.....	0		0	0
31.	Reinsurance - nonproportional assumed property.....	(286,724,834)		0	(286,724,834)
32.	Reinsurance - nonproportional assumed liability.....	33		0	33
33.	Reinsurance - nonproportional assumed financial lines.....	0		0	0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0
35.	TOTALS.....	457,886,668	368,169,765	383,839,642	442,216,791

DETAILS OF WRITE-INS

3401.	.....	0		0	0
3402.	.....	0		0	0
3403.	.....	0		0	0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	135,941,517				135,941,517
2.	Allied lines.....	92,587,067				92,587,067
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....	1,078,711				1,078,711
5.	Commercial multiple peril.....	33,047,617				33,047,617
6.	Mortgage guaranty.....					0
8.	Ocean marine.....	8,498,194				8,498,194
9.	Inland marine.....	82,997,621				82,997,621
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....					0
11.2	Medical professional liability - claims-made.....					0
12.	Earthquake.....					0
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....					0
16.	Workers' compensation.....	(27)				(27)
17.1	Other liability - occurrence.....					0
17.2	Other liability - claims-made.....					0
17.3	Excess workers' compensation.....					0
18.1	Products liability - occurrence.....					0
18.2	Products liability - claims-made.....					0
19.1, 19.2	Private passenger auto liability.....					0
19.3, 19.4	Commercial auto liability.....					0
21.	Auto physical damage.....					0
22.	Aircraft (all perils).....					0
23.	Fidelity.....					0
24.	Surety.....					0
26.	Burglary and theft.....					0
27.	Boiler and machinery.....	29,688,942				29,688,942
28.	Credit.....					0
29.	International.....					0
30.	Warranty.....					0
31.	Reinsurance - nonproportional assumed property.....					0
32.	Reinsurance - nonproportional assumed liability.....					0
33.	Reinsurance - nonproportional assumed financial lines.....					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	383,839,642	0	0	0	383,839,642
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					383,839,642

DETAILS OF WRITE-INS

3401.	.....					0
3402.	.....					0
3403.	.....					0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	285,460,461	7,286,282	199,312	5,271,559	39,433,506	248,240,990
2. Allied lines.....	202,410,357	11,826,050		3,902,836	28,607,985	181,725,586
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....	2,092,182				20,451	2,071,731
5. Commercial multiple peril.....	78,596,310	63,267			11,173,866	67,485,711
6. Mortgage guaranty.....						0
8. Ocean marine.....	19,513,217	938,861	320,350		2,477,699	18,294,729
9. Inland marine.....	189,098,700	8,927,102		4,933,059	31,987,025	161,105,718
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....						0
12. Earthquake.....						0
13. Group accident and health.....						0
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....						0
16. Workers' compensation.....	(16)					(16)
17.1 Other liability - occurrence.....						0
17.2 Other liability - claims-made.....						0
17.3 Excess workers' compensation.....						0
18.1 Products liability - occurrence.....						0
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....						0
19.3, 19.4 Commercial auto liability.....						0
21. Auto physical damage.....						0
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....						0
26. Burglary and theft.....						0
27. Boiler and machinery.....	58,034,429	8,088,545			435,954	65,687,020
28. Credit.....						0
29. International.....						0
30. Warranty.....						0
31. Reinsurance - nonproportional assumed property.....	XXX			286,724,834		(286,724,834)
32. Reinsurance - nonproportional assumed liability.....	XXX		33			33
33. Reinsurance - nonproportional assumed financial lines.....	XXX					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	835,205,640	37,130,107	519,695	300,832,288	114,136,486	457,886,668

DETAILS OF WRITE-INS

3401.						0
3402.						0
3403.						0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage				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.....	144,414,924	(3,570,911)	8,101,069	132,742,944	53,482,069	123,701,542	62,523,471	25.6
2.	Allied lines.....	164,176,767		8,662,637	155,514,130	207,254,058	126,260,300	236,507,888	134.3
3.	Farmowners multiple peril.....				0	0	0	0	0.0
4.	Homeowners multiple peril.....	1,016,173			1,016,173	285,500	490,353	811,320	39.6
5.	Commercial multiple peril.....	53,999,147		1,085,545	52,913,602	73,665,424	117,069,546	9,509,480	14.2
6.	Mortgage guaranty.....				0	0	0	0	0.0
8.	Ocean marine.....	13,347,100	707,907	699,912	13,355,096	25,349,659	14,607,978	24,096,777	129.2
9.	Inland marine.....	117,101,063		14,513,218	102,587,844	54,441,889	71,824,698	85,205,035	54.9
10.	Financial guaranty.....				0	0	0	0	0.0
11.1	Medical professional liability - occurrence.....				0	0	0	0	0.0
11.2	Medical professional liability - claims-made.....				0	0	0	0	0.0
12.	Earthquake.....				0	0	0	0	0.0
13.	Group accident and health.....				0	0	0	0	0.0
14.	Credit accident and health (group and individual).....				0	0	0	0	0.0
15.	Other accident and health.....				0	0	0	0	0.0
16.	Workers' compensation.....	330,793	13,208	292,047	51,954	2,768,020	3,011,199	(191,225)	(382,449.5)
17.1	Other liability - occurrence.....	83,130	23,646	63,179	43,598	73,198,915	72,052,714	1,189,799	0.0
17.2	Other liability - claims-made.....				0	0	0	0	0.0
17.3	Excess workers' compensation.....				0	0	0	0	0.0
18.1	Products liability - occurrence.....	2,852,816		1,171,005	1,681,811	37,860,966	29,791,330	9,751,447	0.0
18.2	Products liability - claims-made.....				0	0	0	0	0.0
19.1, 19.2	Private passenger auto liability.....				0	0	0	0	0.0
19.3, 19.4	Commercial auto liability.....				0	0	0	0	0.0
21.	Auto physical damage.....				0	0	0	0	0.0
22.	Aircraft (all perils).....				0	0	0	0	0.0
23.	Fidelity.....	(12,313)			(12,313)	0	0	(12,313)	0.0
24.	Surety.....				0	0	0	0	0.0
26.	Burglary and theft.....				0	0	0	0	0.0
27.	Boiler and machinery.....	33,257,318		965,245	32,292,073	39,011,971	17,287,630	54,016,414	82.4
28.	Credit.....				0	0	0	0	0.0
29.	International.....				0	0	0	0	0.0
30.	Warranty.....				0	0	0	0	0.0
31.	Reinsurance - nonproportional assumed property.....	XXX		45,693,473	(45,693,473)	0	0	(45,693,473)	15.9
32.	Reinsurance - nonproportional assumed liability.....	XXX	19,876		19,876	1,687,243	1,515,240	191,879	581,451.6
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0	0	0	0	0.0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35.	TOTALS.....	530,566,918	(2,806,274)	81,247,329	446,513,315	569,005,714	577,612,530	437,906,500	99.0

DETAILS OF WRITE-INS

3401.	.....	.....	.....	.....	.....	.....	.....	.....	.....
3402.	.....	.....	.....	.....	.....	.....	.....	.....	.....
3403.	.....	.....	.....	.....	.....	.....	.....	.....	.....
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0.0

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 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	53,452,582	43,627	3,663,178	49,833,031	4,163,137	14,901	529,000	53,482,069	4,111,857
2. Allied lines.....	200,137,771	745	18,683,458	181,455,058	27,549,000		1,750,000	207,254,058	18,901,000
3. Farmowners multiple peril.....				0				0	
4. Homeowners multiple peril.....	285,500			285,500				285,500	
5. Commercial multiple peril.....	71,588,742		3,029,318	68,559,424	5,543,000		437,000	73,665,424	5,641,000
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....	26,066,225	675,685	3,357,250	23,384,659	2,071,000		106,000	25,349,659	2,160,000
9. Inland marine.....	51,128,750	90,000	16,379,361	34,839,389	19,740,500		138,000	54,441,889	4,579,000
10. Financial guaranty.....				0				0	
11.1 Medical professional liability - occurrence.....				0				0	
11.2 Medical professional liability - claims-made.....				0				0	
12. Earthquake.....				0				0	
13. Group accident and health.....				0				(a) 0	
14. Credit accident and health (group and individual).....				0				0	
15. Other accident and health.....				0				(a) 0	
16. Workers' compensation.....	1,131,609	187,492	624,183	694,918	1,299,008	2,053,071	1,278,977	2,768,020	143,596
17.1 Other liability - occurrence.....	4,106,758	44,557	2,686,649	1,464,666	88,585,949	753,976	17,605,676	73,198,915	10,837,120
17.2 Other liability - claims-made.....				0				0	
17.3 Excess workers' compensation.....				0				0	
18.1 Products liability - occurrence.....	30,207,947		15,874,541	14,333,406	124,850,082		101,322,522	37,860,966	14,778,349
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....				0				0	
19.3, 19.4 Commercial auto liability.....				0				0	
21. Auto physical damage.....				0				0	
22. Aircraft (all perils).....				0				0	
23. Fidelity.....				0				0	
24. Surety.....				0				0	
26. Burglary and theft.....				0				0	
27. Boiler and machinery.....	36,504,749		278,779	36,225,971	2,826,000		40,000	39,011,971	3,046,000
28. Credit.....				0				0	
29. International.....				0				0	
30. Warranty.....				0				0	
31. Reinsurance - nonproportional assumed property.....	XXX			0	XXX			0	
32. Reinsurance - nonproportional assumed liability.....	XXX	147,536	1	147,535	XXX	1,535,731	(3,977)	1,687,243	
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	474,610,632	1,189,641	64,576,717	411,223,556	276,627,677	4,357,679	123,203,198	569,005,714	64,197,922
DETAILS OF WRITE-INS									
3401.				0				0	
3402.				0				0	
3403.				0				0	
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0	0

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(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.....	19,641,211			19,641,211
1.2 Reinsurance assumed.....	(314,643)			(314,643)
1.3 Reinsurance ceded.....	6,880,231			6,880,231
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	12,446,337	0	0	12,446,337
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		92,489,920		92,489,920
2.2 Reinsurance assumed, excluding contingent.....		358,190		358,190
2.3 Reinsurance ceded, excluding contingent.....		69,157,386		69,157,386
2.4 Contingent - direct.....				0
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	23,690,724	0	23,690,724
3. Allowances to manager and agents.....				0
4. Advertising.....		1,203,138		1,203,138
5. Boards, bureaus and associations.....		9,805		9,805
6. Surveys and underwriting reports.....		534,697		534,697
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	4,063,982	42,771,088	628,707	47,463,777
8.2 Payroll taxes.....	201,572	2,495,032	24,163	2,720,767
9. Employee relations and welfare.....	959,618	10,602,667	164,634	11,726,919
10. Insurance.....	2,379	644,308	98	646,785
11. Directors' fees.....		24,631		24,631
12. Travel and travel items.....	417,738	5,608,365	17,955	6,044,058
13. Rent and rent items.....	534,464	5,505,659	64,246	6,104,369
14. Equipment.....	140,993	3,064,211	9,701	3,214,905
15. Cost or depreciation of EDP equipment and software.....				0
16. Printing and stationery.....	35,571	412,980	5,887	454,438
17. Postage, telephone and telegraph, exchange and express.....	13,905	1,708,688	191,829	1,914,422
18. Legal and auditing.....		315,631		315,631
19. Totals (Lines 3 to 18).....	6,370,222	74,900,900	1,107,220	82,378,342
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....8,800.....		22,074,951	11,048	22,085,999
20.2 Insurance department licenses and fees.....		359,307		359,307
20.3 Gross guaranty association assessments.....		37,082		37,082
20.4 All other (excluding federal and foreign income and real estate).....				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	22,471,340	11,048	22,482,388
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	0	1,877,398	917,193	2,794,591
25. Total expenses incurred.....	18,816,559	122,940,362	2,035,461	(a).....143,792,382
26. Less unpaid expenses - current year.....	64,197,922	7,044,573		71,242,495
27. Add unpaid expenses - prior year.....	66,308,751	6,224,827		72,533,578
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	20,927,388	122,120,616	2,035,461	145,083,465

DETAILS OF WRITE-INS

2401. Bank Activity Fee.....		10,104	50,208	60,312
2402. Charitable Contributions.....		50,000		50,000
2403. Consultants.....		1,817,294		1,817,294
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	866,985	866,985
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	0	1,877,398	917,193	2,794,591

(a) Includes management fees of \$.....121,153,370 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).....10,275,547	.....9,958,469
1.1 Bonds exempt from U.S. tax.....	(a).....5,204,388	.....5,546,137
1.2 Other bonds (unaffiliated).....	(a).....23,523,454	.....23,150,708
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....18,300,451	.....19,182,850
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....1,875,488	.....1,880,760
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....732,284	.....732,284
10. Total gross investment income.....	.....59,911,612	.....60,451,208
11. Investment expenses.....	.....	(g).....2,024,413
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....11,048
13. Interest expense.....	.....	(h).....1,609
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....2,037,070
17. Net investment income (Line 10 minus Line 16).....	.....	.....58,414,137

DETAILS OF WRITE-INS

0901. Bond Prepayment Penalty Reclass from Realized Gains/Losses.....	.....433,084	.....433,084
0902. Prior Year Income.....	.....1,908	.....1,908
0903. Security Lending Income.....	.....74,871	.....74,871
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....222,421	.....222,421
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....732,284	.....732,284
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....892,187 accrual of discount less \$.....6,345,424 amortization of premium and less \$.....1,777,599 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....69,691 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....1,445,576	.....	.....1,445,576	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....74,893	.....	.....74,893	.....	.....
1.2 Other bonds (unaffiliated).....	.....1,601,228	.....	.....1,601,228	.....(156,930)	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....56,779,076	.....(10,295,135)	.....46,483,941	.....167,263,198	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....(19,921)	.....	.....(19,921)	.....(32,662)	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....(433,084)	.....0	.....(433,084)	.....0	.....0
10. Total capital gains (losses).....	.....59,447,770	.....(10,295,135)	.....49,152,635	.....167,073,606	.....0

DETAILS OF WRITE-INS

0901. Bond Prepayment Penalty Reclass to Investment Income.....	.....(433,084)	.....	.....(433,084)	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page...	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....(433,084)	.....0	.....(433,084)	.....0	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	4,433,044	3,344,160	(1,088,884)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	4,433,044	3,344,160	(1,088,884)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	4,433,044	3,344,160	(1,088,884)

DETAILS OF WRITE-INS

1101.....			0
1102.....			0
1103.....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501.....			0
2502.....			0
2503.....			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	0	0	0

NOTES TO FINANCIAL STATEMENTS**Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

The accompanying financial statements of Affiliated FM Insurance Company ("Company") have been prepared on the basis of accounting practices prescribed or permitted by the Rhode Island Division of Insurance.

The state of Rhode Island requires insurance companies domiciled in the state of Rhode Island to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the Rhode Island Division of Insurance.

The Company applies paragraph 5(a) of SSAP 23, rather than paragraph 5(b) of SSAP 23, with respect to the methodology applied in translating the Company's Canadian branch to USD. This is consistent with the methodology used in prior years, and a permitted practice has been approved by the State of Rhode Island. The total adjustment to convert the balance sheet to USD is \$47,352,088, which appears on line 17 – "Net adjustment in assets and liabilities due to foreign exchange rates", on page 3 - "Liabilities" of the 2017 annual statement. There is no net impact on surplus, and the effect on 2017 net income would be a decrease to net income in the amount of \$3,197,070 (which would be offset by a corresponding increase to surplus).

	SSAP #	F/S Page	F/S Line #	2017	2016
NET INCOME					
(1) AFFILIATED FM INSURANCE COMPANY Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ (16,950,636)	\$ 83,416,741
(2) State Prescribed Practice that are an increase/(decrease) from NAIC SAP				\$ -	\$ -
(3) State Permitted Practice that are an increase/(decrease) from NAIC SAP Application of SSAP 23 regarding translating the Canadian branch to USD	23	3	17	\$ 3,197,070	\$ 6,815,488
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ (20,147,706)	\$ 76,601,253
SURPLUS					
(5) AFFILIATED FM INSURANCE COMPANY Company state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 1,779,872,466	\$ 1,618,651,765
(6) State Prescribed Practice that are an increase/(decrease) from NAIC SAP				\$ -	\$ -
(7) State Permitted Practice that are an increase/(decrease) from NAIC SAP				\$ -	\$ -
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 1,779,872,466	\$ 1,618,651,765

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

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

C. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned Premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct, assumed and ceded business.

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

Net investment income earned consists primarily of interest and dividends less investment related expenses. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Realized capital losses include writedowns for impairments considered to be other than temporary.

In addition, the Company utilizes the following accounting policies:

(1) Basis for Short-Term Investments

The Company has no Short Term Investments.

(2) Basis for Bonds and Amortization Schedule

Non loan-backed bonds with NAIC designations 1 or 2 are stated at amortized cost using the interest method. Non loan-backed bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value. See paragraph 6 for loan-backed and structured securities.

(3) Basis for Common Stocks

Common stocks are stated at fair value.

(4) Basis for Preferred Stocks

The Company has no preferred stocks.

(5) Basis for Mortgage Loans

The Company has no mortgage loans.

NOTES TO FINANCIAL STATEMENTS**Note 1 – Summary of Significant Accounting Policies and Going Concern (continued from preceding page)**

(6) Basis for Loan-Backed Securities and Adjustment Methodology

U.S. government agency loan-backed and structured securities are valued at amortized value. Other loan-backed and structured securities are valued at either amortized value or fair value, depending on many factors including: type of underlying collateral, whether modeled by NAIC vendor, whether rated (by either NAIC approved rating organization or NAIC Securities Valuation Office), and relationship of amortized value to par value and amortized value to fair value.

(7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities

The Company has no interest in subsidiaries.

(8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities

The Company has no investments in joint ventures, partnerships and limited liability corporations.

(9) Accounting Policies for Derivatives

The Company has no derivatives.

(10) Anticipated Investment Income Used in Premium Deficiency Calculation

The Company does not anticipate investment income when evaluating the need for premium deficiency reserves.

(11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses for A&H Contracts

Unpaid losses and loss adjustment expenses (including Asbestos and Environmental reserves) include amounts determined from individual case estimates and an amount for IBNR (incurred-but-not-reported) loss estimates. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

(12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period

The Company has not changed its capitalization policy from the prior period.

(13) Method Used to Estimate Pharmaceutical Rebate Receivables

The Company has no "pharmaceutical rebate receivables".

D. Going Concern

Based upon its evaluation of relevant conditions and events, management has concluded that the Company will continue as a going concern.

Note 2 – Accounting Changes and Correction of Errors

Not Applicable

Note 3 – Business Combinations and Goodwill

Not Applicable

Note 4 – Discontinued Operations

Not Applicable

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not Applicable

B. Debt Restructuring

Not Applicable

C. Reverse Mortgages

Not Applicable

D. Loan-Backed Securities

(1) Description of Sources Used to Determine Prepayment Assumptions

Loan-backed bonds and structured securities are valued at amortized cost using the constant interest rate method, and using an effective yield based on current prepayment assumptions obtained from Bloomberg, rather than anticipated prepayments at the date of purchase. Prepayment assumptions are reviewed periodically and updated in response to changes in market interest rates.

(2) Other-Than-Temporary-Impairment (OTTI) Loss Recognized in the Aggregate

Not Applicable

NOTES TO FINANCIAL STATEMENTS**Note 5 – Investments (continued from preceding page)**

- (3) Recognized OTTI securities

Not Applicable

- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$	584,741
	2. 12 Months or Longer	\$	556,791
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$	113,647,611
	2. 12 Months or Longer	\$	49,435,051

- (5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary

All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether other-than-temporary impairments should be recognized. The Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. These conclusions are supported by a detailed analysis of the underlying credit and cash flows of each security. Unrealized losses are primarily attributable to credit spread widening and increased liquidity discounts. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities, if future events, information and the passage of time causes it to conclude that declines in value are other-than temporary.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

- (1) Policy for Requiring Collateral or Other Security

Under a securities lending program with an agent, the Company has temporarily loaned certain debt securities. Borrowers of these securities must deposit an amount of cash and/or securities equal to 102% of the fair value of domestic securities or 105% of the fair value of foreign securities loaned as of the transaction date. The collateral level is monitored daily and additional cash calls are made by the agent if needed to retain the 102% or 105% collateral amount. The agent holds any securities pledged as collateral in trust for the borrower, and invests any cash collateral pledged as collateral in high quality short term securities. The cash collateral received under the securities lending agreement and invested in short term securities is included in the "Securities lending reinvested collateral assets" on Page 2 Line 10 and the offsetting liability in the "Payable for securities lending" on Page 3 Line 22.

- (2) Disclose the Carrying Amount and Classification of Both Assets and Liabilities

Not Applicable

- (3) Collateral Received

a. Aggregate Amount Collateral Received	Fair Value
1. Securities Lending	
(a) Open	\$ -
(b) 30 Days or Less	28,896,158
(c) 31 to 60 Days	4,496,728
(d) 61 to 90 Days	7,987,808
(e) Greater Than 90 Days	1,500,000
(f) Sub-Total	42,880,694
(g) Securities Received	
(h) Total Collateral Received	\$ 42,880,694
2. Dollar Repurchase Agreement	
(a) Open	\$ -
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Sub-Total	
(g) Securities Received	
(h) Total Collateral Received	\$ -
b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged	\$ 42,880,694

- c. Information about Sources and Uses of Collateral

The securities acquired from the use of the cash collateral are managed by the agent using conservative guidelines regarding the type, duration and quality of investments permitted.

- (4) Aggregate Value of the Reinvested Collateral

The Company has no collateral administered by an affiliated agent.

NOTES TO FINANCIAL STATEMENTS**Note 5 – Investments (continued from preceding page)**

(5) Collateral Reinvestment

a. Aggregate Amount Collateral Reinvested	Amortized Cost	Fair Value
1. Securities Lending		
(a) Open	\$ -	\$ -
(b) 30 Days or Less	28,896,158	28,896,158
(c) 31 to 60 Days	4,496,728	4,496,728
(d) 61 to 90 Days	7,987,808	7,987,808
(e) 91 to 120 Days	1,500,000	1,500,000
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 Years		
(i) 2 to 3 Years		
(j) Greater Than 3 Years		
(k) Sub-Total	\$ 42,880,694	\$ 42,880,694
(l) Securities Received		
(m) Total Collateral Reinvested	\$ 42,880,694	\$ 42,880,694
2. Dollar Repurchase Agreement		
(a) Open	\$ -	\$ -
(b) 30 Days or Less		
(c) 31 to 60 Days		
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 Years		
(i) 2 to 3 Years		
(j) Greater Than 3 Years		
(k) Sub-Total	\$ -	\$ -
(l) Securities Received		
(m) Total Collateral Reinvested	\$ -	\$ -

b. Explanation of Additional Sources of Liquidity for Maturity Date Mismatches

The agent matches the maturity dates of the cash collateral with the expected return dates of that collateral.

(6) Detail on Collateral Transactions Not Permitted by Contract or Custom to Sell or Repledge

In addition to the cash collateral, the Company also received collateral in the form of government securities. These securities are held by the agent and are not traded or repledged. The current fair value of the securities collateral is \$18,755,316.

(7) Collateral for Securities Lending transactions that extend beyond one year from the reporting date.

The Company has no collateral with transactions that extend beyond one year.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

J. Real Estate

Not Applicable

K. Low-Income Housing Tax Credits (LIHTC)

Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 5 – Investments (continued from preceding page)

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted)					Current Year					Percentage	
	Current Year					6	7	8	9	10	11	
	1	2	3	4	5							
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)		
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	- %	- %	
b. Collateral held under security lending arrangements	42,880,694				42,880,694	26,468,450	16,412,244		42,880,694	1.4%	1.4%	
c. Subject to repurchase agreements										- %	- %	
d. Subject to reverse repurchase agreements										- %	- %	
e. Subject to dollar repurchase agreements										- %	- %	
f. Subject to dollar reverse repurchase agreements										- %	- %	
g. Placed under option contracts										- %	- %	
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock										- %	- %	
i. FHLB capital stock										- %	- %	
j. On deposit with states	5,155,716				5,155,716	5,049,215	106,501		5,155,716	0.2%	0.2%	
k. On deposit with other regulatory bodies										- %	- %	
l. Pledged as collateral to FHLB (including assets backing funding agreements)										- %	- %	
m. Pledged as collateral not captured in other categories										- %	- %	
n. Other restricted assets										- %	- %	
o. Total Restricted Assets	\$ 48,036,410	\$ -	\$ -	\$ -	\$ 48,036,410	\$ 31,517,665	\$ 16,518,745	\$ -	\$ 48,036,410	1.5%	1.5%	

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Column 5 divided by Asset Page, Column 1, Line 28
- (d) Column 9 divided by Asset Page, Column 3, Line 28

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

Not Applicable

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)

Not Applicable

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

Collateral Assets	1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted)*	4 % of BACV to Total Admitted Assets**
a. Cash, Cash Equivalents and Short-Term Investments	\$ -	\$ -	- %	- %
b. Schedule D, Part 1			- %	- %
c. Schedule D, Part 2, Sec. 1			- %	- %
d. Schedule D, Part 2, Sec. 2			- %	- %
e. Schedule B			- %	- %
f. Schedule A			- %	- %
g. Schedule BA, Part 1			- %	- %
h. Schedule DL, Part 1	42,880,694	42,880,694	1.4%	1.4%
i. Other			%	%
j. Total Collateral Assets (a+b+c+d+e+f+g+i)	\$ 42,880,694	\$ 42,880,694	1.4%	1.4%

- * Column 1 divided by Asset Page, Line 26 (Column 1)
- ** Column 1 divided by Asset Page, Line 26 (Column 3)

	1 Amount	2 % of Liability to Total Liabilities
k. Recognized Obligation to Return Collateral Asset	\$ 42,880,694	3.1%

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

NOTES TO FINANCIAL STATEMENTS**Note 5 – Investments (continued from preceding page)**

M. Working Capital Finance Investments

Not Applicable

N. Offsetting and Netting of Assets and Liabilities

Not Applicable

O. Structured Notes

Not Applicable

P. 5* Securities

Not Applicable

Q. Short Sales

Not Applicable

R. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
(1) Number of CUSIPs	16	-
(2) Aggregate Amount of Investment Income	\$ 433,084	\$ -

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable

Note 7 – Investment Income

A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:

The Company non-admits investment income due and accrued if the amounts are over 90 days past due.

B. The total amount excluded:

There were no accrued investment income amounts over 90 days past due as of December 31, 2017, or as of December 31, 2016.

Note 8 – Derivative Instruments

Not Applicable

Note 9 – Income Taxes

A. Deferred Tax Assets/(Liabilities)

1. Components of Net Deferred Tax Asset/(Liability)

	2017			2016			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 24,453,000	\$ 3,032,000	\$ 27,485,000	\$ 47,597,000	\$ 4,726,000	\$ 52,323,000	\$(23,144,000)	\$ (1,694,000)	\$(24,838,000)
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$ 24,453,000	\$ 3,032,000	\$ 27,485,000	\$ 47,597,000	\$ 4,726,000	\$ 52,323,000	\$(23,144,000)	\$ (1,694,000)	\$(24,838,000)
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 24,453,000	\$ 3,032,000	\$ 27,485,000	\$ 47,597,000	\$ 4,726,000	\$ 52,323,000	\$(23,144,000)	\$ (1,694,000)	\$(24,838,000)
f. Deferred tax liabilities	1,391,000	118,802,000	120,193,000	7,504,000	138,779,000	146,283,000	(6,113,000)	(19,977,000)	(26,090,000)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 23,062,000	\$(115,770,000)	\$(92,708,000)	\$ 40,093,000	\$(134,053,000)	\$(93,960,000)	\$(17,031,000)	\$ 18,283,000	\$ 1,252,000

NOTES TO FINANCIAL STATEMENTS**Note 9 – Income Taxes (continued from preceding page)**

2. Admission Calculation Components SSAP No. 101

	1	2017 2	3 (Col 1+2) Total	4	2016 5	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	Change 8 (Col 2-5) Capital	9 (Col 7+8) Total
	Ordinary	Capital		Ordinary	Capital				
a. Federal income taxes paid in prior years recoverable through loss carrybacks	24,453,000		24,453,000	43,228,000		43,228,000	(18,775,000)		(18,775,000)
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:				3,131,000		3,131,000	(3,131,000)		(3,131,000)
Adjusted gross deferred tax assets expected to be realized following the balance sheet date	24,453,000		24,453,000	46,359,000		46,359,000	(21,906,000)		(21,906,000)
Adjusted gross deferred tax assets allowed per limitation threshold			255,630,349			242,797,765			12,832,584
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities		3,032,000	3,032,000	1,238,000	4,726,000	5,964,000	(1,238,000)	(1,694,000)	(2,932,000)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c)	24,453,000	3,032,000	27,485,000	47,597,000	4,726,000	52,323,000	(23,144,000)	(1,694,000)	(24,838,000)

3. Other Admissibility Criteria

	2017	2016
a. Ratio percentage used to determine recovery period and threshold limitation amount	937.0%	1,118.6%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	1,779,872,466	1,618,651,765

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

	12/31/2017		12/31/2016		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	24,453,000	3,032,000	47,597,000	4,726,000	(23,144,000)	(1,694,000)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	- %	- %	- %	- %	- %	- %
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	24,453,000	3,032,000	47,597,000	4,726,000	(23,144,000)	(1,694,000)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	- %	- %	- %	- %	- %	- %

(b) Does the company's tax planning strategies include the use of reinsurance? NO

NOTES TO FINANCIAL STATEMENTS**Note 9 – Income Taxes (continued from preceding page)**

B. Deferred Tax Liabilities Not Recognized

Not Applicable

C. Current and Deferred Income Taxes

The Tax Cuts and Jobs Act was enacted on December 22, 2017. The Act reduces the U.S. federal corporate tax rate from 35% to 21%, requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously not recognized by the Company and creates new taxes on certain foreign source earnings. As of December 31, 2017, the Company has made a reasonable estimate of the accounting impact on the existing deferred tax balances. A net provisional benefit of \$61,970,000 is included as a separate component of gains and losses in unassigned funds (surplus).

1. Current Income Tax

	1	2	3
	2017	2016	(Col 1-2) Change
a. Federal	\$ (38,939,412)	\$ 28,149,182	\$ (67,088,594)
b. Foreign	7,715,257	9,862,489	(2,147,232)
c. Subtotal	(31,224,155)	38,011,671	(69,235,826)
d. Federal income tax on net capital gains	17,204,000	231,000	16,973,000
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and Foreign income taxes incurred	\$ (14,020,155)	\$ 38,242,671	\$ (52,262,826)

2. Deferred Tax Assets

	1	2	3
	2017	2016	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 2,883,000	\$ 5,209,000	\$ (2,326,000)
2. Unearned premium reserve	15,638,000	24,856,000	(9,218,000)
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted	875,000	1,103,000	(228,000)
11. Net operating loss carry-forward			
12. Tax credit carry-forward	500,000	6,243,000	(5,743,000)
13. Other (items <5% of total ordinary tax assets)	4,557,000	10,186,000	(5,629,000)
Other (items >=5% of total ordinary tax assets)			
99. Subtotal	\$ 24,453,000	\$ 47,597,000	\$ (23,144,000)
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	24,453,000	47,597,000	(23,144,000)
e. Capital:			
1. Investments	3,032,000	4,726,000	(1,694,000)
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <5% of total capital tax assets)			
Other (items >=5% of total capital tax assets)			
5.			
99. Subtotal	\$ 3,032,000	\$ 4,726,000	\$ (1,694,000)
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	3,032,000	4,726,000	(1,694,000)
i. Admitted deferred tax assets (2d+2h)	\$ 27,485,000	\$ 52,323,000	\$ (24,838,000)

NOTES TO FINANCIAL STATEMENTS**Note 9 – Income Taxes (continued from preceding page)**

3. Deferred Tax Liabilities

	1	2	3
	2017	2016	(Col 1-2) Change
a. Ordinary:			
1. Investments	\$ -	\$ -	\$ -
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <5% of total ordinary tax liabilities)	1,391,000	7,504,000	(6,113,000)
Other (items >=5% of total ordinary tax liabilities)			
6.			
99. Subtotal	\$ 1,391,000	\$ 7,504,000	\$ (6,113,000)
b. Capital:			
1. Investments	118,802,000	138,779,000	(19,977,000)
2. Real estate			
3. Other (items <5% of total capital tax liabilities)			
Other (items >=5% of total capital tax liabilities)			
4.			
99. Subtotal	\$ 118,802,000	\$ 138,779,000	\$ (19,977,000)
c. Deferred tax liabilities (3a99+3b99)	\$ 120,193,000	\$ 146,283,000	\$ (26,090,000)
4. Net Deferred Tax Assets (2i – 3c)	\$ (92,708,000)	\$ (93,960,000)	\$ 1,252,000

The Company has remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21% due to the Tax Cuts and Jobs Act. The Company is still analyzing certain aspects of the Act and refining the calculations, the provisional amount recorded related to the remeasurement of the deferred tax balance was \$(75,103,000) included in the change in unrealized gains and \$13,133,000 included in the change in net deferred income tax.

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	\$ (10,839,779)	35.0%
Proration of tax exempt investment income	844,000	(2.7)%
Tax exempt income deduction	(1,719,000)	5.6%
Dividends received deduction	(3,729,000)	12.0%
Disallowed travel and entertainment	8,000	%
Other permanent differences	1,275,624	(4.1)%
Temporary Differences:		
Total ordinary DTAs	2,253,000	(7.4)%
Total ordinary DTLs		- %
Total capital DTAs		- %
Total capital DTLs		- %
Other:		
Statutory valuation allowance adjustment		- %
Accrual adjustment – prior year	(619,000)	2.0%
Effect of tax rate change	13,133,000	(42.4)%
Totals	606,845	(2.0)%
Federal and foreign income taxes incurred	(31,224,155)	100.8%
Realized capital gains (losses) tax	17,204,000	(55.6)%
Change in net deferred income taxes	14,627,000	(47.2)%
Total statutory income taxes	\$ 606,845	(2.0)%

E. Operating Loss Carryforwards and Income Taxes Available for Recoupment

At December 31, 2017, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

1. The amounts, origination dates and expiration dates of operating loss and tax credit carry forwards available for tax purposes:

Not Applicable

2. The following is income tax expense for current year and proceeding years that is available for recoupment in the event of future net losses:

Year	Amounts
2017	\$ 0
2016	\$ 301,460,000

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code is \$0.

NOTES TO FINANCIAL STATEMENTS**Note 9 – Income Taxes (continued from preceding page)**

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:

Factory Mutual Insurance Company (Parent)	FMIC Holdings, Inc.
Affiliated FM Insurance Company	TSB Loss Control Consultants, Inc.
Appalachian Insurance Company	Corporate Insurance Services, Inc.
Risk Engineering Insurance Company Limited	Watch Hill Insurance Company

2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:

The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled annually.

G. Federal or Foreign Federal Income Tax Loss Contingencies:

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of the Relationship Involved

All of the common stock outstanding of the Company is owned by FMIC Holdings, Inc. (Johnston, RI), which is a wholly-owned subsidiary of Factory Mutual Insurance Company, (NAIC #21482) Johnston, RI.

In addition to owning 100% of the common stock, FMIC Holdings, Inc. also owns 47,500 shares of the 7% cumulative preferred stock (\$100 par value) outstanding of the Company. Appalachian Insurance Company, a wholly-owned subsidiary of FMIC Holdings, Inc. owns 25,000 shares of the 7% cumulative preferred stock (\$100 par value) outstanding of the Company.

B. Transactions

The Company lists its transactions with affiliates on Schedule Y Part 2. There were no non-insurance transactions between the Company and any affiliates, which exceeded one-half of 1% of admitted assets.

C. Dollar Amounts of Transactions and Changes in Terms of Intercompany Agreements

Not Applicable

D. Amounts Due From or To Related Parties

The amounts reported due to (from) affiliates are as follows:

Affiliate	2017	2016
Factory Mutual Insurance Company (Parent)	\$3,030,352	\$70,007,201
FM Insurance Company Ltd	(2,748,667)	(3,158,529)
FM Global de Mexico S.A. de C.V.	(262,230)	594,625
Total	\$19,455	\$67,443,297

Settlement terms/procedures are 60 days or 90 days from the end of each quarter.

E. Guarantees or Undertakings

Not Applicable

F. Material Management or Service Contracts and Cost-Sharing Arrangements

The Company receives certain accounting, management and other services from its parent Factory Mutual Insurance Company (NAIC#21482). Management fees are charged as part of a cost sharing agreement approved by the state of domicile.

G. Nature of the Control Relationship That Could Affect Operations

The Company is owned by FMIC Holdings Inc., a wholly owned subsidiary of Factory Mutual Insurance Company (NAIC #21482).

H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned

Not Applicable

I. Investments in SCA that Exceed 10% of Admitted Assets

Not Applicable

J. Investments in Impaired SCAs

Not Applicable

K. Investment in Foreign Insurance Subsidiary

Not Applicable

NOTES TO FINANCIAL STATEMENTS**Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties (continued from preceding page)**

L. Investment in Downstream Noninsurance Holding Company

Not Applicable

M. All SCA Investments

Not Applicable

N. Investment in Insurance SCAs

Not Applicable

Note 11 – Debt

Not Applicable

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

A. Defined Benefit Plan

The Company has no employees. All services necessary for functioning of the Company are provided by its parent, Factory Mutual Insurance Company (NAIC #21482), pursuant to a management and services agreement, which provides for compensatory expense allocations. Included in the expense allocations were amounts related to non-contributory retirement income plans and postretirement benefit plans sponsored by Factory Mutual Insurance Company. Refer to Note 12G for the amounts and allocation methodology.

B. Investment Policies and Strategies

Not Applicable

C. Fair Value of Plan Assets

Not Applicable

D. Basis Used to Determine Expected Long-Term Rate-of-Return

Not Applicable

E. Defined Contribution Plans

The Company has no employees. All services necessary for functioning of the Company are provided by its parent, Factory Mutual Insurance Company (NAIC #21482), pursuant to a management and services agreement, which provides for compensatory expense allocations. Included in the expense allocations were amounts related to savings plans sponsored by Factory Mutual Insurance Company. Refer to Note 12G for the amount and allocation methodology.

F. Multiemployer Plans

Not Applicable

G. Consolidated/Holding Company Plans

As stated above in Note 12A and Note 12E, the Company has no employees. All services necessary for functioning of the Company are provided by its parent, Factory Mutual Insurance Company (NAIC #21482), pursuant to a management and services agreement, which provides for compensatory expense allocations. Included in the expense allocations were amounts for defined benefit plans and defined contribution plans sponsored by Factory Mutual Insurance Company, as follows:

The net expense allocated to the Company related to defined benefit plans was \$6,525,240 in 2017 and \$5,080,542 in 2016.

The net expense allocated to the Company related to defined contribution plans was \$2,556,000 in 2017 and \$2,508,000 in 2016.

The net expense incurred by the Company for these plans is based on the percentage allocations per the intercompany pooling agreement discussed below in Note 26. The Company has no legal obligation for benefits under the plans.

H. Postemployment Benefits and Compensated Absences

Not Applicable

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

Not Applicable

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

(1) Number of Share and Par or State Value of Each Class

All of the common stock, 80,000 shares (\$50 par value), is owned by FMIC Holdings, Inc. (Johnston, RI), which is a wholly-owned subsidiary of Factory Mutual Insurance Company, (NAIC #21482) Johnston, RI.

The Company has outstanding 72,500 shares of 7% cumulative preferred stock.

Detailed support is shown on Schedule Y Part 1.

NOTES TO FINANCIAL STATEMENTS**Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations (continued from preceding page)**

- (2) Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues

7% Cumulative

- (3) Dividend Restrictions

The maximum amount of dividends, which can be paid by State of Rhode Island insurance companies to shareholders without prior approval of the Insurance Commissioner, is subject to restrictions relating to statutory surplus and net income. The maximum dividend payout which may be made without prior approval is the lesser of:

- a. 10% of surplus as regards policyholders as of the 31st day of December next preceding, or
- b. Net income, not including realized gains, for the twelve month period ending the 31st day of December next preceding, but shall not include pro rata distributions of any class of the insurer's own securities.

For 2017, the maximum dividend payout that could have been made without prior approval was \$82,988,152. For 2018, the maximum dividend payout that may be made without prior approval is \$0.

- (4) Dates and Amounts of Dividends Paid

There were ordinary dividends of \$175,000 and \$332,500 to Appalachian Insurance Company and FMIC Holdings, Inc., respectively, during 2017.

- (5) Profits that may be Paid as Ordinary Dividends to Stockholders

Not Applicable

- (6) Restrictions Plans on Unassigned Funds (Surplus)

Not Applicable

- (7) Amount of Advances to Surplus not Repaid

Not Applicable

- (8) Amount of Stock Held for Special Purposes

Not Applicable

- (9) Reasons for Changes in Balance of Special Surplus Funds from Prior Period

Not Applicable

- (10) The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is:
- \$536,455,000
- .

- (11) The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations

Not Applicable

- (12) The impact of any restatement due to prior quasi-reorganizations is as follows

Not Applicable

- (13) Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization

Not Applicable

Note 14 – Liabilities, Contingencies and Assessments

- A. Contingent Commitments

Not Applicable

- B. Assessments

- (1) Nature of Any Assets That Could Have a Material Financial Effect

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Insurance company insolvencies in states where the Company writes business may result in guaranty fund assessments on future premiums.

The Company has accrued a liability for guaranty fund and other assessments of \$150,000 and a related premium tax benefit asset of \$43,000.

The amount recorded represents management's best estimates based on information received from the states in which the company writes business. The liability is included in the taxes, licenses and fees liability and will be paid in the next year. The asset is included in the guaranty funds receivable asset and is expected to be realized over the five to ten years following payment.

At times, the Company has the ability to recover a portion of the accrued liability through policyholder surcharges. As of December 31, 2017, the asset related to policyholder surcharges, which appears within Page 2 line 25, is \$79,000.

NOTES TO FINANCIAL STATEMENTS**Note 14 – Liabilities, Contingencies and Assessments (continued from preceding page)**

(2) Assets Recognized From Paid and Accrued Premium Tax Offsets and Policy Surcharges

a.	Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year –end	\$	51,000
b.	Decreases current year:	Premium tax offset applied	\$ 8,800
c.	Increases current year:	Premium tax credits generated	\$ 800
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	\$	43,000

(3) Undiscounted and Discounted Guaranty Fund Assessments

Not Applicable

C. Gain Contingencies

Not Applicable

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

Not Applicable

E. Product Warranties

Not Applicable

F. Joint and Several Liabilities

Not Applicable

G. All Other Contingencies

At December 31, 2017 and 2016 the Company had admitted premiums receivable assets of \$143,778,092 and \$130,762,771, respectively, in premiums receivable due from policyholders, agents and ceding insurers. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectible premium receivables as of December 31, 2017 are not expected to exceed the nonadmitted amount totaling \$4,433,044, and therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company has no asset that is considered impaired.

Note 15 – Leases

Not Applicable

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not Applicable

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

A. Transfers of Receivables Reported as Sales

Not Applicable

B. Transfer and Servicing of Financial Assets

(1) Description of any Loaned Securities

Under a securities lending program with an agent, the Company has temporarily loaned certain debt securities with a fair value of \$60,340,843 and \$75,870,721 at December 31, 2017 and December 31, 2016, respectively. Borrowers of these securities must deposit an amount of cash and/or securities equal to 102% of the fair value of domestic securities or 105% of foreign securities. The Company continues to receive the interest on the loaned debt securities as a beneficial owner, and the loaned debt securities are included in the investment portfolio of the Company. The agent holds any securities pledged as collateral in trust for the borrower, and invests any cash collateral pledged in high quality short term securities. There are no collateral transactions that extend beyond one year.

(2) Servicing Assets and Servicing Liabilities

Not Applicable

(3) When Servicing Assets and Liabilities are Measured at Fair Value

Not Applicable

(4) Securitizations, Asset-Based Financing Arrangements and Similar Transfers Accounted for as Sales

Not Applicable

(5) Disclosure Requirements for Transfers of Assets Accounted for as Secured Borrowing

Not Applicable

NOTES TO FINANCIAL STATEMENTS**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities (continued from preceding page)**

- (6) Transfer of Receivables with Recourse

Not Applicable

- (7) Securities Underlying Repurchase and Reverse Repurchase Agreements, Dollar Repurchase and Dollar Reverse Repurchase Agreements

Not Applicable

- C. Wash Sales

Not Applicable

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

Not Applicable

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

Not Applicable

Note 20 – Fair Value Measurements

- A. Fair Value Measurements

- (1) Fair Value Measurements at Reporting Date

The Company categorizes its invested assets that are measured at fair value into the three-level fair value hierarchy. Item 4 provides a discussion of each of these three levels.

	Level 1	Level 2	Level 3	Total	Net Asset Value (NAV) Included in Level 2
Assets at Fair Value					
Bonds	\$ -	\$ 1,101,375	\$ -	\$ 1,101,375	\$ -
Common Stocks - Industrial & Miscellaneous	\$ 1,273,444,391	\$ -	\$ -	\$ 1,273,444,391	\$ -
Mutual Funds	\$ 83,851,050	\$ -	\$ -	\$ 83,851,050	\$ -
Cash Equivalents	\$ 165,483,873	\$ -	\$ -	\$ 165,483,873	\$ -
Total	\$ 1,522,779,314	\$ 1,101,375	\$ -	\$ 1,523,880,689	\$ -
Liabilities at Fair Value					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -

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

The Company has no assets measured at fair value in the Level 3 category.

- (3) Policies when Transfers Between Levels are Recognized

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. The Company has no assets measured at fair value in the Level 3 category.

- (4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

The valuation techniques required by the Fair Value Measurements guidance (SSAP 100) are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions.

These two types of inputs create the following fair value hierarchy:

- Level 1 Quoted prices for identical instruments in active markets
- Level 2 Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable
- Level 3 Significant inputs to the valuation model are unobservable

The Company retains independent pricing vendors to assist in valuing invested assets when the prices are not available from the SVO.

When available, the Company uses quoted market prices to determine the fair value of investment securities, and they are included in Level 1.

When quoted market prices are unavailable, the Company uses quotes from independent pricing vendors based on recent trading activity and other relevant information, including market interest rate curves, referenced credit spreads and estimated prepayment rates, where applicable. These investments are included in Level 2 and are primarily comprised of fixed income securities which are NAIC rated 3 or below.

In infrequent circumstances, the pricing is not available from the pricing vendor and is based on significant unobservable inputs. In those circumstances, the investment security is classified in Level 3. There are no Level 3 investments at reporting date.

NOTES TO FINANCIAL STATEMENTS**Note 20 – Fair Value Measurements (continued from preceding page)**

(5) Derivative Fair Value Disclosures

Not Applicable

B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

Not Applicable

C. Fair Value Level

The table below reflects the fair value and admitted values of all admitted values of all admitted assets and liabilities that are financial instruments. The fair values are also categorized into the three-level fair value hierarchy as described in Note 20A.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)	Net Asset Value (NAV) Included in Level 2
Bonds	\$1,377,765,326	\$ 1,368,166,033	\$ -	\$ 1,368,166,033	\$ -	\$ -	\$ -
Common Stocks	\$1,357,295,441	\$ 1,357,295,441	\$ 1,357,295,441	\$ -	\$ -	\$ -	\$ -
Cash and Cash Equivalents	\$ 194,672,988	\$ 194,672,988	\$ 194,672,988	\$ -	\$ -	\$ -	\$ -
Securities Lending Reinvested Collateral Assets	\$ 42,880,694	\$ 42,880,694	\$ 42,880,694	\$ -	\$ -	\$ -	\$ -
Total	\$2,972,614,449	\$ 2,963,015,156	\$ 1,594,849,123	\$ 1,368,166,033	\$ -	\$ -	\$ -

D. Not Practicable to Estimate Fair Value

Not Applicable

Note 21 – Other Items

A. Unusual or Infrequent Items

Not Applicable

B. Troubled Debt Restructuring Debtors

Not Applicable

C. Other Disclosures

The Company records Canadian activity in Canadian dollars in the Annual Statement. The net balance of Canadian assets and liabilities which represent a portion of the Company's surplus, is adjusted to U.S. dollars through the "change in net unrealized foreign exchange" adjustment line on page 4, line 25. This has the effect of converting total surplus to U.S. Dollars.

D. Business Interruption Insurance Recoveries

Not Applicable

E. State Transferable and Non-Transferable Tax Credits

Not Applicable

F. Subprime Mortgage Related Risk Exposure

(1) Description of the Subprime-Mortgage-Related Exposure and Related Risk Management Policies

The Company defines its exposure to sub prime mortgage related risk by considering securities with a weighted average FICO/Credit score of less than 660 to be sub prime. The company monitors the underlying collateral performance of these securities via monthly trustee reports, Bloomberg performance data and Rating Agency performance reports. The company has minimal exposure to sub prime securities and has no plans to increase its holding in sub prime securities at this time. This exposure will not materially affect the Company's unrealized losses or anticipated cash flows.

(2) Direct Exposure Through Investments in Subprime Mortgage Loans

Not Applicable

(3) Direct Exposure Through Other Investments

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$ 624,680	\$ 720,982	\$ 1,194,497	\$
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*				
f. Other assets				
g. Total	\$ 624,680	\$ 720,982	\$ 1,194,497	\$

* These investments comprise 0 % of the company's invested assets.

NOTES TO FINANCIAL STATEMENTS**Note 21 – Other Items (continued from preceding page)**

- (4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage

Not Applicable

- G. Insurance-Linked Securities (ILS) Contracts

Not Applicable

Note 22 – Events Subsequent

Subsequent events have been considered through February 22, 2018 for these statutory financial statements which are to be issued February 22, 2018. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

- A. - H. The Company does not write health insurance policies, and therefore is not subject to Section 9010 of the Affordable Care Act.

Note 23 – Reinsurance

- A. Unsecured Reinsurance Recoverables

Not Applicable

- B. Reinsurance Recoverable in Dispute

Not Applicable

- C. Reinsurance Assumed and Ceded

- (1) Maximum Amount of Return Commission

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 2,518,565	\$ 131,030	\$ 5,566,000	\$ 1,113,200	\$ (3,047,435)	\$ (982,170)
b. All Other	290,435	19,975	40,874,000	7,073,894	(40,583,565)	(7,053,919)
c. Total	\$ 2,809,000	\$ 151,005	\$ 46,440,000	\$ 8,187,094	\$ (43,631,000)	\$ (8,036,089)
d. Direct Unearned Premium Reserves						\$ 427,468,173

- (2) Additional or Return Commission

Not Applicable

- (3) Types of Risks Attributed to Protected Cell

Not Applicable

- D. Uncollectible Reinsurance

- (1) The Company has written off in the current year reinsurance balance dues (from the companies listed below) in the amount of \$135,523 which is reflected as:

a. Losses incurred	\$ 135,523
b. Loss adjustment expenses incurred	\$ -
c. Premiums earned	\$ -
d. Other	\$ -
e. Company	Amount
Clearwater Insurance Company	\$ 135,523

- E. Commutation of Ceded Reinsurance

Not Applicable

- F. Retroactive Reinsurance

Not Applicable

- G. Reinsurance Accounted for as a Deposit

Not Applicable

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

Not Applicable

- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not Applicable

- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not Applicable

NOTES TO FINANCIAL STATEMENTS**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

Not Applicable

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

A. Change in Incurred Losses and Loss Adjustment Expenses

As a result of changes in estimates of insured events related to prior years, the provision for losses and loss adjustment expenses decreased by \$33,505,000. The decrease in the prior years was primarily due to the reduction of incurred-but-not-reported (IBNR) reserves based on actual experience and decreases on a small number of individual losses.

No additional premiums or return of premiums have been accrued as a result of prior year effects.

B. Information about Significant Changes in Methodologies and Assumptions

Not Applicable

Note 26 – Intercompany Pooling Arrangements

A. Identification of the Lead Entity and all Affiliated Entities Participating in the Intercompany Pool

Lead Entity and all Affiliated Entities	NAIC Company Code	Pooling Percentage
Factory Mutual Insurance Company (lead insurer)	21482	86.0%
Affiliated FM Insurance Company	10014	12.0%
Appalachian Insurance Company	10316	2.0%

The percentages represent the policyholder's surplus of each company compared to the combined policyholder's surplus for the three companies.

B. Description of Lines and Types of Business Subject to the Pooling Agreement

The parties agreed to pool net premiums earned, net losses and loss adjustment expenses incurred, and other underwriting expenses incurred. Each company agreed to cede and/or assume from the others that amount of net premium earned, reported in the NAIC Annual Statement, Page 4, Line 1, less that amount of dividends to policyholders reported on Page 4, Line 17, net losses and loss adjustment expenses incurred included in the NAIC Annual Statement, Page 4 Lines 2 and 3 and other underwriting expenses incurred reported in the NAIC Annual Statement, Page 4, Line 4, required to bring its share to the agreed upon percentage of the total. Also, premiums and losses that are assumed and ceded pursuant to stop loss reinsurance treaties between Factory Mutual Insurance Company (Asia Pacific branches) and Affiliated FM Insurance Company, and pursuant to an intercompany reinsurance agreement between the Canadian branches of Factory Mutual Insurance Company and Affiliated FM Insurance Company, are excluded from the intercompany pooling agreement.

The pooling activity is recorded and settled as current accident and occurrence year transactions for Schedule P reporting purposes. The pooling results are considered as written and earned in the current accident year. The pooling results of losses and loss adjustment expenses paid and incurred are reflected in the current occurrence year.

C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement

Reinsurance may be externally ceded on a facultative and/or treaty basis by any pool participant prior to pooling.

D. Identification of all Pool Members that are Parties to Reinsurance Agreements with Non-Affiliated Reinsurers

Each pool participant has a contractual right of direct recovery from its own external reinsurers.

E. Explanation of Discrepancies Between Entries of Pooled Business

There are no discrepancies between the assumed and ceded reinsurance schedules of the pool participants.

F. Description of Intercompany Sharing of the Provision for Reinsurance

Each pool participant establishes its respective provision for reinsurance in Schedule F and the write-off of uncollectible reinsurance for its own facultative and treaty cessions.

G. Amounts Due To/From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool

Name of Insurer	Amounts Receivable	Amounts Payable
Factory Mutual Insurance Company (lead insurer)	\$147,618,146	\$32,706,547
Affiliated FM Insurance Company	\$15,723,617	\$116,623,410
Appalachian Insurance Company	\$16,982,930	\$30,994,736

Note 27 – Structured Settlements

Not Applicable

Note 28 – Health Care Receivables

Not Applicable

Note 29 – Participating Policies

Not Applicable

NOTES TO FINANCIAL STATEMENTS**Note 30 – Premium Deficiency Reserves**

The Company evaluated whether a premium deficiency reserve is required as of December 31, 2017 and determined that a premium deficiency reserve is not applicable.

The Company does not anticipate investment income when evaluating the need for a premium deficiency reserve.

1. Liability carried for premium deficiency reserve: \$0
2. Date of most recent evaluation of this liability: February 8, 2018
3. Was anticipated investment income utilized in the calculation? Yes [] No [X]

Note 31 – High Deductibles

Not Applicable

Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

Not Applicable

Note 33 – Asbestos/Environmental Reserves

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

The Company has potential exposure involving asbestos, environmental impairment liability, and other types of tort-related claims, which applies only to the casualty and assumed reinsurance business now in runoff. Management has indicated that liabilities are recognized for known claims (including the cost of related litigation) when sufficient information has been developed to indicate the involvement of a specific insurance policy, and the Company's liabilities can be reasonably estimated. Additional reserves for such claims are established to cover further exposures on both known and unasserted claims based on facts currently known and the present state of the law and coverage litigation. The reserves for these types of claims are included in the foregoing loss and loss adjustment expense reserves and are subject to considerable uncertainty, due to the potential severity of the claims and the uncertain legal climate.

(1) Direct - Asbestos

	2013	2014	2015	2016	2017
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 161,492,000	\$ 165,794,000	\$ 153,322,000	\$ 249,498,000	\$ 239,716,000
b. Incurred losses and loss adjustment expense	24,000,000	2,000	105,000,000	-	430,000
c. Calendar year payments for losses and loss adjustment expenses	19,698,000	12,474,000	8,824,000	9,782,000	4,535,000
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 165,794,000	\$ 153,322,000	\$ 249,498,000	\$ 239,716,000	\$ 235,611,000

(2) Assumed Reinsurance - Asbestos

	2013	2014	2015	2016	2017
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ -	\$ -	\$ -	\$ -	\$ -
b. Incurred losses and loss adjustment expense					
c. Calendar year payments for losses and loss adjustment expenses					
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ -	\$ -	\$ -	\$ -	\$ -

(3) Net of Ceded Reinsurance - Asbestos

	2013	2014	2015	2016	2017
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 77,596,000	\$ 69,330,000	\$ 65,598,000	\$ 115,194,000	\$ 116,101,000
b. Incurred losses and loss adjustment expense	633,000	2,722,000	55,792,000	4,205,000	8,067,000
c. Calendar year payments for losses and loss adjustment expenses	8,899,000	6,454,000	6,196,000	3,298,000	2,686,000
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 69,330,000	\$ 65,598,000	\$ 115,194,000	\$ 116,101,000	\$ 121,482,000

- B. State the amount of the ending reserves for Bulk and IBNR included in A (Loss and LAE)

(1) Direct basis	\$ 205,388,000
(2) Assumed reinsurance basis	-
(3) Net of ceded reinsurance basis	\$ 107,258,000

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

(1) Direct basis	\$ 32,014,000
(2) Assumed reinsurance basis	-
(3) Net of ceded reinsurance basis	\$ 22,304,000

NOTES TO FINANCIAL STATEMENTS**Note 33 – Asbestos/Environmental Reserves (continued from preceding page)**

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

The Company has potential exposure involving asbestos, environmental impairment liability, and other types of tort-related claims, which applies only to the casualty and assumed reinsurance business now in runoff. Management has indicated that liabilities are recognized for known claims (including the cost of related litigation) when sufficient information has been developed to indicate the involvement of a specific insurance policy, and the Company's liabilities can be reasonably estimated. Additional reserves for such claims are established to cover further exposures on both known and unasserted claims based on facts currently known and the present state of the law and coverage litigation. The reserves for these types of claims are included in the foregoing loss and loss adjustment expense reserves and are subject to considerable uncertainty, due to the potential severity of the claims and the uncertain legal climate

(1) Direct - Environmental

	2013	2014	2015	2016	2017
a. Beginning reserves	\$ 36,136,000	\$ 37,609,000	\$ 35,992,000	\$ 31,404,000	\$ 30,736,000
b. Incurred losses and loss adjustment expense	3,000,000	-	(4,000,000)		12,564,000
c. Calendar year payments for losses and loss adjustment expenses	1,527,000	1,617,000	588,000	668,000	539,000
d. Ending reserves	\$ 37,609,000	\$ 35,992,000	\$ 31,404,000	\$ 30,736,000	\$ 42,761,000

(2) Assumed Reinsurance - Environmental

	2013	2014	2015	2016	2017
a. Beginning reserves	\$ -	\$ -	\$ -	\$ -	\$ -
b. Incurred losses and loss adjustment expense					
c. Calendar year payments for losses and loss adjustment expenses					
d. Ending reserves	\$ -	\$ -	\$ -	\$ -	\$ -

(3) Net of Ceded Reinsurance - Environmental

	2013	2014	2015	2016	2017
a. Beginning reserves	\$ 15,574,000	\$ 24,028,000	\$ 19,178,000	\$ 15,383,000	\$ 12,960,000
b. Incurred losses and loss adjustment expense	9,118,000	(3,282,000)	(3,308,000)	(1,990,000)	(24,000)
d. Calendar year payments for losses and loss adjustment expenses	664,000	1,568,000	487,000	433,000	539,000
d. Ending reserves	\$ 24,028,000	\$ 19,178,000	\$ 15,383,000	\$ 12,960,000	\$ 12,397,000

- E. State the amount of the ending reserves for Bulk and IBNR included in D (Loss and LAE)

(1) Direct basis	\$ 38,855,000
(2) Assumed reinsurance basis	-
(3) Net of ceded reinsurance basis	\$ 10,666,000

- F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk and IBNR)

(1) Direct basis	\$ 12,033,000
(2) Assumed reinsurance basis	-
(3) Net of ceded reinsurance basis	\$ 2,210,000

Note 34 – Subscriber Savings Accounts

Not Applicable

Note 35 – Multiple Peril Crop Insurance

Not Applicable

Note 36 – Financial Guaranty Insurance

Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State regulating? Rhode Island
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2017
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2012
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 01/10/2014
- 3.4 By what department or departments?
Rhode Island Division of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
- 7.21 State the percentage of foreign control _____ %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes No
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP 200 Clarendon Street, Boston, MA 02116
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes No
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes No
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes No N/A
- 10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Kathleen Odomirok, FCAS, MAAA - Principal, Ernst & Young LLP 200 Clarendon Street, Boston, MA 02116
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved 0
- 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If yes, provide explanation
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
			\$

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 0
- 20.12 To stockholders not officers \$ 0
- 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ 0
- 20.22 To stockholders not officers 0
- 20.23 Trustees, supreme or grand (Fraternal only) 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ 0
- 21.22 Borrowed from others \$ 0
- 21.23 Leased from others \$ 0
- 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ 0
- 22.22 Amount paid as expenses \$ 0
- 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 3,030,352

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES****INVESTMENT**

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [] No [X]
- 24.02 If no, give full and complete information, relating thereto:
JP Morgan Worldwide Securities Services and RBC (Toronto) hold custody of the securities.
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).
The market value and collateral value of securities loaned as of year-end 2017 is \$60,340,843 and \$61,636,010 respectively. The amount of cash collateral on the balance sheet is \$42,880,694. See Note 17 for a description of the securities lending program.
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes [X] No [] N/A []
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 61,636,010
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [] N/A []
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [] N/A []
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 42,880,694
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 42,880,694
- 24.103 Total payable for securities lending reported on the liability page: \$ 42,880,694
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes [X] No []
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ 0
- 25.22 Subject to reverse repurchase agreements \$ 0
- 25.23 Subject to dollar repurchase agreements \$ 0
- 25.24 Subject to reverse dollar repurchase agreements \$ 0
- 25.25 Placed under option agreements \$ 0
- 25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ 0
- 25.27 FHLB Capital Stock \$ 0
- 25.28 On deposit with states \$ 5,155,716
- 25.29 On deposit with other regulatory bodies \$ 0
- 25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 0
- 25.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ 0
- 25.32 Other \$ 0
- 25.3 For category (25.26) provide the following:
- | 1
Nature of Restriction | 2
Description | 3
Amount |
|----------------------------|------------------|-------------|
| | | \$ |
- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 27.2 If yes, state the amount thereof at December 31 of the current year: \$ 0
28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []
- 28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:
- | 1
Name of Custodian(s) | 2
Custodian's Address |
|---|--|
| JP Morgan Worldwide Securities Services | 383 Madison Avenue, New York, NY |
| RBC Investor Services | 200 Bay Street, Toronto, Ontario, Canada |
- 28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation
- | 1
Name(s) | 2
Location(s) | 3
Complete Explanation(s) |
|--------------|------------------|------------------------------|
| | | |
- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]
- 28.04 If yes, give full and complete information relating thereto:
- | 1
Old Custodian | 2
New Custodian | 3
Date of Change | 4
Reason |
|--------------------|--------------------|---------------------|-------------|
| | | | |

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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

1 Name of Firm or Individual	2 Affiliation
Paul LaFleche, SVP Investments Manager	I
Daniel Richards VP, Portfolio Mgr Fixed Income	I
Scott Anthony, VP Sector Portfolio Mgr Fixed Income	I
Standish Mellon Asset Management	U
Blackrock Financial Management Inc	U

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
113972	Standish Mellon Asset Management	ME7YUCK4NF1W8VM8SP25	SEC	DS
107105	Blackrock Financial Management Inc	549300LVXY1VJKE13M84	SEC	DS

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

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
464287 50 7	ISHARES CORE S&P MIDCAP ETF	\$ 5,693,400
464287 80 4	ISHARES CORE S&P SMALL-CAP ETF	\$ 6,144,800
78464A 73 0	SPDR S&P O&G EXP&PRD	\$ 7,436,000
78464A 74 8	SPDR OIL & GAS EQUIP & SERV	\$ 11,991,000
78464A 78 9	SPDR S&P INSURANCE ETF	\$ 23,025,000
922042 71 8	VANGUARD INTL EQUITY ETF	\$ 11,326,850
922042 77 5	VANGUARD INTL EQUITY INDE	\$ 10,944,000
922042 86 6	VANGUARD PACIFIC ETF	\$ 7,290,000
29.2999	TOTAL	\$ 83,851,050

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
ISHARES CORE S&P MIDCAP ETF	Take-Two Interactive	\$ 41,049	12/31/2017
ISHARES CORE S&P MIDCAP ETF	SVB Financial Group	\$ 39,569	12/31/2017
ISHARES CORE S&P MIDCAP ETF	NVR Inc	\$ 39,171	12/31/2017
ISHARES CORE S&P MIDCAP ETF	MSCI Inc	\$ 36,893	12/31/2017
ISHARES CORE S&P MIDCAP ETF	Teleflex Inc	\$ 36,495	12/31/2017
ISHARES CORE S&P SMALL-CAP ETF	Nektar Therapeutics	\$ 71,157	12/31/2017
ISHARES CORE S&P SMALL-CAP ETF	Chemed Corp	\$ 30,970	12/31/2017
ISHARES CORE S&P SMALL-CAP ETF	Five Below Inc	\$ 30,601	12/31/2017
ISHARES CORE S&P SMALL-CAP ETF	Healthcare Seervices Group	\$ 29,741	12/31/2017
ISHARES CORE S&P SMALL-CAP ETF	Cantel Medical Corp	\$ 29,188	12/31/2017
SPDR S&P O&G EXP&PRD	Marathon Oil Corp	\$ 154,818	12/31/2017
SPDR S&P O&G EXP&PRD	Carrizo Oil & Gas inc	\$ 154,000	12/31/2017
SPDR S&P O&G EXP&PRD	Parsley Energy Inc	\$ 153,702	12/31/2017
SPDR S&P O&G EXP&PRD	PDC Energy Inc	\$ 153,405	12/31/2017
SPDR S&P O&G EXP&PRD	Noble Energy Inc	\$ 152,364	12/31/2017
SPDR OIL & GAS EQUIP & SERV	Noble Corp plc	\$ 422,683	12/31/2017
SPDR OIL & GAS EQUIP & SERV	Oceaneering International	\$ 419,685	12/31/2017
SPDR OIL & GAS EQUIP & SERV	Ensco PLC	\$ 416,447	12/31/2017
SPDR OIL & GAS EQUIP & SERV	Nabors Industries Ltd	\$ 415,848	12/31/2017
SPDR OIL & GAS EQUIP & SERV	Rowan Cos Plc	\$ 413,570	12/31/2017
SPDR S&P INSURANCE ETF	Everest Re Group Ltd	\$ 529,805	12/31/2017
SPDR S&P INSURANCE ETF	First American Financial	\$ 521,056	12/31/2017
SPDR S&P INSURANCE ETF	American Financial Group	\$ 517,602	12/31/2017
SPDR S&P INSURANCE ETF	Loews Corp	\$ 516,221	12/31/2017
SPDR S&P INSURANCE ETF	American International	\$ 514,839	12/31/2017

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

VANGUARD INTL EQUITY ETF	Clayton Williams Energy	\$	281,019	12/31/2017
VANGUARD INTL EQUITY ETF	RSP Permian Inc	\$	228,463	12/31/2017
VANGUARD INTL EQUITY ETF	Marathon Petroleum	\$	226,537	12/31/2017
VANGUARD INTL EQUITY ETF	Chevron Corp	\$	226,084	12/31/2017
VANGUARD INTL EQUITY ETF	Exxon Mobil Corp	\$	225,631	12/31/2017
VANGUARD INTL EQUITY INDE	Tencent Holding Ltd	\$	134,392	12/31/2017
VANGUARD INTL EQUITY INDE	Nestle SA	\$	130,343	12/31/2017
VANGUARD INTL EQUITY INDE	Novartis AG	\$	99,153	12/31/2017
VANGUARD INTL EQUITY INDE	HSBC Holdings PLC	\$	98,277	12/31/2017
VANGUARD INTL EQUITY INDE	Samsung Electronics Corp	\$	87,661	12/31/2017
VANGUARD PACIFIC ETF	Samsung Electronics Corp	\$	218,263	12/31/2017
VANGUARD PACIFIC ETF	Toyota Motor Corp	\$	160,234	12/31/2017
VANGUARD PACIFIC ETF	Commonwealth Bank	\$	101,768	12/31/2017
VANGUARD PACIFIC ETF	AIA Group Ltd	\$	95,572	12/31/2017
VANGUARD PACIFIC ETF	Mitsubishi UFJ Financial	\$	88,865	12/31/2017

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

		1	2	3
		Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 1,368,166,033	\$ 1,377,765,326	\$ 9,599,293
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 1,368,166,033	\$ 1,377,765,326	\$ 9,599,293

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

Bonds and preferred stocks are priced by the SVO when available. When SVO pricing is not available, the securities are priced by our external pricing source, Interactive Data Pricing and Reference Data LLC.

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

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

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

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

32.2 If no, list exceptions:

33. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designation 5*GI security:

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

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

OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 106,730

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

1 Name	2 Amount Paid
AAIS SERVICES CORPORATION	\$ 40,716
WASHINGTON SURVEYING AND RATING BUREAU	\$ 37,977

35.1 Amount of payments for legal expenses, if any? \$ 0

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

1 Name	2 Amount Paid
	\$

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0

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

1 Name	2 Amount Paid
	\$

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?			Yes []	No [X]
1.2	If yes, indicate premium earned on U.S. business only.		\$		0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?		\$		0
1.31	Reason for excluding:				
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.		\$		0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.		\$		0
1.6	Individual policies:				
	Most current three years:				
1.61	Total premium earned		\$		0
1.62	Total incurred claims		\$		0
1.63	Number of covered lives				0
	All years prior to most current three years:				
1.64	Total premium earned		\$		0
1.65	Total incurred claims		\$		0
1.66	Number of covered lives				0
1.7	Group policies:				
	Most current three years:				
1.71	Total premium earned		\$		0
1.72	Total incurred claims		\$		0
1.73	Number of covered lives				0
	All years prior to most current three years:				
1.74	Total premium earned		\$		0
1.75	Total incurred claims		\$		0
1.76	Number of covered lives				0
2.	Health Test:				
		1		2	
		Current Year		Prior Year	
2.1	Premium Numerator	\$	0	\$	0
2.2	Premium Denominator	\$	442,216,791	\$	421,458,002
2.3	Premium Ratio (2.1/2.2)		0.0%		0.0%
2.4	Reserve Numerator	\$	0	\$	0
2.5	Reserve Denominator	\$	1,058,393,641	\$	1,024,116,167
2.6	Reserve Ratio (2.4/2.5)		0.0%		0.0%
3.1	Does the reporting entity issue both participating and non-participating policies?			Yes [X]	No []
3.2	If yes, state the amount of calendar year premiums written on:				
3.21	Participating policies		\$		2,092,182
3.22	Non-participating policies		\$		833,113,458
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:				
4.1	Does the reporting entity issue assessable policies?			Yes []	No []
4.2	Does the reporting entity issue non-assessable policies?			Yes []	No []
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?				%
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.		\$		0
5.	FOR RECIPROCAL EXCHANGES ONLY:				
5.1	Does the exchange appoint local agents?			Yes []	No []
5.2	If yes, is the commission paid:				
5.21	Out of Attorney's-in-fact compensation			Yes []	No []
5.22	As a direct expense of the exchange			Yes []	No []
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?				N/A [X]
5.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?			Yes []	No []
5.5	If yes, give full information:				
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? <u>The Company does not issue Workers' Compensation contracts.</u>				
6.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: <u>The Company uses the AIR Touchstone 5.1 software to model our catastrophe exposure in hurricane and earthquake prone areas where we have concentrations of business.</u>				
6.3	What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss? <u>In addition to controlling the Company's exposure by loss prevention engineering, deductibles, and limits of liability, we purchase risk and catastrophe reinsurance.</u>				
6.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?			Yes []	No [X]
6.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss: <u>There are certain parts of the Company's catastrophe program in high excess layers for which a reinstatement clause is not applicable. These parts of the program cover events that management considered and evaluated as less likely to occur and given the Company's strong surplus position</u>				

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

and its ability to purchase additional reinsurance if an event occurs, it was determined that a reinstatement clause was not required for those parts of the program.

7.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes [] No [X]
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	0
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes [] No []
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes [] No [X]
8.2	If yes, give full information	
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results: (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term; (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer; (c) Aggregate stop loss reinsurance coverage; (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party; (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?	Yes [] No [X]
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where: (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes [] No [X]
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9: (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income; (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.	
9.4	Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, <i>Property and Casualty Reinsurance</i> , has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either: (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	Yes [] No [X]
9.5	If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.	
9.6	The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria: (a) The entity does not utilize reinsurance; or (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes [] No [X]
10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes [X] No [] N/A []
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes [] No [X]
11.2	If yes, give full information	
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:	
12.11	Unpaid losses	\$ 0
12.12	Unpaid underwriting expenses (including loss adjustment expenses)	\$ 0
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$ 0
12.3	If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes [] No [] N/A [X]
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement:	
12.41	From	%
12.42	To	%
12.5	Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?	Yes [] No [X]
12.6	If yes, state the amount thereof at December 31 of current year:	
12.61	Letters of Credit	\$ 0
12.62	Collateral and other funds	\$ 0

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):		\$	161,800,000			
13.2	Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?			Yes []	No [X]		
13.3	State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.				1		
14.1	Is the reporting entity a cedant in a multiple cedant reinsurance contract?			Yes [X]	No []		
14.2	If yes, please describe the method of allocating and recording reinsurance among the cedants: <u>The method of allocating and recording reinsurance with outside reinsurers is based proportionally on each company's share of occurrence and specific contract terms with respect to intercompany reinsurance agreements.</u>						
14.3	If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?			Yes []	No [X]		
14.4	If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?			Yes [X]	No []		
14.5	If the answer to 14.4 is no, please explain:						
15.1	Has the reporting entity guaranteed any financed premium accounts?			Yes []	No [X]		
15.2	If yes, give full information						
16.1	Does the reporting entity write any warranty business?			Yes []	No [X]		
	If yes, disclose the following information for each of the following types of warranty coverage:						
		1	2	3	4	5	
		Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned	
16.11	Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
16.12	Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
16.13	Automobile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
16.14	Other*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
	* Disclose type of coverage:						
17.1	Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5. Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5. Provide the following information for this exemption:					Yes [X]	No []
17.11	Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5			\$	27,480,000		
17.12	Unfunded portion of Interrogatory 17.11			\$	27,480,000		
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11			\$	0		
17.14	Case reserves portion of Interrogatory 17.11			\$	0		
17.15	Incurred but not reported portion of Interrogatory 17.11			\$	27,480,000		
17.16	Unearned premium portion of Interrogatory 17.11			\$	0		
17.17	Contingent commission portion of Interrogatory 17.11			\$	0		
	Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above.						
17.18	Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5			\$	0		
17.19	Unfunded portion of Interrogatory 17.18			\$	0		
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18			\$	0		
17.21	Case reserves portion of Interrogatory 17.18			\$	0		
17.22	Incurred but not reported portion of Interrogatory 17.18			\$	0		
17.23	Unearned premium portion of Interrogatory 17.18			\$	0		
17.24	Contingent commission portion of Interrogatory 17.18				0		
18.1	Do you act as a custodian for health savings accounts?					Yes []	No [X]
18.2	If yes, please provide the amount of custodial funds held as of the reporting date.			\$	0		
18.3	Do you act as an administrator for health savings accounts?					Yes []	No [X]
18.4	If yes, please provide the balance of the funds administered as of the reporting date.			\$	0		

FIVE-YEAR HISTORICAL DATA

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

	1 2017	2 2016	3 2015	4 2014	5 2013
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	(16)	83	88	110	107
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	705,208,264	677,562,620	667,240,281	661,377,019	683,401,693
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	167,647,161	165,880,759	161,172,680	155,654,812	152,263,903
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	33	(1,110)	9	(2,542)	(8,375)
6. Total (Line 35).....	872,855,442	843,442,352	828,413,058	817,029,399	835,657,327
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	(16)	83	88	110	107
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	591,072,294	556,766,751	557,039,931	539,292,377	541,175,848
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	153,539,191	149,822,047	146,966,317	139,255,083	133,869,547
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	(286,724,801)	(282,942,215)	(283,462,569)	(291,915,847)	(287,457,500)
12. Total (Line 35).....	457,886,668	423,646,666	420,543,767	386,631,723	387,588,001
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(137,446,630)	68,234,213	57,148,270	81,955,220	83,292,818
14. Net investment gain (loss) (Line 11).....	90,362,772	53,786,912	94,188,092	81,315,893	79,704,472
15. Total other income (Line 15).....	(607,874)	(135,190)	(1,429,714)	402,251	(34,505)
16. Dividends to policyholders (Line 17).....	483,059	457,523	434,520	409,823	399,850
17. Federal and foreign income taxes incurred (Line 19).....	(31,224,155)	38,011,671	27,919,103	44,124,633	38,148,219
18. Net income (Line 20).....	(16,950,636)	83,416,741	121,553,025	119,138,908	124,414,716
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	3,163,024,048	2,992,883,000	2,589,256,590	2,528,717,670	2,327,144,249
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	143,778,093	130,762,771	119,695,711	112,453,751	115,647,344
20.2 Deferred and not yet due (Line 15.2).....					
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	1,383,151,582	1,374,231,235	1,109,667,309	1,131,067,901	1,065,073,056
22. Losses (Page 3, Line 1).....	569,005,714	577,612,530	353,285,708	397,070,652	367,576,922
23. Loss adjustment expenses (Page 3, Line 3).....	64,197,922	66,308,751	54,904,891	50,319,026	49,704,664
24. Unearned premiums (Page 3, Line 9).....	383,839,642	368,169,765	365,981,101	355,485,174	354,772,212
25. Capital paid up (Page 3, Lines 30 & 31).....	11,250,000	11,250,000	11,250,000	11,250,000	11,250,000
26. Surplus as regards policyholders (Page 3, Line 37).....	1,779,872,466	1,618,651,765	1,479,589,281	1,397,649,769	1,262,071,193
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	3,798,707	237,728,089	61,901,690	146,118,595	174,726,757
Risk-Based Capital Analysis					
28. Total adjusted capital.....	1,779,872,466	1,618,651,765	1,479,589,281	1,397,649,769	1,262,071,193
29. Authorized control level risk-based capital.....	189,945,001	144,700,692	115,163,256	111,555,638	112,360,515
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	46.2	52.2	54.6	57.5	52.1
31. Stocks (Lines 2.1 & 2.2).....	45.8	39.7	38.0	37.9	41.5
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	6.6	7.1	5.5	3.4	5.1
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivables for securities (Line 9).....		0.0	0.0	0.2	0.0
39. Securities lending reinvested collateral assets (Line 10).....	1.4	1.0	1.9	0.9	1.3
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0				

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2017	2016	2015	2014	2013
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	182,952,606	59,995,530	(13,525,739)	23,548,039	115,508,648
52. Dividends to stockholders (Line 35).....	(507,500)	(507,500)	(507,500)	(507,500)	(507,500)
53. Change in surplus as regards policyholders for the year (Line 38).....	161,220,701	139,062,484	81,939,512	135,578,576	227,972,985
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	3,303,593	9,255,298	13,540,754	12,904,379	19,706,457
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	422,121,843	392,880,778	387,147,118	390,384,005	619,814,429
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	102,327,645	61,309,686	84,943,421	81,400,359	133,525,190
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(12,313)	(24,003)	(13,931)	6,670	(12,764)
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	19,876	17,130	1,563	50,342	11,289
59. Total (Line 35).....	527,760,644	463,438,889	485,618,925	484,745,755	773,044,601
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,777,363	4,280,105	7,230,099	6,543,504	7,768,386
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	390,844,918	364,027,183	306,144,291	265,899,607	414,612,748
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	99,576,944	59,419,136	76,657,273	70,627,173	103,285,671
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(12,313)	(24,003)	(13,931)	6,670	(12,764)
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	(45,673,597)	(426,000,738)	(119,349,605)	(183,889,465)	(146,087,032)
65. Total (Line 35).....	446,513,315	1,701,684	270,668,127	159,187,489	379,567,009
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	99.0	53.6	55.3	48.9	47.5
68. Loss expenses incurred (Line 3).....	4.3	3.3	3.5	3.6	3.0
69. Other underwriting expenses incurred (Line 4).....	27.8	26.9	27.3	26.3	27.9
70. Net underwriting gain (loss) (Line 8).....	(31.1)	16.2	13.9	21.2	21.5
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	27.0	26.8	26.9	26.1	28.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	103.3	56.9	58.8	52.5	50.6
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	25.7	26.2	28.4	27.7	30.7
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(33,505)	(14,985)	21,238	(50,307)	(10,941)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year-end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(2.1)	(1.0)	1.5	(4.0)	(1.1)
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(21,863)	15,526	(22,467)	(48,855)	40,875
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior-year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(1.5)	1.1	(1.8)	(4.7)	4.5

If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						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	3,401	1,676	1,954	438	416	0	(61)	3,657	XXX
2. 2008.....	614,834	290,505	324,329	321,589	63,499	3,971	4,678	23,642	12,977	8,331	268,049	XXX
3. 2009.....	645,041	281,638	363,402	189,810	42,688	4,316	16,818	23,813	39,431	9,954	119,001	XXX
4. 2010.....	677,450	341,965	335,485	338,402	206,684	3,946	101	26,603	3,467	8,039	158,698	XXX
5. 2011.....	733,010	380,014	352,996	482,849	98,335	4,136	3,870	27,672	11,573	14,188	400,878	XXX
6. 2012.....	813,744	416,645	397,099	921,851	777,518	7,085	5,761	38,090	15,074	14,454	168,672	XXX
7. 2013.....	843,040	455,537	387,503	369,919	195,748	2,431	4,298	27,926	25,480	7,509	174,751	XXX
8. 2014.....	826,728	440,810	385,918	482,595	258,007	1,182	3,899	27,058	17,578	9,168	231,350	XXX
9. 2015.....	824,994	414,945	410,049	342,768	145,035	1,384	3,615	22,224	17,486	4,939	200,240	XXX
10. 2016.....	840,801	419,343	421,458	541,484	447,001	601	5,682	20,782	20,783	3,397	89,401	XXX
11. 2017.....	861,525	419,307	442,218	214,469	54,175	15	2,086	14,146	7,689	609	164,681	XXX
12. Totals.....	XXX	XXX	XXX	4,209,136	2,290,366	31,021	51,246	252,372	171,537	80,527	1,979,379	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.....	36,042	19,194	219,078	120,203	9,373	4,974	38,997	17,636			141,482	XXX	
2. 2008.....	390				0						390	XXX	
3. 2009.....	344	34			1						311	XXX	
4. 2010.....	48				2						50	XXX	
5. 2011.....	410	315			11						107	XXX	
6. 2012.....	1,926	16,584	15,426		3						771	XXX	
7. 2013.....	43		1		8						52	XXX	
8. 2014.....	2,483	187	1,101	97	62	4		169	13	252	3,516	XXX	
9. 2015.....	7,119	360	1,809	157	137	8		363	27	408	8,877	XXX	
10. 2016.....	120,529	4,762	9,717	844	2,243	178		8,530	631	2,193	134,603	XXX	
11. 2017.....	306,466	23,141	33,854	1,903	5,261	427	880	23,568	1,513	4,947	343,046	XXX	
12. Totals.....	475,800	64,577	280,985	123,203	17,102	5,590	39,877	17,636	32,630	2,184	7,800	633,204	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			XXX	115,722	25,759
2. 2008.....	349,592	81,154	268,438	56.9	27.9	82.8			12.00	390	0
3. 2009.....	218,283	98,971	119,312	33.8	35.1	32.8			12.00	310	1
4. 2010.....	369,000	210,252	158,748	54.5	61.5	47.3			12.00	48	2
5. 2011.....	515,078	114,093	400,985	70.3	30.0	113.6			12.00	96	11
6. 2012.....	984,381	814,938	169,444	121.0	195.6	42.7			12.00	768	3
7. 2013.....	400,329	225,525	174,803	47.5	49.5	45.1			12.00	44	8
8. 2014.....	514,650	279,784	234,865	62.3	63.5	60.9			12.00	3,300	215
9. 2015.....	375,804	166,688	209,117	45.6	40.2	51.0			12.00	8,411	465
10. 2016.....	703,885	479,880	224,004	83.7	114.4	53.1			12.00	124,640	9,963
11. 2017.....	598,660	90,933	507,727	69.5	21.7	114.8			12.00	315,277	27,769
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	569,006	64,198

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
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	One Year	Two Year
1. Prior.....	179,121	192,966	183,484	177,078	178,771	190,905	190,697	230,251	228,563	245,289	16,726	15,038
2. 2008.....	299,283	258,647	249,284	246,293	260,301	258,597	258,143	258,060	257,941	257,773	(168)	(288)
3. 2009.....	XXX	182,455	140,558	133,976	138,796	135,739	135,457	135,310	135,169	134,931	(238)	(380)
4. 2010.....	XXX	XXX	196,910	142,583	141,670	138,235	136,945	136,169	136,162	135,612	(550)	(557)
5. 2011.....	XXX	XXX	XXX	392,253	392,005	409,582	390,345	386,321	384,605	384,886	281	(1,435)
6. 2012.....	XXX	XXX	XXX	XXX	205,347	172,890	156,445	157,308	160,582	146,428	(14,154)	(10,880)
7. 2013.....	XXX	XXX	XXX	XXX	XXX	199,831	187,437	179,894	174,779	172,357	(2,422)	(7,536)
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	240,544	233,939	233,739	225,229	(8,510)	(8,710)
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	211,158	201,885	204,042	2,158	(7,116)
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	242,734	216,106	(26,628)	XXX
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	479,215	XXX	XXX
12. Totals.....											(33,505)	(21,863)

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
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
1. Prior.....	000	32,188	46,150	52,665	67,872	77,950	85,576	95,684	100,566	103,807	XXX	XXX
2. 2008.....	91,649	207,618	240,577	244,670	259,669	258,054	257,706	257,622	257,510	257,383	XXX	XXX
3. 2009.....	XXX	41,554	112,501	122,251	134,513	135,291	135,112	134,956	134,839	134,620	XXX	XXX
4. 2010.....	XXX	XXX	(18,742)	101,873	132,735	135,050	136,854	136,094	136,065	135,562	XXX	XXX
5. 2011.....	XXX	XXX	XXX	175,195	323,419	383,493	386,440	385,648	384,341	384,779	XXX	XXX
6. 2012.....	XXX	XXX	XXX	XXX	(183,704)	111,192	147,546	141,323	141,073	145,656	XXX	XXX
7. 2013.....	XXX	XXX	XXX	XXX	XXX	14,207	140,053	167,576	170,553	172,305	XXX	XXX
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	(13,064)	178,418	219,133	221,870	XXX	XXX
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	50,539	163,929	195,502	XXX	XXX
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(158,800)	89,402	XXX	XXX
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	158,224	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
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1. Prior.....	108,102	96,596	86,669	87,388	79,619	89,003	83,441	113,513	106,975	120,235
2. 2008.....	60,665	18,057	4,070	598	4					
3. 2009.....	XXX	48,002	8,283	2,299	1,680			0	19	
4. 2010.....	XXX	XXX	65,909	12,608	5,565	2,575	1		31	
5. 2011.....	XXX	XXX	XXX	36,427	14,536	22,694	2,465	1	34	
6. 2012.....	XXX	XXX	XXX	XXX	66,492	35,142	27,651	19,168	15,596	15,426
7. 2013.....	XXX	XXX	XXX	XXX	XXX	40,708	18,582	8,576	4,146	1
8. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	47,798	20,115	8,690	1,004
9. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	35,654	10,671	1,652
10. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	39,314	8,874
11. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32,831

AFFILIATED FM INSURANCE COMPANY SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	L	6,773,792	6,545,442	1,529	1,656,997	1,565,046	342,434		
2. Alaska.....AK	L	4,870,456	4,708,201		67,095	195,399	422,669		
3. Arizona.....AZ	L	7,884,452	7,872,833	1,019	6,283,787	1,432,985	4,703,303		
4. Arkansas.....AR	L	8,736,209	8,513,084	230	592,286	1,403,613	1,539,876		
5. California.....CA	L	105,906,483	100,934,198	71,474	26,696,074	52,140,108	43,616,670		
6. Colorado.....CO	L	11,412,773	11,063,544	2,118	12,778,261	19,668,259	11,600,306		
7. Connecticut.....CT	L	4,618,207	4,908,157	9,847	1,050,895	1,401,781	1,189,557		
8. Delaware.....DE	L	799,859	806,251		40,195	(254,745)	3,179		
9. District of Columbia.....DC	L	7,587,892	7,371,155		2,354,800	2,667,019	914,523		
10. Florida.....FL	L	22,816,489	23,070,306	28,436	2,438,395	13,263,250	12,983,206		
11. Georgia.....GA	L	15,273,426	14,785,681	4,909	6,446,783	8,994,851	6,511,950		
12. Hawaii.....HI	L	932,010	999,493		27,692	(103,522)			
13. Idaho.....ID	L	3,045,210	2,892,879	4,001	396,083	406,515	188,153		
14. Illinois.....IL	L	34,618,065	34,152,655	7,244	49,907,957	1,461,234	40,233,848		
15. Indiana.....IN	L	11,370,213	11,395,720		3,259,977	2,629,251	320,422		
16. Iowa.....IA	L	4,566,235	4,582,401		851,326	1,384,615	1,006,859		
17. Kansas.....KS	L	3,603,295	3,205,941	778	2,988,716	2,591,409	1,963,015		
18. Kentucky.....KY	L	6,245,144	5,575,254	2,461	732,889	743,129	895,280		
19. Louisiana.....LA	L	14,634,835	14,617,815		3,267,805	3,099,665	7,710,846		
20. Maine.....ME	L	820,193	799,741	3,609	150,000	433,786	283,786		
21. Maryland.....MD	L	16,872,065	16,988,989	935	9,852,921	6,805,458	4,012,910		
22. Massachusetts.....MA	L	30,463,485	31,330,624	114,649	21,320,910	22,551,273	9,669,025		
23. Michigan.....MI	L	14,944,322	14,851,085	2,794	28,315,995	33,977,926	9,750,409		
24. Minnesota.....MN	L	11,754,736	11,748,711	8,380	5,426,226	1,855,648	1,226,371		
25. Mississippi.....MS	L	8,653,839	8,978,704		4,999,852	(977,844)	626,295		
26. Missouri.....MO	L	17,071,303	17,277,719	10,201	21,364,822	12,450,225	14,304,292		
27. Montana.....MT	L	2,462,112	2,371,712		2,122,130	857,049	141,734		
28. Nebraska.....NE	L	2,619,768	2,619,459		1,788,405	1,252,100	538,248		
29. Nevada.....NV	L	9,999,076	9,132,796		3,378,814	119,593	988,039		
30. New Hampshire.....NH	L	2,453,441	2,464,673	2,955	523,524	832,345	343,773		
31. New Jersey.....NJ	L	19,553,667	19,104,322	20,611	5,988,686	7,251,403	117,652,163		
32. New Mexico.....NM	L	2,521,387	2,511,990		851,403	(567,122)	191,095		
33. New York.....NY	L	65,954,563	65,545,475	8,349	20,149,135	25,515,426	113,204,211		
34. North Carolina.....NC	L	13,307,152	13,229,494	514	4,493,356	2,177,108	3,538,442		
35. North Dakota.....ND	L	1,036,838	1,047,347		651,788	248,678	159,652		
36. Ohio.....OH	L	21,084,052	21,184,520	8,081	7,804,588	7,803,933	11,188,044		
37. Oklahoma.....OK	L	5,413,136	4,507,976		2,524,299	7,159,808	5,270,811		
38. Oregon.....OR	L	15,265,418	15,282,830	1,898	10,466,767	8,829,756	1,630,762		
39. Pennsylvania.....PA	L	17,382,139	16,530,884	11,232	10,650,257	7,619,660	2,644,346		
40. Rhode Island.....RI	L	4,078,508	4,316,058	133,881	2,635,329	4,009,796	5,899,348		
41. South Carolina.....SC	L	6,016,976	5,895,238	884	12,292,354	11,958,600	2,077,927		
42. South Dakota.....SD	L	536,255	560,979		371,247	514,095	714,087		
43. Tennessee.....TN	L	15,196,125	15,230,119		3,623,828	6,122,931	4,670,817		
44. Texas.....TX	L	58,793,601	57,222,667		135,516,441	157,125,548	237,405,157		
45. Utah.....UT	L	15,291,197	14,375,896		4,443,233	5,150,591	3,565,111		
46. Vermont.....VT	L	1,361,726	1,336,994	420	27,444	195,309	179,924		
47. Virginia.....VA	L	11,682,758	11,879,605	5,489	5,976,454	6,654,940	3,242,912		
48. Washington.....WA	L	42,413,058	44,491,370	3,554	6,910,570	8,915,929	4,705,670		
49. West Virginia.....WV	L	406,753	458,193		27,217	(1,307)			
50. Wisconsin.....WI	L	10,220,356	10,584,172	629	4,008,305	7,874,672	6,378,394		
51. Wyoming.....WY	L	860,119	843,228		287,322	856,158	593,025		
52. American Samoa.....AS	N								
53. Guam.....GU	L								
54. Puerto Rico.....PR	L	311,254	336,325		6,000,000		19,994,290		
55. US Virgin Islands.....VI	L	300	11,228			25,986,281			
56. Northern Mariana Islands.....MP	L								
57. Canada.....CAN	L	111,638,077	109,760,675	9,947	63,785,283	41,388,425	28,301,144		
58. Aggregate Other Alien.....OT	XXX	1,070,838	1,035,555	0	0	0	0	0	0
59. Totals.....	(a).55	835,205,639	823,848,364	483,060	530,566,919	537,638,043	751,238,309	0	0

DETAILS OF WRITE-INS

58001. AUS AUSTRALIA.....	XXX	3,675	3,211						
58002. AUT AUSTRIA.....	XXX	3,686	6,036						
58003. BGD BANGLADESH.....	XXX	5,649	13,550						
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	1,057,827	1,012,758	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	1,070,838	1,035,555	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state (other than their state of domicile see DSLI); (D) - DSLI - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write Surplus Lines in the state of domicile; (N) - None of the above - Not allowed to write business in the state.

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

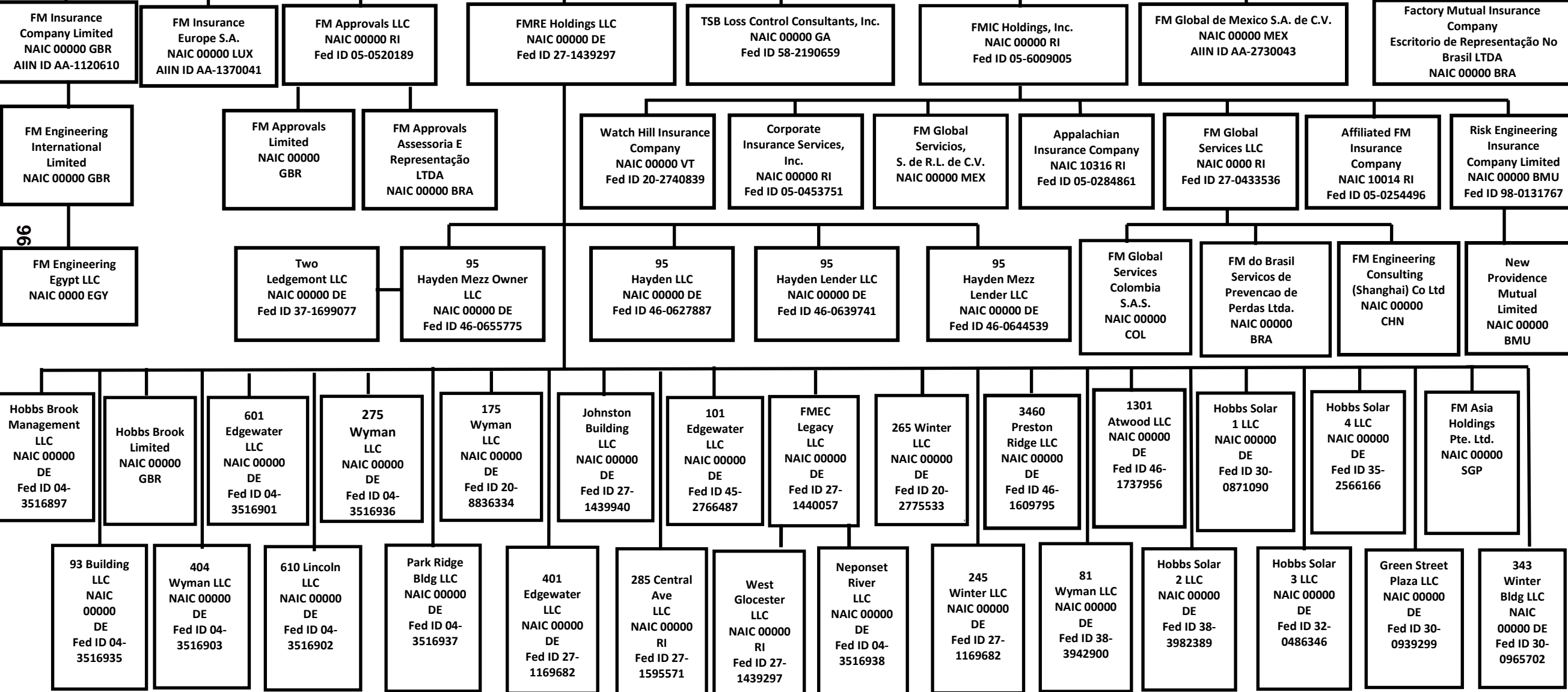
All premiums are allocated to the location of the property insured.

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

Organizational Chart
December 31, 2017

Policyholders

Factory Mutual Insurance Company
NAIC 21482 Fed ID 05-0316605 RI
100% OWNERSHIP of all Subs



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