



ANNUAL STATEMENT

For the Year Ended December 31, 2012
of the Condition and Affairs of the

FACTORY MUTUAL INSURANCE COMPANY

NAIC Group Code.....0065, 0065 (Current Period) (Prior Period)	NAIC Company Code..... 21482	Employer's ID Number..... 05-0316605
Organized under the Laws of Rhode Island Incorporated/Organized..... October 31, 1835	State of Domicile or Port of Entry Rhode Island Commenced Business..... October 31, 1835	Country of Domicile US
Statutory Home Office	270 Central Avenue..... Johnston RI US 02919-4949 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	270 Central Avenue..... Johnston RI US..... 02919-4949 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	401-275-3000 <i>(Area Code) (Telephone Number)</i>
Mail Address	P.O. Box 7500..... Johnston RI US 02919-0750 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	270 Central Avenue..... Johnston RI US 02919-4949 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	401-275-3000 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.fmglobal.com	
Statutory Statement Contact	Jeffrey Black <i>(Name)</i> jeffrey.black@fmglobal.com <i>(E-Mail Address)</i>	401-415-1559 <i>(Area Code) (Telephone Number) (Extension)</i> 401-946-8306 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
1. Shivan Sivaswamy Subramaniam	President & Chief Executive Officer	2. John James Pomeroy	Senior Vice President & Secretary
3. William Alfred Mekrut	Vice President & Treasurer		

OTHER

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

Frank Thomas Connor	Walter Joseph Galvin	John Anderson Luke Jr	Jonathan Douglas Mariner
Gracia Catherine Martore	Christine Mary McCarthy	Robert Joseph O'Toole	John Ross Paloian
David Pulman	Edward Joseph Rapp	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) Shivan Sivaswamy Subramaniam _____ 1. (Printed Name) President & Chief Executive Officer _____ (Title)	_____ (Signature) John James Pomeroy _____ 2. (Printed Name) Senior Vice President & Secretary _____ (Title)	_____ (Signature) Theresa Ann Molloy _____ 3. (Printed Name) Vice President & Controller _____ (Title)
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Subscribed and sworn to before me
This 26 day of February 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 _____

John A. Soares III Notary Public
Expires July 5, 2013

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	3,267,962,329		3,267,962,329	3,051,681,345
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	5,795,731,527		5,795,731,527	5,034,136,806
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).....	11,926,749		11,926,749	1,498,230
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 (\$.....103,028,606, Schedule E-Part 1), cash equivalents (\$.....241,963,334, Schedule E-Part 2) and short-term investments (\$.....155,104,764, Schedule DA).....	500,096,704		500,096,704	544,026,773
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	1,403,318,902		1,403,318,902	1,277,326,798
9. Receivables for securities.....	18,363,894		18,363,894	44,960,954
10. Securities lending reinvested collateral assets (Schedule DL).....	56,124,653		56,124,653	47,113,837
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	11,053,524,758	0	11,053,524,758	10,000,744,743
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	43,186,467		43,186,467	40,090,368
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	433,323,470	2,923,269	430,400,201	409,036,248
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.....	222,710,857		222,710,857	117,202,574
16.2 Funds held by or deposited with reinsured companies.....	42,124,343		42,124,343	10,773,872
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.....	49,588,234		49,588,234	134,406,628
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....	493,559		493,559	1,035,606
20. Electronic data processing equipment and software.....	5,412,622	3,048,961	2,363,661	4,122,306
21. Furniture and equipment, including health care delivery assets (\$.....0).....	10,915,627	10,915,627	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	2,147,388		2,147,388	
23. Receivables from parent, subsidiaries and affiliates.....	252,669,632	14,226,676	238,442,956	161,152,910
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	1,208,360,436	1,053,408,960	154,951,476	99,837,745
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	13,324,457,393	1,084,523,493	12,239,933,900	10,978,403,000
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	13,324,457,393	1,084,523,493	12,239,933,900	10,978,403,000

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Pension asset.....	961,881,705	961,881,705	0	
2502. Postretirement asset.....	47,207,511	47,207,511	0	
2503. CSV life insurance.....	82,622,024		82,622,024	79,486,946
2598. Summary of remaining write-ins for Line 25 from overflow page.....	116,649,196	44,319,744	72,329,452	20,350,799
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	1,208,360,436	1,053,408,960	154,951,476	99,837,745

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	1,891,280,612	2,321,832,429
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	339,573,060	20,066,413
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	186,832,025	193,900,282
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	283,021,107	233,514,408
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	25,479,271	16,637,160
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....	323,408,000	150,412,000
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 \$.....354,358,538 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	1,261,721,638	1,249,571,093
10. Advance premium.....	26,260,646	13,960,943
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	156,284,027	140,191,149
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	11,326,143	23,680,513
14. Amounts withheld or retained by company for account of others.....	3,657,917	3,676,784
15. Remittances and items not allocated.....	3,120,828	6,283,402
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	20,223,952	28,389,455
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		8,314,308
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....	62,175,111	35,704,528
22. Payable for securities lending.....	56,124,653	47,113,837
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	64,322,844	53,542,772
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	4,714,811,834	4,546,791,476
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	4,714,811,834	4,546,791,476
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).....	7,523,872,066	6,430,361,524
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).....	7,525,122,066	6,431,611,524
38. TOTALS (Page 2, Line 28, Col. 3).....	12,239,933,900	10,978,403,000

DETAILS OF WRITE-INS

2501. Miscellaneous accounts payable.....	36,195,844	34,778,772
2502. Additional minimum pension liability.....	28,127,000	18,764,000
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).....	64,322,844	53,542,772
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

FACTORY MUTUAL INSURANCE COMPANY

STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 35, Column 4).....	2,843,167,343	2,527,160,891
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	1,613,764,207	2,321,122,733
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	85,570,077	87,777,749
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	706,957,339	650,017,862
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	2,406,291,623	3,058,918,344
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	436,875,720	(531,757,453)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	190,500,092	186,930,391
10. Net realized capital gains (losses) less capital gains tax of \$.....70,033,000 (Exhibit of Capital Gains (Losses)).....	130,062,036	160,150,871
11. Net investment gain (loss) (Lines 9 + 10).....	320,562,128	347,081,262
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....86,268).....	(86,268)	(90,282)
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	(5,688,978)	(372,110)
15. Total other income (Lines 12 through 14).....	(5,775,246)	(462,392)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	751,662,602	(185,138,583)
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).....	751,662,602	(185,138,583)
19. Federal and foreign income taxes incurred.....	139,602,810	(179,526,124)
20. Net income (Line 18 minus Line 19) (to Line 22).....	612,059,792	(5,612,459)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	6,431,611,524	6,961,909,035
22. Net income (from Line 20).....	612,059,792	(5,612,459)
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....116,621,000.....	508,857,064	(338,669,574)
25. Change in net unrealized foreign exchange capital gain (loss).....	10,461,696	(11,148,741)
26. Change in net deferred income tax.....	(56,375,000)	37,073,000
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	32,429,991	(221,125,740)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	8,165,503	(623,731)
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.....	(22,088,504)	9,809,734
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	1,093,510,542	(530,297,511)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	7,525,122,066	6,431,611,524
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 income / (expense).....	(40,880)	(10,700)
1402. Balances recovered / (charged off).....	141,780	(19,337)
1403. Gain / (loss) on foreign exchange.....	(5,789,878)	(342,073)
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).....	(5,688,978)	(372,110)
3701. Gain / (loss) on foreign exchange.....	(12,725,504)	10,860,734
3702. Increase in additional minimum pension liability.....	(9,363,000)	(1,051,000)
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).....	(22,088,504)	9,809,734

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	2,866,499,805	2,554,935,982
2. Net investment income.....	190,771,048	218,857,023
3. Miscellaneous income.....	(5,775,246)	(462,392)
4. Total (Lines 1 through 3).....	3,051,495,607	2,773,330,613
5. Benefit and loss related payments.....	1,915,748,435	1,789,049,657
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	740,704,816	754,071,510
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....43,717,387 tax on capital gains (losses).....	124,817,416	21,973,245
10. Total (Lines 5 through 9).....	2,781,270,667	2,565,094,412
11. Net cash from operations (Line 4 minus Line 10).....	270,224,940	208,236,201
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	1,568,032,134	1,506,058,328
12.2 Stocks.....	719,578,657	901,330,531
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....	71,713,122	75,834,315
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(41,130)	(167,972)
12.7 Miscellaneous proceeds.....	53,067,643	25,464,235
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	2,412,350,426	2,508,519,437
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	1,770,310,320	1,481,605,344
13.2 Stocks.....	728,733,225	463,631,706
13.3 Mortgage loans.....		
13.4 Real estate.....	10,463,083	
13.5 Other invested assets.....	163,954,938	172,941,638
13.6 Miscellaneous applications.....	(0)	38,514,174
13.7 Total investments acquired (Lines 13.1 to 13.6).....	2,673,461,566	2,156,692,862
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).....	(261,111,140)	351,826,575
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).....	(53,043,869)	(386,386,122)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(53,043,869)	(386,386,122)
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).....	(43,930,069)	173,676,654
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	544,026,773	370,350,119
19.2 End of year (Line 18 plus Line 19.1).....	500,096,704	544,026,773

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	531,618,185	274,759,462	244,352,379	562,025,268
2. Allied lines.....	1,008,942,319	431,569,663	463,957,085	976,554,897
3. Farmowners multiple peril.....				.0
4. Homeowners multiple peril.....				.0
5. Commercial multiple peril.....				.0
6. Mortgage guaranty.....				.0
8. Ocean marine.....	5,504,485	1,419,855	1,807,345	5,116,995
9. Inland marine.....	641,843,450	295,545,483	318,067,486	619,321,447
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.....	481,870,108	246,276,630	233,537,343	494,609,395
28. Credit.....				.0
29. International.....				.0
30. Warranty.....				.0
31. Reinsurance - nonproportional assumed property.....	185,546,741			185,546,741
32. Reinsurance - nonproportional assumed liability.....	(7,400)			(7,400)
33. Reinsurance - nonproportional assumed financial lines.....				.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0
35. TOTALS.....	2,855,317,888	1,249,571,093	1,261,721,638	2,843,167,343

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 Uneamed (Running One Year or Less from Date of Policy) (a)	2 Amount Uneamed (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 Uneamed Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	244,352,379				244,352,379
2.	Allied lines.....	463,957,085				463,957,085
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....					0
5.	Commercial multiple peril.....					0
6.	Mortgage guaranty.....					0
8.	Ocean marine.....	1,807,345				1,807,345
9.	Inland marine.....	318,067,486				318,067,486
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.....	233,537,343				233,537,343
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.....	1,261,721,638	0	0	0	1,261,721,638
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					1,261,721,638

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: Daily Pro Rata

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	513,741,816	128,276,307	43,339,756	2,218,706	151,520,988	531,618,185
2. Allied lines.....	1,024,524,398	210,686,292	83,952,844	3,203,879	307,017,336	1,008,942,319
3. Farmowners multiple peril.....						.0
4. Homeowners multiple peril.....						.0
5. Commercial multiple peril.....						.0
6. Mortgage guaranty.....						.0
8. Ocean marine.....	1,922	5,190,708	336,362	1,583	22,924	5,504,485
9. Inland marine.....	804,602,500	111,059,158	76,532,116	2,305,424	348,044,900	641,843,450
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.....	335,099,016	57,270,535	190,783,186	1,263,137	100,019,492	481,870,108
28. Credit.....						.0
29. International.....						.0
30. Warranty.....						.0
31. Reinsurance - nonproportional assumed property.....	XXX	251,171,959		65,625,218		185,546,741
32. Reinsurance - nonproportional assumed liability.....	XXX		(6,730)		670	(7,400)
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.....	2,677,969,652	763,654,959	394,937,534	74,617,947	906,626,310	2,855,317,888

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				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1.	Fire.....	334,000,932	213,982,737	88,102,940	459,880,729	440,927,071	495,409,119	405,398,681	72.1
2.	Allied lines.....	713,212,077	30,353,261	420,899,914	322,665,424	156,443,902	308,740,515	170,368,811	17.4
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.....	210,814	213,685	258,882	165,617	12,675,105	23,425,784	(10,585,062)	(206.9)
9.	Inland marine.....	587,319,978	247,131,188	184,489,510	649,961,656	600,644,352	830,451,800	420,154,208	68.3
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.....		6,602		6,602	73,627	76,794	3,435	
17.1	Other liability - occurrence.....	21,359,164	7,036,379	19,005,257	9,390,286	110,680,091	105,781,248	14,289,129	
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).....	41,394	48,231	154,593	(64,968)	652,138	1,308,794	(721,624)	
23.	Fidelity.....	(54,614)			(54,614)			(54,614)	
24.	Surety.....				.0			.0	
26.	Burglary and theft.....				.0			.0	
27.	Boiler and machinery.....	192,864,932	82,310,255	54,713,003	220,462,184	279,537,793	236,036,084	263,963,893	52.9
28.	Credit.....				.0			.0	
29.	International.....				.0			.0	
30.	Warranty.....				.0			.0	
31.	Reinsurance - nonproportional assumed property.....	XXX	388,657,201	37,529,400	351,127,801			351,127,801	189.2
32.	Reinsurance - nonproportional assumed liability.....	XXX	39,382,154	8,606,847	30,775,307	289,646,533	320,602,291	(180,451)	2,438.5
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.....	1,848,954,677	1,009,121,693	813,760,346	2,044,316,024	1,891,280,612	2,321,832,429	1,613,764,207	56.8

DETAILS OF WRITE-INS

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

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	247,506,620	191,489,699	112,354,666	326,641,653	64,488,417	49,797,001		440,927,071	27,407,366
2. Allied lines.....	131,301,409	47,836,063	27,741,570	151,395,902	5,048,000			156,443,902	1,310,000
3. Farmowners multiple peril.....				0				0	0
4. Homeowners multiple peril.....				0				0	0
5. Commercial multiple peril.....				0				0	0
6. Mortgage guaranty.....				0				0	0
8. Ocean marine.....	10,154,112	519,241	6,871,329	3,802,024	24,099,955	8,766,811	23,993,685	12,675,105	3,296,144
9. Inland marine.....	528,061,681	145,942,210	260,069,770	413,934,121	137,398,245	50,149,269	837,283	600,644,352	35,188,057
10. Financial guaranty.....				0				0	0
11.1 Medical professional liability - occurrence.....				0				0	0
11.2 Medical professional liability - claims-made.....				0				0	0
12. Earthquake.....				0				0	0
13. Group accident and health.....				0				(a) 0	0
14. Credit accident and health (group and individual).....				0				0	0
15. Other accident and health.....				0				(a) 0	0
16. Workers' compensation.....		73,627		73,627				73,627	5,164
17.1 Other liability - occurrence.....	97,763,877	6,624,227	70,496,215	33,891,889	216,944,229	106,028,926	246,184,953	110,680,091	32,980,405
17.2 Other liability - claims-made.....				0				0	0
17.3 Excess workers' compensation.....				0				0	0
18.1 Products liability - occurrence.....				0				0	0
18.2 Products liability - claims-made.....				0				0	0
19.1, 19.2 Private passenger auto liability.....				0				0	0
19.3, 19.4 Commercial auto liability.....				0				0	0
21. Auto physical damage.....				0				0	0
22. Aircraft (all perils).....	615,678	47,387	325,228	337,837	333,729	1,116,323	1,135,751	652,138	255,739
23. Fidelity.....				0				0	0
24. Surety.....				0				0	0
26. Burglary and theft.....				0				0	0
27. Boiler and machinery.....	225,436,351	58,266,829	48,146,940	235,556,240	34,665,000	9,316,553		279,537,793	10,912,333
28. Credit.....				0				0	0
29. International.....				0				0	0
30. Warranty.....				0				0	0
31. Reinsurance - nonproportional assumed property.....	XXX			0	XXX			0	0
32. Reinsurance - nonproportional assumed liability.....	XXX	147,260,383	39,638,487	107,621,896	XXX	275,577,169	93,552,532	289,646,533	75,476,817
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	1,240,839,728	598,059,666	565,644,205	1,273,255,189	482,977,575	500,752,052	365,704,204	1,891,280,612	186,832,025
DETAILS OF WRITE-INS									
3401.				0				0	0
3402.				0				0	0
3403.				0				0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	41,996,172			41,996,172
1.2 Reinsurance assumed.....	15,902,388			15,902,388
1.3 Reinsurance ceded.....	8,541,500			8,541,500
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	49,357,060	0	0	49,357,060
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....				0
2.2 Reinsurance assumed, excluding contingent.....		179,488,563		179,488,563
2.3 Reinsurance ceded, excluding contingent.....		137,446,154		137,446,154
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	42,042,409	0	42,042,409
3. Allowances to manager and agents.....				0
4. Advertising.....	3,426	12,842,918		12,846,344
5. Boards, bureaus and associations.....		(119,538)		(119,538)
6. Surveys and underwriting reports.....	3,528	10,798,299		10,801,827
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	22,128,374	277,498,701	2,265,986	301,893,061
8.2 Payroll taxes.....	1,255,632	16,438,960	102,338	17,796,930
9. Employee relations and welfare.....	5,573,448	90,676,302	685,987	96,935,737
10. Insurance.....	47,050	4,914,703	1,346	4,963,099
11. Directors' fees.....		2,855,068		2,855,068
12. Travel and travel items.....	4,617,140	33,832,950	61,389	38,511,479
13. Rent and rent items.....	2,680,331	43,776,154	441,578	46,898,063
14. Equipment.....	74,830	6,759,681	1,687	6,836,198
15. Cost or depreciation of EDP equipment and software.....	223,125	21,310,492	297,659	21,831,276
16. Printing and stationery.....	350,242	4,937,655	39,104	5,327,001
17. Postage, telephone and telegraph, exchange and express.....	308,561	3,284,093	(27,652)	3,565,002
18. Legal and auditing.....	(1,564,012)	3,113,062		1,549,050
19. Totals (Lines 3 to 18).....	35,701,675	532,919,500	3,869,422	572,490,597
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		79,672,458		79,672,458
20.2 Insurance department licenses and fees.....		2,505,054	12,434	2,517,488
20.3 Gross guaranty association assessments.....		1,750,308		1,750,308
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	83,927,820	12,434	83,940,254
21. Real estate expenses.....			119,998	119,998
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	511,342	48,067,610	10,640,703	59,219,655
25. Total expenses incurred.....	85,570,077	706,957,339	14,642,557	(a) 807,169,973
26. Less unpaid expenses - current year.....	186,832,025	308,500,378		495,332,403
27. Add unpaid expenses - prior year.....	193,900,282	268,915,568		462,815,850
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).....	92,638,334	667,372,529	14,642,557	774,653,420

DETAILS OF WRITE-INS

2401. Bank activity fees.....	1,073	330,407	496,976	828,456
2402. Investment management fees.....			10,142,437	10,142,437
2403. Consulting.....	501,095	27,736,822	1,290	28,239,207
2498. Summary of remaining write-ins for Line 24 from overflow page.....	9,174	20,000,381	0	20,009,555
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	511,342	48,067,610	10,640,703	59,219,655

(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).....23,481,823	.....23,668,590
1.1 Bonds exempt from U.S. tax.....	(a).....43,604,916	.....44,556,382
1.2 Other bonds (unaffiliated).....	(a).....53,796,020	.....54,114,738
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....8,400	.....8,400
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....80,933,046	.....82,570,772
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....119,998	.....119,998
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....1,666,193	.....1,666,193
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....2,315,178	.....2,315,178
9. Aggregate write-ins for investment income.....	.....1,511,430	.....1,511,430
10. Total gross investment income.....	.....207,437,003	.....210,531,680
11. Investment expenses.....	.....	(g).....14,630,123
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....12,434
13. Interest expense.....	.....	(h).....5,354,466
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).....	.....	.....20,031,588
17. Net investment income (Line 10 minus Line 16).....	.....	.....190,500,092

DETAILS OF WRITE-INS

0901. Prior year income.....	.....135,774	.....135,774
0902. Securities litigation income.....	.....497,387	.....497,387
0903. Miscellaneous income.....	.....878,269	.....878,269
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).....	.....1,511,430	.....1,511,430
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 \$.....2,949,279 accrual of discount less \$.....28,370,273 amortization of premium and less \$.....7,142,996 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 \$.....140,586 accrual of discount less \$.....654 amortization of premium and less \$.....23,273 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.....	.....2,885,883	.....	.....2,885,883	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....11,085,646	.....	.....11,085,646	.....	.....
1.2 Other bonds (unaffiliated).....	.....21,104,657	.....	.....21,104,657	.....4,347,583	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....155,127,558	.....(5,873,457)	.....149,254,101	.....306,707,090	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....296,478,984	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....(41,130)	.....	.....(41,130)	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....21,375,180	.....(5,569,300)	.....15,805,880	.....17,944,410	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....211,537,793	.....(11,442,757)	.....200,095,036	.....625,478,067	.....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 (Schedule DB).....			.0
8. Other invested assets (Schedule BA).....			.0
9. Receivables for securities.....			.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0
11. Aggregate write-ins for invested assets.....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.0	.0	.0
13. Title plants (for Title insurers only).....			.0
14. Investment income due and accrued.....			.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	2,923,269	7,076,558	4,153,289
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.....	3,048,961	2,712,974	(335,987)
21. Furniture and equipment, including health care delivery assets.....	10,915,627	10,723,507	(192,120)
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
23. Receivables from parent, subsidiaries and affiliates.....	14,226,676	22,363,583	8,136,907
24. Health care and other amounts receivable.....			.0
25. Aggregate write-ins for other than invested assets.....	1,053,408,960	1,074,076,862	20,667,902
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,084,523,493	1,116,953,484	32,429,991
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
28. TOTALS (Lines 26 and 27).....	1,084,523,493	1,116,953,484	32,429,991

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.....	961,881,705	988,166,670	26,284,965
2502. Postretirement asset.....	47,207,511	47,524,861	317,350
2503. Prepaid expenses.....	40,085,688	34,271,255	(5,814,433)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	4,234,056	4,114,076	(119,980)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	1,053,408,960	1,074,076,862	20,667,902

NOTES TO FINANCIAL STATEMENTSNote 1 – Summary of Significant Accounting Policies

A. Accounting Practices, Impact of NAIC/State Differences

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

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

B. Use of Estimates

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

C. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned Premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct, assumed and ceded business. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

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

In addition, the Company utilizes the following accounting policies:

1. Short-term investments are stated at amortized cost using the interest method.
2. Non loan-backed bonds with NAIC designations 1 or 2 are stated at amortized cost using the interest method. Non loan-backed bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value. See paragraph 6 for loan-backed and structured securities.
3. 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. U.S. government agency loan-backed and structured securities are valued at amortized value. Other loan-backed and structured securities are valued at either amortized value or fair value, depending on many factors including: the type of underlying collateral, whether modeled by NAIC vendor, whether rated (by either NAIC approved rating organization or NAIC Securities Valuation Office), and relationship of amortized value to par value and amortized value to fair value.
7. U.S. insurance subsidiaries (Affiliated FM Insurance Company and Appalachian Insurance Company) are stated at statutory equity value in accordance with SSAP 97 paragraph 8(b)i. Foreign insurance companies (FM Insurance Company Limited, FM Global de Mexico S.A. de C.V., and Risk Engineering Insurance Company Limited) are stated at the audited foreign basis equity converted to U.S statutory equity value in accordance with SSAP 97 paragraphs 8(b)iv. Non-insurance subsidiaries (FMRE Holdings LLC) are stated at audited GAAP equity in accordance with SSAP 97 paragraph 8(b)iii.
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 Asbestos and Environmental reserves) include amounts determined from individual case estimates and an amount for IBNR (incurred but not reported) loss estimates. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
12. The Company has not changed its capitalization policy from the prior period.
13. The Company has no "pharmaceutical rebate receivables."

Note 2 – Accounting Changes and Correction of Errors

A. The Company adopted the provisions of SSAP 101 - "Income Taxes A Replacement of SSAP 10R and SSAP 10", effective January 1, 2012.

SSAP 101 provides new requirements for tax loss contingencies and the calculation and admissibility of deferred tax assets. Material differences between recalculated amounts as of January 1, 2012, and amounts actually reported in the prior year financial statements are required to be disclosed and treated as a change in accounting principle under SSAP 3 - "Accounting Changes and Corrections of Errors", if applicable.

The cumulative effect of adopting the provisions of SSAP 101 is zero and therefore there is no increase in unassigned funds as of January 1, 2012.

Note 3 – Business Combinations and Goodwill – Not applicableNote 4 – Discontinued Operations – Not applicable

NOTES TO FINANCIAL STATEMENTSNote 5 – Investments

- A. Mortgage Loans – Not applicable
- B. Troubled Debt Restructuring for Creditors – Not applicable
- C. Reverse Mortgages – Not applicable
- D. Loan-Backed and Structured 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. OTTI in the Aggregate – Not applicable
3. OTTI by CUSIP – Not applicable
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:

- a. Aggregate amount of unrealized loss

1. Less than twelve months	\$ 6,954
2. Twelve months or longer	-
3. Total	\$ 6,954

- b. Aggregate fair value of securities with unrealized loss

1. Less than twelve months	\$ 874,421
2. Twelve months or longer	-
3. Total	\$ 874,421

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. Collateral Pledged – Not applicable
3. Collateral Received

- a. Aggregate Amount of Cash Collateral Received:

1. Repurchase Agreement – Not Applicable
2. Securities Lending

	Fair Value
30 days or less	\$ 49,127,900
31 to 60 days	6,996,753
61 to 90 days	-
Total	\$ 56,124,653

3. Dollar Repurchase Agreement – Not Applicable

- b. The aggregate fair value of all securities acquired from the sale, trade or use of accepted collateral is \$56,124,653.
- 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. Collateral Reinvestment

- a. Aggregate Amount of Cash Collateral Reinvested:

1. Repurchase Agreement – Not Applicable
2. Securities Lending

	Amortized Cost	Fair Value
30 days or less	\$ 49,127,900	\$ 49,127,900
31 to 60 days	6,996,753	6,996,753
61 to 90 days	-	-
Total	\$ 56,124,653	\$ 56,124,653

3. Dollar Repurchase Agreement – Not Applicable

NOTES TO FINANCIAL STATEMENTSNote 5 – Investments (continued from preceding page)

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

- F. Writedowns for Impairments of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features – Not applicable
- G. 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 – Not applicable
- B. Writedowns for Impairments of Joint Ventures, Partnerships and LLC's
1. During 2012 the Company recognized other than temporary impairments on 4 private equity investments managed by Morgan Stanley, TH Lee Putnam and Goldman Sachs. 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 \$7,744,336 resulting in a realized loss of \$5,569,300. The fair value was determined based on the equity value of the private equity holdings.

Note 7 – Investment Income

- A. Accrued Investment Income

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

- B. Amounts Nonadmitted – Not applicable

Note 8 – Derivative Instruments – Not applicableNote 9 – Income Taxes

- A. Deferred Tax Asset/(Liability)

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

	12/31/2012		
	1	2	3
	Ordinary	Capital	(Col 1+2) Total
a) Gross deferred tax assets	256,197,000	93,736,000	349,933,000
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets (1a-1b)	256,197,000	93,736,000	349,933,000
d) Deferred tax assets nonadmitted	-	-	-
e) Subtotal net admitted deferred tax assets (1c-1d)	256,197,000	93,736,000	349,933,000
f) Deferred tax liabilities	59,777,000	613,564,000	673,341,000
g) Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	196,420,000	(519,828,000)	(323,408,000)

	12/31/2011		
	4	5	6
	Ordinary	Capital	(Col 4+5) Total
a) Gross deferred tax assets	295,773,000	109,624,000	405,397,000
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets (1a-1b)	295,773,000	109,624,000	405,397,000
d) Deferred tax assets nonadmitted	-	-	-
e) Subtotal net admitted deferred tax assets (1c-1d)	295,773,000	109,624,000	405,397,000
f) Deferred tax liabilities	58,866,000	496,943,000	555,809,000
g) Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	236,907,000	(387,319,000)	(150,412,000)

	Change		
	7	8	9
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
a) Gross deferred tax assets	(39,576,000)	(15,888,000)	(55,464,000)
b) Statutory valuation allowance adjustment	-	-	-
c) Adjusted gross deferred tax assets (1a-1b)	(39,576,000)	(15,888,000)	(55,464,000)
d) Deferred tax assets nonadmitted	-	-	-
e) Subtotal net admitted deferred tax assets (1c-1d)	(39,576,000)	(15,888,000)	(55,464,000)
f) Deferred tax liabilities	911,000	116,621,000	117,532,000
g) Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	(40,487,000)	(132,509,000)	(172,996,000)

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

2. Admission Calculation Components:

	2012		
	1 Ordinary	2 Capital	3 (Col 1+2) Total
a) Federal income taxes paid in prior years recoverable through loss carrybacks	169,514,000	-	169,514,000
b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:	978,000	-	978,000
1) Adjusted gross deferred tax assets expected to be realized following the balance sheet date	978,000	-	978,000
2) Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	1,128,413,761
c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	85,705,000	93,736,000	179,441,000
d) Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	256,197,000	93,736,000	349,933,000

	2011		
	4 Ordinary	5 Capital	6 (Col 4-5) Total
a) Federal income taxes paid in prior years recoverable through loss carrybacks	99,988,000	-	99,988,000
b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:	-	-	-
1) Adjusted gross deferred tax assets expected to be realized following the balance sheet date	-	-	-
2) Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	955,765,121
c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	195,785,000	109,624,000	305,409,000
d) Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	295,773,000	109,624,000	405,397,000

	Change		
	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a) Federal income taxes paid in prior years recoverable through loss carrybacks	69,526,000	-	69,526,000
b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:	978,000	-	978,000
1) Adjusted gross deferred tax assets expected to be realized following the balance sheet date	-	-	-
2) Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	172,648,640
c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	(110,080,000)	(15,888,000)	(125,968,000)
d) Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	(39,576,000)	(15,888,000)	(55,464,000)

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes (continued from preceding page)

3. Other Admissibility Criteria

	2012	2011
a. Ratio percentage used to determine recovery period and threshold limitation amount	853.20%	817.24%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$7,525,122,066	\$6,431,611,524

4. Impact of Tax Planning Strategies

	December 31, 2012			December 31, 2011			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a) Adjusted gross DTAs (% of Total Adjusted Gross DTA's)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTA's)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

c. Does the company's tax-planning strategies include use of reinsurance? Yes [] No [X]

B. Deferred Tax Liabilities Not Recognized – Not applicable

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 2012	2 2011	3 (Col. 1-2) Change
a) Federal	116,390,656	(186,275,784)	302,666,440
b) Foreign	23,212,154	6,749,660	16,462,494
c) Subtotal	139,602,810	(179,526,124)	319,128,934
d) Federal income tax on net capital gains	70,033,000	86,235,000	(16,202,000)
e) Utilization of capital loss carry-forwards			
f) Other			
g) Federal and Foreign income taxes incurred	209,635,810	(93,291,124)	302,926,934

2. Deferred Tax Assets

	1 2012	2 2011	3 (Col. 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	27,652,000	58,479,000	(30,827,000)
2. Unearned premium reserve	90,216,000	88,214,000	2,002,000
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual	68,230,000	66,417,000	1,813,000
10. Receivables - nonadmitted			
11. Net operating loss carry-forward			
12. Tax credit carry-forward	27,721,000	35,022,000	(7,301,000)
13. Other (including items <5% of total ordinary assets)	15,974,000	19,210,000	(3,236,000)
14. Other assets - nonadmitted	26,404,000	28,431,000	(2,027,000)
99. Subtotal	256,197,000	295,773,000	(39,576,000)
b. Statutory valuation allowance adjustment			
c. Nonadmitted	-	-	-
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	256,197,000	295,773,000	(39,576,000)
e. Capital:			
1. Investments	93,736,000	109,624,000	(15,888,000)
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax assets)			
99. Subtotal	93,736,000	109,624,000	(15,888,000)
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	93,736,000	109,624,000	(15,888,000)
i. Admitted deferred tax assets (2d+2h)	349,933,000	405,397,000	(55,464,000)

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes (continued from preceding page)

3. Deferred Tax Liabilities

	1	2	3
	2012	2011	(Col. 1-2) Change
a. Ordinary:			
1. Investments			
2. Fixed assets	2,680,000	3,279,000	(599,000)
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (including items <5% of total ordinary tax assets)	57,097,000	55,587,000	1,510,000
6. Additional acquisition costs-installment premiums			
7. Discount of accrued salvage and subrogation			
8. Guaranty funds receivable			
99.Subtotal	59,777,000	58,866,000	911,000
b. Capital:			
1. Investments	613,564,000	496,943,000	116,621,000
2. Real estate			
3. Other (including items <5% of total capital tax assets)			
99.Subtotal	613,564,000	496,943,000	116,621,000
c. Deferred Tax Liabilities (3a99+3b99)	673,341,000	555,809,000	117,532,000

4. Net Deferred Tax Assets (2i-3c) (323,408,000) (150,412,000) (172,996,000)

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

Among the more significant book to tax adjustments were the following:

	December 31, 2012	Effective Tax Rate (%)
Provision computed at statutory rate	287,594,000	35.0
Tax exempt income deduction	(15,303,000)	(1.9)
Dividends received deduction	(16,562,000)	(2.1)
Proration of tax exempt investment income	4,492,000	0.7
Net foreign exchange loss	(2,309,000)	(0.3)
Change in nonadmitted assets	2,027,000	0.2
Increase in nonadmitted pension	6,034,000	0.7
Nondeductible expenses	1,555,000	0.2
Effect of foreign operations	(3,820,000)	(0.5)
Accrual adjustment - prior year	1,954,000	0.3
Other	348,810	0.1
Totals	266,010,810	32.4
Federal and foreign income taxes incurred	139,602,810	17.0
Realized capital gains (losses) tax	70,033,000	8.5
Change in net deferred income taxes	56,375,000	6.9
Total statutory income taxes	266,010,810	32.4

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

- At December 31, 2012, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- The following is the amount of consolidated Federal income tax expense for 2012 and 2011 that is available for recoupment in the event of future net losses:

Year	Amount
2012	170,743,000
2011	-

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

F. Consolidated Federal Income Tax Return

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

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

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

G. Federal or Foreign Income Tax Loss Contingencies

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

NOTES TO FINANCIAL STATEMENTS**Note 10 – Information Concerning Parent, Subsidiaries and Affiliates and Other Related Parties****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.

Factory Mutual Insurance Company had net capital transactions with FMRE Holdings LLC in the amount of \$64,826,302, mainly to fund commercial building acquisitions and commercial property improvement projects.

The Company also received a return of capital from TSB Loss Control Consultants, Inc. in the amount of \$5,776,859 and a return of capital from FMIC Holdings, Inc. in the amount of \$285,748. These transactions were made to more closely align subsidiary capital structures with current and future operating business requirements.

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**

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

Affiliate	2012	2011
Affiliated FM Insurance Company	\$ 55,157,106	\$ 18,749,100
Appalachian Insurance Company	1,148,692	7,706,422
FM Insurance Company Ltd	205,547,333	163,255,332
FM Global de Mexico S.A. de C.V.	(6,592,446)	(5,596,923)
FMIC Holdings, Inc.	(332,470)	(1,787)
FM do Brasil Servicos de Prevencao de Perdas LTDA	(845,704)	(644,544)
FMIC Escritorio de Representacao No Brasil LTDA	(381,115)	(277,135)
Corporate Insurance Services, Inc.	56,578	69,964
FM Global Servicos de R.L de C.V.	128,146	22,258
FM Approvals LLC	(15,687,004)	(17,468,377)
FMRE Holdings LLC	-	95,122
TSB Loss Control Consultants	169,561	(4,761,355)
FM Global Services LLC	74,279	4,833
Totals	\$ 238,442,956	\$ 161,152,910

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

E. Guarantees or Undertakings 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. The agreement has no expiration date, but the terms allow Factory Mutual Insurance Company to terminate or modify the agreement in its sole discretion with respect to new contracts of insurance and reinsurance, not in effect on the date of such termination or modification. There is no current or anticipated amount payable under this agreement, nor is there any amount anticipated to be payable. Should any amounts ever become payable, Factory Mutual Insurance Company would be required to contribute sufficient cash to FMI to enable FMI to fulfill its contractual obligations. There is no applicable carrying value with respect to this agreement, and due to its nature the likelihood of potential future payments is remote and not quantifiable or determinable.

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 – Not applicable****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 Affiliates – Not applicable**K. Foreign Insurance Subsidiary Valued Using CARVM – Not applicable****L. Downstream Holding Company Valued Using Look-Through Method**

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

1. The carrying value of the downstream non-insurance company is \$1,221,524,613.
2. The financial statements of the downstream non-insurance company are not audited;
3. The reporting entity has limited the value of its investment in the downstream non-insurance holding company to the value contained in the audited financial statements of applicable SCA entities owned by the downstream non-insurance holding company, and valued in accordance with paragraphs 17 through 20 of SSAP 97.
4. 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.

NOTES TO FINANCIAL STATEMENTS

Note 11 – Debt – Not applicable

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

A. Defined Benefit Plans

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.

	2012 Pension Benefits	2012 Other Benefits	2011 Pension Benefits	2011 Other Benefits
1. Change in benefit obligation				
a. Benefit obligation at B O Y	\$ 1,545,342,000	\$ 136,094,000	\$ 1,419,329,000	\$ 138,158,000
b. Service cost	39,157,000	3,307,000	34,810,000	3,225,000
c. Interest cost	69,973,000	6,014,000	67,789,000	6,440,000
d. Contributions by Plan Participants	-	-	-	-
e. Actuarial (gain) loss	138,395,000	(686,000)	72,796,000	(134,000)
f. Foreign currency exchange rate changes	-	-	-	-
g. Benefits paid	(53,905,000)	(10,759,000)	(49,382,000)	(11,595,000)
h. Plan amendments	-	-	-	-
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-	-	-
j. Benefit obligation at E O Y	<u>\$ 1,738,962,000</u>	<u>\$ 133,970,000</u>	<u>\$ 1,545,342,000</u>	<u>\$ 136,094,000</u>
2. Change in plan assets				
a. Fair value of plan assets at B O Y	\$ 1,351,162,000	\$ 101,355,000	\$ 1,355,303,000	\$ 104,108,000
b. Actual return on plan assets	311,737,000	26,294,000	11,267,000	(2,753,000)
c. Foreign currency exchange rate changes	-	-	-	-
d. Employer contribution	204,939,000	-	33,974,000	-
e. Plan participants' contributions	-	-	-	-
f. Benefits paid	(53,905,000)	-	(49,382,000)	-
g. Business combinations, divestitures, settlements	-	-	-	-
h. Fair value at E O Y	<u>\$ 1,813,933,000</u>	<u>\$ 127,649,000</u>	<u>\$ 1,351,162,000</u>	<u>\$ 101,355,000</u>
3. Funded Status				
a. Unamortized prior service cost	\$ 383,000	\$ (86,000)	\$ 435,000	\$ (173,000)
b. Unrecognized net (gain) loss	831,631,000	45,577,000	934,370,000	71,605,000
c. Remaining net obligation of (net asset) at initial date of application	-	12,241,000	-	13,989,000
d. Fourth quarter contribution	672,000	2,618,000	202,923,000	2,905,000
e. Prepaid assets or (accrued liabilities)	907,657,000	54,029,000	943,548,000	53,988,000
f. Intangible asset	383,000	-	435,000	-
4. Accumulated Benefit Obligation for vested employees	\$ 1,504,782,000	N/A	\$ 1,338,333,000	N/A
5. Benefit obligation for non-vested employees				
a. Projected Benefit Obligation	\$ 34,618,000	\$ 17,735,000	\$ 26,434,000	\$ 16,838,000
b. Accumulated Benefit Obligation	\$ 29,996,000	N/A	\$ 22,928,000	N/A
6. Components of net periodic benefit cost				
a. Service cost	\$ 39,157,000	\$ 3,307,000	\$ 34,810,000	\$ 3,225,000
b. Interest cost	69,973,000	6,014,000	67,789,000	6,440,000
c. Expected return on plan assets	(129,943,000)	(6,082,000)	(116,281,000)	(6,247,000)
d. Amortization of unrecognized transition obligation or transition asset	-	1,749,000	-	1,749,000
e. Amount of recognized (gains) and losses	59,340,000	5,130,000	47,668,000	4,795,000
f. Amount of prior service cost recognized	51,000	(87,000)	51,000	(87,000)
g. Amount of (gain) or loss recognized due to a settlement or curtailment	-	-	-	-
h. Total net periodic benefit cost (income)	<u>\$ 38,578,000</u>	<u>\$ 10,031,000</u>	<u>\$ 34,037,000</u>	<u>\$ 9,875,000</u>
7. Additional minimum liability				
a. Additional minimum liability	\$ 28,510,000	\$ -	\$ 19,199,000	\$ -
b. Intangible asset	383,000	-	435,000	-
c. Accumulated other comprehensive income	\$ 28,127,000	\$ -	\$ 18,764,000	\$ -
The \$9,311,000 change, arising from the change in the additional minimum pension liability recognized, is included in unassigned funds.				

NOTES TO FINANCIAL STATEMENTS**Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**
(continued from preceding page)

8.	Weighted average assumptions used to determine net periodic benefit cost as of September 30				
a.	Discount rate	4.50%	4.50%	4.75%	4.75%
b.	Rate of compensation increase	4.50%	4.50%	4.50%	4.50%
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	4.00%	4.00%	4.50%	4.50%
e.	Rate of compensation increase	4.50%	4.50%	4.50%	4.50%

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	7.50%	N/A	8.00%
g.	Ultimate Trend Rate	N/A	5.00%	N/A	5.00%
h.	Years to reach Ultimate Trend Rate	N/A	5	N/A	6

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	546,000	(457,000)
b. Effect of postretirement benefit obligation	9,807,000	(8,488,000)

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:

Asset Category	Percentage of Plan Assets at September 30		Target Allocation
	2012	2011	
Equity Securities	71%	65%	65%
Debt Securities	15%	19%	27%
Cash	9%	10%	5%
Other	5%	6%	3%
Total	100%	100%	100%

The other postretirement 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:

Asset Category	Percentage of Plan Assets at September 30		Target Allocation
	2012	2011	
Equity Securities	85%	84%	90%
Cash	15%	15%	0%
Other	0%	1%	10%
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:

Year(s)	Pension Benefits	Other Benefits	
		Gross Benefits (before subsidy)	Expected Federal Subsidy
2013	63,181,000	12,175,000	1,418,000
2014	69,039,000	12,424,000	1,513,000
2015	72,313,000	12,479,000	1,618,000
2016	75,835,000	12,564,000	1,705,000
2017	81,153,000	12,587,000	1,793,000
2018-2022	469,876,000	60,188,000	10,264,000

14. The Company currently intends to make voluntary contributions to the defined benefit pension plan of \$8,021,000 in 2013. The Company currently intends to make voluntary contributions to other postretirement benefit plans of \$11,000,000 in 2013.

NOTES TO FINANCIAL STATEMENTSNote 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans (continued from preceding page)

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 \$17,000 in 2012 and \$16,500 in 2011. The Company matches pretax contributions up to 6% of the employee's base pay. Company contributions to the Plan were \$15,136,000 in 2012 and \$14,792,000 in 2011.

C. Multiemployer Plans – Not applicable

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

E. Postemployment 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, Dividend Restrictions and Quasi-Reorganizations

A. Outstanding Shares – Not applicable

B. Dividend Rate of Preferred Stock – Not applicable

C. Dividend Restrictions – Not applicable

D. Dates and Amounts of Dividends Paid – Not applicable

E. Amount of Ordinary Dividends That May Be Paid – Not applicable

F. Restrictions on Unassigned Funds – Not applicable

G. Mutual Surplus Advances – Not applicable

H. Company Stock Held for Special Purposes – Not applicable

I. Changes in Special Surplus Fund – Not applicable

J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized gains and losses is \$1,753,041,000. This unrealized gain is not net of the applicable deferred tax liability of \$613,564,000.

K. Surplus Notes – Not applicable

L. Impact of Quasi-Reorganizations – Not applicable

M. Date of Quasi-Reorganizations – Not applicable

Note 14 – Contingencies

A. Contingent Commitments

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. (See Note 10E).

B. Guaranty Fund and Other Assessments

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

The Company has accrued a liability for guaranty fund and other assessments of \$1,200,000 and a related premium tax benefit asset of \$494,000. The amount recorded represents management's best estimates based on information received from the states in which the company writes business. The liability is included in the taxes, licenses and fees liability and will be paid in the next year. The asset is included in the guarantee funds receivable asset and is expected to be realized over the five to ten years following payment. The following reflects the current year change in the premium tax benefit asset. The Company also has the ability to recover certain assessments through policyholder surcharges. The related asset for these transactions, which appears within Page 2 Line 25, is \$154,000 and is not included in the following table.

Description	Amount
a. Assets recognized from paid and accrued premium tax offsets prior year-end	\$ 1,036,000
b. Decreases in current year - Premium Tax offset applied	561,000
c. Increases current year - Premium Tax offset accrued	19,000
d. Assets recognized from paid and accrued premium tax offsets current year-end	\$ 494,000

C. Gain Contingencies – Not applicable

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

E. Product Warranties – Not applicable

F. 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 STATEMENTSNote 15 – Leases

A. Lessee Leasing Arrangements

- 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 \$43,745,962 in 2012 and \$44,944,774 in 2011. There are no contingent rental payments or unusual renewal options, escalation clauses or restrictions. There is no liability recognized in the financial statements for early termination of existing leases.
- Future minimum rental payments are as follows:

Year	Amount
2013	\$ 20,420,418
2014	16,977,485
2015	11,659,499
2016	7,483,368
2017	6,340,218
Thereafter	11,287,747
Total	\$ 74,168,735

- Sale-Leaseback Transactions – Not applicable

B. Lessor Leasing Arrangements – Not applicable

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk – Not applicableNote 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales – Not applicable

B. Transfers and Servicing of Financial Assets

- Transfer of Financial Assets – Not applicable
- Under a securities lending program with an agent, the Company has temporarily loaned certain debt securities with a fair value of \$105,159,233 and \$89,802,056 at December 31, 2012 and December 31, 2011, 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.
- Servicing Assets and Servicing Liabilities – Not applicable
- Securitized Financial Assets that Transfer as a Sale – Not applicable
- Securitized Financial Assets Held by Transferor – Not applicable
- Transfers of Receivables with Recourse – Not applicable

C. Wash Sales – Not applicable

Note 18 – Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans – Not applicableNote 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators – Not applicableNote 20 – Fair Value Measurements

A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

- Items Measured and Reported at Fair Value by 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	\$ -	\$ 60,338,712	\$ -	\$ 60,338,712
Preferred stocks	-	-	-	-
Common stocks				
Industrial & Misc.	3,317,848,699	-	-	3,317,848,699
Mutual Funds	478,417,597	56,017,629	-	534,435,226
Total Common Stocks	3,796,266,296	56,017,629	-	3,852,283,925
Total Assets	\$ 3,796,266,296	\$ 116,356,341	\$ -	\$ 3,912,622,637

- Rollforward of Level 3 Items

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

- 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 STATEMENTSNote 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 Level 1.

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

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

5. Derivative Fair Values – Not applicable

B. Other Fair Value Disclosures – Not applicable

C. Fair Values for All Financial Instruments by Levels 1, 2 and 3

The table below reflects the fair value and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, partnerships and joint ventures). The fair values are also categorized into the three-level fair value hierarchy as described in Note 20A.

Type of Financial Instrument - Assets	Fair Value	Admitted Value	Level 1	Level 2	Level 3
Bonds	\$ 3,487,280,986	\$ 3,267,962,329	\$ -	\$ 3,487,280,986	\$ -
Common Stocks	3,852,283,925	3,852,283,925	3,796,266,296	56,017,629	-
Cash, cash equivalents and short-term investments	500,096,704	500,096,704	500,096,704	-	-
Securities lending reinvested collateral assets	56,124,653	56,124,653	56,124,653	-	-
Total assets	\$ 7,895,786,268	\$ 7,676,467,611	\$ 4,352,487,653	\$ 3,543,298,615	\$ -

D. Financial Instruments for Which Not Practicable to Estimate Fair Values – Not applicable

Note 21 – Other Items

A. Extraordinary Items – Not applicable

B. Troubled Debt Restructuring for Debtors – Not applicable

C. Other Disclosures

The Boiler and Machinery Coverage and Equipment Breakdown Coverage 100 Percent Quota Share Internal Reinsurance Treaty agreement between Factory Mutual Insurance Company, Affiliated FM Insurance Company, Appalachian Insurance Company, and FM Insurance Company Limited was terminated and commuted as of January 1, 2012. In accordance with the termination and commutation agreement FMIC returned all unearned premiums and paid Affiliated FM and FMI all unpaid losses and loss adjustment expenses that were outstanding as of December 31, 2011, for a total paid by the Company in the amount of \$26,879,581.

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

D. Uncollectible Premiums Receivable – Not applicable

E. Business Interruption Insurance Recoveries – Not applicable

F. State Transferable and Non-transferable Tax Credits

- Carrying value of transferable and non-transferable state tax credits gross of any related tax liabilities and total unused transferable and non-transferable state tax credits by state and in total

Description of State Transferable and Non-Transferable Tax Credits	State	Carrying Value	Unused Amount
Investment Tax Credit	RI	\$ -	\$ 3,211,799

- Method of Estimating Utilization of Remaining Transferable and Non-transferable State Tax Credits

The Company estimated the utilization of the remaining Transferable and Non-transferable State Tax Credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining Transferable and Non-transferable State Tax Credits.

- Impairment Loss – Not Applicable

NOTES TO FINANCIAL STATEMENTSNote 21 – Other Items (continued from preceding page)

4. State Tax Credits Admitted and Nonadmitted

	Total Admitted	Total Nonadmitted
a. Transferable	\$ -	\$ -
b. Non-transferable	\$ -	\$ -

The Company has established a full valuation allowance on the unused portion of the RI Investment Tax Credit carry forward as it is more likely than not that the credit will expire before it is fully utilized.

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. 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. Subprime Mortgage Loans – Not applicable
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 \$2,084,474.
 - b. The book adjusted carrying value of the subprime bond is \$2,094,900.
 - c. The fair value of the subprime bond is \$3,137,327.
 - d. None.
4. Subprime Underwriting Exposure – Not applicable

Note 22 – Events Subsequent

- A. Subsequent events have been considered through February 26, 2013 for these statutory financial statements which are to be issued February 26, 2013. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

Note 23 – Reinsurance

- A. Unsecured Reinsurance Recoverable – Not applicable
- B. Reinsurance Recoverable in Dispute – Not applicable
- C. Reinsurance Assumed and Ceded and Protected Cells

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	
	Premium Reserve (1)	Commission Equity (2)	Premium Reserve (3)	Commission Equity (4)	Premium Reserve (5)	Commission Equity (6)
a. Affiliates	\$ 202,492,277	\$ 2,922,545	\$ 3,254,943	\$ 976,483	\$ 199,237,334	\$ (1,946,062)
b. All Other	179,570,106	31,604,828	351,103,595	2,537,476	(171,533,489)	(50,932,648)
c. TOTAL	\$ 382,062,383	\$ 34,527,373	\$ 354,358,538	\$ 83,513,959	\$ 27,703,845	\$ (48,986,586)
d. Direct Unearned Premium Reserve	\$1,234,017,793					

2. Profit Sharing Arrangements – Not applicable
3. Protected Cells – Not Applicable

- D. Uncollectible Reinsurance – Not applicable
- 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 that are reflected as:

Statement of Income Account	Amount
a. Losses Incurred	\$ 132,100
b. Loss adjustment expenses incurred	
c. Premiums Earned	
d. Other	
Total	\$ 132,100

Reinsurer	Amount
CX Re (CNA)	\$ 132,100
Factory Mutual Insurance Company - see Note 21	
Total	\$ 132,100

- F. Retroactive Reinsurance – Not applicable
- G. Reinsurance Accounted for as a Deposit – Not applicable
- H. Run-Off Agreements – Not Applicable
- I. Certified Reinsurer Downgraded or Status Subject to Revocation – Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination – Not applicable

Note 25 – Changes in Incurred Losses and Loss Adjustment Expenses

- A. As a result of changes in estimates of insured events related to prior years, the provision for losses and loss adjustment expenses decreased by \$82,953,000. The 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.

Note 26 – Intercompany Pooling Arrangements

- A. Factory Mutual Insurance Company (lead insurer), 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. 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.

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 8 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 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 amount due to / from the lead entity and the pool participants as of December 31, 2012 are as follows:

Name of Insurer	Amounts Receivable	Amounts Payable
Factory Mutual Insurance Company (lead insurer)	\$ 88,755,732	\$ 286,611,567
Affiliated FM Insurance Company	\$ 269,777,714	\$ 72,638,975
Appalachian Insurance Company	\$ 16,833,853	\$ 16,116,757

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

- A. The Company evaluated whether a premium deficiency reserve is required as of December 31, 2012 and determined that a premium deficiency reserve is not applicable. This evaluation was completed on February 4, 2013.

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

1. Liability carried for premium deficiency reserve	\$ -
2. Date of most recent evaluation of this liability	February 4, 2013
3. Was anticipated investment income utilized in the calculation?	NO

Note 31 – High Deductibles – Not applicable

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

Note 33 – Asbestos and Environmental Reserves

- A. Five-Year Rollforward of Asbestos Reserves, Direct, Assumed and Net

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

NOTES TO FINANCIAL STATEMENTS

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

1. Direct - Asbestos	2008	2009	2010	2011	2012
a. Beginning reserves:	\$ 75,187,000	\$ 234,477,000	\$ 352,464,000	\$ 353,086,000	\$ 356,209,000
b. Incurred losses & loss adjustment expense:	189,225,000	167,967,000	25,024,000	23,740,000	2,482,000
c. Calendar year payments for losses & loss adjustment expense:	29,935,000	49,980,000	24,402,000	20,617,000	20,932,000
d. Ending Reserves:	\$ 234,477,000	\$ 352,464,000	\$ 353,086,000	\$ 356,209,000	\$ 337,759,000

2. Assumed Reinsurance – Asbestos	2008	2009	2010	2011	2012
a. Beginning reserves:	\$ 349,874,000	\$ 424,202,000	\$ 513,988,000	\$ 460,954,000	\$ 449,977,000
b. Incurred losses & loss adjustment expense:	118,972,000	135,008,000	(10,022,000)	28,760,000	(8,819,000)
c. Calendar year payments for losses & loss adjustment expense:	44,644,000	45,222,000	43,012,000	39,737,000	37,954,000
d. Ending Reserves:	\$ 424,202,000	\$ 513,988,000	\$ 460,954,000	\$ 449,977,000	\$ 403,204,000

3. Net of Ceded Reinsurance – Asbestos	2008	2009	2010	2011	2012
a. Beginning reserves:	\$ 291,354,000	\$ 309,229,000	\$ 432,224,000	\$ 413,531,000	\$ 378,906,000
b. Incurred losses & loss adjustment expense:	36,735,000	174,279,000	13,998,000	(7,292,000)	(1,834,000)
c. Calendar year payments for losses & loss adjustment expense:	18,860,000	51,284,000	32,691,000	27,333,000	30,502,000
d. Ending Reserves:	\$ 309,229,000	\$ 432,224,000	\$ 413,531,000	\$ 378,906,000	\$ 346,570,000

B. Asbestos IBNR and Bulk Reserve, Direct, Assumed and Net

1. Direct	\$ 238,536,000
2. Assumed	\$ 298,448,000
3. Net	\$ 242,269,000

C. Asbestos LAE Reserve, Direct, Assumed and Net

1. Direct	\$ 28,439,976
2. Assumed	\$ 55,706,624
3. Net	\$ 75,785,009

D. Five-Year Rollforward of Environmental Reserves, Direct, Assumed and Net

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

1. Direct – Environmental	2008	2009	2010	2011	2012
a. Beginning reserves:	\$ 47,738,000	\$ 11,922,000	\$ 17,922,000	\$ 17,954,000	\$ 18,112,000
b. Incurred losses & loss adjustment expense:	(21,072,000)	8,541,000	1,273,000	1,206,000	126,000
c. Calendar year payments for losses & loss adjustment expense:	14,744,000	2,541,000	1,241,000	1,048,000	1,064,000
d. Ending Reserves:	\$ 11,922,000	\$ 17,922,000	\$ 17,954,000	\$ 18,112,000	\$ 17,174,000

2. Assumed Reinsurance – Environmental	2008	2009	2010	2011	2012
a. Beginning reserves:	\$ 154,100,000	\$ 47,193,000	\$ 79,223,000	\$ 80,157,000	\$ 70,643,000
b. Incurred losses & loss adjustment expense:	(97,134,000)	37,670,000	19,981,000	(1,791,000)	(4,619,000)
c. Calendar year payments for losses & loss adjustment expense:	9,773,000	5,640,000	19,047,000	7,723,000	4,898,000
d. Ending Reserves:	\$ 47,193,000	\$ 79,223,000	\$ 80,157,000	\$ 70,643,000	\$ 61,126,000

3. Net of Ceded Reinsurance – Environmental	2008	2009	2010	2011	2012
a. Beginning reserves:	\$ 146,671,000	\$ 48,741,000	\$ 67,159,000	\$ 63,678,000	\$ 58,537,000
b. Incurred losses & loss adjustment expense:	(92,972,000)	24,031,000	9,216,000	1,356,000	(4,505,000)
c. Calendar year payments for losses & loss adjustment expense:	4,958,000	5,613,000	12,697,000	6,497,000	4,489,000
d. Ending Reserves:	\$ 48,741,000	\$ 67,159,000	\$ 63,678,000	\$ 58,537,000	\$ 49,543,000

NOTES TO FINANCIAL STATEMENTS

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

E. Environmental IBNR and Bulk Reserve, Direct, Assumed and Net

1.	Direct	\$	12,129,000
2.	Assumed	\$	42,160,000
3.	Net	\$	33,216,000

F. Environmental LAE Reserve, Direct, Assumed and Net

1.	Direct	\$	1,446,032
2.	Assumed	\$	10,085,645
3.	Net	\$	11,863,183

Note 34 – Subscriber Savings Accounts – Not ApplicableNote 35 – Multiple Peril Crop Insurance – Not ApplicableNote 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: N/A
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2012
- 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 Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

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

- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [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 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]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:

- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the answer to 10.5 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 LLP 200 Clarendon Street, Boston, MA 02116

Annual Statement for the year 2012 of the **FACTORY MUTUAL INSURANCE COMPANY**
GENERAL INTERROGATORIES

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 involved31
 12.13 Total book/adjusted carrying value \$.....792,433,720

12.2 If yes, provide explanation.
 FMRE Holdings LLC is a wholly owned subsidiary owning 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).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

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

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

PART 1 - COMMON INTERROGATORIES - FINANCIAL

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

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

20.11 To directors or other officers \$.....0

20.12 To stockholders not officers \$.....0

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

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

20.21 To directors or other officers \$.....0

20.22 To stockholders not officers \$.....0

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

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

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

21.21 Rented from others

21.22 Borrowed from others

21.23 Leased from others

21.24 Other

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment

22.22 Amount paid as expenses

22.23 Other amounts paid

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

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

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [] No [X]

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

JP Morgan Worldwide Securities Services and RBC (Toronto) hold custody of these securities.

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).
 The market value and collateral value of securities loaned as of year end 2012 is \$105,159,233 and \$107,616,273 respectively. The amount of cash collateral carried on the balance sheet is \$56,124,653. See Note 17 for a description of the securities lending program.
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes No N/A
 \$.....107,616,273
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....56,124,653
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....56,124,653
- 24.103 Total payable for securities lending reported on the liability page. \$.....56,124,653
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03) Yes No
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$.....0
- 25.22 Subject to reverse repurchase agreements \$.....0
- 25.23 Subject to dollar repurchase agreements \$.....0
- 25.24 Subject to reverse dollar repurchase agreements \$.....0
- 25.25 Pledged as collateral \$.....0
- 25.26 Placed under option agreements \$.....0
- 25.27 Letter stock or securities restricted as to sale \$.....0
- 25.28 On deposit with state or other regulatory body \$.....6,018,297
- 25.29 Other \$.....0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
 If no, attach a description with this statement.

- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No
- 27.2 If yes, state the amount thereof at December 31 of the current year:

28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Worldwide Securities Services	1 Chase Manhattan Plaza, New York, NY
RBC Investor Services	200 Bay Street, Toronto, Ontario, Canada

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes No

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

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

28.05 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	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 Investor Services	BMO Asset Management, Inc	Toronto, Ontario

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj. Carrying Value
61744J 30 9	MORGAN STANLEY SMALL CO GROWTH	46,134,699
66744J 83 8	MORGAN STANLEY INT'L SMALL CAP	51,608,264
01882C 10 4	ALLIANCE/BERNSTEIN INTERNATIONAL VALUE FUND	56,017,629
464287 23 4	ISHARES MSCI EMERGING MARKETS	23,949,000
922042 85 8	VANGUARD EMERGING MARKET ETF	10,241,900
922042 87 4	VNGUARD EUROPEAN ETF	33,211,200
92204A 87 6	VANGUARD WORLD FUNDS	41,369,820
78464A 87 0	SPDR S&P BIOTECH ETF	5,714,150
626127 66 6	MUNDER INT'L SMALL CAP	118,970,319
464286 10 3	SHARES MSCI AUSTRALIA INDEX	38,338,500
464286 40 0	ISHARES MSCI BRAZIL	3,356,400
464286 80 6	ISAHRES MSCI GERMANY INDEX	35,815,000
564079 36 6	INVESCO US SENIOR LOAN-GX	46,004,645
78464A 69 8	SPDR SERIES TRUST	17,341,400
922042 71 8	VANGUARD INTL EQUITY ETF	6,362,300
29.2999. TOTAL		534,435,226

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	Date of Valuation
MORGAN STANLEY SMALL CO GROWTH	CORPORATE EXECUTIVE BOARD	2,662,895	12/31/2012
MORGAN STANLEY SMALL CO GROWTH	ADVISORY BOARD CO/THE	2,421,610	12/31/2012
MORGAN STANLEY SMALL CO GROWTH	BROOKFIELD INFRASTRUCTURE	2,320,575	12/31/2012
MORGAN STANLEY SMALL CO GROWTH	ATHENAHEALTH INC	2,223,231	12/31/2012
MORGAN STANLEY SMALL CO GROWTH	NETSUITE INC	1,959,802	12/31/2012
MORGAN STANLEY INT'L SMALL CAP	SMURFIT KAPPA GROUP PLC	1,255,629	12/31/2012
MORGAN STANLEY INT'L SMALL CAP	TOYOTA INDUSTRIES CORP	1,163,250	12/31/2012
MORGAN STANLEY INT'L SMALL CAP	FLETCHER BUILDING LTD	986,750	12/31/2012
MORGAN STANLEY INT'L SMALL CAP	KUONI REISEN HOLDING AG	978,493	12/31/2012
MORGAN STANLEY INT'L SMALL CAP	SUMITOME HEAVY IND LTD	975,396	12/31/2012
ALLIANCE/BERNSTEIN INTERNATIONAL VALUE FUND	PFIZER INC	3,019,083	12/31/2012
ALLIANCE/BERNSTEIN INTERNATIONAL VALUE FUND	ASTRAZENECA PLC	2,848,776	12/31/2012
ALLIANCE/BERNSTEIN INTERNATIONAL VALUE FUND	CITIGROUP	2,358,498	12/31/2012
ALLIANCE/BERNSTEIN INTERNATIONAL VALUE FUND	KR COMPANY LTD	2,327,533	12/31/2012
ALLIANCE/BERNSTEIN INTERNATIONAL VALUE FUND	BP PLC	2,250,120	12/31/2012
ISHARES MSCI EMERGING MARKETS	SAMSUNG ELECTRONICS CO	1,009,690	12/31/2012
ISHARES MSCI EMERGING MARKETS	TAIWAN SEMICONDUCTOR	486,644	12/31/2012
ISHARES MSCI EMERGING MARKETS	CHINA MOBILE	439,943	12/31/2012
ISHARES MSCI EMERGING MARKETS	CHINA CONSTRUCTION BANK	363,067	12/31/2012
ISHARES MSCI EMERGING MARKETS	GAZPROM OAO	308,224	12/31/2012
VANGUARD EMERGING MARKET ETF	CHINA MOBILE LTD	208,115	12/31/2012
VANGUARD EMERGING MARKET ETF	AMERICA MOVIL SAB DE C	162,232	12/31/2012
VANGUARD EMERGING MARKET ETF	CHINA CONSTRUCTION BANK	155,472	12/31/2012
VANGUARD EMERGING MARKET ETF	GAZPROM OAO	139,700	12/31/2012
VANGUARD EMERGING MARKET ETF	TAIWAN SEMICONDUCTOR M	136,729	12/31/2012
VANGUARD EUROPEAN ETF	NESTLE SA	1,055,784	12/31/2012
VANGUARD EUROPEAN ETF	HSBC HOLDINGS PLC	851,203	12/31/2012
VANGUARD EUROPEAN ETF	VODAFONE GROUP PLC	752,898	12/31/2012
VANGUARD EUROPEAN ETF	NOVARTIS AG	688,468	12/31/2012
VANGUARD EUROPEAN ETF	BP PLC	674,852	12/31/2012
VANGUARD WORLD FUNDS	SOUTHERN CO	3,153,621	12/31/2012
VANGUARD WORLD FUNDS	EXELON CORP	2,531,006	12/31/2012
VANGUARD WORLD FUNDS	DOMINION RESOURCES INC	2,432,959	12/31/2012
VANGUARD WORLD FUNDS	NEXTERA ENERGY INC	2,149,990	12/31/2012
VANGUARD WORLD FUNDS	FIRST ENERGY CORP	1,625,834	12/31/2012
SPDR S&P BIOTECH ETF	DENDREON CORP	165,539	12/31/2012
SPDR S&P BIOTECH ETF	SAREPTA THERAPEUTICS INC	158,168	12/31/2012
SPDR S&P BIOTECH ETF	SPECTRUM PHARMACEUTICALS	153,939	12/31/2012
SPDR S&P BIOTECH ETF	VERTEX PHARMACEUTICAL INC	153,596	12/31/2012
SPDR S&P BIOTECH ETF	DYNAVAX TECHNOLOGIES CORP	152,282	12/31/2012
MUNDER INT'L SMALL CAP	ABERDEEN ASSET MANAGMENT PLC	1,482,370	12/31/2012
MUNDER INT'L SMALL CAP	AMS AG	1,325,329	12/31/2012
MUNDER INT'L SMALL CAP	TSURUHA HOLDINGS INC	1,317,001	12/31/2012
MUNDER INT'L SMALL CAP	DUERR AG	1,211,118	12/31/2012
MUNDER INT'L SMALL CAP	ARGONAUT GOLD INC	1,190,893	12/31/2012
SHARES MSCI AUSTRALIA INDEX	BHP BILLITON LTD	10,349,279	12/31/2012
SHARES MSCI AUSTRALIA INDEX	COMMONWEALTH BANK OF A	4,032,443	12/31/2012
SHARES MSCI AUSTRALIA INDEX	WESTPAC BANKING CORP	3,246,121	12/31/2012
SHARES MSCI AUSTRALIA INDEX	AUSTRALIA & NEW ZEALAND	2,751,554	12/31/2012
SHARES MSCI AUSTRALIA INDEX	NATIONAL AUSTRALIA BANK	2,304,144	12/31/2012
ISHARES MSCI BRAZIL	VALE SA	283,448	12/31/2012
ISHARES MSCI BRAZIL	PETROLEO BRASILEIRO SA	263,947	12/31/2012
ISHARES MSCI BRAZIL	ITAU UNIBANCO HOLDING	250,421	12/31/2012
ISHARES MSCI BRAZIL	BANCO BRADESCO SA	216,689	12/31/2012
ISHARES MSCI BRAZIL	CIA DE BEBIDAS DAS AMERICA	207,526	12/31/2012
ISAHRES MSCI GERMANY INDEX	SIEMENS AG	3,323,274	12/31/2012
ISAHRES MSCI GERMANY INDEX	BASF SE	3,239,109	12/31/2012
ISAHRES MSCI GERMANY INDEX	BAYER AG	2,868,065	12/31/2012
ISAHRES MSCI GERMANY INDEX	SAP AG	2,756,322	12/31/2012
ISAHRES MSCI GERMANY INDEX	ALLIANZ SE	2,376,681	12/31/2012
INVESCO US SENIOR LOAN-GX	CAESARS ENTERTAINMENT OPERATING CO	1,163,918	12/31/2012
INVESCO US SENIOR LOAN-GX	CLEAR CHANNEL COMM INC	947,696	12/31/2012
INVESCO US SENIOR LOAN-GX	CINEMARK USA INC	731,474	12/31/2012
INVESCO US SENIOR LOAN-GX	FIRST DATA CORP	685,469	12/31/2012
INVESCO US SENIOR LOAN-GX	KINETIC CONCEPTS INC	533,654	12/31/2012
SPDR SERIES TRUST	KEY CORP	329,140	12/31/2012
SPDR SERIES TRUST	SVB FINANCIAL GROUP	328,446	12/31/2012
SPDR SERIES TRUST	PRIVATEBANCORP INC	326,018	12/31/2012
SPDR SERIES TRUST	FIRST REPUBLIC BANK/CA	325,498	12/31/2012
SPDR SERIES TRUST	REGION FINANCIAL CORP	322,550	12/31/2012
VANGUARD INTL EQUITY ETF	PEMBINA PIPELINE CORP	26,785	12/31/2012
VANGUARD INTL EQUITY ETF	FRANCO-NEVADA CORP	23,350	12/31/2012
VANGUARD INTL EQUITY ETF	VITERRA INC	18,387	12/31/2012
VANGUARD INTL EQUITY ETF	METRO INC	18,387	12/31/2012
VANGUARD INTL EQUITY ETF	BAYTEX ENERGY CORP	18,005	12/31/2012

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	3,431,011,052	3,650,329,709	219,318,657
30.2 Preferred stocks.....		117,859	117,859
30.3 Totals.....	3,431,011,052	3,650,447,568	219,436,516

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

Bonds and preferred stocks are priced by the SVO when available. When the SVO pricing is not available, the securities are priced by our external pricing source, IDC. The company utilized IDC's prices for common stocks where the SVO prices provided were materially different and not in agreement with the exchange prices.

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D. If SVO prices are not available or determined to be incorrect, the company uses the pricing of its external pricing source, IDC.
-
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []
- 32.2 If no, list exceptions:
-

PART 1 - COMMON INTERROGATORIES - OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....28,234
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICES, INC.	18,829
MISSISSIPPI STATE RATING BUREAU	12,888

- 34.1 Amount of payments for legal expenses, if any? \$.....3,430,505
- 34.2 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
BAKER BOTTS LLP	1,411,291

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0
- 35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total 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.....	\$.....2,843,167,343	\$.....2,527,160,891
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....3,679,407,335	\$.....3,785,370,215
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 the AIR CLASIC/2 software 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 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 was not required for those parts of the program.

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

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

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 affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract? Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, 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 of its lawful obligations with respect to contracts of insurance and reinsurance issued by FMI on or after January 1, 2004.
See Notes to the Financial Statements # 10 for further details.
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
 12.11 Unpaid losses \$.....0
 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....0
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds: \$.....0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] N/A [X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
 12.41 From%
 12.42 To%
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
 12.61 Letters of credit
 12.62 Collateral and other funds
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....383,878,000
- 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.4

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes 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 the 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 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 financed premium accounts? Yes No
 15.2 If yes, give full information:

16.1 Does the reporting entity write any warranty business? Yes No
 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 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	\$.....16,979,000
17.12 Unfunded portion of Interrogatory 17.11	\$.....16,979,000
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	\$.....16,979,000
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
 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
 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 2012	2 2011	3 2010	4 2009	5 2008
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).....					
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,996,715,187	2,731,144,027	2,479,183,532	2,694,138,732	2,348,960,596
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	588,681,729	590,623,117	556,963,293	570,640,911	475,435,496
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	251,165,229	190,256,593	163,459,269	124,734,648	137,418,730
6. Total (Line 35).....	3,836,562,145	3,512,023,737	3,199,606,094	3,389,514,291	2,961,814,822
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).....					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,182,403,954	1,960,953,770	1,836,932,980	2,028,671,748	1,776,449,876
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	487,374,593	502,056,135	471,121,823	492,082,901	402,025,811
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	185,539,341	131,476,136	107,912,863	64,563,894	84,000,322
12. Total (Line 35).....	2,855,317,888	2,594,486,041	2,415,967,666	2,585,318,543	2,262,476,009
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	436,875,720	(531,757,453)	513,753,874	854,221,028	31,412,630
14. Net investment gain (loss) (Line 11).....	320,562,128	347,081,262	261,083,743	186,695,273	(342,144,149)
15. Total other income (Line 15).....	(5,775,246)	(462,392)	(20,229,493)	4,202,817	595,323
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	139,602,810	(179,526,124)	87,243,507	145,931,263	286,091,172
18. Net income (Line 20).....	612,059,792	(5,612,459)	667,364,617	899,187,855	(596,227,368)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	12,239,933,900	10,978,403,000	11,028,837,894	10,015,395,153	8,602,605,288
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	430,400,201	409,036,248	365,288,714	437,241,255	322,960,021
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).....	4,714,811,834	4,546,791,476	4,066,928,859	3,811,749,417	3,868,394,188
22. Losses (Page 3, Line 1).....	1,891,280,612	2,321,832,429	1,716,855,283	1,700,359,031	1,936,148,076
23. Loss adjustment expenses (Page 3, Line 3).....	186,832,025	193,900,282	201,493,428	171,587,777	177,489,627
24. Unearned premiums (Page 3, Line 9).....	1,261,721,638	1,249,571,093	1,182,245,943	1,168,157,708	1,184,540,429
25. Capital paid up (Page 3, Lines 30 & 31).....					
26. Surplus as regards policyholders (Page 3, Line 37).....	7,525,122,066	6,431,611,524	6,961,909,035	6,203,645,736	4,734,211,100
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	270,224,940	208,236,201	917,503,677	464,590,416	471,724,017
Risk-Based Capital Analysis					
28. Total adjusted capital.....	7,525,122,066	6,431,611,524	6,961,909,035	6,203,645,736	4,734,211,100
29. Authorized control level risk-based capital.....	881,984,126	786,993,648	829,554,485	767,370,656	599,895,777
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	30.5	29.6	30.2	33.8
31. Stocks (Lines 2.1 & 2.2).....	52.4	50.3	55.1	61.6	57.4
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....	0.1	0.0	0.0	1.5	0.0
34. Cash, cash equivalents and short-term investments (Line 5).....	4.5	5.4	3.6	2.8	5.4
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....				XXX	XXX
37. Other invested assets (Line 8).....	12.7	12.8	11.0	3.7	3.5
38. Receivable for securities (Line 9).....	0.2	0.4	0.1	0.1	0.0
39. Securities lending reinvested collateral assets (Line 10).....	0.5	0.5	0.6	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).....	1,943,447,602	1,653,031,245	1,772,119,324	2,271,212,046	1,749,228,378
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....	792,433,720	730,318,864	705,907,194		
48. Total of above lines 42 to 47.....	2,735,881,322	2,383,350,109	2,478,026,518	2,271,212,046	1,749,228,378
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	36.4	37.1	25.5	36.6	36.9

Annual Statement for the year 2012 of the **FACTORY MUTUAL INSURANCE COMPANY**
FIVE-YEAR HISTORICAL DATA
(Continued)

	1	2	3	4	5
	2012	2011	2010	2009	2008
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	508,857,064	(338,669,574)	292,153,185	834,128,661	(656,727,603)
52. Dividends to stockholders (Line 35).....					
53. Change in surplus as regards policyholders for the year (Line 38).....	1,093,510,542	(530,297,511)	758,263,299	1,469,434,636	(1,036,296,557)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	28,402,145	32,657,187	30,986,059	44,235,142	61,591,445
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,126,000,173	1,858,718,644	865,413,934	1,087,569,661	1,717,591,702
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	275,689,311	278,350,599	244,789,593	399,931,719	310,525,152
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(54,614)	(78,216)	(92,800)	(88,027)	(139,861)
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	428,039,355	38,866,509	180,654,926	55,092,724	60,017,695
59. Total (Line 35).....	2,858,076,370	2,208,514,723	1,321,751,712	1,586,741,219	2,149,586,133
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	9,396,888	7,459,512	7,798,548	18,402,729	(3,961,094)
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,432,507,809	1,527,680,632	757,068,963	875,148,581	1,195,746,279
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	220,562,833	238,253,407	199,963,811	331,507,384	258,844,597
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(54,614)	(78,216)	(92,800)	(88,027)	(139,861)
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	381,903,108	(57,169,748)	149,671,958	(4,943,507)	(7,888,970)
65. Total (Line 35).....	2,044,316,024	1,716,145,587	1,114,410,480	1,220,027,160	1,442,600,950
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	56.8	91.8	47.1	37.8	72.1
68. Loss expenses incurred (Line 3).....	3.0	3.5	3.7	4.1	5.5
69. Other underwriting expenses incurred (Line 4).....	24.9	25.7	27.9	25.3	21.1
70. Net underwriting gain (loss) (Line 8).....	15.4	(21.0)	21.4	32.8	1.4
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	25.0	25.1	28.5	25.3	21.6
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	59.8	95.3	50.7	41.9	77.6
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	37.9	40.3	34.7	41.7	47.8
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(82,953)	(142,538)	(264,479)	51,389	(376,140)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(1.3)	(2.0)	(4.3)	1.1	(6.5)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(215,317)	(352,689)	28,984	(247,456)	(286,712)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(3.1)	(5.7)	0.6	(4.3)	(5.7)

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

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$'000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	64,406	25,099	7,877	3,375	(106)	(254)	134	43,957	XXX.....
2. 2003.....	3,175,165	753,161	2,422,004	991,242	171,340	11,420	1,357	53,962	4,104	12,189	879,824	XXX.....
3. 2004.....	2,903,811	756,085	2,147,726	938,087	174,206	8,896	2,286	70,228	4,892	33,769	835,826	XXX.....
4. 2005.....	2,919,631	682,747	2,236,884	1,612,011	562,560	51,315	1,047	102,497	4,746	128,288	1,197,469	XXX.....
5. 2006.....	3,118,218	779,538	2,338,680	1,144,351	175,839	6,464	116	61,285	3,524	4,528	1,032,622	XXX.....
6. 2007.....	3,147,998	791,285	2,356,713	999,881	143,054	1,046	654	54,889	4,279	11,400	907,829	XXX.....
7. 2008.....	3,043,700	719,342	2,324,358	2,671,447	766,802	18,551	2,231	68,850	9,759	7,915	1,980,056	XXX.....
8. 2009.....	3,358,963	757,262	2,601,701	779,842	131,775	21,544	70	89,187	2,515	4,123	756,213	XXX.....
9. 2010.....	3,230,937	829,057	2,401,879	1,443,205	197,250	1,194	3,932	63,064	18,346	2,664	1,287,935	XXX.....
10. 2011.....	3,374,597	847,435	2,527,162	2,909,261	905,422	3,977	448	74,769	4,831	735	2,077,306	XXX.....
11. 2012.....	3,803,061	959,893	2,843,168	962,884	142,380	5,160	630	45,507	2,635	(340)	867,906	XXX.....
12. Totals.....	XXX.....	XXX.....	XXX.....	14,516,618	3,395,727	137,445	16,146	684,130	59,377	205,404	11,866,943	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	265,925	118,001	644,536	365,704	19,311	9,557	36,642		67,510		540,662	XXX.....	
2. 2003.....	734				23						757	XXX.....	
3. 2004.....	364		82		1						447	XXX.....	
4. 2005.....	548	2,177			14						(1,615)	XXX.....	
5. 2006.....	(4,581)	1			4						4,703	XXX.....	
6. 2007.....	(2,432)	172	905		15						3,553	XXX.....	
7. 2008.....	(8,069)	305	36,994		18				49		11,296	XXX.....	
8. 2009.....	5,881		15,061		64				353		11,428	XXX.....	
9. 2010.....	47,607	4,379	31,655		2,560				5,878		16,872	XXX.....	
10. 2011.....	435,315	116,067	138,016		5,114				19,821		21,214	XXX.....	
11. 2012.....	1,097,606	324,543	116,482		10,718				28,292		25,934	XXX.....	
12. Totals.....	1,838,898	565,645	983,731	365,704	37,842	9,557	36,642	0	121,903	0	95,000	2,078,110	XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....			XXX.....	426,756	113,906
2. 2003..	1,057,382	176,801	880,581	33.3	23.5	36.4			86.00	734	23
3. 2004..	1,017,658	181,384	836,273	35.0	24.0	38.9			86.00	446	1
4. 2005..	1,766,385	570,531	1,195,854	60.5	83.6	53.5			86.00	(1,629)	14
5. 2006..	1,207,523	179,479	1,028,044	38.7	23.0	44.0			86.00	(4,582)	4
6. 2007..	1,054,304	148,159	906,145	33.5	18.7	38.4			86.00	(1,699)	15
7. 2008..	2,787,840	779,097	2,008,743	91.6	108.3	86.4			86.00	28,620	67
8. 2009..	911,932	134,360	777,572	27.1	17.7	29.9			86.00	20,942	417
9. 2010..	1,595,163	223,907	1,371,256	49.4	27.0	57.1			86.00	74,883	8,438
10. 2011..	3,586,273	1,026,768	2,559,505	106.3	121.2	101.3			86.00	457,264	24,935
11. 2012..	2,266,649	470,188	1,796,461	59.6	49.0	63.2			86.00	889,545	39,010
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	1,891,280	186,830

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior.....	883,873	1,044,363	911,691	1,001,653	1,033,740	1,018,303	1,215,329	1,195,905	1,177,304	1,177,125	(179)	(18,780)
2. 2003.....	913,324	851,598	826,229	820,971	822,089	825,544	817,946	829,043	836,640	830,723	(5,917)	1,680
3. 2004.....	XXX	878,661	846,852	824,865	824,865	788,569	773,392	775,493	776,091	770,938	(5,153)	(4,555)
4. 2005.....	XXX	XXX	1,322,944	1,244,012	1,279,247	1,139,436	1,115,785	1,108,823	1,098,713	1,098,103	(610)	(10,720)
5. 2006.....	XXX	XXX	XXX	1,142,402	1,002,796	975,340	982,313	987,884	975,679	970,283	(5,396)	(17,601)
6. 2007.....	XXX	XXX	XXX	XXX	1,046,272	885,678	856,790	857,104	859,509	855,536	(3,973)	(1,568)
7. 2008.....	XXX	XXX	XXX	XXX	XXX	2,095,256	2,017,961	2,002,859	1,959,567	1,949,603	(9,964)	(53,256)
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	956,813	714,739	700,137	690,547	(9,590)	(24,192)
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,406,985	1,352,657	1,320,660	(31,997)	(86,325)
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,479,920	2,469,746	(10,174)	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,725,297	XXX	XXX
12. Totals.....											(82,953)	(215,317)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
1. Prior.....	.000	240,748	394,980	435,925	506,189	526,186	559,907	613,548	660,164	703,973	XXX	XXX
2. 2003.....	349,929	658,411	760,310	798,325	798,622	814,737	819,128	827,111	834,276	829,966	XXX	XXX
3. 2004.....	XXX	281,589	600,240	727,950	778,750	774,508	774,271	775,042	774,729	770,491	XXX	XXX
4. 2005.....	XXX	XXX	315,203	833,204	1,050,199	1,130,723	1,110,925	1,110,855	1,101,912	1,099,718	XXX	XXX
5. 2006.....	XXX	XXX	XXX	376,923	839,862	951,651	975,777	978,335	977,348	974,861	XXX	XXX
6. 2007.....	XXX	XXX	XXX	XXX	273,750	711,315	828,502	850,613	853,318	857,220	XXX	XXX
7. 2008.....	XXX	XXX	XXX	XXX	XXX	809,114	1,655,559	1,806,101	1,882,171	1,920,965	XXX	XXX
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	248,998	561,340	654,992	669,541	XXX	XXX
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	570,851	1,160,032	1,243,217	XXX	XXX
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	932,506	2,007,368	XXX	XXX
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	825,034	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior.....	402,300	497,502	298,162	358,838	337,319	303,664	428,751	384,279	346,400	315,474
2. 2003.....	125,618	46,185	18,459	6,425	1,117					
3. 2004.....	XXX	167,226	58,311	24,714	27,888	16,600				82
4. 2005.....	XXX	XXX	281,474	233,253	163,364	15,300	10,661	1,400		
5. 2006.....	XXX	XXX	XXX	151,282	47,348	20,000	12,825	14,800	1,100	
6. 2007.....	XXX	XXX	XXX	XXX	142,725	27,000	14,463	14,600	10,200	905
7. 2008.....	XXX	XXX	XXX	XXX	XXX	218,816	95,581	69,585	45,397	36,994
8. 2009.....	XXX	XXX	XXX	XXX	XXX	XXX	188,283	41,256	20,071	15,061
9. 2010.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	177,613	55,746	31,655
10. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	214,129	138,016
11. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	116,482

FACTORY MUTUAL INSURANCE COMPANY SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	L	29,555,526	31,145,880		115,096,544	17,412,764	33,062,183		
2. Alaska.....AK	L	13,917,820	12,880,772		48,907	(28,092)			
3. Arizona.....AZ	L	33,774,952	32,042,177		8,001,616	3,267,859	3,278,401		
4. Arkansas.....AR	L	25,986,205	26,090,611		56,440,045	11,233,306	83,639,303		
5. California.....CA	L	377,986,752	359,620,572		213,914,127	139,713,833	94,932,408		
6. Colorado.....CO	L	23,244,449	22,033,574		7,401,466	2,220,603	5,985,080		
7. Connecticut.....CT	L	45,730,190	46,037,311		7,133,776	13,638,196	12,784,293		
8. Delaware.....DE	L	3,964,327	4,043,008		105,714	324,226	1,368,822		
9. District of Columbia.....DC	L	11,566,241	11,305,720		777,020	2,500,484	2,626,458		
10. Florida.....FL	L	131,067,378	128,188,500		28,863,764	29,581,511	9,775,205		
11. Georgia.....GA	L	70,753,786	67,798,635		13,735,262	13,981,890	10,528,404		
12. Hawaii.....HI	L	4,680,943	4,679,081		4,664	(16,047)	206,655		
13. Idaho.....ID	L	11,601,918	11,691,103		9,630	9,630			
14. Illinois.....IL	L	92,229,648	90,037,538		26,099,958	17,224,172	24,391,744		
15. Indiana.....IN	L	40,433,373	39,588,718		9,358,812	7,727,476	9,298,472		
16. Iowa.....IA	L	28,049,212	28,880,009		15,743,775	(292,131)	888,712		
17. Kansas.....KS	L	17,942,976	17,710,325		84,664,942	83,101,493	3,622,557		
18. Kentucky.....KY	L	41,895,716	47,014,856		25,013,811	29,328,148	12,380,477		
19. Louisiana.....LA	L	37,045,204	38,289,342		851,974	22,664,767	44,748,625		
20. Maine.....ME	L	11,052,948	11,490,798		237,973	105,203	155,133		
21. Maryland.....MD	L	28,149,602	26,755,488		16,038,917	10,702,630	7,239,852		
22. Massachusetts.....MA	L	53,626,033	60,182,021		84,974,897	113,533,188	44,212,820		
23. Michigan.....MI	L	42,725,995	44,516,915		23,345,848	18,945,539	27,251,403		
24. Minnesota.....MN	L	37,437,078	36,114,046		94,519,243	100,230,119	12,859,019		
25. Mississippi.....MS	L	22,841,966	21,399,342		13,332,083	1,551,499	3,175,847		
26. Missouri.....MO	L	49,084,561	46,449,426		363,259,291	45,367,741	14,968,308		
27. Montana.....MT	L	5,487,250	5,382,961		187,370	187,370			
28. Nebraska.....NE	L	13,275,896	12,956,040		7,417,437	(5,788,040)	2,755,568		
29. Nevada.....NV	L	33,116,617	36,690,215		1,104,640	2,565,040	6,139,954		
30. New Hampshire.....NH	L	6,353,484	6,079,367		4,551,468	723,910	11,792,908		
31. New Jersey.....NJ	L	40,395,625	40,390,776		40,621,704	251,445,615	261,462,799		
32. New Mexico.....NM	L	8,499,927	7,797,351		1,429,038	1,624,451	1,367,750		
33. New York.....NY	L	109,265,971	102,686,226		142,898,888	180,769,742	379,831,290		
34. North Carolina.....NC	L	68,821,447	68,355,368		20,869,131	36,436,715	57,400,978		
35. North Dakota.....ND	L	16,061,784	14,369,901		9,441,277	35,425,732	30,229,551		
36. Ohio.....OH	L	68,458,270	75,133,337		12,781,622	26,011,128	39,360,599		
37. Oklahoma.....OK	L	18,989,972	19,294,704		6,937,145	487,882	4,327,010		
38. Oregon.....OR	L	43,009,601	37,080,684		704,598	2,690,889	1,665,649		
39. Pennsylvania.....PA	L	107,389,192	105,409,890		32,234,622	33,626,537	69,059,192		
40. Rhode Island.....RI	L	12,365,093	13,196,920		1,398,297	405,585	4,530,865		
41. South Carolina.....SC	L	35,604,368	37,427,023		4,531,568	1,868,510	9,775,967		
42. South Dakota.....SD	L	5,787,238	5,327,691		92,843	34,830			
43. Tennessee.....TN	L	63,272,353	61,041,450		15,982,700	10,591,156	8,425,355		
44. Texas.....TX	L	200,070,447	192,300,885		70,944,404	38,578,991	77,803,525		
45. Utah.....UT	L	18,647,892	18,384,717		(2,219,243)	(2,226,929)	317,888		
46. Vermont.....VT	L	5,936,453	5,590,593		1,629,696	(300,657)	2,507,799		
47. Virginia.....VA	L	41,869,154	45,647,042		16,290,282	23,196,351	24,966,624		
48. Washington.....WA	L	53,819,165	54,987,953		6,155,712	3,400,859	10,440,851		
49. West Virginia.....WV	L	7,979,889	8,679,351			(1,243,487)			
50. Wisconsin.....WI	L	46,932,226	43,256,814		17,877,377	6,725,193	14,615,917		
51. Wyoming.....WY	L	8,080,019	8,117,818		1,023,114	1,960,370	2,234,640		
52. American Samoa.....AS	N	191	152		481,148	(19,500)			
53. Guam.....GU	L	125,379	96,520						
54. Puerto Rico.....PR	L	22,764,129	24,330,015		340,526	106,203	78,252		
55. US Virgin Islands.....VI	L	39,472	97,873						
56. Northern Mariana Islands.....MP	L	392	393						
57. Canada.....CAN	L	269,266,671	274,414,681		144,847,436	138,802,203	160,307,992		
58. Aggregate Other Alien.....OT	XXX	59,939,292	57,377,750	0	79,425,815	(41,178,531)	79,038,197	0	0
59. Totals.....(a) 55		2,677,969,653	2,647,888,226	0	1,848,954,676	1,430,938,128	1,723,817,303	0	0

DETAILS OF WRITE-INS

58001. AFG AFGHANISTAN	XXX	466,808	515,683		208,776	998,072	789,296		
58002. DZA ALGERIA	XXX	71,664	88,842						
58003. AGO ANGOLA	XXX	(275)	4,503			2,522,420	2,522,420		
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	59,401,095	56,768,722	0	79,217,039	(44,699,023)	75,726,481	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	59,939,292	57,377,750	0	79,425,815	(41,178,531)	79,038,197	0	0

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

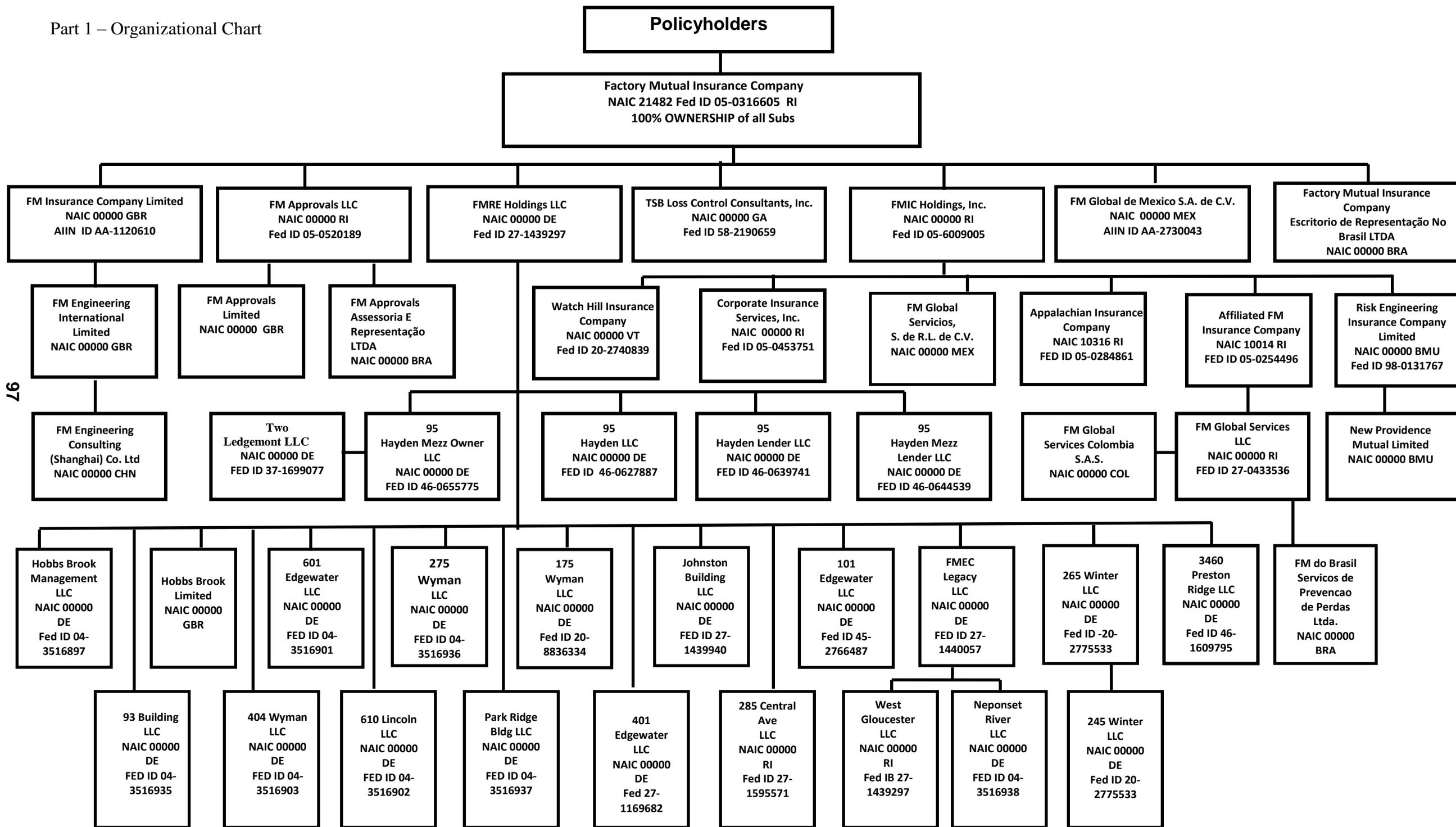
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (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.

Part 1 – Organizational Chart



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