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ANNUAL STATEMENT

For the Year Ended December 31, 2010

of the Condition and Affairs of the

FACTORY MUTUAL INSURANCE COMPANY

NAIC Group Code.....65, 65 (Current Period) (Prior Period) NAIC Company Code..... 21482 Employer's ID Number..... 05-0316605

Organized under the Laws of Rhode Island State of Domicile or Port of Entry Rhode Island Country of Domicile US

Incorporated/Organized..... October 31, 1835 Commenced Business..... October 31, 1835

Statutory Home Office	270 Central Avenue….. Johnston ..... RI ..... 02919-4949 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	270 Central Avenue….. Johnston ..... RI ..... 02919-4949 *(Street and Number) (City or Town, State and Zip Code)*	401-275-3000 *(Area Code) (Telephone Number)*
Mail Address	P.O. Box 7500….. Johnston ..... RI ..... 02919-0750 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	270 Central Avenue….. Johnston ..... RI ..... 02919-4949 *(Street and Number) (City or Town, State and Zip Code)*	401-275-3000 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.fmglobal.com	
Statutory Statement Contact	Jeffrey Black *(Name)*	401-415-1559 *(Area Code) (Telephone Number) (Extension)*
	jeffrey.black@fmglobal.com *(E-Mail Address)*	401-946-8306 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Shivan Sivaswamy Subramaniam	President and CEO	2. John James Pomeroy	Secretary and Sr. Vice President
3. William Alfred Mekrut	Treasurer		

OTHER

Antonius Rudolfus Henricus Bosman	Vice Chairman	Jeffrey Alfred Burchill	Senior Vice President
Jonathan William Hall	Executive Vice President	Paul Edward LaFleche	Senior Vice President
Thomas Alan Lawson	Executive Vice President	Jeanne Ruth Lieb	Senior Vice President
John James Pomeroy	Senior Vice President	Enzo Rebula	Senior Vice President

DIRECTORS OR TRUSTEES

Antonius Rudolfus Henricus Bosman	Walter Joseph Galvin	Mary Lynch Howell	John Anderson Luke, Jr
Jonathan D. Mariner #	Gracia Catherine Martore	Christine M. McCarthy #	Robert Joseph O'Toole
John Ross Paolian	David Pulman	Edward Joseph Rapp	Graham Basil Spanier #
Shivan Sivaswamy Subramaniam	James Conrad Thyen	Alfred Joseph Verrecchia	

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)	(Signature)	(Signature)
Shivan Sivaswamy Subramaniam	John James Pomeroy	Theresa Ann Molloy
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President and CEO	Secretary and Sr. Vice President	VP Controller
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 1st day of February, 2011

John A. Soares III Notary Public

Expires July 5, 2013

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 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	3,068,235,553		3,068,235,553	2,748,779,877
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	
2.2 Common stocks	5,716,913,889		5,716,913,889	5,606,124,825
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)	1,532,796		1,532,796	140,213,497
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....35,650,188, Sch. E-Part 1), cash equivalents ($.....103,730,238, Sch. E-Part 2) and short-term investments ($.....230,969,693, Sch. DA)	370,350,119		370,350,119	257,636,327
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets (Schedule BA)	1,144,502,539		1,144,502,539	337,617,237
9. Receivables for securities	6,446,780		6,446,780	9,374,101
10. Securities lending reinvested collateral assets	64,310,523		64,310,523	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	10,372,292,199	0	10,372,292,199	9,099,745,864
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	41,618,891		41,618,891	37,534,278
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection	366,035,412	746,698	365,288,714	437,241,255
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	67,383,315		67,383,315	79,648,478
16.2 Funds held by or deposited with reinsured companies	5,595,973		5,595,973	10,219,733
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon	19,142,259		19,142,259	214,522,595
18.2 Net deferred tax asset			0	
19. Guaranty funds receivable or on deposit	1,567,322		1,567,322	3,102,312
20. Electronic data processing equipment and software	7,100,255	2,006,253	5,094,002	6,739,873
21. Furniture and equipment, including health care delivery assets ($.....0)	10,254,414	10,254,414	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates	2,834,433		2,834,433	
23. Receivables from parent, subsidiaries and affiliates	20,304,791	20,304,791	0	
24. Health care ($.....0) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	1,010,536,374	862,515,588	148,020,786	126,640,765
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	11,924,665,638	895,827,744	11,028,837,894	10,015,395,153
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTALS (Lines 26 and 27)	11,924,665,638	895,827,744	11,028,837,894	10,015,395,153

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 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Pension Asset	784,172,692	784,172,692	0	
2502. Post Retirement	46,416,134	46,416,134	0	
2503. CSV Life Insurance	75,791,429		75,791,429	70,690,516
2598. Summary of remaining write-ins for Line 25 from overflow page	104,156,119	31,926,762	72,229,357	55,950,249
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	1,010,536,374	862,515,588	148,020,786	126,640,765

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	1,716,855,283	1,700,359,031
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	90,075,562	62,757,459
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	201,493,428	171,587,777
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	266,239,193	230,809,861
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	11,890,844	32,907,590
7.1	Current federal and foreign income taxes (including $.....0 on realized capital gains (losses))		22,075,987
7.2	Net deferred tax liability	281,168,000	110,562,000
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 $.....262,905,439 and including warranty reserves of $.....0)	1,182,245,943	1,168,157,708
10.	Advance premium	28,442,934	17,815,440
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	115,181,823	111,876,921
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	9,670,252	19,796,864
14.	Amounts withheld or retained by company for account of others	4,358,529	5,787,749
15.	Remittances and items not allocated	8,678,918	964,481
16.	Provision for reinsurance (Schedule F, Part 7)	27,765,724	23,972,866
17.	Net adjustments in assets and liabilities due to foreign exchange rates		18,971,907
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	954,982	75,283,765
20.	Derivatives		
21.	Payable for securities	10,240,293	12,060,289
22.	Payable for securities lending	64,310,523	
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $.....0 and interest thereon $.....0		
25.	Aggregate write-ins for liabilities	47,356,628	26,001,722
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	4,066,928,859	3,811,749,417
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	4,066,928,859	3,811,749,417
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock		
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	1,250,000	1,250,000
33.	Surplus notes		
34.	Gross paid in and contributed surplus		
35.	Unassigned funds (surplus)	6,960,659,035	6,202,395,736
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)	6,961,909,035	6,203,645,736
38.	TOTALS (Page 2, Line 28, Col. 3)	11,028,837,894	10,015,395,153

DETAILS OF WRITE-INS

2501.	Miscellaneous Accounts Payable	47,356,628	26,001,722
2502.			
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	47,356,628	26,001,722
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0
3201.	Guaranty Funds	1,250,000	1,250,000
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)	1,250,000	1,250,000

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	2,401,879,431	2,601,701,263
	DEDUCTIONS		
2.	Losses incurred (Part 2, Line 35, Column 7)	1,130,906,732	984,238,115
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	87,876,132	105,473,892
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	669,342,693	657,768,228
5.	Aggregate write-ins for underwriting deductions	0	0
6.	Total underwriting deductions (Lines 2 through 5)	1,888,125,557	1,747,480,235
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	513,753,874	854,221,028
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	186,248,773	173,196,933
10.	Net realized capital gains (losses) less capital gains tax of $.....40,296,000 (Exhibit of Capital Gains (Losses))	74,834,970	13,498,340
11.	Net investment gain (loss) (Lines 9 + 10)	261,083,743	186,695,273
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $.....0 amount charged off $.....54,849)	(54,849)	(248,148)
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income	(20,174,644)	4,450,965
15.	Total other income (Lines 12 through 14)	(20,229,493)	4,202,817
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	754,608,124	1,045,119,118
17.	Dividends to policyholders		
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)	754,608,124	1,045,119,118
19.	Federal and foreign income taxes incurred	87,243,507	145,931,263
20.	Net income (Line 18 minus Line 19) (to Line 22)	667,364,617	899,187,855
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	6,203,645,736	4,734,211,100
22.	Net income (from Line 20)	667,364,617	899,187,855
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $.....136,651,000	292,153,185	834,128,661
25.	Change in net unrealized foreign exchange capital gain (loss)	21,806,340	44,771,922
26.	Change in net deferred income tax	(33,955,000)	(151,269,000)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3)	(178,359,865)	(98,211,278)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(3,792,858)	(5,476,342)
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		
	33.2 Transferred to capital (Stock Dividend)		
	33.3. Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	(6,953,120)	(53,697,181)
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	758,263,299	1,469,434,636
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	6,961,909,035	6,203,645,736

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 thru 0503 plus 0598) (Line 5 above)	0	0
1401.	Miscellaneous expense	78,641	10,487
1402.	Balances charged off	(19,165,122)	1,460,959
1403.	Gain (Loss) on foreign exchange	(1,088,163)	2,979,519
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(20,174,644)	4,450,965
3701.	Foreign Exchange & Other Adjustments	(6,953,120)	(53,697,181)
3702.	Interest on prior year federal and foreign income taxes		
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page	0	0
3799.	Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	(6,953,120)	(53,697,181)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	2,501,641,531	2,473,614,962
2. Net investment income	187,950,162	127,208,892
3. Miscellaneous income	(20,229,493)	4,202,817
4. Total (Lines 1 through 3)	2,669,362,200	2,605,026,671
5. Benefit and loss related payments	1,086,257,767	1,131,106,995
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	711,365,598	706,298,569
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of $.....(101,049,837) tax on capital gains (losses)	(45,764,842)	303,030,691
10. Total (Lines 5 through 9)	1,751,858,523	2,140,436,255
11. Net cash from operations (Line 4 minus Line 10)	917,503,677	464,590,416
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,190,053,630	734,791,554
12.2 Stocks	1,057,659,968	594,903,077
12.3 Mortgage loans		
12.4 Real estate	138,602,585	
12.5 Other invested assets	35,669,834	12,675,279
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	8,226	(32,997)
12.7 Miscellaneous proceeds	2,927,321	9,376,015
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,424,921,564	1,351,712,928
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,503,676,646	913,157,034
13.2 Stocks	674,818,507	757,512,971
13.3 Mortgage loans		
13.4 Real estate		138,683,894
13.5 Other invested assets	875,062,921	101,672,772
13.6 Miscellaneous applications	1,819,996	9,153,683
13.7 Total investments acquired (Lines 13.1 to 13.6)	3,055,378,070	1,920,180,354
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)	(630,456,506)	(568,467,426)
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		
16.6 Other cash provided (applied)	(174,333,379)	(43,274,976)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(174,333,379)	(43,274,976)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	112,713,792	(147,151,986)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	257,636,327	404,788,313
19.2 End of year (Line 18 plus Line 19.1)	370,350,119	257,636,327

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

20.0001		

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	520,563,748	254,874,087	259,069,127	516,368,708
2.	Allied lines	845,825,900	413,591,298	420,403,631	839,013,567
3.	Farmowners multiple peril				0
4.	Homeowners multiple peril				0
5.	Commercial multiple peril				0
6.	Mortgage guaranty				0
8.	Ocean marine	2,644,806	1,183,571	1,100,971	2,727,406
9.	Inland marine	470,543,332	275,240,803	271,688,912	474,095,223
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				0
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	468,477,017	223,267,949	229,983,302	461,761,664
28.	Credit				0
29.	International				0
30.	Warranty				0
31.	Reinsurance - nonproportional assumed property	107,884,179			107,884,179
32.	Reinsurance - nonproportional assumed liability	28,684			28,684
33.	Reinsurance - nonproportional assumed financial lines				0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	2,415,967,666	1,168,157,708	1,182,245,943	2,401,879,431

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
3499.	Totals (Lines 3401 thru 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	259,069,127				259,069,127
2.	Allied lines	420,403,631				420,403,631
3.	Farmowners multiple peril					0
4.	Homeowners multiple peril					0
5.	Commercial multiple peril					0
6.	Mortgage guaranty					0
8.	Ocean marine	1,100,971				1,100,971
9.	Inland marine	271,688,912				271,688,912
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					0
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	229,983,302				229,983,302
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	1,182,245,943	0	0	0	1,182,245,943
36.	Accrued retrospective premiums based on experience					0
37.	Earned but unbilled premiums					0
38.	Balance (sum of Lines 35 through 37)					1,182,245,943

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 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

	Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	 5 To Non-Affiliates	6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1.	Fire	513,367,549	118,955,233	34,945,932	1,680,327	145,024,639	520,563,748
2.	Allied lines	835,978,444	195,286,887	55,779,172	2,758,566	238,460,037	845,825,900
3.	Farmowners multiple peril						0
4.	Homeowners multiple peril						0
5.	Commercial multiple peril						0
6.	Mortgage guaranty						0
8.	Ocean marine	(121,636)	2,771,905		266	5,197	2,644,806
9.	Inland marine	611,770,265	69,517,912	43,582,138	1,724,824	252,602,159	470,543,332
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						0
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	282,719,092	111,070,802	160,523,130	992,757	84,843,250	468,477,017
28.	Credit						0
29.	International						0
30.	Warranty						0
31.	Reinsurance - nonproportional assumed property	XXX	163,430,583		55,546,404		107,884,179
32.	Reinsurance - nonproportional assumed liability	XXX		28,686		2	28,684
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	2,243,713,714	661,033,322	294,859,058	62,703,144	720,935,284	2,415,967,666

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 thru 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 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	179,059,077	114,410,329	23,164,832	270,304,574	311,792,676	309,130,821	272,966,429	52.9
2.	Allied lines	124,737,452	4,973,701	21,887,607	107,823,546	94,618,709	149,559,526	52,882,729	6.3
3.	Farmowners multiple peril				0			0	
4.	Homeowners multiple peril				0			0	
5.	Commercial multiple peril				0			0	
6.	Mortgage guaranty				0			0	
8.	Ocean marine	2,159,204	746,657	2,734,715	171,146	23,727,889	10,911,472	12,987,563	476.2
9.	Inland marine	331,937,910	110,295,465	63,292,532	378,940,843	583,144,479	404,508,659	557,576,663	117.6
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			0	
14.	Credit accident and health (group and individual)				0			0	
15.	Other accident and health				0			0	
16.	Workers' compensation		127,689		127,689			127,689	
17.1	Other liability - occurrence	23,384,553	7,473,817	23,187,511	7,670,859	144,716,038	165,011,477	(12,624,580)	
17.2	Other liability - claims-made				0			0	
17.3	Excess workers' compensation				0			0	
18.1	Products liability - occurrence				0			0	
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)	43,373	55,927	97,809	1,491	1,839,503	1,745,767	95,227	
23.	Fidelity	(92,800)			(92,800)			(92,800)	
24.	Surety				0			0	
26.	Burglary and theft				0			0	
27.	Boiler and machinery	180,893,836	60,890,596	41,993,258	199,791,174	231,389,549	263,256,179	167,924,544	36.4
28.	Credit				0			0	
29.	International				0			0	
30.	Warranty				0			0	
31.	Reinsurance - nonproportional assumed property	XXX	125,204,392	13,959,269	111,245,123			111,245,123	103.1
32.	Reinsurance - nonproportional assumed liability	XXX	55,450,534	17,023,699	38,426,835	325,626,440	396,235,130	(32,181,855)	(112,194.4)
33.	Reinsurance - nonproportional assumed financial lines	XXX			0			0	
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	
35.	TOTALS	842,122,605	479,629,107	207,341,232	1,114,410,480	1,716,855,283	1,700,359,031	1,130,906,732	47.1

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	XXX
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
	Line of Business	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire	152,689,240	89,824,893	37,156,896	205,357,237	89,592,911	16,842,528		311,792,676	21,822,296
2.	Allied lines	111,200,855	4,086,473	23,083,619	92,203,709	2,415,000			94,618,709	11,342,217
3.	Farmowners multiple peril				0				0	
4.	Homeowners multiple peril				0				0	
5.	Commercial multiple peril				0				0	
6.	Mortgage guaranty				0				0	
8.	Ocean marine	7,220,017	1,206,267	5,461,838	2,964,446	24,863,811	16,978,740	21,079,108	23,727,889	3,585,155
9.	Inland marine	295,377,218	149,605,303	31,626,576	413,355,945	137,783,008	32,991,314	985,788	583,144,479	34,173,977
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				0				0	
17.1	Other liability - occurrence	87,002,110	9,280,720	63,120,476	33,162,354	247,456,872	107,772,883	243,676,071	144,716,038	34,533,743
17.2	Other liability - claims-made				0				0	
17.3	Excess workers' compensation				0				0	
18.1	Products liability - occurrence				0				0	
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)	212,224	113,378	131,091	194,511	555,224	1,595,842	506,074	1,839,503	208,063
23.	Fidelity				0				0	
24.	Surety				0				0	
26.	Burglary and theft				0				0	
27.	Boiler and machinery	165,920,667	53,719,648	37,043,725	182,596,590	39,666,000	9,126,959		231,389,549	14,196,233
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	171,446,429	45,146,899	126,299,530	XXX	307,845,865	108,518,955	325,626,440	81,631,743
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	819,622,331	479,283,111	242,771,120	1,056,134,322	542,332,826	493,154,131	374,765,996	1,716,855,283	201,493,428
	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 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	46,746,209			46,746,209
1.2 Reinsurance assumed	23,710,861			23,710,861
1.3 Reinsurance ceded	20,508,809			20,508,809
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	49,948,261	0	0	49,948,261
2. Commission and brokerage:				
2.1 Direct, excluding contingent				0
2.2 Reinsurance assumed, excluding contingent		145,834,904		145,834,904
2.3 Reinsurance ceded, excluding contingent		94,513,762		94,513,762
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	51,321,142	0	51,321,142
3. Allowances to manager and agents				0
4. Advertising	11,701	13,429,821		13,441,522
5. Boards, bureaus and associations		(63,972)		(63,972)
6. Surveys and underwriting reports	12,306	12,015,870		12,028,176
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	19,969,314	239,992,008	1,981,267	261,942,589
8.2 Payroll taxes	1,133,888	13,621,483	85,210	14,840,581
9. Employee relations and welfare	5,841,494	95,003,510	654,525	101,499,529
10. Insurance	6,781	4,044,098		4,050,879
11. Directors' fees		2,957,180		2,957,180
12. Travel and travel items	4,574,727	38,918,651	42,536	43,535,914
13. Rent and rent items	2,481,461	43,258,676	395,617	46,135,754
14. Equipment	79,172	9,107,413		9,186,585
15. Cost or depreciation of EDP equipment and software	233,002	22,178,953	249,385	22,661,340
16. Printing and stationery	337,672	5,324,417	40,047	5,702,136
17. Postage, telephone and telegraph, exchange and express	377,980	3,852,925		4,230,905
18. Legal and auditing	2,697,614	3,446,070		6,143,684
19. Totals (Lines 3 to 18)	37,757,112	507,087,103	3,448,587	548,292,802
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $.....786,458		57,544,623		57,544,623
20.2 Insurance department licenses and fees		1,080,212		1,080,212
20.3 Gross guaranty association assessments		(6,005,967)		(6,005,967)
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	52,618,868	0	52,618,868
21. Real estate expenses			11,550	11,550
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	170,759	58,315,580	8,749,325	67,235,664
25. Total expenses incurred	87,876,132	669,342,693	12,209,462	(a) 769,428,287
26. Less unpaid expenses - current year	201,493,428	278,130,037		479,623,465
27. Add unpaid expenses - prior year	171,587,777	263,717,451		435,305,228
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)	57,970,481	654,930,107	12,209,462	725,110,050

DETAILS OF WRITE-INS

2401. Bank Activity Fees	882	341,652	427,351	769,885
2402. Investment Management Fees			8,219,872	8,219,872
2403. Consulting	161,198	28,770,099	98,936	29,030,233
2498. Summary of remaining write-ins for Line 24 from overflow page	8,679	29,203,829	3,166	29,215,674
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	170,759	58,315,580	8,749,325	67,235,664

(a) Includes management fees of $.....0 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) 31,996,524	31,210,813
1.1	Bonds exempt from U.S. tax	(a) 42,953,826	45,984,670
1.2	Other bonds (unaffiliated)	(a) 56,022,600	56,743,225
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 15,333	15,333
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	64,644,568	65,840,233
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 11,550	11,550
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 1,316,778	1,241,741
7.	Derivative instruments	(f)	
8.	Other invested assets	1,795,008	1,795,008
9.	Aggregate write-ins for investment income	1,004,422	1,004,422
10.	Total gross investment income	199,760,609	203,846,995
11.	Investment expenses		(g) 12,209,462
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h) 5,354,195
14.	Depreciation on real estate and other invested assets		(i) 34,565
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		17,598,222
17.	Net investment income (Line 10 minus Line 16)		186,248,773

DETAILS OF WRITE-INS

0901.	Prior Year Income	58,031	58,031
0902.	Securities Litigation Income	606,782	606,782
0903.	Misc. Interest Income	339,609	339,609
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	1,004,422	1,004,422
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		0

(a) Includes $.....4,642,157 accrual of discount less $.....17,346,714 amortization of premium and less $.....7,770,068 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 $.....132,750 accrual of discount less $.....71,757 amortization of premium and less $.....59,979 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 $.....34,565 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	4,909,705		4,909,705		
1.1	Bonds exempt from U.S. tax	2,687,198		2,687,198		
1.2	Other bonds (unaffiliated)	10,858,793	(1,577,341)	9,281,452	1,658,867	
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)	10,828		10,828		
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	104,547,704	(6,504,146)	98,043,558	340,259,062	
2.21	Common stocks of affiliates			0	55,317,071	
3.	Mortgage loans			0		
4.	Real estate	(43,552)		(43,552)		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	8,226		8,226		
7.	Derivative instruments			0		
8.	Other invested assets	8,833,953	(8,600,400)	233,553	31,569,186	
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	131,812,855	(16,681,887)	115,130,968	428,804,186	0

DETAILS OF WRITE-INS

0901.				0		
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 thru 0903 plus 0998) (Line 9 above)	0	0	0	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			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets			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	746,698	535,626	(211,072)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums			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	2,006,253	5,444,354	3,438,101
21. Furniture and equipment, including health care delivery assets	10,254,414	25,009,240	14,754,826
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates	20,304,791	17,333,481	(2,971,310)
24. Health care and other amounts receivable			0
25. Aggregate write-ins for other than invested assets	862,515,588	669,145,178	(193,370,410)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	895,827,744	717,467,879	(178,359,865)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	895,827,744	717,467,879	(178,359,865)

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 thru 1103 plus 1198) (Line 11 above)	0	0	0
2501. Pension Asset	784,172,692	585,925,366	(198,247,326)
2502. Post Retirement Asset	46,416,134	44,404,922	(2,011,212)
2503. Prepaid Expenses	26,729,254	33,293,118	6,563,864
2598. Summary of remaining write-ins for Line 25 from overflow page	5,197,508	5,521,772	324,264
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	862,515,588	669,145,178	(193,370,410)

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

A. Accounting Practices

The annual statement of Factory Mutual Insurance Company ("Company") has been completed in accordance with the NAIC Accounting Practices and Procedures manual and the state laws of Rhode Island.

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.

1. Short-term investments are stated at amortized cost.
2. Bonds not backed by other loans are stated at amortized cost using the constant interest rate method. Loan-backed bonds and structured securities are carried at amortized cost using the constant interest rate method, not including anticipated prepayment at the date of purchases.
3. Common Stocks, except investments of stocks of subsidiaries, are stated at market.
4. Preferred stocks are stated at the lower of cost or fair value.
5. The Company has no mortgage loans.
6. Loan-backed securities are valued using an effective yield based on current prepayment assumptions. Prepayment assumptions are reviewed periodically and updated in response to changes in market interest rates.
7. Insurance subsidiaries are stated at statutory equity value. Non-insurance subsidiaries are stated at statutory equity value or audited GAAP equity value depending on the appropriate classification in applying SSAP 97 paragraph 8(b) ii and 8(b) iii. Investments in stocks of unconsolidated subsidiaries and affiliates in which the company has an interest of 20% or more are carried using the equity method of accounting.
8. Investments in joint ventures, partnerships and limited liability corporations are stated at the underlying audited GAAP equity value.
9. The Company has no derivatives.
10. The Company does not anticipate investment income when evaluating the need for premium deficiency reserves.
11. Unpaid losses and loss adjustment expenses (including A & E 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. The Company has not materially modified its capitalization policy from the prior period.
13. The Company has no "pharmaceutical rebate receivables."

Note 2 – Accounting Changes and Correction of Errors

A. There were no material accounting changes or material correction of errors.

Note 3 – Business Combinations and Goodwill – Not applicable

Note 4 – Discontinued Operations - Not applicable

Note 5 – Investments

A. Mortgage Loans - Not applicable

B. Debt Restructuring - Not applicable

C. Reverse Mortgages - Not applicable

D. Loan-Backed Securities

1. Loan-backed bonds and structured securities are valued at amortized costs using the constant interest rate method, not including anticipated prepayment at the date of purchase. Loan-backed securities are valued using an effective yield based on current prepayment assumptions obtained from Bloomberg. Prepayment assumptions are reviewed periodically and updated in response to changes in market interest rates.
2. Not applicable
3. Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 5 – Investments (continued from preceding page)

4. The aggregate amount of unrealized losses and the associated fair value for loan-backed securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss are as follows:

	Unrealized Loss	Fair Value
Aggregate unrealized losses less than 12 months	$ 796,227	$ 5,965,530
Aggregate unrealized losses greater than 12 months	267,230	8,840,815

5. 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. Repurchase Agreements and/or Securities Lending Transactions

1. 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. Not applicable

3. Collateral permitted by contract to sell or repledge
   a. Not applicable
   b. The aggregate fair value of all securities acquired from the sale, trade or use of accepted collateral is $64,310,523.
   c. 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. The company has no collateral administered by an affiliated agent.

5. The amortized cost and fair value of the reinvested securities lending cash collateral is $64,310,523
   a. The maturity dates of the reinvested securities lending cash collateral are as follows:

Under 30 days	$49,812,445
31 to 60 days	11,998,078
61 to 90 days	2,500,000
Total	$64,310,523

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

F. Real Estate - Not applicable

G. Investments in low-income housing tax credits - Not applicable

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

A. Details for those greater than 10% of the admitted assets of the company - Not applicable

B. Impaired Investments

1. During 2010 the Company recognized other than temporary impairments on 14 private equity investments managed by Morgan Stanley. These investments were determined to be other-than-temporarily-impaired due to significantly depressed fair values for an extended period of time.

2. The private equity investments were written down to a total fair value of $10,998,747 resulting in a realized loss of $8,600,400. The fair value was determined based on the equity value of the private equity holdings.

Note 7 – Investment Income

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

B. Amounts Non-admitted - Not applicable

Note 8 – Derivative Instruments – Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes

A. The components of the net DTA recognized in Factory Mutual Insurance Company's Assets, Liabilities, Surplus and Other Funds are as follows:

1. Total of all DTAs and DTLs by tax character as well as the net change:

	December 31, 2010			December 31, 2009			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
A) Gross Deferred Tax Assets	236,541,000	138,882,000	375,423,000	232,928,000	175,595,000	408,523,000	3,613,000	(36,713,000)	(33,100,000)
B)Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
C) Adjusted Gross Deferred Tax Assets (1a-1b)	236,541,000	138,882,000	375,423,000	232,928,000	175,595,000	408,523,000	3,613,000	(36,713,000)	(33,100,000)
D) Deferred Tax Liabilities	70,855,000	585,736,000	656,591,000	70,000,000	449,085,000	519,085,000	855,000	136,651,000	137,506,000
E) Subtotal (Net Deferred Tax Assets)	165,686,000	(446,854,000)	(281,168,000)	162,928,000	(273,490,000)	(110,562,000)	2,758,000	(173,364,000)	(170,606,000)
F) Deferred Tax Assets Nonadmitted	-	-	-	-	-	-	-	-	-
G) Net Admitted Deferred Tax Assets (1e-1f)	165,686,000	(446,854,000)	-	162,928,000	(273,490,000)	-	2,758,000	(173,364,000)	-

2. The Company has not elected to admit additional DTAs pursuant to SSAP 10R, paragraph 10e. The current period election does not differ from the prior reporting period.

3. Components by tax character of additional DTAs pursuant to SSAP 10R, paragraph 10e election - Not applicable.

4. DTA Admissibility:

	December 31, 2010			December 31, 2009			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
SSAP 10R, paragraphs 10.a., 10.b., and 10.c.:									
A) Paragraph 10.a. (prior-year federal taxes recoverable by carrying back temporary differences reversing within one year)	145,514,000	-	145,514,000	169,907,000	14,306,000	184,213,000	(24,393,000)	(14,306,000)	(38,699,000)
B) Paragraph 10.b. (lesser of 10.b.i or 10.b.ii)	-	-	-	-	-	-	-	-	-
C) Paragraph 10.b.i (DTA after applying 10a, expected to be realized within one year	-	-	-	-	-	-	-	-	-
D) Paragraph 10.b.ii (Ten percent of adjusted statutory capital and suplus from the most recent filed statement)	XXX	XXX	634,441,945	XXX	XXX	565,116,911	XXX	XXX	69,325,034
E) Paragraph 10.c. (Adjusted Gross DTA, after 10a and 10b that can be offet against existing DTLs)	91,027,000	138,882,000	229,909,000	63,021,000	161,289,000	224,310,000	28,006,000	(22,407,000)	5,599,000
F) Total (4a+4b+4e) - Admissable amount without Election	236,541,000	138,882,000	375,423,000	232,928,000	175,595,000	408,523,000	3,613,000	(36,713,000)	(33,100,000)

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes (continued from preceding page)

	December 31, 2010			December 31, 2009			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
SSAP 10R, paragraph 10.e. (not applicable - not elected):									
G) Paragraph 10e.i. (prior-year federal taxes recoverable by carrying back temporary differences reversing within three years			-			-			-
H) Paragraph 10e.ii. (lesser of 10.e.ii or 10.e.ii.a)			-			-			-
I) Paragraph 10e.ii.a. (DTA after applying 10.e.i, expected to be realized within three years)			-			-			-
J) Paragraph 10e.ii.b. (fifteen percent of adjusted statutory capital and surplus from the most recent filed statement)	XXX	XXX	-	XXX	XXX	-	XXX	XXX	-
K) Paragraph 10e.iii (Adjusted Gross DTA, after 10e.i and 10.e.ii that can be offset against existing DTLs)			-			-			-
L) Total (4g+4h+4k) - Elective admissible amount	-	-	-	-	-	-	-	-	-
SSAP 10R, Paragraph 10.d.: ,									
M) Total Adjusted Capital	XXX	XXX	6,961,909,035	XXX	XXX	6,203,645,736	XXX	XXX	758,263,299
N) Authorized Control Level	XXX	XXX	829,554,485	XXX	XXX	767,370,656	XXX	XXX	62,183,829

5. Amount of DTA (before 10e election, and with 10e election):

	December 31, 2010			December 31, 2009			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
SSAP 10R, paragraphs 10.a., 10.b., and 10.c.:									
A) Admitted Deferred Tax Assets	165,686,000	(446,854,000)	-	162,928,000	(273,490,000)	-	2,758,000	(173,364,000)	-
B) Admitted Assets	XXX	XXX	11,028,837,894			10,015,395,153			1,013,442,741
C) Adjusted Statutory Surplus *	XXX	XXX	6,344,419,446			5,651,169,106			693,250,340
D) Total Capital from DTA's			-			-			-
SSAP 10R, paragraph 10.e. (not applicable - not elected):									
E) Admitted Deferred Tax Assets	-	-	-	-	-	-	-	-	-
F) Admitted Assets	-	-	-	-	-	-	-	-	-
G) Statutory Surplus									

*As reported on the statutory balance sheet for the most recently filed statement with the domiciliary state commissioner adjusted in accordance with SSAP No. 10R, Paragraph 10bii.

6. Tax planning strategy summary - Not applicable.

B. Unrecognized DTL's – Not applicable

C. Current Tax and Change in Deferred Tax

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes (continued from preceding page)

1. The provisions for income taxes incurred on earnings for the years ended December 31 are:

	December 31, 2010		
	2010	2009	Change
A) Federal	62,814,830	101,041,886	(38,227,056)
B) Foreign	24,428,677	44,889,377	(20,460,700)
C) Subtotal	87,243,507	145,931,263	(58,687,756)
D) Realized capital gains	40,296,000	6,939,000	33,357,000
E) Other	-	-	-
F) Federal and foreign income taxes incurred	127,539,507	152,870,263	(25,330,756)

2. Deferred Tax Assets

	December 31, 2010		
	2010	2009	Change
A) Ordinary			
1) Discounting of unpaid losses and LAE	27,650,000	27,061,000	589,000
2) Unearned premium reserve	84,532,000	82,614,000	1,918,000
3) Nonadmitted assets	22,827,000	30,764,000	(7,937,000)
4) Tax credit carry-forward	22,861,000	22,625,000	236,000
5) Benefit plan	60,758,000	62,988,000	(2,230,000)
6) Other (including items <5% of total ordinary assets)	17,913,000	6,876,000	11,037,000
Subtotal	236,541,000	232,928,000	3,613,000
B) Statutory Valuation Allowance Adjustment	-	-	-
C) Nonadmitted Deferred Tax Assets	-	-	-
D) Admitted Ordinary Deferred Tax Assets	236,541,000	232,928,000	3,613,000
E) Capital			
1) Investments	138,882,000	175,595,000	(36,713,000)
2) Other	-	-	-
Subtotal	138,882,000	175,595,000	(36,713,000)
F) Statutory Valuation Allowance Adjustment	-	-	-
G) Nonadmitted Deferred Tax Assets	-	-	-
H) Admitted Capital Deferred Tax Assets	138,882,000	175,595,000	(36,713,000)
I) Admitted deferred tax assets (2d + 2h)	375,423,000	408,523,000	(33,100,000)

3. Deferred Tax Liabilities

	December 31, 2010		
	2010	2009	Change
A) Ordinary			
1) Depreciation	10,308,000	9,424,000	884,000
2) Partnership/LLC	19,075,000	14,649,000	4,426,000
3) Branch remittance	22,861,000	22,625,000	236,000
4) Unrealized foreign exchange gain	14,551,000	18,912,000	(4,361,000)
5) Other (including items <5% of total ordinary assets)	4,060,000	4,390,000	(330,000)
Subtotal	70,855,000	70,000,000	855,000
B) Capital			
1) Investments	585,736,000	449,085,000	136,651,000
2) Other	-	-	-
Subtotal	585,736,000	449,085,000	136,651,000
C) Deferred Tax Liabilities	656,591,000	519,085,000	137,506,000

4. Net Deferred Tax Assets/Liabilities (2i-3c)	(281,168,000)	(110,562,000)	(170,606,000)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

	December 31, 2010	Effective Tax Rate
Provision computed at statutory rate	278,217,000	35.0%
Tax exempt income deduction	(16,529,000)	-2.1%
Net foreign exchange loss	(3,826,000)	-0.5%
Change in nonadmitted assets	7,937,000	1.0%
Decrease in nonadmitted pension	(71,905,000)	-9.0%
Dividends received deduction	(13,165,000)	-1.6%
Proration of tax exempt investment income	4,219,000	0.5%
Nondeductible expenses	1,585,000	0.2%
Contribution to Foundation	(4,483,000)	-0.6%
Effect of foreign operations	8,502,000	1.1%
Adjustment – prior year	(13,631,000)	-1.7%
Other	(15,426,493)	-1.9%
Totals	161,494,507	20.4%
Federal and foreign income taxes incurred	87,243,507	11.0%
Current taxes on realized capital gains	40,296,000	5.1%
Change in net deferred income taxes	33,955,000	4.3%
Total statutory income taxes	161,494,507	20.4%

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes (continued from preceding page)

E. Operating Loss and Tax Credit Carryforwards

1. At December 31, 2010, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

2. The following is the amount of consolidated Federal income tax expense for 2010 and 2009 that is available for recoupment in the event of future net losses:

Year	Amount
2010	184,957,000
2009	296,018,976

3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

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

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

2. The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made 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.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

A. Nature of Relationships:

The Company is not directly or indirectly owned or controlled by any other company, corporation, group of companies, partnership or individual.

B. Detail of Transactions Greater than ½% of Admitted Assets:

Factory Mutual Insurance Company (NAIC # 21482) lists its transactions with affiliates on Schedule Y, Part 2. Included in Schedule Y are the transactions with respect to a corporate restructuring of the real estate holdings within the Factory Mutual Insurance Company (FM Global) group of companies, effective on January 1, 2010.

In order to arrive at a better organized and cohesive real estate ownership structure, allowing for more efficiency in statutory and management reporting, the real estate assets were reorganized under FMRE Holdings LLC, which is a 100% owned subsidiary of Factory Mutual Insurance Company that was created on December 31, 2009.

There was no cash or other funding involved in any of the transactions in the January 1, 2010 corporate restructuring, and all of the transactions were recorded at book value. The total book value of real estate assets that were contributed to FMRE Holdings LLC on January 1, 2010 was $707,250,740. The contributed assets include the Johnston, RI corporate office building and furniture (book value, $152,649,501); the West Glocestor Research Campus, and the Norwood hotel and office building (book value, $160,924,135) that were previously owned by Factory Mutual Engineering Corporation; and the "Hobbs Brook" commercial office buildings in Massachusetts and Illinois, that were previously under FMIC Real Estate Holdings, Inc. (book value $393,677,104).

Factory Mutual Insurance Company had other net capital transactions with FMIC Holdings, Inc. during 2010 in the amount of $191,445, and had other net capital transaction with FMRE Holdings LLC in the amount of $13,097,257 (mainly to fund commercial property improvement projects.).

There were no other non-insurance transactions between the Company and any affiliates, which exceeded one-half of 1% of admitted assets.

C. Change in terms of intercompany arrangements - Not applicable

D. Amounts Due to or from Related Parties:

Amounts shown on Page 2, Line 23 and/or Page 3, Line 19 include balances owed to and from affiliates relate to intercompany pooling arrangements (see Footnote 26) and Intercompany Cash Management Agreements. In addition, there are balances due to/from an international insurance affiliate and various other non-insurance affiliates. See Schedule Y Parts 1 and 2 for listings of affiliates.

E. Guarantees or Contingencies for Related Parties:

Factory Mutual Insurance Company, as owner of all the issued and outstanding common stock of FM Insurance Company Limited ("FMI"), has previously entered into a Performance Guarantee agreement with FMI. Specifically, Factory Mutual Insurance Company guarantees the full performance by FMI of its lawful obligations with respect to contracts of insurance and reinsurance issued by FMI on or after January 1, 2004.

F. Management, Service Contracts, Cost Sharing Agreements:

The Company provides certain accounting management and other services to its affiliates. Management fees are charged to affiliates for services rendered.

G. Nature of Relationships that could affect operations - Not applicable

H. Amounts deducted for Investment in Upstream Company

The Company does not own shares, directly or indirectly, of an upstream intermediate or parent.

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets - Not applicable. Note that the investment in FMIC Holdings, Inc. is valued utilizing the look-through approach as indicated in Item L and none of the values of the SCA entities owned by FMIC Holdings, Inc. exceeds 10% of the admitted assets of the Company.

J. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies - Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates (continued from preceding page)

K. Interest rates and mortality assumptions used in connection with calculating the investment in a foreign subsidiary by adjusting annuity GAAP account value reserves using CARVM and the related Actuarial Guidelines – Not applicable.

L. This reporting entity utilizes the look-through approach for the valuation of a downstream non-insurance holding company instead of obtaining audited financial statements of the downstream non-insurance holding company, and therefore makes the following disclosures:

1. The name of the downstream non-insurance holding company is FMIC Holdings, Inc.

2. The carrying value of the downstream non-insurance company is $1,122,326,824.

3. The financial statements of the downstream non-insurance company are not audited;

4. The reporting entity has limited the value of its investment in the downstream non-insurance holding company to the value contained in the financial statements of SCA entities and/or non-SCA SSAP No. 48 entities owned by the downstream non-insurance holding company and valued in accordance with paragraphs 17 through 20 that will be audited.

5. All liabilities, commitments, contingencies, guarantees or obligations of the downstream non-insurance holding company, which are required to be recorded as liabilities, commitments, contingencies, guarantees or obligations under applicable accounting guidance, are reflected in the reporting entity's determination of the carrying value of the investment in the downstream non-insurance holding company, if not already recorded in the financial statements of the downstream non-insurance holding company.

Note 11 – Debt

A. Capital Notes – Not applicable

B. All Other Debt – Not applicable

Note 12 – Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

A. Defined Benefit Plan
The Company sponsors a noncontributory retirement income plan covering substantially all employees. The benefits are generally based on years of service and the average of the highest consecutive 60 months of the employee's compensation within the 120 months prior to retirement. Generally, the Company's funding policy is to maintain a sufficient funded level to ensure benefit security and to vary contribution levels as appropriate to business conditions. However, the contribution for any year will not be less than the minimum required contribution, nor greater than the maximum deductible contribution. The Company also has a Supplemental Retirement Plan that is a noncontributory defined benefit plan covering certain employees.

	2010 Pension Benefits	2010 Other Benefits	2009 Pension Benefits	2009 Other Benefits
1. Change in benefit obligation				
a. Benefit obligation at B O Y	$ 1,250,656,000	$ 128,479,000	$ 1,007,334,000	$ 111,436,000
b. Service cost	32,857,000	1,959,000	26,483,000	2,554,000
c. Interest cost	69,289,000	6,848,000	68,336,000	7,318,000
d. Contributions by Plan Participants	-	-	-	-
e. Actuarial (gain) loss	114,106,000	12,431,000	196,705,000	17,434,000
f. Foreign currency exchange rate changes	-	-	-	-
g. Benefits paid	(47,579,000)	(11,559,000)	(48,740,000)	(10,263,000)
h. Plan amendments	-	-	538,000	-
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-	-	-
j. Benefit obligation at E O Y	$ 1,419,329,000	$ 138,158,000	$ 1,250,656,000	$ 128,479,000
2. Change in plan assets				
a. Fair value of plan assets at B O Y	$ 1,084,211,000	$ 97,866,000	$ 963,939,000	$ 113,942,000
b. Actual return on plan assets	87,389,000	6,242,000	(15,051,000)	(5,729,000)
c. Foreign currency exchange rate changes	-	-	-	-
d. Employer contribution	231,282,000	-	184,063,000	-
e. Plan participants' contributions	-	-	-	-
f. Benefits paid	(47,579,000)	-	(48,740,000)	(10,347,000)
g. Business combinations, divestitures, settlements	-	-	-	-
h. Fair value at E O Y	$ 1,355,303,000	$ 104,108,000	$ 1,084,211,000	$ 97,866,000
3. Funded Status				
a. Unamortized prior service cost	$ 486,000	$ (260,000)	$ 538,000	$ (346,000)
b. Unrecognized net (gain) loss	804,228,000	67,535,000	713,199,000	59,757,000
c. Remaining net obligation of (net asset) at initial date of application	-	15,738,000	-	17,487,000
d. Fourth quarter contribution	627,000	2,881,000	602,000	2,918,000
e. Prepaid assets or (accrued liabilities)	741,315,000	51,884,000	547,893,000	49,203,000
f. Intangible asset	486,000	-	538,000	-
4. Accumulated Benefit Obligation for vested employees	$ 1,223,113,000	N/A	$ 1,051,808,000	N/A

NOTES TO FINANCIAL STATEMENTS

Note 12 – Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans (continued from preceding page)

5.	Benefit obligation for non-vested employees				
	a. Projected Benefit Obligation	$ 20,078,000	$ 16,688,000	$ 16,652,000	$ 12,277,000
	b. Accumulated Benefit Obligation	$ 17,322,000	N/A	$ 14,067,000	N/A
6.	Components of net periodic benefit cost				
	a. Service cost	$ 32,857,000	$ 1,959,000	$ 26,483,000	$ 2,554,000
	b. Interest cost	69,289,000	6,848,000	68,336,000	7,318,000
	c. Expected return on plan assets	(99,084,000)	(5,871,000)	(87,271,000)	(6,476,000)
	d. Amortization of unrecognized transition obligation or transition asset	-	1,749,000	-	1,749,000
	e. Amount of recognized (gains) and losses	34,773,000	4,283,000	12,332,000	2,065,000
	f. Amount of prior service cost recognized	51,000	(87,000)	-	(87,000)
	g. Amount of (gain) or loss recognized due to a settlement or curtailment	-	-	-	-
	h. Total net periodic benefit cost (income)	$ 37,886,000	$ 8,881,000	$ 19,880,000	$ 7,123,000
7.	Additional minimum liability				
	a. Additional minimum liability	$ 17,713,000	$ -	$ 12,530,000	$ -
	b. Intangible asset	486,000	-	538,000	-
	c. Accumulated other comprehensive income The $5,183,000 change, arising from the change in the additional minimum pension liability recognized, is included in unassigned funds.	$ 17,227,000	$ -	$ 11,992,000	$ -
8.	Weighted average assumptions used to determine net periodic benefit cost as of September 30				
	a. Discount rate	5.50%	5.50%	6.75%	6.75%
	b. Rate of compensation increase	5.00%	5.00%	5.00%	5.00%
	c. Expected long-term rate of return on plan asset	7.75%	6.00%	7.75%	6.00%
	Weighted average assumptions used to determine projected benefit obligations as of September 30				
	d. Discount rate	4.75%	4.75%	5.50%	5.50%
	e. Rate of compensation increase	4.50%	4.50%	5.00%	5.00%
	Annual rate of increase in the per capita cost of covered health care benefits as of September 30				
	f. Healthcare cost trend assumed for next year	N/A	8.50%	N/A	9.00%
	g. Ultimate Trend Rate	N/A	5.00%	N/A	5.00%
	h. Years to reach Ultimate Trend Rate	N/A	7	N/A	8

9. The company uses a September 30 measurement date for the majority of its plans.

10. The Company provides health care and life insurance benefits for certain retired employees and their dependents. Employees not eligible for benefits under pre-merger plan provisions, under age 30 as of January 1, 2000, or hired after January 1, 2000, are ineligible for benefits. Other employees may become eligible if they meet certain age and service requirements. The plan is contributory, with retiree contributions adjusted annually, and contains other cost-saving features such as deductibles and coinsurance.

11. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1% Point Increase	1% Point Decrease
a. Effect on total of service and interest cost components	738,000	(528,000)
b. Effect of postretirement benefit obligation	11,105,000	(8,258,000)

12. Information about plan assets:

    a. The defined benefit pension plan asset allocation, as of the measurement date, September 30, and the target asset allocation, presented as a percentage of total plan assets, were as follows:

	Percentage of Plan Assets at September 30		
Asset Category	**2010**	**2009**	**Target Allocation**
Equity Securities	67%	61%	64%
Debt Securities	20%	23%	28%
Real Estate	0%	0%	0%
Cash	10%	12%	4%
Other	3%	4%	4%
Total	100%	100%	100%

NOTES TO FINANCIAL STATEMENTS

Note 12 – Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans (continued from preceding page)

The other post retirement benefit plans asset allocation, as of the measurement date, September 30, and the target asset allocation, presented as a percentage of total plan assets, were as follows:

	Percentage of Plan Assets at September 30		
Asset Category	**2010**	**2009**	**Target Allocation**
Equity Securities	89%	89%	90%
Debt Securities	0%	0%	0%
Real Estate	0%	0%	0%
Cash	10%	10%	9%
Other	1%	1%	1%
Total	100%	100%	100%

b. Investment policy goals are to minimize pension expense and maximize portfolio returns with acceptable return volatility. The invested assets will be managed on a long-term total return basis and measured against established benchmarks for each asset class. As equities are expected to continue to provide the highest returns of the major asset classes, exposure to equities will be emphasized. Risk management is achieved by limiting the size of asset classes and individual security positions to achieve adequate diversification. Derivatives are not used in internally managed portfolios, but are used in varying degrees in the externally managed portfolios. The Plans will maintain a funded level sufficient to ensure benefit security.

c. Expected rate of return assumptions are created based on assessments of future behavior of asset classes. As part of the process, historical relationships are considered. Using a three-to-five year outlook, estimates of numerous variables have been combined to gauge economic growth potential. Corporate profit growth is positively correlated with economic growth and equity returns are driven by profits. Debt security returns should continue their historical relationship with equities and produce somewhat lower returns with a lower level of risk.

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

		Other Benefits	
Year(s)	**Pension Benefits**	**Gross Benefits (before subsidy)**	**Expected Federal Subsidy**
2011	54,634,000	13,075,000	1,234,000
2012	58,470,000	13,209,000	1,318,000
2013	62,049,000	13,399,000	1,399,000
2014	66,687,000	13,578,000	1,466,000
2015	69,897,000	13,444,000	1,550,000
2016-2020	410,012,000	64,541,000	8,770,000

14. The Company currently intends to make voluntary contributions to the defined benefit pension plan of $43,600,000 in 2011. The Company currently does not intend to make voluntary contributions to other postretirement benefit plans in 2011.

B. Defined Contribution Plans

The Company also sponsors a 401(k) savings plan whereby eligible employees may elect annually to contribute from 1% to 50% of their base pay on a pretax or after-tax basis. Pretax contributions per employee were limited to $16,500 in 2010 and 2009. The Company matches pretax contributions up to 6% of the employee's base pay. Company contributions to the Plan were $13,330,000 in 2010 and $12,728,000 in 2009.

C. Multiemployer Plans - Not applicable

D. Consolidated/Holding Company Plans - See Note 12A.

E. Post-employment benefits and compensated absences – Not applicable

F. Impact of Medicare Modernization Act on Postretirement Benefits - Refer to Item A - 13 above

Note 13 – Capital and Surplus, Shareholders' Dividend Restriction and Quasi-Reorganizations

1. Outstanding Shares - Not applicable

2. Dividend Rate of Preferred Stock – Not applicable

3. 4. & 5. Dividend Restrictions, Dividends Paid & Amount of Ordinary Dividends That May Be Paid – Not applicable

6. Restrictions on Unassigned Funds – Not applicable

7. Advances to Surplus Not Repaid - Not applicable

8. & 9. Changes in Special Surplus Funds and Company Stock Held for Special Purposes – Not applicable

10. The portion of unassigned funds (surplus) represented by cumulative unrealized gains and losses is $1,673,530,000. This unrealized gain is not net of the applicable deferred tax liability of $585,736,000.

11. Surplus Notes - Not applicable

12. & 13. Quasi-Reorganizations - Not applicable

Note 14 – Contingencies

A. Contingent Commitments – Not applicable

B. Guaranty Fund and Other Assessments – Not applicable

C. Gain Contingencies – Not applicable

D. Extra Contractual Obligations and Bad Faith Losses - Not applicable

E. All other Contingencies

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

NOTES TO FINANCIAL STATEMENTS

Note 15 – Leases

In connection with its various operating offices through North America, the Company leases office space and automobiles. These leases are classified as operating leases. Rental expense for all operating leases was $38,655,519 in 2010 and $42,347,243 in 2009.

Future minimum lease payments at December 31, 2010, under operating leases with terms of one year or more, aggregate $84,196,877. The future minimum lease payments for each of the five succeeding years from 2011 to 2015 are $19,817,425, $18,401,866, $15,414,771, $10,174,506 and $6,689,473, respectively.

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

A. Financial Instruments with off-balance sheet risk – Not applicable

B. 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. Transfer of financial assets – Not applicable

2. Under a securities lending program with an agent, the Company has temporarily loaned certain debt securities with a fair value of $143,206,877 and $80,680,000 at December 31, 2010 and December 31, 2009, 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.

3. Servicing assets and servicing liabilities - Not applicable

4. Securitized financial assets that transfer as a sale – Not applicable

5. Securitized financial assets held by transferor – Not applicable

6. Transfers of receivables with recourse – Not applicable

C. Wash Sales - Not applicable

Note 18 – Gain or Loss to the Reporting Entity from Uninsured A & H Plans and the Uninsured Portion of Partially Insured Plans - Not applicable

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

As understood by the definition of "Managing General Agent" contained in Appendix A-225 of the NAIC Accounting Practices and Procedures Manual, Factory Mutual Insurance Company has no managing general agents.

Note 20 – Fair Value Measurements

A. Inputs Used for Invested Assets Measured at Fair Value

1. Fair Value Measurements by Level

Assets measured at fair value - Levels 1, 2 and 3. The Company categorizes its invested assets that are measured at fair value into the three-level fair value hierarchy as reflected in the following table. Item 4 provides a discussion of each of these three levels.

Description	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Bonds	$ -	$ 12,065,546	-	$ 12,065,546
Preferred Stocks	-	-	-	
Common Stocks	3,797,922,040	146,872,527	-	3,944,794,567
Total Assets	$ 3,797,922,040	$ 158,938,073	-	$ 3,956,860,113

2. Rollforward of Level 3

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

3. Policy on Transfers Into and Out of Level 3

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.

NOTES TO FINANCIAL STATEMENTS

Note 20 – Fair Value Measurements (continued from preceding page)

4. Inputs and Techniques used for Fair Value

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 Level1.

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.

5. Derivatives – Not applicable

B. Other Fair Value Disclosures – Not applicable

C. Reasons Not Practical to Estimate Fair Value – Not applicable

Note 21 – Other Items

A. Extraordinary Items – Not applicable

B. Troubled Debt Restructuring for 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 foreign exchange adjustment" line on page 4, line 25. This has the effect of converting total surplus to U.S. Dollars.

D. Uncollectible Premiums Receivable – Not applicable

E. Business Interruption Insurance Recoveries – Not applicable

F. State Transferable Tax Credits - Not applicable

G. Subprime Mortgage Related Risk Exposure:

1. Factory Mutual Insurance 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. In addition, the structure of the deal is monitored to assess the level of coverage and credit enhancement for the tranche held. 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. None

3. Factory Mutual Insurance Company's only exposure to subprime bonds is one residential mortgage-backed security.

   a. The actual cost of the subprime bond is $2,305,008.

   b. The book adjusted carrying value of the subprime bond is $2,316,536.

   c. The fair value of the subprime bond is $1,746,250.

   d. None.

4. None

Note 22 – Events Subsequent

Subsequent events have been considered through February 23, 2011 for these statutory financial statements which are to be issued February 24, 2011. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

NOTES TO FINANCIAL STATEMENTS

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverable – Not Applicable

NAIC CODE	FEDERAL ID	COMPANY	UNSECURED AMOUNT

B. Reinsurance Recoverable in Dispute – Not applicable

C. Reinsurance Assumed and Ceded

(1) The following table summarizes ceded and assumed unearned premiums and the related commission equity at the end of the current year, as applicable:

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Reserve Premium (1)	Equity Commission (2)	Reserve Premium (3)	Equity Commission (4)	Reserve Premium (5)	Equity Commission (6)
I. Affiliates	$ 186,088,078	$ 5,978,359	$ 4,125,993	$ 1,340,948	$ 181,962,085	$ 4,637,411
II. All Other	$ 140,590,821	$ 26,880,143	$ 258,779,446	$ 71,461,870	$ (118,188,625)	$ (44,581,727)
III. TOTAL	$ 326,678,899	$ 32,858,502	$ 262,905,439	$ 72,802,818	$ 63,773,460	$ (39,944,316)
IV. Direct Unearned Premium Reserve $ 1,118,472,489						

(2) Certain agency agreements and ceded reinsurance contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. The following table summarizes amounts accrued at the end of the current year, if applicable:

Description	REINSURANCE			
	Direct	Assumed	Ceded	Net
	(1)	(2)	(3)	(4)
(i) Contingent Commission	-	-	-	-
(ii) Sliding Scale Adjustment	-	-	-	-
(iii) Other Profit Commission Arrangements	-	-	-	-
(iv) TOTAL	-	-	-	-

(3) Protected Cells – Not Applicable

D. Uncollectible Reinsurance

The Company has written off in the current year reinsurance balances due (from the companies listed below) in the amount of: $ 0 which is reflected as:

Statement of Income Account	Amount
Losses Incurred	$ -
Loss adjustment expenses incurred	
Premiums Earned	
Other	
Total	$ -

Reinsurer	Amount
Total	$ -

E. Commutation of Ceded Reinsurance

The Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts which are reflected as:

Statement of Income Account	Amount
Losses Incurred	$ (48,625)
Loss adjustment expenses incurred	-
Premiums earned	-
Other	-
Total	$ (48,625)

Company	Amount
Korean Reinsurance Company	$ (48,625)
Total	$ (48,625)

F. Retroactive Reinsurance – Not applicable

G. Reinsurance Accounted for as a Deposit - Not applicable

H. Reinsurance Run-Off Agreements – Not Applicable

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Re-determination – Not applicable

Note 25 – Changes 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 $264,479,000. This decrease in the prior years was primarily due to reductions 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.

NOTES TO FINANCIAL STATEMENTS

Note 26 – Inter-company Pooling Arrangements

Factory Mutual Insurance Company, NAIC Code 21482, Affiliated FM Insurance Company, NAIC Code 10014, and Appalachian Insurance Company, NAIC Code 10316, are members of the FM Global Group and have entered into a Tripartite Quota Share Pooling Agreement (the agreement). The agreement became effective January 1, 1982.

All business written by each of the pool participants is subject to pooling. Also, reinsurance may be ceded on a facultative and/or treaty basis by any pool participant prior to pooling. There are no discrepancies between the assumed and ceded reinsurance schedules of the pool participants. Each pool participant establishes its respective provision for reinsurance Schedule F - Part 7 and the write-off of uncollectible reinsurance for its own facultative and treaty cessions. Uncollectible reinsurance has been furnished to insurance departments of those states where the company is licensed.

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. The current pooling percentages, amended as of January 1, 2005, are 86% Factory Mutual Insurance Company, 12% Affiliated FM Insurance Company, and 2% Appalachian Insurance Company.

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

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.

The pooling results are reported in reinsurance lines 31-33 on the Underwriting and Investment Exhibit pages 6 – 10 and on Schedule P.

The Combined Annual Statement eliminates the results of all intercompany activity.

Note 27 – Structured Settlements – Not applicable

Note 28 - Health Care Receivables - Not applicable

Note 29 - Participating Policies - Not applicable

Note 30 - Premium Deficiency Reserves

The Company evaluated whether a premium deficiency reserve is required as of December 31, 2010 and determined that a premium deficiency reserve is not applicable. This evaluation was completed on February 4, 2011.

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

Note 31 – High Deductibles – Not applicable

Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjusting Expenses – Not applicable

Note 33 – Asbestos and Environmental Reserves

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 subject to considerable certainty, due to the potential severity of the claims and the uncertain legal climate.

Direct - Asbestos	2006	2007	2008	2009	2010
Beginning reserves:	$ 136,052,000	$ 92,554,000	$ 75,187,000	$ 234,477,000	$ 352,464,000
Incurred losses & loss adjustment expense:	-	15,132,000	189,225,000	167,967,000	25,024,000
Calendar year payments for losses & loss adjustment expense:	43,498,000	32,499,000	29,935,000	49,980,000	24,402,000
Ending Reserves:	$ 92,554,000	$ 75,187,000	$ 234,477,000	$ 352,464,000	$ 353,086,000

Assumed Reinsurance – Asbestos	2006	2007	2008	2009	2010
Beginning reserves:	$ 324,468,000	$ 415,304,000	$ 349,874,000	$ 424,202,000	$ 513,988,000
Incurred losses & loss adjustment expense:	133,782,000	(2,231,000)	118,972,000	135,008,000	(10,022,000)
Calendar year payments for losses & loss adjustment expense:	42,946,000	63,199,000	44,644,000	45,222,000	43,012,000
Ending Reserves:	$ 415,304,000	$ 349,874,000	$ 424,202,000	$ 513,988,000	$ 460,954,000

Net of Ceded Reinsurance – Asbestos	2006	2007	2008	2009	2010
Beginning reserves:	$ 221,837,000	$ 310,754,000	$ 291,354,000	$ 309,229,000	$ 432,224,000
Incurred losses & loss adjustment expense:	105,395,000	5,564,000	36,735,000	174,279,000	13,998,000
Calendar year payments for losses & loss adjustment expense:	16,478,000	24,964,000	18,860,000	51,284,000	32,691,000
Ending Reserves:	$ 310,754,000	$ 291,354,000	$ 309,229,000	$ 432,224,000	$ 413,531,000

NOTES TO FINANCIAL STATEMENTS

Note 33 – Asbestos and Environmental Reserves (continued from preceding page)

Direct – Environmental	2006	2007	2008	2009	2010
Beginning reserves:	$ 75,061,000	$ 53,636,000	$ 47,738,000	$ 11,922,000	$ 17,922,000
Incurred losses & loss adjustment expense:	-	10,109,000	(21,072,000)	8,541,000	1,273,000
Calendar year payments for losses & loss adjustment expense:	21,425,000	16,007,000	14,744,000	2,541,000	1,241,000
Ending Reserves:	$ 53,636,000	$ 47,738,000	$ 11,922,000	$ 17,922,000	$ 17,954,000

Assumed Reinsurance – Environmental	2006	2007	2008	2009	2010
Beginning reserves:	$ 111,944,000	$ 165,579,000	$ 154,100,000	$ 47,193,000	$ 79,223,000
Incurred losses & loss adjustment expense:	62,330,000	(3,710,000)	(97,134,000)	37,670,000	19,981,000
Calendar year payments for losses & loss adjustment expense:	8,695,000	7,769,000	9,773,000	5,640,000	19,047,000
Ending Reserves:	$ 165,579,000	$ 154,100,000	$ 47,193,000	$ 79,223,000	$ 80,157,000

Net of Ceded Reinsurance – Environmental	2006	2007	2008	2009	2010
Beginning reserves:	$ 104,778,000	$ 152,634,000	$ 146,671,000	$ 48,741,000	$ 67,159,000
Incurred losses & loss adjustment expense:	52,331,000	794,000	(92,972,000)	24,031,000	9,216,000
Calendar year payments for losses & loss adjustment expense:	4,475,000	6,757,000	4,958,000	5,613,000	12,697,000
Ending Reserves:	$ 152,634,000	$ 146,671,000	$ 48,741,000	$ 67,159,000	$ 63,678,000

Included in reserves above, the Company holds IBNR and/or bulk reserves. It held such reserves in the amount of $266,347,000 (Asbestos) and $13,544,000 (Environmental) on a direct basis, $333,983,000 (Asbestos) and $53,991,000 (Environmental) on an assumed basis and $299,579,000 (Asbestos) and $42,543,000 (Environmental) on a net basis at December 31, 2010.

Included in the reserves above, the Company holds future allocated loss adjustment expense reserves. It held such reserves in $28,396,000 (Asbestos) and $1,444,000 (Environmental) on a direct basis, $63,203,000 (Asbestos) and $13,025,000 (Environmental) on an assumed basis and $78,642,000 (Asbestos) and $14,586,000 (Environmental) on a net basis at December 31, 2010.

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 [X] No [ ]

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

1.3 State regulating? 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 [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008

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. 12/31/2008

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/07/2010

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 [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] 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 [X]

4.12 renewals? Yes [ ] No [X]

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

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

4.22 renewals? Yes [ ] No [X]

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

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

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

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

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control .....%

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide the names and 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 Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP 200 Clarendon Street, Boston, MA 02116-5072

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions to the audit committee requirements as allowed in Section 14H of the Annual Financial Reporting Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.6 If the response to 10.5 is yes, provide information related to this exemption:

10.7 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ]

10.8 If the answer to 10.7 is no or n/a, please explain.

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
John Dawson, Senior Consulting Actuary, Ernst & Young 200 Clarendon Street, Boston, MA 02116-5072

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

12.11 Name of real estate holding company
FMRE HOLDINGS LLC

12.12 Number of parcels involved 25

12.13 Total book/adjusted carrying value $.....705,907,194

12.2 If yes, provide explanation.
FMRE Holdings LLC is a wholly owned subsidiary holding subsidiaries that own commercial office buildings that are leased.

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).

BOARD OF DIRECTORS

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

16. 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 [ ]

17. 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

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

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

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

19.12 To stockholders not officers $.....0

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

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

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

19.22 To stockholders not officers $.....0

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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

20.21 Rented from others .....

20.22 Borrowed from others .....

20.23 Leased from others .....

20.24 Other .....

21.1 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]

21.2 If answer is yes:

21.21 Amount paid as losses or risk adjustment .....

21.22 Amount paid as expenses .....

21.23 Other amounts paid .....

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

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

INVESTMENT

23.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 23.3)? Yes [ ] No [X]

23.2 If no, give full and complete information relating thereto.
JP Morgan Worldwide Securities Services and RBC (Toronto) hold custody of the securities.

23.3 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 the securities loaned as of year end 2010 is $143,206,877 and $146,174,577 respectively. The amount of cash collateral carried on balance sheet is $64,310,523. See Note 17 for a description of the securities lending program.

23.4 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 [ ]

23.5 If answer to 23.4 is yes, report amount of collateral for conforming programs. $.....146,174,577

23.6 If answer to 23.4 is no, report amount of collateral for other programs. .....

23.7 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 [ ]

23.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

23.9 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 [ ]

24.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 20.1 and 23.3) Yes [X] No [ ]

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

24.21 Subject to repurchase agreements $.....0

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

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

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

24.25 Pledged as collateral $.....0

24.26 Placed under option agreements $.....0

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

24.28 On deposit with state or other regulatory body $.....5,758,668

24.29 Other $.....0

24.3 For category (24.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

25.2 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.

26.1 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]

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

27. 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 [ ]

27.01 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	1 Chase Manhatten Plaza New York, NY
RBC	200 Bay Street Toronto, Ontario

27.02 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)

27.03 Have there been any changes, including name changes, in the custodian(s) identified in 27.01 during the current year? Yes [ ] No [X]

27.04 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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
JP Morgan Worldwide Securities Services	300 North Capital, LLC (formerly Provident)	Los Angeles, CA
JP Morgan Worldwide Securities Services	Sanford C. Bernstein & Co., LLP	White Plains, NY
JP Morgan Worldwide Securities Services	Standish Mellon	Boston, MA
JP Morgan Worldwide Securities Services	CSFB	New York, NY
JP Morgan Worldwide Securities Services	Morgan Stanley	Philadelphia, PA
JP Morgan Worldwide Securities Services	Goldman Sachs	New York, NY
JP Morgan Worldwide Securities Services	Blackrock Financial Management, Inc.	New York, NY
RBC	BMO Asset Management (formerly Jones Heward Investment Council)	Toronto, ON

28.1 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 [ ]

28.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj.Carrying Value
80042# 10 8	BERNSTEIN INTERNATIONAL	96,936,941
61744J 30 9	MORGAN STANLEY SMALL CO GROWTH	46,167,280
61744J 82 0	MORGAN STANLEY EMERGING MARKETS	26,195,738
61744J 83 8	MORGAN STANLEY INT'L SMALL CAP	58,568,589
01882C 10 4	ALLIANCE BERNSTEIN INTERNATIONAL VALUE FUND	49,935,586
464287 23 4	ISHARES MSCI ENERGING MARKETS	25,726,680
922042 85 8	VANGUARD EMERGING MARKETS ETF	11,073,580
922042 87 4	VANGUARD EUROPEAN ETF	7,854,400
92204A 87 6	VANGUARD WORLD FUNDS	28,133,352
78464A 87 0	SPDR S&P BIOTECH EFT	4,100,200
626127 66 6	MUNDER INT'L SMALL CAP	112,336,823
464286 10 3	ISHARES INC	31,164,000
464286 40 0	ISHARES MSCI BRAZIL	4,644,000
464286 80 6	ISHARES INC	33,516,000
78464A 78 9	SPDR KBW INSURANCE ETF	6,454,500
81369Y 40 7	SELECT SECTOR SPDR TRUST	10,848,900
921943 85 8	VANGUARD TAX-MANAGED FUND	3,615,000
922042 71 8	VANGUARD INTERNATIONAL	4,981,000
28.2999. TOTAL		562,252,569

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation
BERNSTEIN INTERNATIONAL	VALE SA	2,500,973	12/31/2010
BERNSTEIN INTERNATIONAL	ROYAL DUTCH SHELL PLC	2,452,505	12/31/2010
BERNSTEIN INTERNATIONAL	VODAFONE GROUP PLC	2,229,550	12/31/2010
BERNSTEIN INTERNATIONAL	GAZPROM OAO	1,870,883	12/31/2010
BERNSTEIN INTERNATIONAL	SAMSUNG ELECTRONICS CO LTD	1,793,333	12/31/2010
MORGAN STANLEY SMALL CO GROWTH	PF CHANG'S CHINA BISTRO	1,825,454	12/31/2010
MORGAN STANLEY SMALL CO GROWTH	GREENHILL & CO INC	1,742,353	12/31/2010
MORGAN STANLEY SMALL CO GROWTH	LYNAS CORP LTD	1,728,965	12/31/2010
MORGAN STANLEY SMALL CO GROWTH	TECHNE CORP	1,644,479	12/31/2010
MORGAN STANLEY SMALL CO GROWTH	MSCI INC	1,603,851	12/31/2010
MORGAN STANLEY EMERGING MARKETS	MORGAN STANLEY INST	698,378	12/31/2010
MORGAN STANLEY EMERGING MARKETS	AMERICAN MOVIL SAVE DE C	627,650	12/31/2010
MORGAN STANLEY EMERGING MARKETS	ELECTRONICS CO	597,525	12/31/2010
MORGAN STANLEY EMERGING MARKETS	CONSTRUCTION BAN	419,918	12/31/2010
MORGAN STANLEY EMERGING MARKETS	MTN GROUP LTD	404,986	12/31/2010
MORGAN STANLEY INT'L SMALL CAP	KUONI RISEN HOLDING A	1,228,183	12/31/2010
MORGAN STANLEY INT'L SMALL CAP	FUJI MACHINE MANUFACTURING	1,174,300	12/31/2010
MORGAN STANLEY INT'L SMALL CAP	MIRAIAL CO LTD	1,111,046	12/31/2010
MORGAN STANLEY INT'L SMALL CAP	YACHIYO BANK LTD/THE	1,078,833	12/31/2010
MORGAN STANLEY INT'L SMALL CAP	BLUESCOPE STEEL LTD	941,783	12/31/2010
ALLIANCE/BERNSTEIN INTERNATIONAL VALUE FUND	JOHNSON & JOHNSON	2,910,859	12/31/2010
ALLIANCE/BERNSTEIN INTERNATIONAL VALUE FUND	PFIZER INC	2,489,165	12/31/2010
ALLIANCE/BERNSTEIN INTERNATIONAL VALUE FUND	JP MORGAN CHASE & CO	2,272,461	12/31/2010
ALLIANCE/BERNSTEIN INTERNATIONAL VALUE FUND	NORTHROP GRUMMAN CORP	2,126,040	12/31/2010
ALLIANCE/BERNSTEIN INTERNATIONAL VALUE FUND	WELLS FARGO & CO	2,038,187	12/31/2010
ISHARES MSCI EMERGING MARKETS	SAMSUNG ELECTRONIC CO	574,477	12/31/2010
ISHARES MSCI EMERGING MARKETS	CHINA MOBILE LTD	424,233	12/31/2010
ISHARES MSCI EMERGING MARKETS	PETROLEO BRASILEIRO SA	411,884	12/31/2010
ISHARES MSCI EMERGING MARKETS	VALE SA	404,938	12/31/2010
ISHARES MSCI EMERGING MARKETS	GAZPROM OAO	394,133	12/31/2010
VANGUARD EMERGING MARKET ETF	CHINA MOBILE LTD	195,116	12/31/2010
VANGUARD EMERGING MARKET ETF	AMERICA MOVIL SAB DE C	168,097	12/31/2010
VANGUARD EMERGING MARKET ETF	GAZPROM OAO	155,584	12/31/2010
VANGUARD EMERGING MARKET ETF	SAMSUNG ELECTRONICS CO	134,323	12/31/2010
VANGUARD EMERGING MARKET ETF	INDUSTRIAL & COMMERCIAL	125,021	12/31/2010
VANGUARD EUROPEAN ETF	NESTLE SA	218,038	12/31/2010
VANGUARD EUROPEAN ETF	HSBC HOLDINGS PLC	209,477	12/31/2010
VANGUARD EUROPEAN ETF	VODAFONE GROUP PLC	145,542	12/31/2010
VANGUARD EUROPEAN ETF	NOVARTIS AG	142,872	12/31/2010
VANGUARD EUROPEAN ETF	BP PLC	141,850	12/31/2010
VANGUARD WORLD FUNDS	SOUTHERN CO	1,838,515	12/31/2010
VANGUARD WORLD FUNDS	EXELON CORP	1,684,062	12/31/2010
VANGUARD WORLD FUNDS	DOMINION RESOURCES INC	1,558,306	12/31/2010
VANGUARD WORLD FUNDS	DUKE ENERGY CORP	1,392,601	12/31/2010
VANGUARD WORLD FUNDS	NEXTERA ENERGY INC	1,282,881	12/31/2010
SPDR S&P BIOTECH EFT	REGENRON PHARMACEUTICAL	192,217	12/31/2010
SPDR S&P BIOTECH EFT	ALERMES INC	184,632	12/31/2010
SPDR S&P BIOTECH EFT	AMYLIN PHARMACEUTICALS	180,168	12/31/2010
SPDR S&P BIOTECH EFT	UNITED THERAPEUTICS CO	176,801	12/31/2010
SPDR S&P BIOTECH EFT	BIOMARIN PHARMACEUTICAL	175,325	12/31/2010
MUNDER INTERNATIONAL SMALL CAP	PROSIEBENSAT 1 MEDIA	1,609,787	12/31/2010
MUNDER INTERNATIONAL SMALL CAP	BILFINGER BERGR SE	953,740	12/31/2010
MUNDER INTERNATIONAL SMALL CAP	IMTECH NV	946,999	12/31/2010
MUNDER INTERNATIONAL SMALL CAP	SUIZER AG	926,779	12/31/2010
MUNDER INTERNATIONAL SMALL CAP	ATEA ASA	923,409	12/31/2010
ISHARES INC	BHP BILLITON LTD	4,923,600	12/31/2010
ISHARES INC	COMMONWEALTH BANK OF A	2,566,355	12/31/2010
ISHARES INC	WESTPAC BANKING CORPO	2,183,973	12/31/2010
ISHARES INC	AUSTRALIA & NEW ZEALAND	1,970,811	12/31/2010
ISHARES INC	NATIONAL AUSTRALIA BANK	1,707,164	12/31/2010
ISHARES MSCI BRAZIL	PETROLEO BRASILEIRO SA	478,889	12/31/2010
ISHARES MSCI BRAZIL	VALE SA	454,880	12/31/2010
ISHARES MSCI BRAZIL	ITAU UNIBANCO HOLDING	430,545	12/31/2010
ISHARES MSCI BRAZIL	PETROLEO BRASILEIRO SA	381,923	12/31/2010
ISHARES MSCI BRAZIL	VALE SA	333,671	12/31/2010
ISHARES INC	SIEMENS AG	3,526,554	12/31/2010
ISHARES INC	BASF AG	2,676,923	12/31/2010
ISHARES INC	BAYER AG	2,353,829	12/31/2010
ISHARES INC	DAIMLER AG	2,297,857	12/31/2010
ISHARES INC	E. ON AG	2,014,982	12/31/2010
SPDR KBW INSURANCE ETF	METLIFE INC	613,823	12/31/2010
SPDR KBW INSURANCE ETF	TRAVELERS COS INC/THE	488,283	12/31/2010
SPDR KBW INSURANCE ETF	AFLAC INC	463,498	12/31/2010
SPDR KBW INSURANCE ETF	PRUDENTIAL FINANCIAL	429,289	12/31/2010
SPDR KBW INSURANCE ETF	AMERIPRISE FINANCIAL	303,362	12/31/2010
SELECT SECTOR SPDR TR	MCDONALD'S CORP	695,740	12/31/2010
SELECT SECTOR SPDR TR	WALT DISNEY CO/THE	666,231	12/31/2010
SELECT SECTOR SPDR TR	FORD MOTOR CO	605,694	12/31/2010
SELECT SECTOR SPDR TR	AMAZON.COM INC	584,756	12/31/2010
SELECT SECTOR SPDR TR	COMCAST CORP	563,166	12/31/2010
VANGUARD INTERNATIONAL	ELEDORADO GOLD CORP	23,809	12/31/2010
VANGUARD INTERNATIONAL	CRESCENT POINT ENERGY	23,510	12/31/2010
VANGUARD INTERNATIONAL	SILVER WHEATON CORP	23,062	12/31/2010
VANGUARD INTERNATIONAL	KINROSS GOLD CORP	21,418	12/31/2010
VANGUARD INTERNATIONAL	IVANHOE MINES LTD/CA	20,273	12/31/2010

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

VANGUARD TAX MANAGED FUND	NESTLE SA	65,070	12/31/2010
VANGUARD TAX MANAGED FUND	HSBC HOLDINGS PLC	62,612	12/31/2010
VANGUARD TAX MANAGED FUND	VODAFONE GROUP PLC	45,874	12/31/2010
VANGUARD TAX MANAGED FUND	BHP BILLITON LTD	44,681	12/31/2010
VANGUARD TAX MANAGED FUND	BP PLC	44,537	12/31/2010

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
29.1 Bonds	3,334,199,285	3,462,246,315	128,047,030
29.2 Preferred stocks		166,337	166,337
29.3 Totals	3,334,199,285	3,462,412,652	128,213,367

29.4 Describe the sources or methods utilized in determining the fair values:
Bonds and preferred stocks are priced by the SVO when available. When the SVO pricing is not available, bonds and preferred stocks are priced by the company's external pricing source, IDC.

30.1 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]

30.2 If the answer to 30.1 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 [ ]

30.3 If the answer to 30.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.
Bonds and preferred stocks are priced by the SVO when available. When the SVO pricing is not available, bonds and preferred stocks are priced by the company's external pricing source, IDC.

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

31.2 If no, list exceptions:

OTHER

32.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 77,836

32.2 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
Commonwealth of Massachusetts	20,984

33.1 Amount of payments for legal expenses, if any? $ 4,065,618

33.2 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

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

34.2 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 AND CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]
1.2 If yes, indicate premium earned on U.S. business only. .....
1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....
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. .....
1.5 Indicate total incurred claims on all Medicare Supplement insurance. .....
1.6 Individual policies:
Most current three years:
1.61 Total premium earned .....
1.62 Total incurred claims .....
1.63 Number of covered lives .....
All years prior to most current three years:
1.64 Total premium earned .....
1.65 Total incurred claims .....
1.66 Number of covered lives .....
1.7 Group policies:
Most current three years:
1.71 Total premium earned .....
1.72 Total incurred claims .....
1.73 Number of covered lives .....
All years prior to most current three years:
1.74 Total premium earned .....
1.75 Total incurred claims .....
1.76 Number of covered lives .....

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	$.....0	$.....0
2.2 Premium Denominator	$.....2,401,879,431	$.....2,601,701,263
2.3 Premium Ratio (2.1/2.2)	.....0.0	.....0.0
2.4 Reserve Numerator	$.....0	$.....0
2.5 Reserve Denominator	$.....3,190,670,216	$.....3,102,861,975
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 [ ] No [X]
3.2 If yes, state the amount of calendar year premiums written on:
3.21 Participating policies .....
3.22 Non-participating policies .....

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:
4.1 Does the reporting entity issue assessable policies? Yes [ ] No [X]
4.2 Does the reporting entity issue non-assessable policies? Yes [X] 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 [ ] N/A [X]
5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [X]
5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?

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?
The Company does not issue Workers' Compensation contracts.

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
The Company uses proprietary and RMS models that are developed to model our catastrophe exposure in hurricane and earthquake prone areas where we have concentrations of business.
6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
In addition to controlling the Company's exposure by loss prevention engineering, deductibles, and limits of liability, we purchase risk and catastrophe reinsurance.
6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [ ] No [X]
6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:
There are certain parts of the Company's catastrophe program in the 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 and its ability to purchase additional reinsurance if an event occurs, it was determined that a reinstatement clause is 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. .....
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 [ ]

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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 control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliate represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates 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 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

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

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

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

(a) The entity does not utilize reinsurance; or Yes [ ] No [X]
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [X]

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

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

11.2 If yes, give full information:

Factory Mutual Insurance Company, as owner of all the issued and outstanding common stock of FM Insurance Company Limited ("FMI"), has previously entered into a Performance Guarantee agreement with FMI. Specifically, Factory Mutual Insurance Company guarantees the full performance by FMI of its lawful obligations with respect to contracts of insurance and reinsurance issued by FMI on or after January 1, 2004.

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:

12.1 Unpaid losses $.....0
12.1 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:

12.4 From .....%
12.4 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:

12.6 Letters of credit .....
12.6 Collateral and other funds .....

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $.....255,625,000

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. 2

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Based on an intercompany Excess of Loss Treaty. Maximum retention is based upon Largest Net Aggregate.

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 [X] No [ ]

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

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

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

15.2 If yes, give full information:

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

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

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

* Disclose type of coverage:

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

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:

17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5	$21,782,000
17.12 Unfunded portion of Interrogatory 17.11	$21,782,000
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	$21,782,000
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 account? Yes [ ] No [X]

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

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.

FIVE-YEAR HISTORICAL DATA

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

		1 2010	2 2009	3 2008	4 2007	5 2006
	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)				5,874	113
2.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,479,183,532	2,694,138,732	2,348,960,596	2,579,478,670	2,670,453,867
3.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	556,963,293	570,640,911	475,435,496	508,528,006	505,071,860
4.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
5.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	163,459,269	124,734,648	137,418,730	108,359,862	80,730,615
6.	Total (Line 35)	3,199,606,094	3,389,514,291	2,961,814,822	3,196,372,412	3,256,256,455
	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)				5,874	113
8.	Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,836,932,980	2,028,671,748	1,776,449,876	1,901,056,974	2,003,542,773
9.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	471,121,823	492,082,901	402,025,811	428,555,064	419,337,957
10.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
11.	Nonproportional reinsurance lines (Lines 31, 32 & 33)	107,912,863	64,563,894	84,000,322	54,365,345	26,732,448
12.	Total (Line 35)	2,415,967,666	2,585,318,543	2,262,476,009	2,383,983,257	2,449,613,291
	Statement of Income (Page 4)					
13.	Net underwriting gain (loss) (Line 8)	513,753,874	854,221,028	31,412,630	706,720,157	573,160,611
14.	Net investment gain (loss) (Line 11)	261,083,743	186,695,273	(342,144,149)	389,360,525	261,326,897
15.	Total other income (Line 15)	(20,229,493)	4,202,817	595,323	(1,284,654)	(488,944)
16.	Dividends to policyholders (Line 17)					
17.	Federal and foreign income taxes incurred (Line 19)	87,243,507	145,931,263	286,091,172	258,961,249	242,323,160
18.	Net income (Line 20)	667,364,617	899,187,855	(596,227,368)	835,834,779	591,675,404
	Balance Sheet Lines (Pages 2 and 3)					
19.	Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	11,028,837,894	10,015,395,153	8,602,605,288	9,961,924,333	9,152,614,118
20.	Premiums and considerations (Page 2, Col. 3):					
	20.1 In course of collection (Line 15.1)	365,288,714	437,241,255	322,960,021	421,773,036	406,706,935
	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)	4,066,928,859	3,811,749,417	3,868,394,188	4,191,416,676	4,135,909,170
22.	Losses (Page 3, Line 1)	1,716,855,283	1,700,359,031	1,936,148,076	1,703,308,204	1,818,077,200
23.	Loss adjustment expenses (Page 3, Line 3)	201,493,428	171,587,777	177,489,627	161,112,522	137,139,237
24.	Unearned premiums (Page 3, Line 9)	1,182,245,943	1,168,157,708	1,184,540,429	1,246,422,466	1,219,152,864
25.	Capital paid up (Page 3, Lines 30 & 31)					
26.	Surplus as regards policyholders (Page 3, Line 37)	6,961,909,035	6,203,645,736	4,734,211,100	5,770,507,657	5,016,704,948
	Cash Flow (Page 5)					
27.	Net cash from operations (Line 11)	917,503,677	464,590,416	471,724,017	434,319,125	598,082,488
	Risk-Based Capital Analysis					
28.	Total adjusted capital	6,961,909,035	6,203,645,736	4,734,211,100	5,770,507,657	5,016,704,948
29.	Authorized control level risk-based capital	829,554,485	767,370,656	599,895,777	808,649,672	662,176,877
	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)	29.6	30.2	33.8	27.7	26.9
31.	Stocks (Lines 2.1 & 2.2)	55.1	61.6	57.4	68.5	65.2
32.	Mortgage loans on real estate (Lines 3.1 & 3.2)					
33.	Real estate (Lines 4.1, 4.2 & 4.3)	0.0	1.5	0.0	0.0	0.0
34.	Cash, cash equivalents and short-term investments (Line 5)	3.6	2.8	5.4	1.0	5.9
35.	Contract loans (Line 6)					
36.	Derivatives (Line 7)		XXX	XXX	XXX	XXX
37.	Other invested assets (Line 8)	11.0	3.7	3.5	2.7	1.8
38.	Receivable for securities (Line 9)	0.1	0.1	0.0	0.0	0.3
39.	Securities lending reinvested collateral assets (Line 10)	0.6	XXX	XXX	XXX	XXX
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)	1,772,119,324	2,271,212,046	1,749,228,378	1,711,212,922	1,194,521,747
45.	Affiliated short-term investments (Schedule DA, Verification, Col. 5, Line 10)					
46.	Affiliated mortgage loans on real estate					
47.	All other affiliated					
48.	Total of above lines 42 to 47	1,772,119,324	2,271,212,046	1,749,228,378	1,711,212,922	1,194,521,747
49.	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)	25.5	36.6	36.9	29.7	23.8

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2010	2 2009	3 2008	4 2007	5 2006
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24)	292,153,185	834,128,661	(656,727,603)	11,279,459	228,965,050
51. Dividends to stockholders (Line 35)					
52. Change in surplus as regards policyholders for the year (Line 38)	758,263,299	1,469,434,636	(1,036,296,557)	753,802,708	812,485,771
Gross Losses Paid (Page 9, Part 2, Cols. 1&2)					
53. 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)	30,986,059	44,235,142	61,591,445	34,288,277	64,853,718
54. Property lines (Lines 1, 2, 9, 12, 21 & 26)	865,413,934	1,087,569,661	1,717,591,702	1,113,346,757	1,215,897,777
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	244,789,593	399,931,719	310,525,152	240,842,419	223,341,390
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(92,800)	(88,027)	(139,861)	51,206	375,649
57. Nonproportional reinsurance lines (Lines 31, 32 & 33)	180,654,926	55,092,724	60,017,695	138,058,411	111,319,134
58. Total (Line 35)	1,321,751,712	1,586,741,219	2,149,586,133	1,526,587,070	1,615,787,668
Net Losses Paid (Page 9, Part 2, Col. 4)					
59. 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)	7,798,548	18,402,729	(3,961,094)	1,955,346	3,768,741
60. Property lines (Lines 1, 2, 9, 12, 21 & 26)	757,068,963	875,148,581	1,195,746,279	815,155,480	859,899,171
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	199,963,811	331,507,384	258,844,597	175,567,143	157,610,999
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(92,800)	(88,027)	(139,861)	51,206	375,649
63. Nonproportional reinsurance lines (Lines 31, 32 & 33)	149,671,958	(4,943,507)	(7,888,970)	59,113,420	62,250,699
64. Total (Line 35)	1,114,410,480	1,220,027,160	1,442,600,950	1,051,842,595	1,083,905,259
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2)	47.1	37.8	72.1	39.8	47.5
67. Loss expenses incurred (Line 3)	3.7	4.1	5.5	4.8	3.8
68. Other underwriting expenses incurred (Line 4)	27.9	25.3	21.1	25.4	24.2
69. Net underwriting gain (loss) (Line 8)	21.4	32.8	1.4	30.0	24.5
Other Percentages					
70. 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)	28.5	25.3	21.6	25.2	23.1
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	50.7	41.9	77.6	44.6	51.3
72. 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)	34.7	41.7	47.8	41.3	48.8
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(264,479)	51,389	(376,140)	(71,166)	(16,213)
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100)	(4.3)	1.1	(6.5)	(1.4)	(0.4)
Two Year Loss Development (000 omitted)					
75. 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)	28,984	(247,456)	(286,712)	52,225	(127,131)
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0)	0.6	(4.3)	(5.7)	1.2	(3.6)

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

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

($000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported-Direct and Assumed
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	XXX	XXX	XXX	80,987	44,382	13,850	6,885	(194)		626	43,376	XXX
2. 2001	1,291,816	465,078	826,738	2,262,159	1,251,431	44,054	10,034	68,510	9,371	17,827	1,103,887	XXX
3. 2002	2,465,270	742,594	1,722,675	658,459	75,954	7,369	291	40,839	2,662	6,448	627,760	XXX
4. 2003	3,175,165	753,161	2,422,004	994,759	176,399	11,300	2,550	56,935	3,946	12,296	880,100	XXX
5. 2004	2,903,811	756,085	2,147,726	940,647	172,163	8,891	2,333	70,211	4,856	32,322	840,396	XXX
6. 2005	2,919,631	682,747	2,236,884	1,624,359	547,596	35,334	1,241	98,970	4,664	119,205	1,205,161	XXX
7. 2006	3,118,218	779,538	2,338,680	1,147,391	175,175	6,359	241	58,159	3,526	1,156	1,032,968	XXX
8. 2007	3,147,998	791,285	2,356,713	995,792	143,439	(961)	780	53,352	4,255	9,154	899,709	XXX
9. 2008	3,043,700	719,342	2,324,358	2,517,075	719,688	9,933	1,219	66,537	9,933	1,566	1,862,705	XXX
10. 2009	3,358,963	757,262	2,601,701	646,931	105,383	19,893	101	85,934	1,924	2,380	645,350	XXX
11. 2010	3,230,937	829,057	2,401,879	669,576	94,997	186	3,914	44,466	16,631	(878)	598,686	XXX
12. Totals	XXX	XXX	XXX	12,538,136	3,506,608	156,209	29,589	643,717	61,768	202,101	9,740,098	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total Net Losses and Expenses Unpaid	Number of Claims Outstanding-Direct and Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated		
1. Prior	281,380	114,550	716,234	374,766	23,515	12,830	42,811		67,220			629,014	XXX
2. 2001	20,012	(3)			1							20,016	XXX
3. 2002	185	21			383							547	XXX
4. 2003	1,884				48							1,932	XXX
5. 2004	3,460	3,012			3						1,360	451	XXX
6. 2005	(2,895)	570	1,400		33						4,670	(2,032)	XXX
7. 2006	(5,264)	1	14,800		14						6,550	9,549	XXX
8. 2007	(8,048)	172	14,600		111				312		13,340	6,803	XXX
9. 2008	145,865	20,379	69,585		1,687				7,643		29,870	204,401	XXX
10. 2009	133,294	23,079	41,256		1,928				9,226		22,880	162,625	XXX
11. 2010	729,032	80,988	177,613		10,477				48,913		27,530	885,047	XXX
12. Totals	1,298,905	242,769	1,035,488	374,766	38,200	12,830	42,811	0	133,314	0	106,200	1,918,353	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	508,298	120,716
2. 2001	2,394,736	1,270,833	1,123,903	185.4	273.3	135.9			86.00	20,015	1
3. 2002	707,235	78,928	628,307	28.7	10.6	36.5			86.00	164	383
4. 2003	1,064,927	182,895	882,032	33.5	24.3	36.4			86.00	1,884	48
5. 2004	1,023,212	182,364	840,847	35.2	24.1	39.2			86.00	448	3
6. 2005	1,757,201	554,072	1,203,129	60.2	81.2	53.8			86.00	(2,065)	33
7. 2006	1,221,459	178,942	1,042,517	39.2	23.0	44.6			86.00	9,535	14
8. 2007	1,055,158	148,646	906,512	33.5	18.8	38.5			86.00	6,380	423
9. 2008	2,818,325	751,219	2,067,106	92.6	104.4	88.9			86.00	195,071	9,330
10. 2009	938,462	130,487	807,975	27.9	17.2	31.1			86.00	151,471	11,154
11. 2010	1,680,263	196,530	1,483,733	52.0	23.7	61.8			86.00	825,657	59,390
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	1,716,858	201,495

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 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	11 One Year	12 Two Year
1. Prior	484,738	594,241	707,280	774,820	770,886	854,215	871,293	860,233	1,042,079	1,017,953	(24,126)	157,720
2. 2001	897,553	995,866	1,009,122	1,146,923	1,029,890	1,026,861	1,041,871	1,044,365	1,059,756	1,064,764	5,008	20,399
3. 2002	XXX	675,719	644,413	599,562	587,857	597,518	597,518	590,648	590,436	590,130	(306)	(518)
4. 2003	XXX	XXX	913,324	851,598	826,229	820,971	822,089	825,544	817,946	829,043	11,097	3,499
5. 2004	XXX	XXX	XXX	878,661	846,852	824,865	824,865	788,569	773,392	775,493	2,101	(13,077)
6. 2005	XXX	XXX	XXX	XXX	1,322,944	1,244,012	1,279,247	1,139,436	1,115,785	1,108,823	(6,962)	(30,613)
7. 2006	XXX	XXX	XXX	XXX	XXX	1,142,402	1,002,796	975,340	982,313	987,884	5,571	12,544
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	1,046,272	885,678	856,790	857,104	314	(28,575)
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,095,256	2,017,961	2,002,859	(15,102)	(92,397)
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	956,813	714,739	(242,074)	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,406,985	XXX	XXX
										12. Totals	(264,479)	28,984

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 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	000	129,590	183,900	246,633	276,532	307,406	355,928	374,524	412,589	456,159	XXX	XXX
2. 2001	348,766	661,885	816,717	922,384	1,022,034	1,022,362	1,037,447	1,038,141	1,034,477	1,044,748	XXX	XXX
3. 2002	XXX	278,774	476,325	548,673	573,355	583,099	589,756	590,463	589,783	589,583	XXX	XXX
4. 2003	XXX	XXX	349,929	658,411	760,310	798,325	798,622	814,737	819,128	827,111	XXX	XXX
5. 2004	XXX	XXX	XXX	281,589	600,240	727,950	778,750	774,508	774,271	775,042	XXX	XXX
6. 2005	XXX	XXX	XXX	XXX	315,203	833,204	1,050,199	1,130,723	1,110,925	1,110,855	XXX	XXX
7. 2006	XXX	XXX	XXX	XXX	XXX	376,923	839,862	951,651	975,777	978,335	XXX	XXX
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	273,750	711,315	828,502	850,613	XXX	XXX
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	809,114	1,655,559	1,806,101	XXX	XXX
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	248,998	561,340	XXX	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	570,851	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 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior	181,048	200,421	248,370	335,772	286,887	352,747	331,640	303,664	428,751	384,279
2. 2001	58,313	113,675	101,176	149,741	2,053					
3. 2002	XXX	86,534	52,754	11,989	9,223	6,091	5,679			
4. 2003	XXX	XXX	125,618	46,185	18,459	6,425	1,117			
5. 2004	XXX	XXX	XXX	167,226	58,311	24,714	27,888	16,600		
6. 2005	XXX	XXX	XXX	XXX	281,474	233,253	163,364	15,300	10,661	1,400
7. 2006	XXX	XXX	XXX	XXX	XXX	151,282	47,348	20,000	12,825	14,800
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	142,725	27,000	14,463	14,600
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	218,816	95,581	69,585
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	188,283	41,256
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	177,613

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 2 Direct Premiums Written	3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1. Alabama AL	L	29,962,202	32,593,462		11,386,033	21,648,685	27,674,046		
2. Alaska AK	L	10,024,242	10,188,000		791,121	(241,194)			
3. Arizona AZ	L	24,596,309	25,929,919		6,170,015	5,234,923	6,180,182		
4. Arkansas AR	L	20,619,467	21,494,011		16,607,671	2,450,411	8,294,049		
5. California CA	L	290,951,861	291,746,491		30,196,743	70,951,323	97,231,447		
6. Colorado CO	L	19,370,239	22,480,911		4,445,936	1,717,688	24,675,713		
7. Connecticut CT	L	43,121,185	46,148,484		827,848	(74,611)	2,142,859		
8. Delaware DE	L	2,831,911	2,941,657		3,861,555	(1,359,756)	1,358,828		
9. District of Columbia DC	L	10,767,867	10,860,453		1,553,844	143,849	244,308		
10. Florida FL	L	117,288,280	112,763,062		22,865,205	19,160,069	8,842,814		
11. Georgia GA	L	57,396,185	60,591,109		25,472,531	(48,441,329)	13,376,225		
12. Hawaii HI	L	3,300,880	3,110,807						
13. Idaho ID	L	11,423,773	11,312,678		7,983,815	7,514,501			
14. Illinois IL	L	65,061,704	68,275,361		13,828,815	10,382,956	21,789,284		
15. Indiana IN	L	30,903,691	33,676,444		3,433,342	4,501,986	3,690,335		
16. Iowa IA	L	23,819,333	24,414,722		10,285,066	(1,467,895)	25,992,575		
17. Kansas KS	L	14,412,751	16,569,165		11,952,724	19,363,223	17,050,880		
18. Kentucky KY	L	40,624,373	40,307,524		29,128,116	(61,740)	14,820,180		
19. Louisiana LA	L	30,381,568	32,337,520		20,838,294	20,777,564	22,858,930		
20. Maine ME	L	8,862,128	9,374,045		1,630,458	(1,539,046)	556,803		
21. Maryland MD	L	19,318,259	21,597,635		5,695,771	3,974,333	15,039,258		
22. Massachusetts MA	L	59,222,215	59,186,732		14,806,375	(249,136)	11,039,604		
23. Michigan MI	L	42,921,051	45,248,526		1,490,566	3,026,642	7,074,537		
24. Minnesota MN	L	31,639,957	32,240,046		5,090,976	5,924,788	8,795,838		
25. Mississippi MS	L	9,869,275	11,707,839		1,485,808	7,677,912	9,833,098		
26. Missouri MO	L	40,214,161	41,849,956		11,441,387	14,206,813	12,708,925		
27. Montana MT	L	4,700,745	4,822,149		818,657	(194,505)	3,103,909		
28. Nebraska NE	L	9,572,845	10,904,761		2,370,580	3,182,289	1,814,242		
29. Nevada NV	L	43,034,713	39,358,753		9,310,840	10,623,656	4,681,266		
30. New Hampshire NH	L	5,588,669	5,821,730		203,869	69,768	14,590,231		
31. New Jersey NJ	L	36,842,718	39,714,322		9,544,717	5,672,254	24,598,348		
32. New Mexico NM	L	6,662,102	6,633,809		1,529,611	(205,086)	317,588		
33. New York NY	L	80,246,338	83,787,319		28,063,002	(5,041,438)	202,684,807		
34. North Carolina NC	L	55,270,237	57,585,271		8,108,442	7,872,458	17,539,589		
35. North Dakota ND	L	16,257,066	12,743,827		12,628,980	(899,525)	6,778,508		
36. Ohio OH	L	59,574,782	67,082,967		32,377,239	33,653,117	42,641,891		
37. Oklahoma OK	L	16,679,552	17,647,390		11,233,359	30,419,344	31,023,986		
38. Oregon OR	L	30,475,395	31,096,289		11,085,985	(10,902,958)	13,617,693		
39. Pennsylvania PA	L	82,494,679	87,787,092		26,824,718	23,153,087	52,083,145		
40. Rhode Island RI	L	11,957,872	9,925,971		33,965,060	65,952,604	34,700,173		
41. South Carolina SC	L	31,739,774	31,174,595		8,129,731	933,193	2,289,041		
42. South Dakota SD	L	4,482,870	4,279,622		249,714	73,768	11,766		
43. Tennessee TN	L	48,642,435	52,010,657		92,413,724	209,325,231	119,732,174		
44. Texas TX	L	152,533,561	157,808,440		110,376,571	57,568,178	62,113,728		
45. Utah UT	L	18,126,077	19,547,384		(456,280)	12,131,820	12,666,108		
46. Vermont VT	L	4,537,022	4,827,412		466,699	(1,514,119)	571,642		
47. Virginia VA	L	40,688,870	45,943,136		14,207,275	23,188,902	14,443,546		
48. Washington WA	L	51,673,434	56,873,748		11,703,459	15,205,825	19,483,143		
49. West Virginia WV	L	5,470,439	5,906,989		12,798,667	17,932,460	66,732,144		
50. Wisconsin WI	L	35,491,743	38,404,608		17,193,261	44,031,165	45,639,119		
51. Wyoming WY	L	9,848,425	9,513,025		24,626,255	17,949,675	1,445,125		
52. American Samoa AS	N	15,364	27,853			(131,992)	604,747		
53. Guam GU	L	78,799	110,446						
54. Puerto Rico PR	L	30,401,553	27,472,492		460,548	417,232	81,253		
55. US Virgin Islands VI	L	79,199	159,699						
56. Northern Mariana Islands MP	L	1,019	890						
57. Canada CN	L	245,577,630	244,673,250		86,920,447	151,679,663	191,812,561		
58. Aggregate Other Alien OT	XXX	46,062,919	47,615,693	0	11,697,459	19,136,966	12,882,967	0	0
59. Totals	(a) 55	2,243,713,712	2,310,208,150	0	842,122,604	896,505,990	1,361,955,157	0	0

DETAILS OF WRITE-INS

5801. AFGHANISTAN	XXX	701,308	753,230			350,000	350,000		
5802. ALGERIA	XXX	67,715	80,966						
5803. ANGOLA	XXX	121,722	137,190						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	45,172,174	46,644,307	0	11,697,459	18,786,966	12,532,967	0	0
5899. Totals (Lines 5801 thru 5803+ Line 5898) (Line 58 above)	XXX	46,062,919	47,615,693	0	11,697,459	19,136,966	12,882,967	0	0

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilied 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; (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.

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

PART 1 - ORGANIZATIONAL CHART

NAIC Code	State or Country of Domicile	Affiliated Insurers	Federal Employer's Identification Number	Percent Ownership Common Stock	Percent Ownership Preferred Stock	Owned by
21482	RI	Factory Mutual Insurance Company	05-0316605	0%	0%	Mutual Company
10014	RI	Affiliated FM Insurance Company	05-0254496	100%	65.50%	FMIC Holdings, Inc.
10014	RI	Affiliated FM Insurance Company	05-0254496	0%	34.50%	Appalachian Insurance Company
10316	RI	Appalachian Insurance Company	05-0284861	100%	0%	FMIC Holdings, Inc.
None	England	FM Insurance Company Ltd.	AA-1120610	100%	0%	Factory Mutual Insurance Company
None	Bermuda	Risk Engineering Insurance Co., Ltd.	98-0131767	100%	0%	FMIC Holdings, Inc.
None	Mexico	FM Global de Mexico S.A. de C.V.	AA-2730043	100%	0%	Factory Mutual Insurance Company

NAIC Code	State or Country of Domicile	Non-insurer Affiliates	Federal Employer's Identification Number	Percent Ownership Common Stock	Percent Ownership Preferred Stock	Owned by
N/A	RI	FMIC Holdings, Inc.	05-6009005	100%	0%	Factory Mutual Insurance Company
N/A	RI	Corporate Insurance Services, Inc.	05-0453751	100%	0%	FMIC Holdings, Inc.
N/A	RI	FM Approvals, LLC	05-0520189	100%	0%	Factory Mutual Insurance Company
N/A	DE	FMRE Holdings LLC	27-1439297	100%	0%	Factory Mutual Insurance Company
N/A	GA	TSB Loss Control Consultants, Inc.	58-2190659	100%	0%	Factory Mutual Insurance Company
N/A	Brazil	FMIC Escoritorio de Representacao No Brasil Ltda	None	100%	0%	Factory Mutual Insurance Company

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