



ANNUAL STATEMENT

For the Year Ended December 31, 2013
of the Condition and Affairs of the

Metropolitan Property and Casualty Insurance Company

NAIC Group Code.....241, 241 (Current Period) (Prior Period) NAIC Company Code..... 26298 Employer's ID Number..... 13-2725441
 Organized under the Laws of Rhode Island State of Domicile or Port of Entry Rhode Island Country of Domicile US
 Incorporated/Organized..... August 31, 1972 Commenced Business..... December 8, 1972
 Statutory Home Office 700 Quaker Lane..... Warwick RI US 02886-6669
 (Street and Number) (City or Town, State, Country and Zip Code)
 Main Administrative Office 700 Quaker Lane..... Warwick RI US..... 02886-6669 401-827-2400
 (Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
 Mail Address PO Box 350, 700 Quaker Lane..... Warwick RI US 02887-0350
 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)
 Primary Location of Books and Records 700 Quaker Lane..... Warwick RI US 02886-6669 800-638-4208
 (Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
 Internet Web Site Address www.metlife.com
 Statutory Statement Contact Kevin Paul Swift 800-638-4208
 (Name) (Area Code) (Telephone Number) (Extension)
 kswift@metlife.com 401-827-2315
 (E-Mail Address) (Fax Number)

OFFICERS

| Name | Title | Name | Title |
|-------------------------|--|----------------------------|---|
| 1. Kishore Ponnnavolu # | President | 2. Maura Catherine Travers | Assistant General Counsel and Secretary |
| 3. Ralph George Spontak | Vice President and Chief Financial Officer | 4. Marlene Beverly Debel | Treasurer |

OTHER

| | | | |
|--------------------------|---------------------------|----------------------------|------------------------------------|
| Michael John Bednarick | Vice President | Susan Ann Buffum | Vice President |
| Charles Phillip Cavas | Associate General Counsel | Michael Frederick Convery | Vice President |
| Martin William Deede | Vice President | Darla Ann Finchum | Vice President |
| Barbara Jean Furr | Vice President | Paul Edward Gavin | Vice President |
| Lise Ann Hasegawa | Vice President | Scott David Kuczmariski | Vice President |
| Richard Paul Lonardo | Vice President | Robert Francis Lundgren | Vice President |
| Barry Gregory Morphis | Vice President | Michael Valentine Neubauer | Vice President |
| Mick Lloyd Noland # | Vice President | Robert Francis Nostramo | Vice President and General Counsel |
| Brenda Ann Perkins | Vice President | Michael Joseph Romano | Vice President |
| Jonathan Lloyd Rosenthal | Senior Vice President | Joseph Urba Rupp Jr. | Vice President |
| Donald Gerard Sullivan | Vice President | Ingrid Elizabeth Tolentino | Vice President |
| Michael Clifford Walsh | Senior Vice President | | |

DIRECTORS OR TRUSTEES

| | | | |
|------------------------|---------------------|----------------------|-----------------------|
| Todd Brian Katz | Maria Regina Morris | Kishore Ponnnavolu # | Kevin Stanley Redgate |
| Michael Clifford Walsh | | | |

State of..... Rhode Island
County of..... Kent

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

| | | |
|--------------------|---|--|
| | | |
| (Signature) | (Signature) | (Signature) |
| Kishore Ponnnavolu | Maura Catherine Travers | Ralph George Spontak |
| 1. (Printed Name) | 2. (Printed Name) | 3. (Printed Name) |
| President | Assistant General Counsel and Secretary | Vice President and Chief Financial Officer |
| (Title) | (Title) | (Title) |

Subscribed and sworn to before me

This 3rd day of February 2014

a. Is this an original filing?

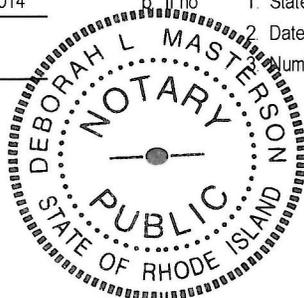
Yes [X] No []

b. If no 1. State the amendment number

2. Date filed

Number of pages attached

Deborah L. Masterson
Notary
June 24, 2017



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)..... | 3,083,881,570 | 0 | 3,083,881,570 | 2,806,439,848 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks..... | 140,922,440 | 0 | 140,922,440 | 149,706,418 |
| 2.2 Common stocks..... | 824,730,110 | 1,320,007 | 823,410,103 | 781,734,306 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens..... | 0 | 0 | 0 | 0 |
| 3.2 Other than first liens..... | 0 | 0 | 0 | 0 |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$.....0 encumbrances)..... | 240,380 | 0 | 240,380 | 376,505 |
| 4.2 Properties held for the production of income (less \$.....0 encumbrances)..... | 9,917,063 | 0 | 9,917,063 | 4,866,265 |
| 4.3 Properties held for sale (less \$.....0 encumbrances)..... | 0 | 0 | 0 | 0 |
| 5. Cash (\$.....(96,599,861), Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA)..... | (96,599,862) | 0 | (96,599,862) | (102,500,651) |
| 6. Contract loans (including \$.....0 premium notes)..... | 0 | 0 | 0 | 0 |
| 7. Derivatives (Schedule DB)..... | 128,103 | 0 | 128,103 | 394,220 |
| 8. Other invested assets (Schedule BA)..... | 99,447,906 | 1,289,859 | 98,158,047 | 157,062,534 |
| 9. Receivables for securities..... | 0 | 0 | 0 | 5,000 |
| 10. Securities lending reinvested collateral assets (Schedule DL)..... | 0 | 0 | 0 | 0 |
| 11. Aggregate write-ins for invested assets..... | 2,196 | 0 | 2,196 | 2,196 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11)..... | 4,062,669,906 | 2,609,866 | 4,060,060,040 | 3,798,086,641 |
| 13. Title plants less \$.....0 charged off (for Title insurers only)..... | 0 | 0 | 0 | 0 |
| 14. Investment income due and accrued..... | 42,247,125 | 0 | 42,247,125 | 37,944,326 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection..... | 22,359,102 | 3,923,199 | 18,435,903 | 18,304,776 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)..... | 915,398,497 | 0 | 915,398,497 | 828,382,099 |
| 15.3 Accrued retrospective premiums..... | 0 | 0 | 0 | 0 |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers..... | 7,146,248 | 2,165,516 | 4,980,732 | 3,109,521 |
| 16.2 Funds held by or deposited with reinsured companies..... | 119,294 | 0 | 119,294 | 124,051 |
| 16.3 Other amounts receivable under reinsurance contracts..... | 0 | 0 | 0 | 0 |
| 17. Amounts receivable relating to uninsured plans..... | 0 | 0 | 0 | 0 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon..... | 0 | 0 | 0 | 13,635,153 |
| 18.2 Net deferred tax asset..... | 149,413,298 | 16,632,790 | 132,780,508 | 127,967,921 |
| 19. Guaranty funds receivable or on deposit..... | 1,152,975 | 0 | 1,152,975 | 1,088,485 |
| 20. Electronic data processing equipment and software..... | 21,755,882 | 21,755,882 | 0 | 0 |
| 21. Furniture and equipment, including health care delivery assets (\$.....0)..... | 3,509,938 | 3,509,938 | 0 | 0 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates..... | 0 | 0 | 0 | 0 |
| 23. Receivables from parent, subsidiaries and affiliates..... | 0 | 0 | 0 | 0 |
| 24. Health care (\$.....0) and other amounts receivable..... | 0 | 0 | 0 | 0 |
| 25. Aggregate write-ins for other than invested assets..... | 353,469,879 | 28,974,659 | 324,495,220 | 317,798,744 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)..... | 5,579,242,144 | 79,571,850 | 5,499,670,294 | 5,146,441,717 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | 0 | 0 | 0 | 0 |
| 28. TOTALS (Lines 26 and 27)..... | 5,579,242,144 | 79,571,850 | 5,499,670,294 | 5,146,441,717 |

DETAILS OF WRITE-INS

| | | | | |
|--|-------------|------------|-------------|-------------|
| 1101. Recoverable on CJV Foreign Tax Reclaim..... | 2,196 | 0 | 2,196 | 2,196 |
| 1102. | 0 | 0 | 0 | 0 |
| 1103. | 0 | 0 | 0 | 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)..... | 2,196 | 0 | 2,196 | 2,196 |
| 2501. COLI..... | 299,593,887 | 0 | 299,593,887 | 291,679,377 |
| 2502. DAC Taxes Receivable..... | 1,061 | 0 | 1,061 | 3,838 |
| 2503. Deferred Assets..... | (1) | (1) | 0 | 0 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 53,874,932 | 28,974,660 | 24,900,272 | 26,115,529 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)..... | 353,469,879 | 28,974,659 | 324,495,220 | 317,798,744 |

Metropolitan Property and Casualty Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Year | 2 Prior Year |
|--|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8)..... | 1,250,888,302 | 1,257,668,854 |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)..... | 10,820 | 7,551 |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9)..... | 301,849,573 | 296,655,061 |
| 4. Commissions payable, contingent commissions and other similar charges..... | 44,121,578 | 40,144,372 |
| 5. Other expenses (excluding taxes, licenses and fees)..... | 81,199,444 | 108,139,768 |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes)..... | 14,217,469 | 12,692,838 |
| 7.1 Current federal and foreign income taxes (including \$.....535,873 on realized capital gains (losses))..... | 22,127,520 | 0 |
| 7.2 Net deferred tax liability..... | 0 | 0 |
| 8. Borrowed money \$.....0 and interest thereon \$.....0..... | 0 | 0 |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....17,620,528 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)..... | 1,506,231,254 | 1,385,512,572 |
| 10. Advance premium..... | 26,699,703 | 27,236,450 |
| 11. Dividends declared and unpaid: | | |
| 11.1 Stockholders..... | 507,552 | 528,482 |
| 11.2 Policyholders..... | 2,100,000 | 2,100,000 |
| 12. Ceded reinsurance premiums payable (net of ceding commissions)..... | 9,260,497 | 9,251,577 |
| 13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)..... | 3,966 | 42,164 |
| 14. Amounts withheld or retained by company for account of others..... | (177,721) | 210,118 |
| 15. Remittances and items not allocated..... | 2,349,807 | 2,984,327 |
| 16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8)..... | 27,319 | 83,434 |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates..... | 0 | 0 |
| 18. Drafts outstanding..... | 0 | 0 |
| 19. Payable to parent, subsidiaries and affiliates..... | 5,230,044 | 8,237,354 |
| 20. Derivatives..... | 1,051,688 | 53,297 |
| 21. Payable for securities..... | 1,870 | 1,003 |
| 22. Payable for securities lending..... | 0 | 0 |
| 23. Liability for amounts held under uninsured plans..... | 0 | 0 |
| 24. Capital notes \$.....0 and interest thereon \$.....0..... | 0 | 0 |
| 25. Aggregate write-ins for liabilities..... | 7,108,273 | 7,613,508 |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)..... | 3,274,808,958 | 3,159,162,731 |
| 27. Protected cell liabilities..... | 0 | 0 |
| 28. Total liabilities (Lines 26 and 27)..... | 3,274,808,958 | 3,159,162,731 |
| 29. Aggregate write-ins for special surplus funds..... | 0 | 0 |
| 30. Common capital stock..... | 3,000,000 | 3,000,000 |
| 31. Preferred capital stock..... | 315,000,000 | 315,000,000 |
| 32. Aggregate write-ins for other than special surplus funds..... | 0 | 0 |
| 33. Surplus notes..... | 0 | 0 |
| 34. Gross paid in and contributed surplus..... | 1,088,693,363 | 1,088,693,363 |
| 35. Unassigned funds (surplus)..... | 818,167,973 | 580,585,623 |
| 36. Less treasury stock, at cost: | | |
| 36.10.000 shares common (value included in Line 30 \$.....0)..... | 0 | 0 |
| 36.20.000 shares preferred (value included in Line 31 \$.....0)..... | 0 | 0 |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)..... | 2,224,861,336 | 1,987,278,986 |
| 38. TOTALS (Page 2, Line 28, Col. 3)..... | 5,499,670,294 | 5,146,441,717 |

DETAILS OF WRITE-INS

| | | |
|--|-----------|-----------|
| 2501. Deferred Gain..... | 1,964,660 | 1,921,650 |
| 2502. Accrued Interest Payable..... | 519,229 | 519,229 |
| 2503. Guaranty Fund Accrued Liability..... | 1,485,027 | 1,485,027 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 3,139,357 | 3,687,602 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)..... | 7,108,273 | 7,613,508 |
| 2901. | 0 | 0 |
| 2902. | 0 | 0 |
| 2903. | 0 | 0 |
| 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. | 0 | 0 |
| 3202. | 0 | 0 |
| 3203. | 0 | 0 |
| 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)..... | 0 | 0 |

STATEMENT OF INCOME

| | 1 Current Year | 2 Prior Year |
|--|-------------------|-----------------|
| UNDERWRITING INCOME | | |
| 1. Premiums earned (Part 1, Line 35, Column 4)..... | 3,251,415,124 | 3,079,796,458 |
| DEDUCTIONS | | |
| 2. Losses incurred (Part 2, Line 35, Column 7)..... | 1,896,704,742 | 1,890,078,618 |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)..... | 339,077,883 | 317,761,201 |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)..... | 889,284,144 | 814,966,444 |
| 5. Aggregate write-ins for underwriting deductions..... | 41,357 | 0 |
| 6. Total underwriting deductions (Lines 2 through 5)..... | 3,125,108,126 | 3,022,806,263 |
| 7. Net income of protected cells..... | 0 | 0 |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)..... | 126,306,998 | 56,990,195 |
| INVESTMENT INCOME | | |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17)..... | 174,368,724 | 195,534,852 |
| 10. Net realized capital gains (losses) less capital gains tax of \$.....(24,925,761) (Exhibit of Capital Gains (Losses))..... | 26,456,830 | 15,011,120 |
| 11. Net investment gain (loss) (Lines 9 + 10)..... | 200,825,554 | 210,545,972 |
| OTHER INCOME | | |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....6,187,480)..... | (6,187,480) | (4,238,977) |
| 13. Finance and service charges not included in premiums..... | 5,609,376 | 5,981,534 |
| 14. Aggregate write-ins for miscellaneous income..... | 5,603,674 | 8,465,344 |
| 15. Total other income (Lines 12 through 14)..... | 5,025,570 | 10,207,901 |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)..... | 332,158,122 | 277,744,068 |
| 17. Dividends to policyholders..... | 146,605 | 948,017 |
| 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)..... | 332,011,517 | 276,796,051 |
| 19. Federal and foreign income taxes incurred..... | 66,205,492 | 41,632,041 |
| 20. Net income (Line 18 minus Line 19) (to Line 22)..... | 265,806,025 | 235,164,010 |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)..... | 1,987,278,987 | 1,857,325,025 |
| 22. Net income (from Line 20)..... | 265,806,025 | 235,164,010 |
| 23. Net transfers (to) from Protected Cell accounts..... | 0 | 0 |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(3,342,179)..... | 34,859,470 | 4,633,716 |
| 25. Change in net unrealized foreign exchange capital gain (loss)..... | 137,951 | 19,606 |
| 26. Change in net deferred income tax..... | (17,557,157) | 2,322,764 |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)..... | 105,483,047 | (7,943,705) |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)..... | 56,115 | (22,078) |
| 29. Change in surplus notes..... | 0 | 0 |
| 30. Surplus (contributed to) withdrawn from protected cells..... | 0 | 0 |
| 31. Cumulative effect of changes in accounting principles..... | 0 | 0 |
| 32. Capital changes: | | |
| 32.1 Paid in..... | 0 | 0 |
| 32.2 Transferred from surplus (Stock Dividend)..... | 0 | 0 |
| 32.3 Transferred to surplus..... | 0 | 0 |
| 33. Surplus adjustments: | | |
| 33.1 Paid in..... | 0 | 0 |
| 33.2 Transferred to capital (Stock Dividend)..... | 0 | 0 |
| 33.3 Transferred from capital..... | 0 | 0 |
| 34. Net remittances from or (to) Home Office..... | 0 | 0 |
| 35. Dividends to stockholders..... | (104,053,140) | (104,220,352) |
| 36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)..... | 0 | 0 |
| 37. Aggregate write-ins for gains and losses in surplus..... | (47,149,962) | 0 |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37)..... | 237,582,349 | 129,953,961 |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)..... | 2,224,861,336 | 1,987,278,987 |
| DETAILS OF WRITE-INS | | |
| 0501. Private Passenger Auto North Carolina Escrow Expense..... | 41,357 | 0 |
| 0502. | 0 | 0 |
| 0503. | 0 | 0 |
| 0598. Summary of remaining write-ins for Line 5 from overflow page..... | 0 | 0 |
| 0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)..... | 41,357 | 0 |
| 1401. Cash Surrender Value of COLI..... | 7,913,833 | 8,745,758 |
| 1402. Group Property and Casualty - Misc. Other Commission..... | 2,638 | 25,934 |
| 1403. Quota Share - Dividends, Write-Offs, Payment Fees..... | (2,282,690) | (285,436) |
| 1498. Summary of remaining write-ins for Line 14 from overflow page..... | (30,107) | (20,912) |
| 1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)..... | 5,603,674 | 8,465,344 |
| 3701. SSAP 92 Postretirement and SSAP 102 Pension Adoption Transition Impact (Net of Tax)..... | (34,696,351) | 0 |
| 3702. Prepaid Benefit Cost Adjustment Impact..... | (80,037,000) | 0 |
| 3703. Amortization of Unrecognized Items (Prior Service Cost and Unrecongizned Losses) Adj. Impact (Net of Tax)..... | 15,002,650 | 0 |
| 3798. Summary of remaining write-ins for Line 37 from overflow page..... | 52,580,739 | 0 |
| 3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)..... | (47,149,962) | 0 |

CASH FLOW

| | 1 Current Year | 2 Prior Year |
|---|-------------------|-----------------|
| CASH FROM OPERATIONS | | |
| 1. Premiums collected net of reinsurance..... | 3,283,974,684 | 3,079,655,907 |
| 2. Net investment income..... | 173,295,930 | 197,483,200 |
| 3. Miscellaneous income..... | 5,025,570 | 10,207,901 |
| 4. Total (Lines 1 through 3)..... | 3,462,296,184 | 3,287,347,008 |
| 5. Benefit and loss related payments..... | 1,906,657,926 | 1,941,684,256 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | 0 | 0 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions..... | 1,203,590,404 | 1,132,386,863 |
| 8. Dividends paid to policyholders..... | 146,605 | 598,017 |
| 9. Federal and foreign income taxes paid (recovered) net of \$....(17,889,292) tax on capital gains (losses)..... | 5,827,736 | 41,242,530 |
| 10. Total (Lines 5 through 9)..... | 3,116,222,671 | 3,115,911,666 |
| 11. Net cash from operations (Line 4 minus Line 10)..... | 346,073,513 | 171,435,342 |
| CASH FROM INVESTMENTS | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds..... | 781,658,949 | 532,185,674 |
| 12.2 Stocks..... | 13,924,633 | 37,098,613 |
| 12.3 Mortgage loans..... | 0 | 0 |
| 12.4 Real estate..... | 4,871,647 | 0 |
| 12.5 Other invested assets..... | 111,216,002 | 52,619,421 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments..... | 41,323 | 0 |
| 12.7 Miscellaneous proceeds..... | 5,867 | 136,635 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7)..... | 911,718,421 | 622,040,343 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds..... | 1,060,008,536 | 577,745,257 |
| 13.2 Stocks..... | 14,623,851 | 419,933 |
| 13.3 Mortgage loans..... | 0 | 0 |
| 13.4 Real estate..... | 9,991,767 | 4,968,076 |
| 13.5 Other invested assets..... | 52,977,164 | 80,664,634 |
| 13.6 Miscellaneous applications..... | 0 | 86,848 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6)..... | 1,137,601,318 | 663,884,748 |
| 14. Net increase (decrease) in contract loans and premium notes..... | 0 | 0 |
| 15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)..... | (225,882,897) | (41,844,405) |
| CASH FROM FINANCING AND MISCELLANEOUS SOURCES | | |
| 16. Cash provided (applied): | | |
| 16.1 Surplus notes, capital notes..... | 0 | 0 |
| 16.2 Capital and paid in surplus, less treasury stock..... | 0 | 0 |
| 16.3 Borrowed funds..... | 0 | 0 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities..... | 0 | 0 |
| 16.5 Dividends to stockholders..... | 104,074,070 | 104,230,818 |
| 16.6 Other cash provided (applied)..... | (10,215,757) | (16,724,528) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)..... | (114,289,827) | (120,955,346) |
| 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)..... | 5,900,789 | 8,635,591 |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year..... | (102,500,651) | (111,136,242) |
| 19.2 End of year (Line 18 plus Line 19.1)..... | (96,599,862) | (102,500,651) |
| Note: Supplemental disclosures of cash flow information for non-cash transactions: | | |
| 20.0001 Transfer of assets from real estate to other invested assets (See Note 5.F.(2a))..... | 4,871,647 | 0 |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

| Line of Business | | 1 Net Premiums Written per Column 6, Part 1B | 2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1 | 3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A | 4 Premiums Earned During Year (Cols. 1 + 2 - 3) |
|------------------|--|--|---|--|---|
| 1. | Fire..... | 5,080,037 | 3,310,619 | 3,292,422 | 5,098,234 |
| 2. | Allied lines..... | (84,798) | (39,297) | (40,011) | (84,084) |
| 3. | Farmowners multiple peril..... | .0 | .0 | .0 | .0 |
| 4. | Homeowners multiple peril..... | 1,076,771,566 | 538,694,102 | 582,409,923 | 1,033,055,746 |
| 5. | Commercial multiple peril..... | .0 | .0 | .0 | .0 |
| 6. | Mortgage guaranty..... | .0 | .0 | .0 | .0 |
| 8. | Ocean marine..... | .0 | .0 | .0 | .0 |
| 9. | Inland marine..... | 32,050,363 | 17,418,981 | 16,998,190 | 32,471,154 |
| 10. | Financial guaranty..... | .0 | .0 | .0 | .0 |
| 11.1 | Medical professional liability - occurrence..... | .0 | .0 | .0 | .0 |
| 11.2 | Medical professional liability - claims-made..... | .0 | .0 | .0 | .0 |
| 12. | Earthquake..... | 13,514,103 | 7,242,881 | 7,163,931 | 13,593,053 |
| 13. | Group accident and health..... | .0 | .0 | .0 | .0 |
| 14. | Credit accident and health (group and individual)..... | .0 | .0 | .0 | .0 |
| 15. | Other accident and health..... | 14,861,262 | 1,786,891 | 1,238,559 | 15,409,594 |
| 16. | Workers' compensation..... | 97,925 | 49,589 | 52,651 | 94,863 |
| 17.1 | Other liability - occurrence..... | 45,555,910 | 22,131,520 | 23,834,631 | 43,852,799 |
| 17.2 | Other liability - claims-made..... | .0 | .0 | .0 | .0 |
| 17.3 | Excess workers' compensation..... | .0 | .0 | .0 | .0 |
| 18.1 | Products liability - occurrence..... | .0 | .0 | .0 | .0 |
| 18.2 | Products liability - claims-made..... | .0 | .0 | .0 | .0 |
| 19.1, 19.2 | Private passenger auto liability..... | 1,289,996,061 | 472,101,450 | 514,039,440 | 1,248,058,071 |
| 19.3, 19.4 | Commercial auto liability..... | .0 | .0 | .0 | .0 |
| 21. | Auto physical damage..... | 894,291,379 | 322,815,823 | 357,241,505 | 859,865,698 |
| 22. | Aircraft (all perils)..... | .0 | .0 | .0 | .0 |
| 23. | Fidelity..... | .0 | .0 | .0 | .0 |
| 24. | Surety..... | .0 | .0 | .0 | .0 |
| 26. | Burglary and theft..... | .0 | .0 | .0 | .0 |
| 27. | Boiler and machinery..... | .0 | .0 | .0 | .0 |
| 28. | Credit..... | .0 | .0 | .0 | .0 |
| 29. | International..... | .0 | .0 | .0 | .0 |
| 30. | Warranty..... | .0 | .0 | .0 | .0 |
| 31. | Reinsurance - nonproportional assumed property..... | .0 | .0 | .0 | .0 |
| 32. | Reinsurance - nonproportional assumed liability..... | .0 | 14 | 14 | .0 |
| 33. | Reinsurance - nonproportional assumed financial lines..... | .0 | .0 | .0 | .0 |
| 34. | Aggregate write-ins for other lines of business..... | .0 | .0 | .0 | .0 |
| 35. | TOTALS..... | 3,372,133,809 | 1,385,512,572 | 1,506,231,254 | 3,251,415,127 |

DETAILS OF WRITE-INS

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

| Line of Business | | 1 Amount Unearned (Running One Year or Less from Date of Policy) (a) | 2 Amount Unearned (Running More Than One Year from Date of Policy) (a) | 3 Earned But Unbilled Premium | 4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience | 5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4 |
|------------------|--|--|--|-------------------------------------|---|---|
| 1. | Fire..... | 3,292,422 | 0 | 0 | 0 | 3,292,422 |
| 2. | Allied lines..... | (40,011) | 0 | 0 | 0 | (40,011) |
| 3. | Farmowners multiple peril..... | 0 | 0 | 0 | 0 | 0 |
| 4. | Homeowners multiple peril..... | 582,409,923 | 0 | 0 | 0 | 582,409,923 |
| 5. | Commercial multiple peril..... | 0 | 0 | 0 | 0 | 0 |
| 6. | Mortgage guaranty..... | 0 | 0 | 0 | 0 | 0 |
| 8. | Ocean marine..... | 0 | 0 | 0 | 0 | 0 |
| 9. | Inland marine..... | 16,998,190 | 0 | 0 | 0 | 16,998,190 |
| 10. | Financial guaranty..... | 0 | 0 | 0 | 0 | 0 |
| 11.1 | Medical professional liability - occurrence..... | 0 | 0 | 0 | 0 | 0 |
| 11.2 | Medical professional liability - claims-made..... | 0 | 0 | 0 | 0 | 0 |
| 12. | Earthquake..... | 7,163,931 | 0 | 0 | 0 | 7,163,931 |
| 13. | Group accident and health..... | 0 | 0 | 0 | 0 | 0 |
| 14. | Credit accident and health (group and individual)..... | 0 | 0 | 0 | 0 | 0 |
| 15. | Other accident and health..... | 1,238,559 | 0 | 0 | 0 | 1,238,559 |
| 16. | Workers' compensation..... | 52,651 | 0 | 0 | 0 | 52,651 |
| 17.1 | Other liability - occurrence..... | 23,785,374 | 0 | 0 | 49,257 | 23,834,631 |
| 17.2 | Other liability - claims-made..... | 0 | 0 | 0 | 0 | 0 |
| 17.3 | Excess workers' compensation..... | 0 | 0 | 0 | 0 | 0 |
| 18.1 | Products liability - occurrence..... | 0 | 0 | 0 | 0 | 0 |
| 18.2 | Products liability - claims-made..... | 0 | 0 | 0 | 0 | 0 |
| 19.1, 19.2 | Private passenger auto liability..... | 514,039,440 | 0 | 0 | 0 | 514,039,440 |
| 19.3, 19.4 | Commercial auto liability..... | 0 | 0 | 0 | 0 | 0 |
| 21. | Auto physical damage..... | 357,241,505 | 0 | 0 | 0 | 357,241,505 |
| 22. | Aircraft (all perils)..... | 0 | 0 | 0 | 0 | 0 |
| 23. | Fidelity..... | 0 | 0 | 0 | 0 | 0 |
| 24. | Surety..... | 0 | 0 | 0 | 0 | 0 |
| 26. | Burglary and theft..... | 0 | 0 | 0 | 0 | 0 |
| 27. | Boiler and machinery..... | 0 | 0 | 0 | 0 | 0 |
| 28. | Credit..... | 0 | 0 | 0 | 0 | 0 |
| 29. | International..... | 0 | 0 | 0 | 0 | 0 |
| 30. | Warranty..... | 0 | 0 | 0 | 0 | 0 |
| 31. | Reinsurance - nonproportional assumed property..... | 0 | 0 | 0 | 0 | 0 |
| 32. | Reinsurance - nonproportional assumed liability..... | 0 | 0 | 0 | 14 | 14 |
| 33. | Reinsurance - nonproportional assumed financial lines..... | 0 | 0 | 0 | 0 | 0 |
| 34. | Aggregate write-ins for other lines of business..... | 0 | 0 | 0 | 0 | 0 |
| 35. | TOTALS..... | 1,506,181,983 | 0 | 0 | 49,271 | 1,506,231,254 |
| 36. | Accrued retrospective premiums based on experience..... | | | | | 0 |
| 37. | Earned but unbilled premiums..... | | | | | 0 |
| 38. | Balance (sum of Lines 35 through 37)..... | | | | | 1,506,231,254 |

DETAILS OF WRITE-INS

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

| Line of Business | 1 Direct Business (a) | Reinsurance Assumed | | 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..... | 6,502,219 | 163,818 | 0 | 0 | 1,586,000 | 5,080,037 |
| 2. Allied lines..... | 11,660,939 | 248,460 | 0 | 0 | 11,994,198 | (84,798) |
| 3. Farmowners multiple peril..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Homeowners multiple peril..... | 656,787,470 | 454,372,739 | 0 | 0 | 34,388,643 | 1,076,771,566 |
| 5. Commercial multiple peril..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Mortgage guaranty..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Ocean marine..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Inland marine..... | 18,718,593 | 14,035,627 | 0 | 0 | 703,857 | 32,050,363 |
| 10. Financial guaranty..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 11.1 Medical professional liability - occurrence..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 11.2 Medical professional liability - claims-made..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Earthquake..... | 7,371,306 | 6,511,045 | 0 | 0 | 368,248 | 13,514,103 |
| 13. Group accident and health..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Credit accident and health (group and individual)..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Other accident and health..... | 14,861,262 | 0 | 0 | 0 | 0 | 14,861,262 |
| 16. Workers' compensation..... | 53,132 | 44,793 | 0 | 0 | 0 | 97,925 |
| 17.1 Other liability - occurrence..... | 40,257,327 | 7,253,577 | (3,033) | 0 | 1,951,960 | 45,555,910 |
| 17.2 Other liability - claims-made..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 17.3 Excess workers' compensation..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 18.1 Products liability - occurrence..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 18.2 Products liability - claims-made..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 19.1, 19.2 Private passenger auto liability..... | 353,887,636 | 951,916,039 | 6,937,788 | 0 | 22,745,402 | 1,289,996,061 |
| 19.3, 19.4 Commercial auto liability..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. Auto physical damage..... | 257,450,969 | 643,943,701 | 728 | 0 | 7,104,018 | 894,291,379 |
| 22. Aircraft (all perils)..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. Fidelity..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 24. Surety..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 26. Burglary and theft..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 27. Boiler and machinery..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 28. Credit..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 29. International..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 30. Warranty..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 31. Reinsurance - nonproportional assumed property..... | XXX | 0 | 0 | 0 | 0 | 0 |
| 32. Reinsurance - nonproportional assumed liability..... | XXX | 0 | 0 | 0 | 0 | 0 |
| 33. Reinsurance - nonproportional assumed financial lines..... | XXX | 0 | 0 | 0 | 0 | 0 |
| 34. Aggregate write-ins for other lines of business..... | 0 | 0 | 0 | 0 | 0 | 0 |
| 35. TOTALS..... | 1,367,550,853 | 2,078,489,799 | 6,935,483 | 0 | 80,842,325 | 3,372,133,809 |

DETAILS OF WRITE-INS

| | | | | | | |
|--|---|---|---|---|---|---|
| 3401. | 0 | 0 | 0 | 0 | 0 | 0 |
| 3402. | 0 | 0 | 0 | 0 | 0 | 0 |
| 3403. | 0 | 0 | 0 | 0 | 0 | 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..... | 3,667,228 | 535,656 | 0 | 4,202,884 | 1,747,640 | 2,809,473 | 3,141,051 | 61.6 |
| 2. Allied lines..... | 52,004,748 | 690 | 52,054,518 | (49,080) | 325,203 | 326,637 | (50,514) | 60.1 |
| 3. Farmowners multiple peril..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 4. Homeowners multiple peril..... | 361,606,665 | 248,841,719 | 7,016,246 | 603,432,139 | 209,497,303 | 229,558,705 | 583,370,737 | 56.5 |
| 5. Commercial multiple peril..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 6. Mortgage guaranty..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 8. Ocean marine..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 9. Inland marine..... | 8,203,761 | 4,990,569 | 40,461 | 13,153,869 | 4,071,710 | 6,276,631 | 10,948,948 | 33.7 |
| 10. Financial guaranty..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 11.1 Medical professional liability - occurrence..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 11.2 Medical professional liability - claims-made..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 12. Earthquake..... | 0 | 0 | 0 | 0 | 1,227,377 | 1,625,352 | (397,975) | (2.9) |
| 13. Group accident and health..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 14. Credit accident and health (group and individual)..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 15. Other accident and health..... | 6,050,958 | 0 | 0 | 6,050,958 | 1,844,789 | 1,782,444 | 6,113,303 | 39.7 |
| 16. Workers' compensation..... | 0 | 0 | 0 | 0 | 184,976 | 37,715 | 147,261 | 155.2 |
| 17.1 Other liability - occurrence..... | 12,548,177 | 2,835,795 | 0 | 15,383,972 | 75,631,984 | 71,447,991 | 19,567,965 | 44.6 |
| 17.2 Other liability - claims-made..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 17.3 Excess workers' compensation..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 18.1 Products liability - occurrence..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 18.2 Products liability - claims-made..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 19.1, 19.2 Private passenger auto liability..... | 217,500,515 | 598,010,845 | 15,677,548 | 799,833,812 | 952,905,795 | 943,724,823 | 809,014,783 | 64.8 |
| 19.3, 19.4 Commercial auto liability..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 21. Auto physical damage..... | 130,709,992 | 334,199,331 | 3,498,926 | 461,410,397 | 1,895,422 | (1,501,282) | 464,807,101 | 54.1 |
| 22. Aircraft (all perils)..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 23. Fidelity..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 24. Surety..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 26. Burglary and theft..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 27. Boiler and machinery..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 28. Credit..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 29. International..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 30. Warranty..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 31. Reinsurance - nonproportional assumed property..... | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 32. Reinsurance - nonproportional assumed liability..... | XXX | 66,336 | 0 | 66,336 | 1,556,104 | 1,580,366 | 42,074 | 0.0 |
| 33. Reinsurance - nonproportional assumed financial lines..... | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 34. Aggregate write-ins for other lines of business..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 35. TOTALS..... | 792,292,045 | 1,189,480,941 | 78,287,699 | 1,903,485,287 | 1,250,888,302 | 1,257,668,854 | 1,896,704,735 | 58.3 |

DETAILS OF WRITE-INS

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

| Line of Business | Reported Losses | | | | Incurred But Not Reported | | | 8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7) | 9 Net Unpaid Loss Adjustment Expenses |
|--|-----------------|--------------------------|-------------------------------------|---|---------------------------|--------------------------|------------------------|---|--|
| | 1 Direct | 2 Reinsurance Assumed | 3 Deduct Reinsurance Recoverable | 4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3) | 5 Direct | 6 Reinsurance Assumed | 7 Reinsurance Ceded | | |
| 1. Fire..... | 1,554,219 | 31,728 | 0 | 1,585,947 | 142,330 | 19,415 | 53 | 1,747,640 | 237,917 |
| 2. Allied lines..... | 1,336,964 | 245,309 | 1,250,002 | 332,272 | 4,007 | 211 | 11,287 | 325,203 | 51,104 |
| 3. Farmowners multiple peril..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Homeowners multiple peril..... | 75,784,062 | 49,585,411 | 6,891,790 | 118,477,683 | 52,152,432 | 39,233,056 | 365,868 | 209,497,303 | 55,010,793 |
| 5. Commercial multiple peril..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Mortgage guaranty..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Ocean marine..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Inland marine..... | 459,365 | 542,535 | 55,978 | 945,922 | 1,704,716 | 1,423,008 | 1,936 | 4,071,710 | 734,651 |
| 10. Financial guaranty..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11.1 Medical professional liability - occurrence..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11.2 Medical professional liability - claims-made..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Earthquake..... | 0 | 0 | 0 | 0 | 629,881 | 597,496 | 0 | 1,227,377 | 104,819 |
| 13. Group accident and health..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (a) 0 | 0 |
| 14. Credit accident and health (group and individual)..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Other accident and health..... | 1,844,789 | 0 | 0 | 1,844,789 | 0 | 0 | 0 | (a) 1,844,789 | 0 |
| 16. Workers' compensation..... | 52,638 | 124,362 | 0 | 177,000 | 3,541 | 4,435 | 0 | 184,976 | 65,046 |
| 17.1 Other liability - occurrence..... | 32,470,040 | 9,930,859 | 321,426 | 42,079,473 | 28,205,074 | 5,492,305 | 144,868 | 75,631,984 | 5,812,679 |
| 17.2 Other liability - claims-made..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17.3 Excess workers' compensation..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18.1 Products liability - occurrence..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18.2 Products liability - claims-made..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19.1, 19.2 Private passenger auto liability..... | 243,653,084 | 660,483,209 | 66,654,613 | 837,481,680 | 21,961,988 | 94,034,526 | 572,399 | 952,905,795 | 229,432,263 |
| 19.3, 19.4 Commercial auto liability..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. Auto physical damage..... | 12,540,114 | 31,883,643 | 2,099,379 | 42,324,378 | (13,522,831) | (27,049,394) | (143,270) | 1,895,422 | 10,399,093 |
| 22. Aircraft (all perils)..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. Fidelity..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24. Surety..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26. Burglary and theft..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 27. Boiler and machinery..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 28. Credit..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 29. International..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30. Warranty..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31. Reinsurance - nonproportional assumed property..... | XXX | 0 | 0 | 0 | XXX | 0 | 0 | 0 | 0 |
| 32. Reinsurance - nonproportional assumed liability..... | XXX | 1,356,104 | 0 | 1,356,104 | XXX | 200,000 | 0 | 1,556,104 | 1,209 |
| 33. Reinsurance - nonproportional assumed financial lines..... | XXX | 0 | 0 | 0 | XXX | 0 | 0 | 0 | 0 |
| 34. Aggregate write-ins for other lines of business..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35. TOTALS..... | 369,695,275 | 754,183,160 | 77,273,188 | 1,046,605,247 | 91,281,138 | 113,955,058 | 953,141 | 1,250,888,302 | 301,849,573 |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 3401. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3402. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3403. | 0 | 0 | 0 | 0 | 0 | 0 | 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 |

10

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

| | 1 Loss Adjustment Expenses | 2 Other Underwriting Expenses | 3 Investment Expenses | 4 Total |
|--|----------------------------------|--|-----------------------------|-------------------|
| 1. Claim adjustment services: | | | | |
| 1.1 Direct..... | 20,271,911 | 0 | 0 | 20,271,911 |
| 1.2 Reinsurance assumed..... | 33,137,677 | 0 | 0 | 33,137,677 |
| 1.3 Reinsurance ceded..... | 3,129,373 | 0 | 0 | 3,129,373 |
| 1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)..... | 50,280,215 | 0 | 0 | 50,280,215 |
| 2. Commission and brokerage: | | | | |
| 2.1 Direct, excluding contingent..... | 0 | 121,097,993 | 0 | 121,097,993 |
| 2.2 Reinsurance assumed, excluding contingent..... | 0 | 163,870,791 | 0 | 163,870,791 |
| 2.3 Reinsurance ceded, excluding contingent..... | 0 | 12,305,186 | 0 | 12,305,186 |
| 2.4 Contingent - direct..... | 0 | 6,491,581 | 0 | 6,491,581 |
| 2.5 Contingent - reinsurance assumed..... | 0 | 8,914,808 | 0 | 8,914,808 |
| 2.6 Contingent - reinsurance ceded..... | 0 | 0 | 0 | 0 |
| 2.7 Policy and membership fees..... | 0 | 0 | 0 | 0 |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)..... | 0 | 288,069,987 | 0 | 288,069,987 |
| 3. Allowances to manager and agents..... | 0 | 0 | 0 | 0 |
| 4. Advertising..... | 158,296 | 68,347,237 | 0 | 68,505,533 |
| 5. Boards, bureaus and associations..... | 1,392,365 | 9,061,583 | 0 | 10,453,948 |
| 6. Surveys and underwriting reports..... | 2,252 | 20,419,330 | 0 | 20,421,582 |
| 7. Audit of assureds' records..... | 0 | 0 | 0 | 0 |
| 8. Salary and related items: | | | | |
| 8.1 Salaries..... | 139,083,419 | 168,382,834 | 3,427,321 | 310,893,574 |
| 8.2 Payroll taxes..... | 11,043,644 | 15,481,893 | 273,268 | 26,798,805 |
| 9. Employee relations and welfare..... | 51,322,029 | 63,068,759 | 479,893 | 114,870,681 |
| 10. Insurance..... | 0 | 55,298 | 0 | 55,298 |
| 11. Directors' fees..... | 0 | 0 | 0 | 0 |
| 12. Travel and travel items..... | 3,600,159 | 8,315,362 | 246,191 | 12,161,712 |
| 13. Rent and rent items..... | 11,894,803 | 19,938,026 | 486,436 | 32,319,265 |
| 14. Equipment..... | 4,393,753 | 17,654,180 | 7,810 | 22,055,743 |
| 15. Cost or depreciation of EDP equipment and software..... | 7,704,777 | 28,442,255 | 54,739 | 36,201,771 |
| 16. Printing and stationery..... | 1,116,194 | 4,132,248 | 12,709 | 5,261,151 |
| 17. Postage, telephone and telegraph, exchange and express..... | 7,281,712 | 28,762,500 | 619,955 | 36,664,167 |
| 18. Legal and auditing..... | 1,392,314 | 1,181,439 | 92,230 | 2,665,983 |
| 19. Totals (Lines 3 to 18)..... | 240,385,717 | 453,242,944 | 5,700,552 | 699,329,213 |
| 20. Taxes, licenses and fees: | | | | |
| 20.1 State and local insurance taxes deducting guaranty association credits of \$.....16,751..... | 0 | 76,499,938 | 0 | 76,499,938 |
| 20.2 Insurance department licenses and fees..... | 0 | 4,504,319 | 0 | 4,504,319 |
| 20.3 Gross guaranty association assessments..... | 0 | 4,572,722 | 0 | 4,572,722 |
| 20.4 All other (excluding federal and foreign income and real estate)..... | 0 | 856,059 | 0 | 856,059 |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)..... | 0 | 86,433,038 | 0 | 86,433,038 |
| 21. Real estate expenses..... | 0 | 10,173 | 0 | 10,173 |
| 22. Real estate taxes..... | 0 | 126,243 | 0 | 126,243 |
| 23. Reimbursements by uninsured plans..... | 0 | 0 | 0 | 0 |
| 24. Aggregate write-ins for miscellaneous expenses..... | 48,411,951 | 61,401,759 | 389,409 | 110,203,119 |
| 25. Total expenses incurred..... | 339,077,883 | 889,284,144 | 6,089,961 | (a) 1,234,451,988 |
| 26. Less unpaid expenses - current year..... | 301,849,574 | 255,674,663 | 0 | 557,524,237 |
| 27. Add unpaid expenses - prior year..... | 296,655,062 | 160,976,978 | 0 | 457,632,040 |
| 28. Amounts receivable relating to uninsured plans, prior year..... | 0 | 0 | 0 | 0 |
| 29. Amounts receivable relating to uninsured plans, current year..... | 0 | 0 | 0 | 0 |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)..... | 333,883,371 | 794,586,459 | 6,089,961 | 1,134,559,791 |

DETAILS OF WRITE-INS

| | | | | |
|--|-------------|--------------|---------|--------------|
| 2401. LAD Service Fees..... | 0 | 2,836,565 | 0 | 2,836,565 |
| 2402. Miscellaneous Expense..... | 1,297,641 | 7,826,845 | 31,302 | 9,155,788 |
| 2403. Income from Services..... | (2,408,846) | (11,661,309) | 0 | (14,070,155) |
| 2498. Summary of remaining write-ins for Line 24 from overflow page..... | 49,523,156 | 62,399,658 | 358,107 | 112,280,921 |
| 2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)..... | 48,411,951 | 61,401,759 | 389,409 | 110,203,119 |

(a) Includes management fees of \$.....320,195,800 to affiliates and \$.....21,886,847 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

| | 1 Collected During Year | 2 Earned During Year |
|--|-------------------------------|----------------------------|
| 1. U.S. government bonds..... | (a).....(224,729) |555,633 |
| 1.1 Bonds exempt from U.S. tax..... | (a).....119,858,530 |123,636,760 |
| 1.2 Other bonds (unaffiliated)..... | (a).....21,556,739 |21,593,732 |
| 1.3 Bonds of affiliates..... | (a).....0 |0 |
| 2.1 Preferred stocks (unaffiliated)..... | (b).....7,094,549 |6,799,856 |
| 2.11 Preferred stocks of affiliates..... | (b).....0 |0 |
| 2.2 Common stocks (unaffiliated)..... |295,513 |295,513 |
| 2.21 Common stocks of affiliates..... |21,000,000 |21,000,000 |
| 3. Mortgage loans..... | (c).....0 |0 |
| 4. Real estate..... | (d).....2,851,993 |2,857,615 |
| 5. Contract loans..... |0 |0 |
| 6. Cash, cash equivalents and short-term investments..... | (e).....0 |0 |
| 7. Derivative instruments..... | (f).....46,766 |43,051 |
| 8. Other invested assets..... |1,765,892 |1,765,892 |
| 9. Aggregate write-ins for investment income..... |2,426,760 |2,426,760 |
| 10. Total gross investment income..... |176,672,013 |180,974,812 |
| 11. Investment expenses..... | | (g).....6,089,961 |
| 12. Investment taxes, licenses and fees, excluding federal income taxes..... | | (g).....0 |
| 13. Interest expense..... | | (h).....310,678 |
| 14. Depreciation on real estate and other invested assets..... | | (i).....205,448 |
| 15. Aggregate write-ins for deductions from investment income..... | |0 |
| 16. Total deductions (Lines 11 through 15)..... | |6,606,087 |
| 17. Net investment income (Line 10 minus Line 16)..... | |174,368,725 |

DETAILS OF WRITE-INS

| | | |
|--|----------------|----------------|
| 0901. Make Whole Provision..... |1,348,062 |1,348,062 |
| 0902. Miscellaneous Interest..... |1,133 |1,133 |
| 0903. Interest Received - Involuntary Reinsurance..... |1,075,792 |1,075,792 |
| 0998. Summary of remaining write-ins for Line 9 from overflow page..... |1,773 |1,773 |
| 0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)..... |2,426,760 |2,426,760 |
| 1501. |0 |0 |
| 1502. |0 |0 |
| 1503. |0 |0 |
| 1598. Summary of remaining write-ins for Line 15 from overflow page..... |0 |0 |
| 1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)..... |0 |0 |

- (a) Includes \$.....7,050,206 accrual of discount less \$.....9,764,085 amortization of premium and less \$.....4,526,306 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 \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....205,448 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..... |(282,694) |0 |(282,694) |0 |0 |
| 1.1 Bonds exempt from U.S. tax..... |(3,887,642) |0 |(3,887,642) |0 |0 |
| 1.2 Other bonds (unaffiliated)..... |5,404,351 |664 |5,405,015 |(786,926) |1,358,261 |
| 1.3 Bonds of affiliates..... |0 |0 |0 |0 |0 |
| 2.1 Preferred stocks (unaffiliated)..... |494,311 |0 |494,311 |(9,888,710) |0 |
| 2.11 Preferred stocks of affiliates..... |0 |0 |0 |0 |0 |
| 2.2 Common stocks (unaffiliated)..... |(89,797) |0 |(89,797) |0 |0 |
| 2.21 Common stocks of affiliates..... |0 |0 |0 |41,644,977 |0 |
| 3. Mortgage loans..... |0 |0 |0 |0 |0 |
| 4. Real estate..... |0 |0 |0 |0 |0 |
| 5. Contract loans..... |0 |0 |0 |0 |0 |
| 6. Cash, cash equivalents and short-term investments..... |41,323 |0 |41,323 |0 |0 |
| 7. Derivative instruments..... |(7,778) |0 |(7,778) |(36,421) |(1,220,309) |
| 8. Other invested assets..... |41,324 |(1,486) |39,838 |584,370 |0 |
| 9. Aggregate write-ins for capital gains (losses)..... |0 |(181,508) |(181,508) |0 |0 |
| 10. Total capital gains (losses)..... |1,713,398 |(182,330) |1,531,068 |31,517,290 |137,952 |

DETAILS OF WRITE-INS

| | | | | | |
|--|--------|----------------|----------------|--------|--------|
| 0901. Gain on Initial Exchange (net)..... |0 |79,780 |79,780 |0 |0 |
| 0902. Spot Gains/(Losses) - Derivatives..... |0 |(261,288) |(261,288) |0 |0 |
| 0903. |0 |0 |0 |0 |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 |(181,508) |(181,508) |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 | 0 | 0 |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks..... | 0 | 0 | 0 |
| 2.2 Common stocks..... | 1,320,007 | 1,351,826 | 31,819 |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens..... | 0 | 0 | 0 |
| 3.2 Other than first liens..... | 0 | 0 | 0 |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company..... | 0 | 0 | 0 |
| 4.2 Properties held for the production of income..... | 0 | 0 | 0 |
| 4.3 Properties held for sale..... | 0 | 0 | 0 |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)..... | 0 | 0 | 0 |
| 6. Contract loans..... | 0 | 0 | 0 |
| 7. Derivatives (Schedule DB)..... | 0 | 0 | 0 |
| 8. Other invested assets (Schedule BA)..... | 1,289,859 | 0 | (1,289,859) |
| 9. Receivables for securities..... | 0 | 0 | 0 |
| 10. Securities lending reinvested collateral assets (Schedule DL)..... | 0 | 0 | 0 |
| 11. Aggregate write-ins for invested assets..... | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11)..... | 2,609,866 | 1,351,826 | (1,258,040) |
| 13. Title plants (for Title insurers only)..... | 0 | 0 | 0 |
| 14. Investment income due and accrued..... | 0 | 0 | 0 |
| 15. Premiums and considerations: | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection..... | 3,923,199 | 3,439,429 | (483,770) |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due..... | 0 | 0 | 0 |
| 15.3 Accrued retrospective premiums..... | 0 | 0 | 0 |
| 16. Reinsurance: | | | |
| 16.1 Amounts recoverable from reinsurers..... | 2,165,516 | 856,069 | (1,309,447) |
| 16.2 Funds held by or deposited with reinsured companies..... | 0 | 0 | 0 |
| 16.3 Other amounts receivable under reinsurance contracts..... | 0 | 0 | 0 |
| 17. Amounts receivable relating to uninsured plans..... | 0 | 0 | 0 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon..... | 0 | 0 | 0 |
| 18.2 Net deferred tax asset..... | 16,632,790 | 53,368,761 | 36,735,971 |
| 19. Guaranty funds receivable or on deposit..... | 0 | 0 | 0 |
| 20. Electronic data processing equipment and software..... | 21,755,882 | 22,436,263 | 680,381 |
| 21. Furniture and equipment, including health care delivery assets..... | 3,509,938 | 4,860,372 | 1,350,434 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates..... | 0 | 0 | 0 |
| 23. Receivables from parent, subsidiaries and affiliates..... | 0 | 0 | 0 |
| 24. Health care and other amounts receivable..... | 0 | 0 | 0 |
| 25. Aggregate write-ins for other than invested assets..... | 28,974,658 | 98,742,176 | 69,767,518 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)..... | 79,571,849 | 185,054,896 | 105,483,047 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | 0 | 0 | 0 |
| 28. TOTALS (Lines 26 and 27)..... | 79,571,849 | 185,054,896 | 105,483,047 |

DETAILS OF WRITE-INS

| | | | |
|--|------------|------------|------------|
| 1101..... | 0 | 0 | 0 |
| 1102..... | 0 | 0 | 0 |
| 1103..... | 0 | 0 | 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. Deferred Assets..... | (1) | (1) | 0 |
| 2502. Deferred Expenses..... | 19,500,659 | 18,705,177 | (795,482) |
| 2503. Pension Asset..... | 9,474,000 | 80,037,000 | 70,563,000 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)..... | 28,974,658 | 98,742,176 | 69,767,518 |

NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Metropolitan Property and Casualty Insurance Company (“the Company”) is incorporated under the laws of the State of Rhode Island. The Company is a wholly owned subsidiary of MetLife, Inc (“MetLife”), incorporated in the State of Delaware, a public company whose shares are traded on the New York Stock Exchange. As of December 31, 2013, the Company owned 100% of the outstanding common stock of the following affiliated consolidated subsidiaries: Metropolitan Casualty Insurance Company (“Met CAS”), Metropolitan General Insurance Company (“Met GEN”), Metropolitan Group Property and Casualty Insurance Company (“Met Group”), Metropolitan Direct Property and Casualty Insurance Company (“Met Direct”), Economy Fire & Casualty Company (“EFAC”), and the Company reports its investment in Metropolitan Lloyds Insurance Company of Texas (“Met Lloyds”) in Schedule BA (See Note 10.B.). As of December 31, 2013, the Company owned 100% of the outstanding common stock of the following affiliated unconsolidated subsidiaries: Metropolitan Lloyds, Inc. and MetLife Auto & Home Insurance Agency, Inc.

The Company is engaged, principally in the United States, in the property-liability insurance business. The Company’s primary ongoing business is the sale of private passenger automobile, homeowners and personal umbrella insurance.

The Company is authorized to sell property-liability insurance in 48 states and the District of Columbia. The top geographic locations for statutory direct earned premiums were Connecticut, Massachusetts, New Jersey, and New York for the year ended December 31, 2013. No other jurisdiction accounted for more than 5% of statutory direct earned premiums.

The Company distributes its property-liability products through different distribution systems including exclusive agents, work-site marketing, direct response and independent agents.

The Company has exposure to catastrophes, which are an inherent risk of the property-liability insurance business, which have contributed, and will continue to contribute, to material year-to-year fluctuations in the Company’s results of operations and financial position. The Company defines a catastrophe as an event that produces a number of claims in excess of a preset per-event threshold of average claims in a specific area.

Summary of Significant Accounting Policies

A. Accounting Practices

The Company’s statement is presented on the basis of accounting practices prescribed or permitted by the Rhode Island Department of Business Regulation, Insurance Division (“RI DBR, Insurance Division”). While the RI DBR, Insurance Division has the right to permit specific practices that may deviate from prescribed practices, the Company did not follow any permitted practices other than those prescribed by the RI DBR, Insurance Division.

| NET INCOME | State of Domicile | December 31, 2013 | December 31, 2012 |
|---|-------------------|----------------------|----------------------|
| (1) Metropolitan Property and Casualty Insurance Company state basis (Page 4, Line 20, Columns 1 & 3) | | \$ 265,806,025 | \$ 235,164,010 |
| (2) State Prescribed Practices that increase (decrease) NAIC SAP | | | |
| None | Rhode Island | \$ - | \$ - |
| (3) State Permitted Practices that increase (decrease) NAIC SAP | | | |
| None | Rhode Island | \$ - | \$ - |
| (4) NAIC SAP (1 - 2 - 3 = 4) | | \$ 265,806,025 | \$ 235,164,010 |
| SURPLUS | | | |
| (5) Metropolitan Property and Casualty Insurance Company state basis (Page 3, Line 37, Columns 1 & 2) | | \$ 2,224,861,336 | \$ 1,987,278,986 |
| (6) State Prescribed Practices that increase (decrease) NAIC SAP | | | |
| None | Rhode Island | \$ - | \$ - |
| (7) State Permitted Practices that increase (decrease) NAIC SAP | | | |
| None | Rhode Island | \$ - | \$ - |
| (8) NAIC SAP (5 - 6 - 7 = 8) | | \$ 2,224,861,336 | \$ 1,987,278,986 |

The RI DBR, Insurance Division has adopted the National Association of Insurance Commissioners’ statutory accounting practices (“NAIC SAP”) as the basis of its statutory accounting practices.

Accounting practices and procedures of the NAIC are a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (“GAAP”). The more significant differences are as follows:

- Investment in bonds are generally carried at amortized cost, while under GAAP, they are carried at either amortized cost or fair value based on their classification according to the Company’s ability and intent to hold or trade the securities;
- Investments in common stocks are valued as prescribed by the Securities Valuation Office (“SVO”) of the NAIC, while under GAAP, common stocks are reported at market value;
- Acquisition costs, such as commissions and other costs related to acquiring new business, are expensed as incurred, while under GAAP, they are deferred and amortized to income as premiums are earned or in relation to estimated gross profits;
- Prior to January 1, 2001, a Federal income tax provision was made only on a current basis for Statutory Accounting, while under GAAP, a provision was also made for deferred taxes on temporary differences between the financial reporting and tax bases of assets and liabilities. Subsequent to January 1, 2001, NAIC SAP requires an amount to be recorded for deferred taxes; however, there are limitations as to the amount of deferred tax assets that may be reported as “admitted assets”;
- Assets are reported under NAIC SAP as “admitted-asset” value and “non-admitted” assets are excluded through a

NOTES TO FINANCIAL STATEMENTS

charge against surplus, while under GAAP, “non-admitted assets” are reinstated to the balance sheet, net of any valuation allowance;

- (6) The change in provision for reinsurance is charged or credited directly through surplus under NAIC SAP, while this provision is not recognized for GAAP purposes;
- (7) The balance sheet under NAIC SAP is reported net of reinsurance, while under GAAP, the balance sheet reports reinsurance recoverables, including amounts related to losses incurred but not reported, and prepaid reinsurance premium as assets;
- (8) Comprehensive income and its components are not presented in the statutory financial statements;
- (9) Subsidiaries are included as common stock carried under the equity method, with the equity in net income of subsidiaries credited directly to the Company’s surplus for NAIC SAP, while GAAP requires either consolidation or the equity in earnings of subsidiaries or net income of subsidiaries to be credited to the income statement; and
- (10) Goodwill under GAAP is calculated as the difference between the cost of acquiring the entity and the fair value of the assets received and liabilities assumed. Under NAIC SAP, goodwill is calculated as the difference between the cost of acquiring the entity and the reporting entity’s share of the historical book value of the acquired entity. However, under NAIC SAP the amount of goodwill recorded as an “admitted asset” is subject to limitations. In June 2001, SFAS No. 142, Goodwill and Other Intangible Assets significantly changed the method of accounting for intangible assets. Previous authoritative guidance presumed that goodwill and all other intangible assets were wasting assets, and thus the amounts assigned them should be amortized in determining net income. SFAS No. 142 does not presume that those assets are wasting assets. Instead, goodwill and intangible assets that have indefinite useful lives will not be amortized but rather will be tested at least annually for impairment by comparing the fair values of those assets with their recorded amounts.

B. Use of Estimates

The preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are generally recognized as revenue on a pro rata basis over the policy term. The portion of the premiums written applicable to the unexpired terms of the policies is recorded as unearned premiums.

- (1) Short-term investments are stated in the same manner as comparable longer-term investments described below.
- (2) Bonds not backed by other loans are generally stated at amortized cost unless they have a NAIC rating designation of 3, 4, 5 or 6 which are stated at the lower of amortized cost or fair value. Bonds not backed by other loans are amortized using the scientific method.
- (3) Common stocks of non-affiliates are stated at fair value. For investments in subsidiary, controlled or affiliated (“SCA”) companies, see Note 1C(7).
- (4) Redeemable preferred stocks are generally stated at cost or amortized cost unless they have a NAIC rating designation of 3, 4, 5 or 6 which are stated at the lower of cost, amortized cost or fair value. Perpetual preferred stocks are generally stated at fair value unless they have a NAIC rating designation of 3, 4, 5 or 6 which are stated at the lower of cost or fair value.
- (5) The Company has no mortgage loans.
- (6) Mortgage-backed bonds included in bonds are generally stated at amortized cost using the scientific method unless they have a NAIC rating designation of 3, 4, 5 or 6 which are stated at the lower of amortized cost or fair value. Amortization of the discount or premium from the purchase of these securities considers the estimated timing and amount of prepayments of the underlying mortgage loans. Actual prepayment experience is periodically reviewed and effective yields are recalculated when differences arise between the prepayments originally anticipated and the actual prepayments received and currently anticipated. For credit-sensitive mortgage-backed and asset-backed bonds and certain prepayment-sensitive bonds (e.g., interest-only securities), the effective yield is recalculated on a prospective basis. For all other mortgage-backed and asset-backed bonds, the effective yield is recalculated on a retrospective basis.

For certain residential mortgage-backed securities (“RMBS”) and certain commercial mortgage-backed securities (“CMBS”), both an initial and final NAIC designation is determined on a security-by-security basis based on a range of values published by the NAIC. The initial designation is used to determine the carrying value of the RMBS and CMBS. RMBS and CMBS with initial designations of 1 to 2 are stated at amortized cost while RMBS and CMBS with initial designations of 3, 4, 5 or 6 are stated at the lower of amortized cost or fair value. The final designation calculation compares this carrying value with a range of values, resulting in a final NAIC designation reported herein, which is used for all other accounting and reporting purposes.

The NAIC adopted a revised rating methodology for loan-backed and structured securities, including asset-backed securities (“ABS”), which are not modeled. For these securities, the NAIC relies on the second lowest NAIC Credit Rating Provider (“CRP”) rating to determine the initial NAIC designation. The second lowest CRP rating is used to determine the carrying value of the security, which is based on the NAIC’s estimate of expected losses, using an NAIC published formula. The carrying value of the security determines its final NAIC designation, which is used for reporting in the annual statement. This revised methodology does not apply to NAIC 1 and NAIC 6 securities which are rated at the second lowest CRP designation.

- (7) The Company accounts for investments in subsidiary, controlled and affiliated (“SCA”) companies using the statutory equity of the investee if the entity is an insurance company. All noninsurance entities are valued at the U.S. Generally Accepted Accounting Principles (“GAAP”) equity of the investee.
- (8) Investments in joint ventures, partnerships and limited liability companies (“LLC”) are carried at the underlying audited GAAP equity of the respective entity’s financial statements. Undistributed earnings of these entities are recognized in unrealized gains or losses. Such investments are nonadmitted if they do not have financial statement audits.
- (9) For derivative accounting policy, see Note 8.
- (10) For premium deficiency reserve policy, see Note 30.
- (11) The liability for unpaid reported losses is based on a case by case estimate (case reserves) for most lines of business, for the other lines of business, unpaid losses are based on average “statistical” reserves. There is an additional overall

NOTES TO FINANCIAL STATEMENTS

estimate (supplemental reserves for several specific lines of business) based on the Company's past experience, this is also known as an additional reserve on known claims. A provision also is made for losses incurred but not reported on the basis of estimates and past experience modified for current trends and estimates of expenses for investigating and settling claims, reduced for anticipated salvage and subrogation. The liability for unpaid losses on business assumed is based in part on reports received from ceding companies.

Management believes that the liability for unpaid losses and loss adjustment expenses is adequate to cover ultimate unpaid losses and loss adjustment expenses incurred. However, such liability is necessarily based on estimates, and the ultimate liability may vary significantly from such estimates. In accordance with industry practice, the Company regularly reviews its estimated liability, and any adjustments are reflected in the period in which they become known. In accordance with guidelines established by the NAIC, the liability for unpaid losses at December 31, 2013 is reported net of estimated salvage and subrogation recoverable.

(12) The Company has not modified its capitalization policy from the prior year end.

(13) The Company does not have pharmaceutical rebate receivables.

(14) EDP equipment and operating system software are stated at cost, less accumulated depreciation. Depreciation expense is recorded in insurance expenses and taxes (other than federal income and capital gains taxes). Furniture and fixtures, leasehold improvements and non-operating system computer software are classified as non-admitted assets. Changes in non-admitted assets are recorded as a charge or credit to surplus.

Depreciation is determined using the straight-line method. EDP equipment and operating system software are depreciated over the lesser of its useful life or three years. Non-operating system software is depreciated over the lesser of its useful life or five years. Estimated lives of furniture and fixtures range from five to seven years. Leasehold improvements are depreciated over the remaining lease term or ten years, whichever is shorter.

The cost basis of EDP equipment and operating system software was \$260,985 and \$892,694 at December 31, 2013 and 2012, respectively. Accumulated depreciation of EDP equipment and operating system computer software was \$140,183 and \$735,020 at December 31, 2013 and 2012, respectively. Related depreciation expense was \$52,624 and \$106,707 for the years ended December 31, 2013 and 2012, respectively.

Depreciation expense on furniture and fixtures, leasehold improvements and non-operating system computer software was \$9,752,645 and \$10,923,402 at December 31, 2013 and 2012, respectively.

(15) Each quarter, the real estate front office determines a market value for our wholly owned investment real estate. In the fourth quarter, the valuation process and assumptions are evaluated by a third party. For recently acquired properties that are not included in the third party's report and do not have a recent appraisal, the purchase price is used as a proxy for the market value and the acquisition date is used for the appraisal date on Schedule A.

2. Accounting Changes and Corrections of Errors

A. The Company has no accounting changes or corrections of errors.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not Applicable.

B. Statutory Merger

Not Applicable.

C. Impairment Loss

Not Applicable.

4. Discontinued Operations

Not Applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not Applicable.

B. Debt Restructuring

Not Applicable.

C. Reverse Mortgages

Not Applicable.

D. Loan-Backed Securities

(1) Prepayment assumptions were obtained from published broker dealer values and internal estimates.

(2) a. The Company did not recognize any other-than-temporary impairments ("OTTI") on the basis of the intent to sell during the year ended December 31, 2013.

b. The Company did not recognize any OTTI on the basis of the inability or lack of intent to retain the investment in

NOTES TO FINANCIAL STATEMENTS

- the security for a period of time sufficient to recover the amortized cost basis during the year ended December 31, 2013.
- (3) As of December 31, 2013, the Company has not recognized any OTTI on its loan-backed securities based on cash flow analysis.
- (4) At December 31, 2013, the estimated fair value and gross unrealized losses for loan-backed and structured securities, aggregated by length of time the securities have been in a continuous loss position are as follows:
- a. The aggregate amount of unrealized losses:
 - 1. Less than 12 Months \$1,204,371
 - 2. 12 Months or Longer \$173,841
 - b. The aggregate related fair value of securities with unrealized losses:
 - 1. Less than 12 Months \$94,106,068
 - 2. 12 Months or Longer \$3,659,379
- (5) The Company performs a regular evaluation, on a security-by-security basis, of its securities holdings in accordance with its OTTI policy in order to evaluate whether such investments are other-than-temporarily impaired. Management considers a wide range of factors about the security issuer and uses its best judgment in evaluating the cause of the decline in the estimated fair value of the security and in assessing the prospects for near-term recovery. Factors considered include fundamentals of the industry and geographic area in which the security issuer operates, as well as overall macroeconomic conditions.

Projected future cash flows are estimated using assumptions derived from management's best estimates of likely scenario-based outcomes after giving consideration to a variety of variables that include, but are not limited to: (i) general payment terms of the security; (ii) the likelihood that the issuer can service the scheduled interest and principal payments; (iii) the quality and amount of any credit enhancements; (iv) the security's position within the capital structure of the issuer; (v) possible corporate restructurings or asset sales by the issuer; and (vi) changes to the rating of the security or the issuer by rating agencies.

Additional considerations are made when assessing the unique features that apply to certain loan-backed and structured securities including, but not limited to: (i) the quality of underlying collateral; (ii) expected prepayment speeds; (iii) current and forecasted loss severity; (iv) consideration of the payment terms of the underlying assets backing the security; and (v) the payment priority within the tranche structure of the security.

For loan-backed and structured securities in an unrealized loss position as summarized in the immediately preceding table, the Company does not have the intent to sell the securities, believes it has the intent and ability to retain the security for a period of time sufficient to recover the carrying value of the security and, based on the cash flow modeling and other considerations as described above, believes these securities are temporarily impaired.

E. Repurchase Agreements and/or Securities Lending Transactions

Not Applicable.

F. Real Estate

- (1) For the years ended December 31, 2013 and 2012, the Company did not recognize any impairment losses.
 (2a.) The Company had no properties classified as available for sale in 2013.

Additionally in 2013, the Company contributed real estate investments with a book/adjusted carrying value of \$4,871,647 to the ML-AI MetLife Member 1, LLC. This transfer was in connection with the Company's investment management business.

- (2b.) For the years ended December 31, 2013 and 2012, the gain/(loss) on real estate sales was \$0.
 (3) There were no changes during the year in the Company's plans to sell investment real estate.
 (4) The Company does not engage in retail land sales operations.
 (5) The Company does not hold any real estate investments with participating mortgage loans.

G. Investments in Low Income Housing Tax Credits

Not Applicable.

H. Restricted Assets

- (1) Restricted Assets (Including Pledged)

The table below provides a summary of restricted assets, including any assets pledged as collateral or otherwise restricted as of December 31, 2013:

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| Restricted Assets Category | Gross Restricted | | | | | | | Percentage | | |
|---|---------------------------------|--|-------------------------------------|------------------|-----------------------|-----------------------------------|--|----------------------------------|--|-------|
| | Current Year | | | | | 6 | 7 | 8 | 9 | 10 |
| | 1 | 2 | 3 | 4 | 5 | | | | | |
| Total General Account (G/A) | G/A Supporting S/A Activity (a) | Total Separate Account (S/A) Restricted Assets | S/A Assets Support G/A Activity (b) | Total (1 plus 3) | Total From Prior Year | Increase / (Decrease) (5 minus 6) | Total Current Year Admitted Restricted | Gross Restricted to Total Assets | Admitted Restricted to Total Admitted Assets | |
| a. Subject to contractual obligation for which liability is not shown | - | - | - | - | - | - | - | - | 0.00% | 0.00% |
| b. Collateral held under security lending agreements | - | - | - | - | - | - | - | - | 0.00% | 0.00% |
| c. Subject to repurchase agreements | - | - | - | - | - | - | - | - | 0.00% | 0.00% |
| d. Subject to reverse repurchase agreements | - | - | - | - | - | - | - | - | 0.00% | 0.00% |
| e. Subject to dollar repurchase agreements | - | - | - | - | - | - | - | - | 0.00% | 0.00% |
| f. Subject to dollar reverse repurchase agreements | - | - | - | - | - | - | - | - | 0.00% | 0.00% |
| g. Placed under option contracts | - | - | - | - | - | - | - | - | 0.00% | 0.00% |
| h. Letter stock or securities restricted as to sale | - | - | - | - | - | - | - | - | 0.00% | 0.00% |
| i. On deposit with states | 4,804,351 | - | - | - | 4,804,351 | 4,370,557 | 433,794 | 4,804,351 | 0.09% | 0.09% |
| j. On deposit with other regulatory bodies | - | - | - | - | - | - | - | - | 0.00% | 0.00% |
| k. Pledged as collateral not captured in other categories | - | - | - | - | - | - | - | - | 0.00% | 0.00% |
| l. Other restricted assets | - | - | - | - | - | - | - | - | 0.00% | 0.00% |
| m. Total restricted assets | 4,804,351 | - | - | - | 4,804,351 | 4,370,557 | 433,794 | 4,804,351 | 0.09% | 0.09% |

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories

Not Applicable.

(3) Detail of Other Restricted Assets

Not Applicable.

I. Offsetting and Netting of Assets and Liabilities

Not Applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable.

7. Investment Income

A. Due and accrued income was excluded from surplus on the following bases:

All investment income due and accrued with amounts over 90 days past due are non-admitted with the exception of mortgage loan investment income which is non-admitted after 180 days, or if the underlying loan is in the process of foreclosure.

B. Total amount excluded: NONE.

8. Derivative Instruments

Overview

The Company may be exposed to various risks relating to its ongoing business operations, including interest rate, foreign currency exchange rate, credit and equity market. The Company uses a variety of strategies to manage these risks, including the use of derivatives.

Derivatives are financial instruments whose values are derived from interest rates, foreign currency exchange rates, credit spreads and/or other financial indices. Derivatives may be exchange-traded or contracted in the over-the-counter ("OTC") market. The Company uses variety of derivatives, including swaps and options, to manage risks that may include interest rate risk, foreign currency exchange rate risk, credit risk and equity market risk. Derivative hedges are designed to reduce risk on an economic basis while considering their impact on accounting results and statutory capital.

Insurance statutes restrict the Company's use of derivatives to: (i) hedging activities intended to offset changes in the estimated fair value of assets held, obligations and anticipated transactions; (ii) income generation transactions to generate additional income or return on covering assets; and (iii) replication synthetic asset transactions to reproduce the investment characteristics of otherwise permissible investments. The Company is prohibited from using derivatives for speculation. OTC derivatives are carried on the Company's statutory statements of assets, liabilities, surplus and other funds either as derivative assets or derivative liabilities.

To qualify for hedge accounting under SSAP No. 86, *Accounting for Derivative Instruments and Hedging, Income Generation, and Replication (Synthetic Asset) Transactions* ("SSAP 86"), at the inception of the hedging relationship, the Company formally documents its risk management objective and strategy for undertaking the hedging transaction, as well as its designation of the hedge as either: (i) a hedge of the estimated fair value of a recognized asset or liability ("fair value hedge"); or (ii) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"). In this documentation, the Company sets forth how the hedging instrument is expected to hedge the designated risks related to the hedged item and sets forth the method that will be used to retrospectively and prospectively assess the hedging instrument's effectiveness. A derivative designated as a hedging instrument must be highly effective in offsetting the designated risk of the hedged item. Hedge effectiveness is formally assessed at inception and at least quarterly throughout the life of the

NOTES TO FINANCIAL STATEMENTS

designated hedging relationship.

The Company can hold cash flow and fair value derivatives that hedge various assets and liabilities including bonds and liability portfolios; the derivatives that hedge those assets and liabilities are valued in a manner consistent with the underlying hedged item, if they meet the criteria for highly effective hedges. Bonds that have an NAIC designation of 1 or 2 are carried at amortized cost; therefore, the derivatives hedging such bonds are also carried at amortized cost. Bonds that have an NAIC designation of 3 through 6 are carried at the lower of amortized cost or estimated fair value; therefore, the derivatives hedging such bonds are also carried at the lower of amortized cost or estimated fair value. Liabilities of the Company are carried at amortized cost; therefore, the derivatives hedging such liabilities are also carried at amortized cost. Effective foreign currency swaps have a foreign currency adjustment reported in "Change in net unrealized foreign exchange capital gain (loss)" pursuant to SSAP 86 by using the same procedures as used to translate the hedged item.

The Company discontinues hedge accounting prospectively when: (i) it is determined that the derivative is no longer highly effective in offsetting changes in the estimated fair value or cash flows of a hedged item; (ii) the derivative expires, is sold, terminated or exercised; (iii) it is no longer probable that the hedged forecasted transaction will occur; (iv) the Company removes the designation of the hedge; or (v) the derivative is deemed to be impaired.

When hedge accounting is discontinued because it is determined that the derivative is not highly effective in offsetting changes in the estimated fair value or cash flows of a hedged item, the derivative is carried at its estimated fair value with changes in estimated fair value, excluding changes in foreign exchange rates, reported in "Change in net unrealized capital gains (losses)" and estimated fair value changes attributable to changes in foreign exchange rates are reported in "Change in net unrealized foreign exchange capital gain (loss)".

Upon termination of a derivative that qualified for hedge accounting, the gain or loss is reflected as an adjustment to the basis of the hedged item and is recognized in income consistent with the hedged item. If the hedged item is sold, the gain or loss on the derivative is realized.

To the extent the Company chooses not to designate a derivative for hedge accounting or the designated derivative no longer meets the criteria of an effective hedge, the derivative is carried at estimated fair value with changes in estimated fair value reported in "Change in net unrealized capital gains (losses)" and any change in estimated fair value attributable to changes in foreign exchange rates are reported in "Change in net unrealized foreign exchange capital gain (loss)".

Types of Derivatives***Foreign Currency Exchange Rate Derivatives***

Foreign currency swaps are used by the Company to reduce the risk from fluctuations in foreign currency exchange rates associated with its assets denominated in foreign currencies. In a foreign currency swap transaction, the Company agrees with another party to exchange, at specified intervals, the difference between one currency and another at a fixed exchange rate, generally set at inception, calculated by reference to an agreed upon notional amount. The notional amount of each currency is exchanged at the inception and termination of the currency swap by each party. See Schedule DB, Part A.

Credit Derivatives

Credit default swaps are used by the Company to hedge against credit-related changes in the value of its investments. In a credit default swap transaction, the Company agrees with another party, at specified intervals, to pay a premium to hedge credit risk. If a credit event as defined by the contract occurs, the contract may be cash settled or it may be settled gross by the delivery of par quantities of the referenced investment equal to the specified swap notional in exchange for the payment of cash amounts by the counterparty equal to the par value of the investment surrendered. Credit events vary by type of issuer but typically include bankruptcy, failure to pay debt obligations, repudiation, moratorium, or involuntary restructuring. In each case, payout on a credit default swap is triggered only after the Credit Derivatives Determinations Committee of the International Swaps and Derivatives Association, Inc. ("ISDA") deems that a credit event has occurred. See Schedule DB, Part A.

Equity Market Derivatives

Equity index options are used by the Company to hedge certain invested assets against adverse changes in equity indices. In an equity index option transaction, the Company enters into contracts to sell the equity index within a limited time at a contracted price. The contracts will be net settled in cash, based on differentials in the indices at the time of exercise and the strike price. In certain instances, the Company may enter into a combination of transactions to hedge adverse changes in equity indices within a pre-determined range through the purchase and sale of options. See Schedule DB, Part A.

Fair Value Hedges

The Company held no fair value hedges during the years ended December 31, 2013 and 2012.

Cash Flow Hedges

The Company designates and accounts for foreign currency swaps to hedge the foreign currency cash flow exposure of foreign currency denominated investments as cash flow hedges, when they have met the effectiveness requirements of SSAP 86.

In assessing effectiveness, no component of the derivative's gain or loss was excluded.

For the years ended December 31, 2013 and 2012, there were no gains (losses) related to cash flow derivatives that no longer qualify for hedge accounting or for which the Company removed the hedge designation.

In certain instances, the Company discontinues cash flow hedge accounting because it was no longer probable that the original forecasted transactions would occur by the end of the originally specified time period or within two months of that date. For the years ended December 31, 2013 and 2012, there were no gains (losses) related to such discontinued cash flow hedges.

NOTES TO FINANCIAL STATEMENTS

There were no hedged forecasted transactions, other than the receipt or payment of variable interest payments, for the years ended December 31, 2013, and 2012.

Non-Qualifying Derivatives

The Company enters into the following derivatives that do not qualify for hedge accounting under SSAP 86: (i) foreign currency swaps to economically hedge its exposure to adverse movements in exchange rates; (ii) credit default swaps to economically hedge its exposure to adverse movements in credit; and (iii) equity index options to hedge certain invested assets against adverse changes in equity indices.

Derivatives for Other than Hedging Purposes

The Company held no derivatives for other than hedging purposes during the years ended December 31, 2013 and 2012.

Credit Risk

The Company enters into various collateral arrangements, which require both the pledging and accepting of collateral in connection with its derivatives.

The table below summarizes the collateral pledged in connection with its OTC derivatives as of December 31, 2013 and 2012, respectively.

| Collateral Pledged by the Company for Derivatives | | |
|---|------------|------|
| Securities ⁽¹⁾ | | |
| As of December 31, | | |
| | 2013 | 2012 |
| Variation Margin: | | |
| OTC Derivatives | \$ 552,062 | \$ - |

(1) Securities held as collateral are reported in "Bonds".

The table below summarizes the collateral received in connection with its OTC derivatives as of December 31, 2013 and 2012, respectively.

| Collateral Received by the Company for Derivatives | | |
|--|------|------------|
| Cash ⁽¹⁾ | | |
| As of December 31, | | |
| | 2013 | 2012 |
| Variation Margin: | | |
| OTC Derivatives | \$ - | \$ 350,000 |

(1) Cash collateral is reported in "Cash, cash equivalents and short-term investments" and the obligation to return the collateral is reported in "Aggregate write-ins for liabilities" as "Cash collateral on derivatives".

The Company's collateral arrangements for its OTC derivatives generally require the counterparty in a net liability position, after considering the effect of netting agreements, to pledge collateral when the fair value of that counterparty's derivatives reaches a pre-determined threshold. Certain of these arrangements also include credit-contingent provisions that provide for a reduction of these thresholds (on a sliding scale that converges toward zero) in the event of a downgrade in the credit rating of the Company and/or the counterparty. In addition, certain of the Company's netting agreements for derivatives contain provisions that require both the Company and the counterparty to maintain a specific investment grade credit rating from each of Moody's Investors Service and Standard & Poor's Ratings Service. If a party's credit rating was to fall below that specific investment grade credit rating, that party would be in violation of these provisions, and the other party to the derivatives could terminate the transactions and demand immediate settlement and payment based on such party's reasonable valuation of the derivatives.

9. Income Taxes

A. The components of net DTA and deferred income tax liabilities ("DTL") consisted of the following:

| | December 31, 2013 | | |
|---|-------------------|--------------|----------------|
| | Ordinary | Capital | Total |
| Gross DTA | \$ 167,034,378 | \$ 2,488,887 | \$ 169,523,265 |
| Statutory valuation allowance adjustments | - | - | - |
| Adjusted gross DTA | 167,034,378 | 2,488,887 | 169,523,265 |
| DTA nonadmitted | (14,143,900) | (2,488,887) | (16,632,787) |
| Subtotal net admitted DTA | 152,890,478 | - | 152,890,478 |
| DTL | (20,109,970) | - | (20,109,970) |
| Net admitted DTA/(Net DTL) | \$ 132,780,508 | \$ - | \$ 132,780,508 |

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| | December 31, 2012 | | |
|---|-------------------|---------------|----------------|
| | Ordinary | Capital | Total |
| Gross DTA | \$ 175,918,183 | \$ 27,950,520 | \$ 203,868,703 |
| Statutory valuation allowance adjustments | - | - | - |
| Adjusted gross DTA | 175,918,183 | 27,950,520 | 203,868,703 |
| DTA nonadmitted | (25,418,241) | (27,950,520) | (53,368,761) |
| Subtotal net admitted DTA | 150,499,942 | - | 150,499,942 |
| DTL | (22,532,021) | - | (22,532,021) |
| Net admitted DTA/(Net DTL) | \$ 127,967,921 | \$ - | \$ 127,967,921 |

| | Change | | |
|---|----------------|-----------------|-----------------|
| | Ordinary | Capital | Total |
| Gross DTA | \$ (8,883,805) | \$ (25,461,633) | \$ (34,345,438) |
| Statutory valuation allowance adjustments | - | - | - |
| Adjusted gross DTA | (8,883,805) | (25,461,633) | (34,345,438) |
| DTA nonadmitted | 11,274,341 | 25,461,633 | 36,735,974 |
| Subtotal net admitted DTA | 2,390,536 | - | 2,390,536 |
| DTL | 2,422,051 | - | 2,422,051 |
| Net admitted DTA/(Net DTL) | \$ 4,812,587 | \$ - | \$ 4,812,587 |

2. Admission calculation components - SSAP 101

| | December 31, 2013 | | |
|---|-------------------|---------|----------------|
| | Ordinary | Capital | Total |
| Federal income taxes paid in prior years recoverable through loss carrybacks | \$ - | \$ - | \$ - |
| Adjusted gross DTA expected to be realized (excluding the amount of DTA from above) after application of the threshold limitation (the lesser of 1 and 2 below) | 132,780,508 | - | 132,780,508 |
| 1. Adjusted gross DTA expected to be realized following the balance sheet date | 132,780,508 | - | 132,780,508 |
| 2. Adjusted gross DTA allowed per limitation threshold | XXX | XXX | 299,783,846 |
| Adjusted gross DTA (excluding the amount of DTA from above) offset by gross DTL | 20,109,970 | - | 20,109,970 |
| DTA admitted as the result of application of SSAP 101 total | \$ 152,890,478 | \$ - | \$ 152,890,478 |

| | December 31, 2012 | | |
|---|-------------------|---------|----------------|
| | Ordinary | Capital | Total |
| Federal income taxes paid in prior years recoverable through loss carrybacks | \$ - | \$ - | \$ - |
| Adjusted gross DTA expected to be realized (excluding the amount of DTA from above) after application of the threshold limitation (the lesser of 1 and 2 below) | 127,967,921 | - | 127,967,921 |
| 1. Adjusted gross DTA expected to be realized following the balance sheet date | 127,967,921 | - | 127,967,921 |
| 2. Adjusted gross DTA allowed per limitation threshold | XXX | XXX | 278,896,660 |
| Adjusted gross DTA (excluding the amount of DTA from above) offset by gross DTL | 22,532,021 | - | 22,532,021 |
| DTA admitted as the result of application of SSAP 101 total | \$ 150,499,942 | \$ - | \$ 150,499,942 |

| | Change | | |
|---|--------------|---------|--------------|
| | Ordinary | Capital | Total |
| Federal income taxes paid in prior years recoverable through loss carrybacks | \$ - | \$ - | \$ - |
| Adjusted gross DTA expected to be realized (excluding the amount of DTA from above) after application of the threshold limitation (the lesser of 1 and 2 below) | 4,812,587 | - | 4,812,587 |
| 1. Adjusted gross DTA expected to be realized following the balance sheet date | 4,812,587 | - | 4,812,587 |
| 2. Adjusted gross DTA allowed per limitation threshold | XXX | XXX | - |
| Adjusted gross DTA (excluding the amount of DTA from above) offset by gross DTL | (2,422,051) | - | (2,422,051) |
| DTA admitted as the result of application of SSAP 101 total | \$ 2,390,536 | \$ - | \$ 2,390,536 |

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| | | | |
|---|----|-------------|----------------|
| 3. | | <u>2013</u> | <u>2012</u> |
| RBC percentage used to determine recovery period and threshold limitation amount | | 1092% | 1073% |
| Amount of total adjusted capital used to determine recovery period and threshold limitation | \$ | 191,596,321 | \$ 173,252,557 |

4.

Impact of Tax Planning Strategies

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

| | | | |
|---|----|--------------------------|----------------|
| | | <u>December 31, 2013</u> | |
| | | <u>Ordinary</u> | <u>Capital</u> |
| Adjusted gross DTAs amount from Note 9A1(c) | \$ | 167,034,378 | \$ 2,488,887 |
| Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies. | | 0% | 0% |
| Net admitted adjusted gross DTAs amount from Note 9A1(e) | \$ | 152,890,478 | \$ - |
| Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | | 0% | 0% |

| | | | |
|---|----|--------------------------|----------------|
| | | <u>December 31, 2012</u> | |
| | | <u>Ordinary</u> | <u>Capital</u> |
| Adjusted gross DTAs amount from Note 9A1(c) | \$ | 175,918,183 | \$ 27,950,520 |
| Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies. | | 0% | 0% |
| Net admitted adjusted gross DTAs amount from Note 9A1(e) | \$ | 150,499,942 | \$ - |
| Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | | 0% | 0% |

| | | | |
|---|----|-----------------|-----------------|
| | | <u>Change</u> | |
| | | <u>Ordinary</u> | <u>Capital</u> |
| Adjusted gross DTAs amount from Note 9A1(c) | \$ | (8,883,805) | \$ (25,461,633) |
| Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies. | | 0% | 0% |
| Net admitted adjusted gross DTAs amount from Note 9A1(e) | \$ | 2,390,536 | \$ - |
| Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | | 0% | 0% |

Do the Company's tax-planning strategies include the use of reinsurance? No

B. All DTL were recognized as of December 31, 2013 and December 31, 2012.

C. Current income taxes incurred consisted of the following major components:

| | | | |
|--|----|--------------------------|--------------------------|
| 1. | | <u>December 31, 2013</u> | <u>December 31, 2012</u> |
| Federal | \$ | 66,205,492 | \$ 41,632,041 |
| Foreign | | - | - |
| Subtotal | | 66,205,492 | 41,632,041 |
| Federal income tax on net capital gains (losses) | | (24,925,761) | 6,624,148 |
| Utilization of capital loss carryforwards | | - | - |
| Other | | - | - |
| Federal and foreign income taxes incurred | \$ | <u>41,279,731</u> | <u>\$ 48,256,189</u> |

The changes in the main components of deferred income tax amounts were as follows:

| | | | | |
|--|----|--------------------------|--------------------------|---------------|
| 2. | | <u>December 31, 2013</u> | <u>December 31, 2012</u> | <u>Change</u> |
| DTA: | | | | |
| Ordinary: | | | | |
| Policyholder reserves | \$ | 101,693,791 | \$ 96,749,312 | \$ 4,944,479 |
| Net operating loss carryforward | | 24,371,628 | 24,361,271 | 10,357 |
| Tax credit carryforwards | | 6,011 | 4,910 | 1,101 |
| Other (including items <5% of total ordinary tax assets) | | 1,085,198 | 376,428 | 708,770 |
| Employee benefits | | 21,616,429 | 8,336,115 | 13,280,314 |
| Nonadmitted assets | | 18,261,321 | 46,090,147 | (27,828,826) |
| Subtotal | | 167,034,378 | 175,918,183 | (8,883,805) |
| Statutory valuation allowance adjustment | | - | - | - |
| Nonadmitted | | (14,143,900) | (25,418,241) | 11,274,341 |
| Admitted ordinary DTA | | 152,890,478 | 150,499,942 | 2,390,536 |

NOTES TO FINANCIAL STATEMENTS

| | | | |
|--|----------------|----------------|--------------|
| Capital: | | | |
| Investments | 2,488,887 | 17,343,851 | (14,854,964) |
| Net capital loss carryforward | - | 10,606,669 | (10,606,669) |
| Subtotal | 2,488,887 | 27,950,520 | (25,461,633) |
| Statutory valuation allowance adjustment | - | - | - |
| Nonadmitted | (2,488,887) | (27,950,520) | 25,461,633 |
| Admitted capital DTA | - | - | - |
| Admitted DTA | \$ 152,890,478 | \$ 150,499,942 | \$ 2,390,536 |

| | | | |
|------------------|--------------------------|--------------------------|---------------|
| 3. | December 31, 2013 | December 31, 2012 | Change |
| DTL : | | | |
| Ordinary: | | | |
| Investments | \$ (3,950,445) | \$ (12,363,320) | \$ 8,412,875 |
| Fixed assets | (16,159,525) | (10,168,701) | (5,990,824) |
| Subtotal | (20,109,970) | (22,532,021) | 2,422,051 |
| Capital: | | | |
| Subtotal | - | - | - |
| DTL | \$ (20,109,970) | \$ (22,532,021) | \$ 2,422,051 |
| 4. Net DTA/(DTL) | \$ 132,780,508 | \$ 127,967,921 | \$ 4,812,587 |

| | |
|--|-----------------|
| Tax effect of change in nonadmitted assets | (36,735,974) |
| Tax effect of unrealized gains (losses) | (3,342,179) |
| Change in cumulative translation adjustments | - |
| Tax effect of the adoption of SSAP 102 | 17,708,406 |
| Change in net DTA | \$ (17,557,160) |

D. The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing the difference are as follows:

| | |
|--|--------------------------|
| | December 31, 2013 |
| Net gain (loss) from operations after dividends to policyholders and before Federal income tax @ 35% | \$ 99,687,070 |
| Net realized capital gains (losses) @ 35% | 535,874 |
| Tax effect of: | |
| Change in nonadmitted assets | 27,828,826 |
| Dividend received deduction | (1,477,611) |
| Fines, fees and other nondeductible expenses | 17,918 |
| Meals and entertainment | 350,715 |
| Nondeductible expenses | 46,050 |
| Other | (28,600,173) |
| Tax exempt income | (39,551,778) |
| Total statutory income taxes (benefit) | \$ 58,836,891 |
| Federal and foreign income taxes incurred including tax on realized capital gains | \$ 41,279,731 |
| Change in net DTA | 17,557,160 |
| Total statutory income taxes (benefit) | \$ 58,836,891 |

E. (1) As of December 31, 2013, the Company has net ordinary loss carryforwards which will expire as follows:

| | |
|---------------------------|--------------------------|
| Year of expiration | Net ordinary loss |
| 2031 | \$ 69,633,222 |

The Company has no net capital loss carryforwards.

The Company has tax credit carryforwards which will expire as follows:

| | |
|---------------------------|-------------------|
| Year of expiration | Tax credit |
| 2021 | \$ 4,893 |
| 2022 | 1,082 |
| 2030 | 10 |
| 2031 | 21 |
| 2032 | 5 |
| | - |
| | \$ 6,011 |

(2) The Company has no Federal income taxes available at December 31, 2013 for recoupment in the event of future net losses.

(3) The Company has no deposits under Section 6603 of the Internal Revenue Code of 1986, as amended ("IRC") during 2013.

F. (1) The Company joins with MetLife, Inc. ("MetLife"), its parent, and MetLife's includable affiliates in filing a consolidated federal life/non-life tax return.

NOTES TO FINANCIAL STATEMENTS

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

| | |
|--|---|
| 23rd Street Investments, Inc. | MetLife Reinsurance Company of South Carolina |
| 334 Madison Euro Investments, Inc. | MetLife Reinsurance Company of Vermont |
| Cova Life Management Company | MetLife Securities, Inc. |
| CRB Co., Inc. | MetLife Tower Resources Group, Inc. |
| Delaware American Life Insurance Company | MetLife Worldwide Holdings, Inc. |
| Economy Fire & Casualty Company | MetPark Funding, Inc. |
| Economy Preferred Insurance Company | Metropolitan Casualty Insurance Company |
| Economy Premier Assurance Company | Metropolitan Direct Property and Casualty Insurance Company |
| Enterprise General Insurance Agency, Inc. | Metropolitan General Insurance Company |
| Exeter Reassurance Company, Ltd. | Metropolitan Group Property & Casualty Insurance Company |
| Federal Flood Certification Corporation | Metropolitan Life Insurance Company |
| First MetLife Investors Insurance Company | Metropolitan Lloyds Insurance Company of Texas |
| General American Life Insurance Company | Metropolitan Lloyds, Inc. |
| Hyatt Legal Plans of Florida, Inc. | Metropolitan Tower Life Insurance Company |
| Hyatt Legal Plans, Inc. | Metropolitan Tower Realty Company, Inc. |
| Met P & C Managing General Agency, Inc. | Missouri Reinsurance, Inc. |
| MetLife Auto & Home Insurance Agency, Inc. | Natiloportem Holdings, Inc. |
| MetLife Bank N.A. | New England Life Insurance Company |
| MetLife Credit Corp. | New England Securities Corporation |
| MetLife Funding, Inc. | Newbury Insurance Company Limited |
| MetLife Global, Inc. | One Financial Place Corporation |
| MetLife Group, Inc. | Panther Valley, Inc. |
| MetLife Health Plans, Inc. | SafeGuard Health Enterprises, Inc. |
| MetLife Holdings, Inc. | SafeGuard Health Plans, Inc. (CA) |
| MetLife, Inc. | SafeHealth Life Insurance Company |
| MetLife Insurance Company of Connecticut | SafeGuard Health Plans, Inc. (FL) |
| MetLife International Holdings, Inc. | SafeGuard Health Plans, Inc. (NV) |
| MetLife Investors Distribution Company | SafeGuard Health Plans, Inc. (TX) |
| MetLife Investors Group, Inc. | The Prospect Company |
| MetLife Investors Insurance Company | Tower Square Securities, Inc. |
| MetLife Investors USA Insurance Company | Transmountain Land & Livestock Company |
| MetLife Reinsurance Company of Charleston | Walnut Street Securities, Inc. |
| MetLife Reinsurance Company of Delaware | White Oak Royalty Company |

(2) The consolidating companies are subject to a tax allocation agreement which allocates tax liabilities in accordance with the IRC, as amended, and provides that members shall receive reimbursement to the extent that their tax benefits result in a reduction of the consolidated tax liability.

G. As of December 31, 2013, the Company had a liability (asset) for unrecognized tax benefits of \$0.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. The Company is a wholly owned subsidiary of MetLife, Inc. ("MetLife"), incorporated in the State of Delaware, a public company whose shares are traded on the New York Stock Exchange.

B. – C.

- (1) For transactions by the Company and any affiliated insurer with any affiliate, see Note 13 and Schedule Y Part 2.
- (2) The Company reports its investment in Metropolitan Lloyds Insurance Company of Texas in Schedule BA with a book value of \$7,858,644 and a statement value of \$16,201,267 on page 2.
- (3) The Company is a party to service agreements with its affiliates. See Note 10.F. for details. The Company establishes guidelines for reasonable determination of costs and services provided, based on time spent or use of services, and charges its subsidiaries for services rendered. The charges for such services to the Company were \$320,195,800 and \$285,864,109 during 2013 and 2012, respectively. The charges to the Company for services from Metropolitan Life Insurance Company ("MLIC") were \$276,793,624 and \$243,828,020 during 2013 and 2012, respectively with balances due to MLIC of \$4,120,330 and \$8,117,486 as of December 31, 2013 and December 31, 2012, respectively. The charges to the Company for services from MetLife Group, Inc. were \$36,832,171 and \$35,613,042 during 2013 and 2012, respectively with balances due to MetLife Group, Inc. of \$0 as of December 31, 2013 and December 31, 2012. The charges to the Company for services from MetLife Services and Solutions, LLC were \$6,570,004 and \$6,423,047 during 2013 and 2012, respectively with balances due to MetLife Services and Solutions, LLC of \$519,988 and \$573,176 as of December 31, 2013 and December 31, 2012, respectively.
- (4) Restated Quota Share Reinsurance Treaty

Effective January 1, 2001, the Company entered into a 100% Restated Quota Share Reinsurance Agreement with its subsidiary companies, Metropolitan Casualty Insurance Company, NAIC #40169, Metropolitan General Insurance Company, NAIC #39950, Metropolitan Direct Property and Casualty Insurance Company, NAIC #25321, Metropolitan Group Property and Casualty Insurance Company, NAIC #34339, Metropolitan Lloyds Insurance Company of Texas, NAIC #13938, and Economy Fire & Casualty Company, NAIC #22926.

The Restated Quota Share Reinsurance Treaty provides that the subsidiary companies obligate themselves to cede, and the Company obligates itself to accept, a 100% interest in each of the subsidiaries' gross net liabilities and its premiums, losses, expenses, payment fees, dividends and direct agents balance.

In addition, the Restated Quota Share Reinsurance Agreement provides that Economy Fire & Casualty Company's ("EFAC") subsidiary companies, Economy Preferred Insurance Company, NAIC #38067 and Economy Premier Assurance Company, NAIC #40649 are obligated to cede, and EFAC obligates itself to accept, a 100% interest in each

NOTES TO FINANCIAL STATEMENTS

of the subsidiaries' gross net liabilities and its premiums, losses, expenses, payment fees, dividends and direct agents balance.

All lines of business are subject to the reinsurance, except for the run-off of a book of reinsurance business transacted through the Odyssey Reinsurance Company and Metropolitan Group Property and Casualty Insurance Company arrangement.

The lead company, Metropolitan Property and Casualty Insurance Company, makes cessions to non-affiliated reinsurers subsequent to the cession of business from the affiliated members to the lead company, except for business transacted through the Odyssey Reinsurance Company and Metropolitan Group Property and Casualty Insurance Company arrangement.

Cessions to non-affiliated reinsurers of business subject to the reinsurance agreement are as follows:

| | |
|-------------------------------------|--|
| Property Catastrophe Excess of Loss | All Property Business including but not limited to Homeowners, Dwelling Fire, Automobile Physical Damage and Inland Marine |
| Casualty Excess of Loss | Personal Liability including Automobile, Homeowners and Personal Umbrella Liability |
| Property Per Risk | Business classified by the Company as Personal Property |
| Mandatory Pools | Business transacted through Massachusetts, New Hampshire, North Carolina and South Carolina Automobile Facilities, various Mine Subsidence programs, Michigan Catastrophic Claims Association and Florida Hurricane Catastrophe Fund |

All members are party to reinsurance agreements with non-affiliated reinsurers covering business subject to the restated quota share reinsurance agreement. All members have a contractual right of direct recovery from the non-affiliated reinsurer.

There are no discrepancies between entries regarding reinsurance business on the assumed and ceded reinsurance schedules of the lead company and corresponding entries on the assumed and ceded reinsurance schedules of other quota share participants.

The lead company, Metropolitan Property and Casualty Insurance Company, discloses all reinsurance related to non-affiliated companies of reinsurance business and therefore, discloses the entire Provision for Reinsurance, Schedule F Part 5.

(5) Asset Transfers

The Company received a common stock dividend from its affiliates, Met GEN and Met CAS on September 24, 2004 totaling \$1,094,145 and \$2,188,290, respectively. The Company received the proceeds from investments in bonds of \$3,282,435 including accrued interest of \$54,000 from Met GEN and Met CAS. The Company recorded a deferred realized capital gain liability and an unrealized capital gain adjustment to surplus of \$116,844 on the bond investment transfer for the difference between the fair value \$3,228,435 and book value of \$3,111,591 on the transaction date. The realized capital gain had no impact on the Company's surplus. The Company recorded the investments in bonds at their fair value of \$3,228,435 on the transaction date.

The Company received a common stock dividend from its affiliate, Met Group on April 16, 2004 totaling \$60,000,000. The Company received cash of \$568,965 and investments in preferred stock with a fair value of \$59,431,035. The Company recorded a deferred realized capital gain liability and a unrealized capital gain adjustment to surplus of \$8,042,066 on the preferred stock investment transfer for the difference between the fair value \$59,431,035 and Met Group's book value of \$51,388,969 on the transaction date. The realized capital gain had no impact on the Company's surplus. The Company recorded the investments in preferred stock at their fair value of \$59,431,035 on the transaction date.

For the year ended December 31, 2013, there was no change in the Company's deferred gain liability of \$1,921,650 as a result of the sale of the investments to independent third parties.

NOTES TO FINANCIAL STATEMENTS

D. The Company had the following amounts due from or (due to) related parties as of:

| | December 31, 2013 | December 31, 2012 |
|---|----------------------------------|----------------------------------|
| | <u>Due From (To)</u> | <u>Due From (To)</u> |
| Economy Fire & Casualty Company | \$ (184,637) | \$ 24,550 |
| Economy Preferred Insurance Company | (304,846) | 19,628 |
| Economy Premier Assurance Company | 462,850 | (65,969) |
| MetLife Auto & Home Insurance Agency, Inc. | 435 | 0 |
| MetLife General Insurance Agency | (83,593) | (91,480) |
| MetLife Home Loans, LLC | 0 | 29,300 |
| MetLife Insurance Company (MetLife) | (4,120,330) | (8,117,486) |
| MetLife International Holding Company | 0 | 1,393 |
| MetLife Services and Solutions | (519,988) | (573,176) |
| MetLife, Inc. (MET) | (362,755) | (265,286) |
| Metropolitan Casualty Insurance Company | (247,038) | 15,420 |
| Metropolitan Direct Property and Casualty Insurance Company | 401,973 | 169,718 |
| Metropolitan General Insurance Company | (5,926) | 1,065 |
| Metropolitan Group Property and Casualty Insurance Company | (389,512) | 717,287 |
| Metropolitan Lloyds Insurance Company of Texas | 124,020 | (99,947) |
| New England Life Insurance Company | (696) | (2,370) |
| Total | \$ <u><u>(5,230,043)</u></u> | \$ <u><u>(8,237,353)</u></u> |

E. Not Applicable

F. Material management and service contracts and all cost sharing agreements, other than cost allocation arrangements involving the Company or an affiliated insurer are described as follows;

The Company is a party to service agreements with its affiliates, Metropolitan Life Insurance Company, MetLife Services and Solutions, LLC and MetLife Group, Inc. These service agreements provide for personnel, facilities, and equipment to be made available to the Company for a broad range of services to be rendered. Personnel, facilities, equipment, and services are requested by the Company as deemed necessary for its business and operations. These agreements involve cost allocation arrangements, under which the Company pays for all expenses, direct and indirect, reasonably and equitably determined to be attributable to the services provided.

G. The investments the Company holds in its subsidiaries or affiliates are disclosed within the Parents, Subsidiaries and Affiliates section of Schedule D Part 2 Section 2 (Common Stock Owned) and Schedule BA (Other Long-Term Invested Assets).

H. Not Applicable

I. Not Applicable

J. Not Applicable.

K. Not Applicable.

L. Not Applicable.

11. Debt

Not Applicable.

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

A. Defined Benefit Plan

Not Applicable.

B. Not Applicable.

C. Not Applicable.

D. Not Applicable.

E. Defined Contribution Plan

Not Applicable.

F. Multiemployer Plan

Not Applicable.

G. – H. Consolidated/Holding Company Plans – Pension and Postretirement; Postemployment Benefits and Compensated Absences

Savings and Investment Plans - MLIC sponsors and administers qualified and non-qualified defined contribution savings and investment plans in which substantially all employees of the Company participate. A portion of employee contributions are matched in accordance with the terms of the respective plans. Under agreement between the Company and MLIC, the

NOTES TO FINANCIAL STATEMENTS

Company is responsible to reimburse MLIC for any such matching contributions made on behalf of the employees of the Company. The Company made contributions and recognized a corresponding expense of \$7.130 million and \$7.483 million, respectively, related to these plans for the years ended December 31, 2013 and 2012.

Pension Plans - MLIC sponsors and administers a qualified defined benefit pension plan in which all eligible (as defined in the plan) employees and sales representatives of the Company participate. The benefits are determined using a traditional formula or cash balance formula. Under the traditional formula benefits are calculated using years of credited service and either final average or career average earnings. The cash balance formula utilizes hypothetical or notional accounts to which participants are credited with benefits equal to a percentage of eligible pay as well as interest credits.

The Company records a prepaid or accrued pension benefit cost equivalent based on its participation in the qualified pension plan's assets and accrued benefit obligation. The Company recorded prepaid pension benefit cost equivalents of \$85.948 million and \$80.037 million at December 31, 2013 and 2012, respectively. The \$9,474 overfunded status, shown as an asset as of December 31, 2013, was non-admitted. The entire amount of the prepaid pension benefit cost of \$80,037, shown as an asset prior to SSAP 102/92 implementation, was non-admitted as of December 31, 2012.

Under agreement with MLIC, the Company is allocated expense equal to the actuarially determined net periodic benefit cost accrued with respect to its employees. The Company's allocated expense with respect to the qualified defined benefit pension plan was \$22.469 million and \$18.267 million for the years ended December 31, 2013 and 2012, respectively.

The Company reimburses MLIC for any required or discretionary contributions made to the qualified pension plan, determined as an amount equal to the pro-rata portion of the obligation accrued on behalf of the employees of the Company to the total benefit obligation of the plan. During the years ended December 31, 2013 and 2012, the Company's reimbursement to MLIC was \$28.380 million and \$36.600 million, respectively.

MLIC also sponsors and administers a non-qualified defined benefit pension plan that provides benefits, in excess of amounts permitted by government agencies, to certain executive level employees of the Company on substantially the same terms as those of the qualified plan. The Company's allocated expense, equal to the actuarially determined net periodic benefit cost with respect to its employees, for the non-qualified defined benefit pension plan was \$1.329 million and \$1.138 million for the years ended December 31, 2013 and 2012, respectively. At December 31, 2013, the Company reports accrued pension benefit cost under MLIC.

Postemployment and Other Postretirement Benefit Plans - Employees and retirees who meet age and service criteria while working for the Company may become eligible for postemployment and other postretirement medical and life benefits, at various levels, in accordance with the applicable plans. These postemployment and other postretirement benefit plans are also sponsored and administered by MLIC. The Company's allocated expense, equal to the actuarially determined net periodic benefit cost with respect to its employees, for the postemployment and other postretirement benefit plans was \$26.381 million and \$12.809 million for the years ended December 31, 2013 and 2012, respectively. Accrued postemployment and other postretirement benefit cost equivalents, which are included in accrued expenses, were \$94.696 million and \$73.700 million at December 31, 2013 and 2012, respectively. Although MLIC has partially funded the other postretirement and postemployment plans, it has been its practice to fund benefit payments as they come due from general assets. Accordingly, the Company reimbursed MLIC for benefit payments to its retirees and employees in the amount of \$3.755 million and \$4.666 million for the years ended December 31, 2013 and 2012, respectively.

Effective January 1, 2013, the Company adopted SSAP No. 92, *Accounting for Postretirement Benefits Other than Pensions*, ("SSAP 92") and SSAP No. 102, *Accounting for Pensions, A Replacement of SSAP No. 89*, ("SSAP 102"). SSAP 92 and SSAP 102 incorporates aspects of FASB Statement 158, *Employers' Accounting for Deferred Benefit Pension and Other Postretirement Benefit Plans, An Amendment to FASB Statements No. 87, 88, 106 and 132(R)* and FASB Staff Position 132(R) -1 into statutory accounting, with modifications. These SSAPs change current statutory accounting by recognizing a liability for the full unfunded amount determined by comparing the projected benefit obligation for pension plans and the accumulated benefit obligation for other postretirement benefit plans to the fair value of plan assets.

The Company has elected to recognize the transition impact on surplus over a period not exceeding ten years, in accordance with the guidelines. The cumulative effect of adopting this pronouncement will be \$(47,154,000) for pension plans and \$(84,744,000) for other postretirement benefit plans over the deferral period before taxes with a deferred tax asset of \$16,503,900 and \$29,660,400, respectively, resulting in a post-tax cumulative effect of \$(30,650,100) for pension plans and \$(55,083,600) for other postretirement benefit plans.

The entire pension plans cumulative effect on surplus was recognized in 2013. The postretirement benefit plans recognized \$(7,330,000) before taxes with a deferred tax asset of \$2,565,500 for a post-tax cumulative effect of \$(4,764,500) in 2013.

NOTES TO FINANCIAL STATEMENTS

(1) Funded status and net overfunded plan asset (liability) (in millions):

| | Pension Benefits | | Other Benefits | |
|---|--------------------------|------------------------|--------------------------|------------------------|
| | December 31, 2012 | January 1, 2013 | December 31, 2012 | January 1, 2013 |
| Accumulated Benefit Obligation | \$ (444,028,000) | \$ (444,028,000) | | |
| Projected Benefit Obligation | \$ (501,875,000) | \$ (501,875,000) | \$ (97,529,000) | \$ (97,529,000) |
| Plus: Non-Vested Liability | \$ (745,000) | \$ (745,000) | \$ - | \$ - |
| Total Projected Benefit Obligation | \$ (502,620,000) | \$ (502,620,000) | \$ (97,529,000) | \$ (97,529,000) |
| Plan Assets At Fair Value | \$ 455,466,000 | \$ 455,466,000 | \$ 1,871,000 | \$ 1,871,000 |
| Funded Status | \$ (47,154,000) | \$ (47,154,000) | \$ (95,658,000) | \$ (95,658,000) |
| Prior Service Cost/ (Credit) | \$ 1,684,000 | | \$ (10,220,000) | |
| Prior Service Cost (Non-Vested) | \$ 745,000 | | \$ - | |
| Unrecognized Losses (Gains) | \$ 124,762,000 | | \$ 35,904,000 | |
| Total Unrecognized Items | \$ 127,191,000 | \$ - | \$ 25,684,000 | \$ - |
| Net Overfunded Plan Asset/ (Liability for Benefits) | \$ 80,037,000 | \$ 69,512,000 | \$ (69,974,000) | \$ (95,658,000) |

The following table shows the surplus impact of the accounting pronouncement to Pension and Other Benefits:

| | Pension Benefits Jan 1, 2013 | Other Benefits Jan 1, 2013 |
|--|-------------------------------------|-----------------------------------|
| | (In Millions) | (In Millions) |
| Funded status | \$ (47,154,000) | \$ (95,658,000) |
| Accrued (prepaid) benefit cost | \$ (80,037,000) | \$ 10,914,000 |
| Additional minimum liability adjustment | \$ 80,037,000 | \$ - |
| Total transition surplus impact | \$ (47,154,000) | \$ (84,744,000) |
| Minimum transition liability: | | |
| 85b.i or 103b.i - 10% of calculated surplus impact | \$ 4,715,400 | \$ 2,568,400 |
| 85b.ii or 103b.ii - Anticipated annual amortization of unrecognized Items | \$ 10,525,000 | \$ 13,220,000 |
| 85b.iii Difference between unfunded ABO and accrued benefit surplus impact/amortization of remaining surplus | \$ - | N/A |
| Greater of minimum transition liability amounts: 2013 surplus impact | \$ 10,525,000 | \$ 13,220,000 |
| Beginning of Year Adjustment - Milliman | \$ - | \$ (45,143,000) |
| 2013 Gains Used To Offset Transition Surplus Losses | \$ 36,629,000 | \$ 39,253,000 |
| 2013 Transition Surplus impact | \$ 47,154,000 | \$ 7,330,000 |

A portion of the amortized prior service cost and unrecognized items has been recorded through surplus as an offset to the original transition amount in accordance with the guidelines.

(1) The remaining years of transition impact at December 31, 2013 (in millions):

| Year | Pension Benefits | Other Benefits |
|-------------|-------------------------|-----------------------|
| 2014 | - | (40,431,000) |
| 2015 | - | (32,041,000) |
| 2016 | - | (1,794,000) |
| 2017 | - | (1,794,000) |
| 2018 | - | (1,354,000) |
| Total | - | (77,414,000) |

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

Not Applicable.

13. Capital and Surplus, Dividend Restrictions and Quasi Reorganization

- The Company has 315,000 shares authorized, 315,000 shares issued and outstanding of Series C Adjustable Rate Cumulative Preferred Stock with a par value per share of \$1,000 as of December 31, 2013 and a maturity date on or before December 8, 2036. The Company has 1,000 shares authorized, issued, and outstanding of common stock with a par value per share of \$3,000 as of December 31, 2013.
- On December 6, 2006, the Company received approval from the RI DBR, Insurance Division to redeem 315,000 shares of its issued and outstanding Series B Adjustable Rate Preferred Stock and issue 315,000 shares of Series C Adjustable Rate Preferred Stock. In a noncash transaction on December 8, 2006, the Company redeemed 315,000 shares of its Series B Adjustable Preferred Stock and issued 315,000 shares of Series C Adjustable Rate Preferred Stock. The Series C Adjustable Rate Preferred Stock shall be redeemed on or before the December 8, 2036. The dividend payment dates and dividend rates are unchanged from the Series B Adjustable Rate Preferred Stock. Preferred dividends are payable quarterly in arrears beginning February 15, 2007 at the Applicable Rate which will be recalculated on the first business day after each quarterly dividend payment date based on the product of (1 – the highest federal income tax rate for corporations applicable during such dividend period) times (the “AA” Composite Commercial Paper (Financial) Rate + 180 basis points). Dividends paid on preferred stock were \$4,074,070 and \$4,230,818 for the periods ended December 31, 2013 and 2012, respectively. Dividends paid on common stock were \$100,000,000 and \$100,000,000 for the periods ended December 31, 2013 and 2012, respectively.
- Under Rhode Island State Insurance Law, the Company is permitted, without prior insurance regulatory clearance, to pay a

NOTES TO FINANCIAL STATEMENTS

stockholder dividend to its stockholders as long as the aggregate amount of all such dividends in any twelve-month period does not exceed the lesser of (i) 10% of its surplus to policyholders as of the immediately preceding calendar year; or (ii) the next preceding two calendar years net income reduced by capital gains and dividends paid to shareholders. The Company will be permitted to pay a stockholder dividend to its stockholders in excess of the lesser of such two amounts only if it files notice of its intention to declare such a dividend and the amount thereof with the RI DBR, Insurance Division and the RI DBR, Insurance Division does not disapprove the distribution within 30 days of its filing. Under Rhode Island State Insurance Law, the RI DBR, Insurance Division has broad discretion in determining whether the financial condition of a stock property and casualty insurance company would support the payment of such dividends to its shareholders. The maximum amount of the dividend which the Company may pay to its stockholders in 2014 without prior regulatory approval is \$218,496,379.

- (4) On October 23, 2013 the Company's Board of Directors approved an extraordinary cash dividend of up to \$150 million on its outstanding common stock, payable to MetLife on or before December 13, 2013. The Company received approval for this common stock dividend from the RI DBR, Insurance Division on October 28, 2013 and paid a dividend of \$100 million on December 13, 2013. The Company paid extraordinary preferred stock dividends of \$1,056,965, \$992,127.50, \$1,009,872.50, and \$1,015,105 on February 15, 2013, May 15, 2013, August 15, 2013, and November 15, 2013, respectively, to MetLife Credit Corp. The Company received approval for these preferred stock dividends from the RI DBR, Insurance Division on January 16, 2013 for the February dividend payment, on April 15, 2013 for the May dividend payment, on July 11, 2013 for the August dividend payment, and on October 1, 2013 for the November dividend payment.
- (5) Subject to the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (6) - (9)
Not Applicable.
- (10) The portion of unassigned funds (surplus) represented or reduced by unrealized capital gains (losses) was \$116,566,786.
- (11) - (13)
Not Applicable.

14. Contingencies

A. Contingent Commitments

The Company makes commitments to fund partnership investments. The amounts of these unfunded commitments were \$9,612,042 and \$2,263,737 at December 31, 2013 and 2012, respectively. The Company anticipates that these amounts will be invested in partnerships over the next five years. See Schedule BA Part 1 for details.

B. Assessments

(1) Guaranty Fund Assessments

The Company had initially estimated and recorded an accrual related primarily to the Reliance Insurance Company insolvency resulting in a liability of \$6,641,426 and an asset of \$2,828,724 for future premium tax offsets. There is no method to determine as to when these payments will be paid out or when all the premium tax offsets will be taken. The Company recorded charges to operations of \$0 as of December 31, 2010 and December 31, 2008. In June 2007, the accrual for the State of New York was removed. The Reliance insolvency and related accrual for New York is processed as part of the New York Property Casualty Fund. The New York Property Casualty Fund accrual has been included in the taxes, licenses and fees financial statement line. In addition, minor adjustments were made to several states (Florida, Mississippi, New Hampshire, Rhode Island, Missouri, and Tennessee) resulting in a guaranty fund liability of \$4,270,737 and a guaranty fund asset of \$2,683,383 as of December 31, 2010. During 2011, due to the lack of Reliance assessments over the past 5 years, a review of the current accrual was performed. In July 2011 an entry was made to reduce Reliance's liability by \$2,777,332 and to reduce Reliance's asset by \$1,605,199. This resulted in a guaranty fund liability of \$1,493,405 and a guaranty fund asset of \$1,078,184 as of December 31, 2011. There were no adjustments made in 2012. As of December 31, 2012 the asset remained at \$1,078,184 while the liability remained at \$1,493,405. There was a slight adjustment in 2013 reducing the guaranty fund asset by \$4,061 and the liability by \$8,374. As of December 31, 2013 the asset total is \$1,074,123 and the liability is \$1,485,031.

(2) Other Assessments

None

C. Gain Contingencies

Not Applicable.

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

The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits:

| | | Direct |
|--|----|-----------|
| Claims related ECO and bad faith losses paid during the reporting period | \$ | 1,478,500 |

NOTES TO FINANCIAL STATEMENTS

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

| (a) 0-25 Claims | (b) 26-50 Claims | (c) 51-100 Claims | (d) 101-500 Claims | (e) More than 500 Claims |
|----------------------|-----------------------|------------------------|-------------------------|-------------------------------|
| X | | | | |

Indicate whether claim count information is disclosed per claim or per claimant.

(f) Per Claim [X] (g) Per Claimant []

E. Product Warranties

Not Applicable.

F. All Other Contingencies

All of the information in this footnote is being reported on combined basis for the Company and its subsidiaries and affiliates.

A purported class action has been filed against the Company in Oklahoma. The suit claims breach of contract and fraud arising from the alleged use of preferred provider organizations to reduce medical provider fees covered by the medical claims portion of the insurance policy. The Company's motion to dismiss the suit was denied. The plaintiff's motion for class certification was denied. The plaintiff's individual claims for bad faith and breach of contract remain.

A putative class action has been brought by an Arizona insured in Rhode Island federal court. The plaintiff alleges that the Company has been making automobile total loss settlements in breach of its contract and in bad faith. The suit claims that the Company is breaching its contract by not honoring its V550 endorsement which provides full replacement cost coverage for vehicles that have been owned for less than one year and have been driven less than 15,000 miles. The court granted the Company's motion to dismiss the claim for unjust enrichment and noted that the plaintiff had conceded that he will not pursue a separate tort claim for bad faith. The Company has been vigorously defending this action.

A punitive class action has been filed in Arkansas state court alleging that the Company breached the insurance contract and engaged in bad faith by utilizing the Colossus bodily injury evaluation tool. The purported class action included Arkansas insureds who made first party uninsured/underinsured bodily injury claims. The suit alleges that Colossus systematically undervalues these bodily injury claims. The Company has removed the case to federal court and is vigorously defending the action.

The Company has appealed to the Rhode Island Supreme Court a judgment for \$1,750,000 in favor of a Rhode Island body shop who alleged that the Company engaged in abuse of process by instigating a criminal investigation into its practices. Allegations of tortious interference, malicious prosecution, and violation of the Rhode Island Deceptive Trade Practices Act were dismissed prior to the two-week trial. Arguments before the Court are expected during its 2013-2014 term.

A former Property and Casualty Specialist filed a national putative collective action in the United States District Court for the District of Arizona. The complaint alleges that the Company improperly classified Property and Casualty Specialists ("PCS's") in violation of the Fair Labor Standards Act (the "FLSA"). The plaintiff seeks overtime compensation, interest, statutory penalties, reasonable attorneys' fees and litigation costs and damages. Others have joined the action by filing opt-in notices with the court. The court granted plaintiff's motion for conditional certification of the collective action, authorizing notice to certain present and former PCS's and discovery is underway.

Various litigation claims, and assessments against the Company, in addition to those discussed above and those otherwise provided for in the Company's financial statements, have arisen in the course of the Company's business, including but not limited to, in connection with its activities as an insurer, employer and taxpayer. Further, state insurance regulatory authorities and other federal and state authorities regularly make inquiries and conduct investigations concerning the Company's compliance with applicable insurance and other laws and regulations.

It is not feasible to predict or determine the ultimate outcome of all pending investigations and legal proceedings or provide reasonable ranges of potential losses, except as noted above in connection with specific matters. In some of the matters referred to above, very large and/or indeterminate amounts, including punitive and treble damages, are sought. Although in light of these considerations it is possible that an adverse outcome in certain cases could have a material adverse effect upon the Company's financial position, based on information currently known by the Company's management, in its opinion, the outcomes of such pending investigations and legal proceedings are not likely to have such an effect. However, given the large and/or indeterminate amounts sought in certain of these matters and the inherent unpredictability of litigation, it is possible that an adverse outcome in certain matters could, from time to time, have a material adverse effect on the Company's financial statements.

NOTES TO FINANCIAL STATEMENTS

15. Leases

- A. The Company's total rent expense was \$14,447,106 and \$15,006,350 for 2013 and 2012, respectively. The Company has entered into various lease agreements for office space, fleet vehicles, and other equipment. Rental expense under such leases was \$8,632,316 and \$9,291,649 in 2013 and 2012, respectively. In addition, rental expense includes affiliated rental expense of \$5,814,790 and \$5,714,701 for 2013 and 2012, respectively, charged to the Company pursuant to its service agreements with its affiliates. See Notes 10. B. - C. (3) and 10. F. for details. Future gross minimum rental payments under non-cancelable leases on office space, fleet vehicles, and other equipment are as follows:

| | Year Ended December 31, | |
|------------|----------------------------|-------------------|
| 2014 | \$ | 6,246,450 |
| 2015 | | 3,721,147 |
| 2016 | | 2,679,879 |
| 2017 | | 611,138 |
| 2018 | | 0 |
| Thereafter | | 0 |
| Total | \$ | <u>13,258,614</u> |

- B. Leasing is not a significant part of the Company's business.

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

1. The table below summarizes the notional amount of the Company's financial instruments (derivatives that are designated as effective hedging instruments) with off-balance sheet credit risk:

| | Assets | | Liabilities | |
|---------|-------------------|---------------------|-------------------|-------------------|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| Swaps | \$ - | \$ 6,785,000 | \$ - | \$ - |
| Futures | - | - | - | - |
| Options | - | - | - | - |
| Total | <u>\$ -</u> | <u>\$ 6,785,000</u> | <u>\$ -</u> | <u>\$ -</u> |

2. See Note 8 for a description of the nature and terms of the Company's derivatives, including market risks, cash requirements and related accounting policy.
3. The Company may be exposed to credit-related losses in the event of nonperformance by counterparties to derivatives. Generally, the current credit exposure of the Company's derivatives is limited to the net positive fair value of derivatives at the reporting date after taking into consideration the existence of master netting or similar agreements and any collateral received pursuant to such agreements.

The Company manages its credit risk related to derivatives by entering into transactions with creditworthy counterparties and establishing and monitoring exposure limits. The Company's OTC derivative transactions are generally governed by ISDA Master Agreements which provide for legally enforceable set-off and close-out netting of exposures to specific counterparties in the event of early termination of a transaction, which includes, but is not limited to, events of default and bankruptcy. In the event of an early termination, the Company is permitted to set-off receivables from the counterparty against payables to the same counterparty arising out of all included transactions. Substantially all of the Company's ISDA Master Agreements also include Credit Support Annex provisions which require both the pledging and accepting of collateral in connection with its OTC derivatives.

Off-balance sheet credit exposure is the excess of positive estimated fair value over positive book/adjusted carrying value for the Company's highly effective hedges at the reporting date. All collateral received from counterparties to mitigate credit-related losses is deemed worthless for the purpose of calculating the Company's off-balance sheet credit exposure. The Company had no off-balance sheet credit exposure on its swaps at December 31, 2013. The off-balance sheet credit exposure of the Company's swaps was \$117,283 at December 31, 2012.

4. At December 31, 2013 and 2012, no securities collateral was received by the Company on its derivatives.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities.

- A. Transfers of Receivables Reported as Sales

Not Applicable.

- B. Transfer and Servicing of Financial Assets

Not Applicable.

- C. Wash Sales

1. In the course of the Company's asset management, securities are not sold and reacquired within 30 days of the sale date

NOTES TO FINANCIAL STATEMENTS

to enhance the Company's yield on its investment portfolio. There may be occasional isolated incidents where wash sales occur.

2. The Company had no wash sales with an NAIC designation of 3 or below, or of unrated securities during the year ended December 31, 2013.

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

Not Applicable.

19. Direct Premium Written by Managing General Agents/Third Party Administrators

No managing general agent or third party administrator writes direct premium equal to or greater than 5% of surplus. The only managing general agent or third party administrator the Company transacts with is as follows:

| Name and Address of Managing General Agent And Third Party Administrator | FEI Number | Exclusive Contract | Type Of Business Written | Type of Authority Granted | Direct Written Premium |
|--|---------------|-----------------------|--------------------------------|---------------------------------|------------------------------|
| Seabury & Smith, Inc 200 Clarendon Street, Suite 37 Boston, MA 02116 | 13- 3112276 | No | Automobile / Home / Other | B P | \$ 39,169,546 |

20. Fair Value Measurements

A. (1) Assets and Liabilities Measured and Reported at Estimated Fair Value at Reporting Date*Hierarchy Table*

The following table provides information about financial assets and liabilities measured and reported at estimated fair value at:

| December 31, 2013 | | | | |
|---|---|---|--|--|
| Fair Value Measurements at Reporting Date Using | | | | |
| | Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Admitted Total at Estimated Fair Value |
| In Whole Dollars | | | | |
| Assets | | | | |
| Bonds: | | | | |
| All Other Governments | \$ - | \$ 273,000 | \$ - | \$ 273,000 |
| U.S. Special Revenue and Agencies | \$ - | \$ 21,637,980 | \$ - | \$ 21,637,980 |
| Industrial & Miscellaneous | \$ - | \$ 13,510,717 | \$ - | \$ 13,510,717 |
| Total bonds | <u>\$ -</u> | <u>\$ 35,421,697</u> | <u>\$ -</u> | <u>\$ 35,421,697</u> |
| Perpetual preferred stocks | | | | |
| Industrial & Miscellaneous | \$ - | \$ 125,985,190 | \$ 14,937,250 | \$ 140,922,440 |
| Derivative assets: (1) | | | | |
| Foreign currency exchange rate | \$ - | \$ 128,103 | \$ - | \$ 128,103 |
| Total derivative assets | <u>-</u> | <u>128,103</u> | <u>-</u> | <u>128,103</u> |
| Total assets | <u>\$ -</u> | <u>\$ 161,534,990</u> | <u>\$ 14,937,250</u> | <u>\$ 176,472,240</u> |
| Liabilities | | | | |
| Derivative liabilities (1) | | | | |
| Foreign currency exchange rate | \$ - | \$ 334,605 | \$ - | \$ 334,605 |
| Credit | \$ - | \$ 48,944 | \$ - | \$ 48,944 |
| Total liabilities | <u>\$ -</u> | <u>\$ 383,549</u> | <u>\$ -</u> | <u>\$ 383,549</u> |

- (1) Derivative assets and derivative liabilities presented in the table above represent only those derivatives that are carried at estimated fair value. Accordingly, the amounts above exclude highly effective derivatives carried at amortized cost.

Transfers between Levels 1 and 2 --- During the year ended December 31, 2013, transfers between Levels 1 and 2 were not significant. Transfers between levels are assumed to occur at the beginning of the period.

(2) Assets and Liabilities Measured and Reported at Estimated Fair Value at Reporting Date*Rollforward Table – Level 3 Assets and Liabilities*

A rollforward of the estimated fair value measurements for all assets and liabilities measured and reported at estimated fair value using significant unobservable (Level 3) inputs for their respective time periods is as follows:

NOTES TO FINANCIAL STATEMENTS

Estimated Fair Value Measurements in Level 3 of the Fair Value Hierarchy

| | Balance at January 1, 2013 | Transfer Into Level 3 ⁽¹⁾ | Transfer Out of Level 3 ⁽¹⁾ | Total Gains and Losses included in Net Income ⁽²⁾ | Total Gains and Losses included in Capital and Surplus | Purchases ⁽³⁾ | Sales ⁽³⁾ | Balance at December 31, 2013 |
|--------------------------------------|----------------------------------|--|---|---|--|--------------------------|----------------------|------------------------------------|
| Assets | | | | | | | | |
| Bonds: | | | | | | | | |
| U.S. Special Revenue and Agencies | \$ 12,120,000 | \$ - | \$ (8,120,000) | \$ - | \$ - | \$ - | \$ (4,000,000) | \$ - |
| Industrial & Miscellaneous | \$ 202,794 | \$ - | \$ (202,794) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total bonds | \$ 12,322,794 | \$ - | \$ (8,322,794) | \$ - | \$ - | \$ - | \$ (4,000,000) | \$ - |
| Perpetual preferred stocks | | | | | | | | |
| Industrial & Miscellaneous | \$ 14,564,750 | \$ - | \$ - | \$ - | \$ 372,500 | \$ - | \$ - | \$ 14,937,250 |
| Total assets | \$ 26,887,544 | \$ - | \$ (8,322,794) | \$ - | \$ 372,500 | \$ - | \$ (4,000,000) | \$ 14,937,250 |

(1) When the following activity occurs, it is reported within the transfer into Level 3 and transfer out of Level 3 columns of the rollforward schedule, as appropriate: a) securities that were measured at amortized cost at the beginning of the period, but were measured at estimated fair value at the end of the period, as estimated fair value was less than amortized cost at the end of the period - reported within transfer into Level 3 column; b) securities that were measured at estimated fair value at the beginning of the period, as estimated fair value was less than amortized cost at the beginning of the period, but were measured at amortized cost at the end of the period, as estimated fair value was greater than amortized cost at the end of the period - reported within transfer out of Level 3 column; c) transfers of securities between sector classifications that are not transfers into or out of Level 3. Total gains and (losses) (in earnings and capital and surplus) are calculated assuming transfers into (out) of Level 3 occurred at the beginning of the period. Items transferred into and out in the same period are excluded from the rollforward.

(2) Interest and dividend accruals, as well as cash interest coupons and dividends received, are excluded from the rollforward.

(3) The amount reported within purchases, sales, issuances and settlements is the purchase/issuance price (for purchases and issuances) and the sales/settlement proceeds (for sales and settlements) based upon the actual date purchased/issued or sold/settled.

Transfers between Levels

Overall, transfers between levels occur when there are changes in the observability of inputs and market activity. Transfers into or out of any level are assumed to occur at the beginning of the period.

Transfers into or out of Level 3:

Transfers into or out of Level 3 are presented in the table above. Assets and liabilities are transferred into Level 3 when a significant input cannot be corroborated with market observable data. This occurs when market activity decreases significantly and underlying inputs cannot be observed, current prices are not available, and/or when there are significant variances in quoted prices, thereby affecting transparency. Assets and liabilities are transferred out of Level 3 when circumstances change such that significant inputs can be corroborated with market observable data. This may be due to a significant increase in market activity, a specific event, or one or more significant input(s) becoming observable.

During the year ended December 31, 2013, transfers out of Level 3 for bonds of \$8,120,000 resulted primarily from increased transparency of existing issuances for which the Company, over time, was able to corroborate with pricing received from independent pricing services with observable inputs or increases in market activity.

During the year ended December 31, 2013, there were no transfers into Level 3.

(3) Transfers between levels are assumed to occur at the beginning of the period.

(4) Assets and Liabilities Measured and Reported at Estimated Fair Value at Reporting DateValuation Techniques and Inputs for Level 2 and Level 3 Assets and Liabilities by Major Classes of Assets and Liabilities:

The Company determines the estimated fair value of its investments using primarily the market approach and the income approach. The use of quoted prices for identical assets and matrix pricing or other similar techniques are examples of market approaches, while the use of discounted cash flow ("DCF") methodologies is an example of the income approach. The Company attempts to maximize the use of observable inputs and minimize the use of unobservable inputs in selecting whether the market or income approach is used.

The Company categorizes its financial assets and liabilities into a three-level hierarchy, based on the significant input with the lowest level in their valuation. The input levels are as follows. Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that are readily and regularly obtainable. Level 2 - Quoted prices in markets that are not active or inputs that are observable either directly or indirectly. These inputs can include quoted prices for similar but not identical assets or liabilities other than quoted prices in Level 1. Level 3 - Unobservable inputs that are supported by little or no market activity and are significant to the determination of estimated fair value of the assets and liabilities. Unobservable inputs reflect the entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

Level 2 Measurements:

Bonds – Foreign government securities — included within All Other Governments - These securities are principally valued using the market approach. Valuation is based primarily on matrix pricing or other similar techniques using standard market observable inputs including benchmark U.S. Treasury or other yields, issuer ratings, broker-dealer quotes, issuer spreads and reported trades of similar securities, including those within the same sub-sector or with a similar maturity or credit rating.

NOTES TO FINANCIAL STATEMENTS

Bonds - State and political subdivision securities — included within U.S Special Revenue and Agencies - These securities are principally valued using the market approach. Valuation is based primarily on matrix pricing or other similar techniques using standard market observable inputs including benchmark U.S. Treasury yield or other yields, issuer ratings, broker-dealer quotes, issuer spreads and reported trades of similar securities, including those within the same sub-sector or with a similar maturity or credit rating.

Bonds - U.S. corporate and foreign corporate securities - included within Industrial & Miscellaneous - These securities are principally valued using the market and income approaches. Valuation is based primarily on quoted prices in markets that are not active, or using matrix pricing or other similar techniques that use standard market observable inputs such as benchmark yields, spreads off benchmark yields, new issuances, issuer rating, duration, and trades of identical or comparable securities. Investment grade privately placed securities are valued using DCF methodologies using standard market observable inputs, and inputs derived from, or corroborated by, market observable data, including market yield curve, duration, call provisions, observable prices and spreads for similar publicly traded or privately traded securities that incorporate the credit quality and industry sector of the issuer. This level also includes certain below investment grade privately placed fixed maturity securities priced by independent pricing services that use observable inputs.

Bonds - Structured securities comprised of RMBS - included within Industrial & Miscellaneous - These securities are principally valued using the market approach and income approach. Valuation is based primarily on matrix pricing, DCF methodologies or other similar techniques using standard market inputs including spreads for actively traded securities, spreads off benchmark yields, expected prepayment speeds and volumes, current and forecasted loss severity, rating, weighted average coupon, weighted average maturity, average delinquency rates, geographic region, debt-service coverage ratios and issuance-specific information including, but not limited to: collateral type, payment terms of the underlying assets, payment priority within the tranche, structure of the security, deal performance and vintage of loans, etc.

Preferred stock - These securities are principally valued using the market approach where market quotes are available but are not considered actively traded. Valuation is based principally on observable inputs including quoted prices in markets that are not considered active.

Derivative assets and derivative liabilities - This level includes all types of derivatives utilized by the Company. These derivatives are principally valued using the income approach.

Foreign currency exchange rate

Non-option-based - Valuations are based on present value techniques, which utilize significant inputs that may include the swap yield curve, basis curves, currency spot rates and cross currency basis curves.

Credit

Non-option-based - Valuations are based on present value techniques, which utilize significant inputs that may include the swap yield curve, credit curves and recovery rates.

Level 3 Measurements:

In general, investments classified within Level 3 use many of the same valuation techniques and inputs as described in Level 2 Measurements. However, if key inputs are unobservable, or if the investments are less liquid and there is very limited trading activity, the investments are generally classified as Level 3. The use of independent non-binding broker quotations to value investments generally indicates there is a lack of liquidity or the general lack of transparency in the process to develop the valuation estimates generally causing these investments to be classified in Level 3.

Preferred stocks - These securities are principally valued using the market and income approaches. Valuations are based primarily on matrix pricing, DCF methodologies or other similar techniques using inputs such as comparable credit rating and issuance structure. Certain of these securities are valued based on inputs including quoted prices for identical or similar securities that are less liquid and based on lower levels of trading activity than securities classified in Level 2 and independent non-binding broker quotations. Preferred stocks valuations determined with matrix pricing methodologies use inputs such as earnings multiples based on comparable public companies and industry-specific non-earnings based multiples.

B. The Company provides additional fair value information in Note 5.

C. Estimated Fair Value of All Financial Instruments

Information related to the aggregate fair value of the Company's financial instruments is shown below at:

| | December 31, 2013 | | | | | Not Practicable (Carrying Value) |
|---|-------------------------|-------------------------|-----------------------|-------------------------|-----------------------|---|
| | Aggregate Fair Value | Admitted Value | Level 1 | Level 2 | Level 3 | |
| Bonds | \$ 3,096,923,403 | \$ 3,083,881,570 | \$ 92,333,288 | \$ 2,978,463,158 | \$ 26,126,957 | \$ - |
| Preferred stocks | \$ 140,922,440 | \$ 140,922,440 | \$ - | \$ 125,985,190 | \$ 14,937,250 | \$ - |
| Common stocks - affiliated | \$ 823,410,104 | \$ 823,410,104 | \$ - | \$ - | \$ 823,410,104 | \$ - |
| Cash, cash equivalents and short-term investments | \$ (96,599,862) | \$ (96,599,862) | \$ (96,599,862) | \$ - | \$ - | \$ - |
| Investment income due & accrued | \$ 42,247,125 | \$ 42,247,125 | \$ - | \$ 42,247,125 | \$ - | \$ - |
| Derivative assets | \$ 128,103 | \$ 128,103 | \$ - | \$ 128,103 | \$ - | \$ - |
| Derivative liabilities | \$ (1,438,221) | \$ (1,051,688) | \$ - | \$ (1,438,221) | \$ - | \$ - |
| Total | <u>\$ 4,005,593,092</u> | <u>\$ 3,992,937,792</u> | <u>\$ (4,266,574)</u> | <u>\$ 3,145,385,355</u> | <u>\$ 864,474,311</u> | <u>\$ -</u> |

NOTES TO FINANCIAL STATEMENTS

Assets and Liabilities

The methods and significant assumptions used to estimate the fair value of all financial instruments is presented below.

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In most cases, the exit price and the transaction (or entry) price will be the same at initial recognition.

The Company determines the estimated fair value of its investments using primarily the market approach and the income approach. The use of quoted prices for identical assets and matrix pricing or other similar techniques are examples of market approaches, while the use of discounted cash flow ("DCF") methodologies is an example of the income approach. The Company prioritizes the use of observable inputs over unobservable inputs.

The Company categorizes its financial assets and liabilities into a three-level hierarchy, based on the significant input with the lowest level in their valuation. The input levels are as follows. Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that are readily and regularly obtainable. Level 2 - Quoted prices in markets that are not active or inputs that are observable either directly or indirectly. These inputs can include quoted prices for similar but not identical assets or liabilities other than quoted prices in Level 1. Level 3 - Unobservable inputs that are supported by little or no market activity and are significant to the determination of estimated fair value of the assets and liabilities. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

In general, investments classified within Level 3 use many of the same valuation techniques and inputs as described in the Level 2 discussions. However, if key inputs are unobservable, or if the investments are less liquid and there is very limited trading activity, the investments are generally classified as Level 3. The use of independent non-binding broker quotations to value investments generally indicates there is a lack of liquidity or the general lack of transparency in the process to develop the valuation estimates generally causing these investments to be classified in Level 3.

Bonds, Stocks and Cash, Including Affiliated Securities

When available, the estimated fair value for bonds, including loan-backed and structured securities, and unaffiliated preferred stocks are based on quoted prices in active markets that are readily and regularly obtainable. Generally, these investments are classified in Level 1. Generally, these are the most liquid of the Company's securities holdings and valuation of these securities does not involve management's judgment.

When quoted prices in active markets are not available, the determination of estimated fair value is based on market standard valuation methodologies, giving priority to observable inputs. The significant inputs to the market standard valuation methodologies for certain types of securities with reasonable levels of price transparency are inputs that are observable in the market or can be derived principally from or corroborated by observable market data. Generally, these investments are classified in Level 2.

When observable inputs are not available, the market standard valuation methodologies for determining the estimated fair value of certain types of securities that trade infrequently, and therefore have little or no price transparency, rely on inputs that are significant to the estimated fair value that are not observable in the market or cannot be derived principally from or corroborated by observable market data. These unobservable inputs can be based in large part on management's judgment or estimation, and cannot be supported by reference to market activity. Even though these inputs are unobservable, management believes they are consistent with what other market participants would use when pricing such securities and are considered appropriate given the circumstances. Generally, these investments are classified in Level 3.

Excluded from the disclosure are investments accounting for under the equity method including affiliated common stocks.

The use of different methodologies, assumptions and inputs may have a material effect on the estimated fair values of the Company's securities holdings.

The estimated fair value for cash approximates carrying value and is classified as Level 1 given the nature of cash.

The use of different methodologies, assumptions and inputs may have a material effect on the estimated fair values of the Company's securities holdings.

Investment Income Due and Accrued

Due to the short-term nature of investment income due and accrued, the Company believes there is minimal risk of material changes in interest rates or credit of the issuer such that estimated fair value approximates carrying value. These amounts are generally classified as Level 2.

Derivatives

The estimated fair value of OTC derivatives is determined through the use of pricing models. The determination of estimated fair value, when quoted market values are not available, is based on market standard valuation methodologies and inputs that management believes are consistent with what other market participants would use when pricing such instruments. The significant inputs to the pricing models for most OTC derivatives are inputs that are observable in the market or can be derived principally from, or corroborated by, observable market data. Significant inputs that are observable generally include interest rates, foreign currency exchange rates, interest rate curves, credit curves and volatility. Derivative valuations can be affected by changes in interest rates, foreign currency exchange rates, financial indices, credit spreads, default risk, nonperformance risk, volatility, liquidity and changes in estimates and assumptions used in pricing models. Generally, these derivatives are classified in Level 2.

NOTES TO FINANCIAL STATEMENTS

Certain OTC derivatives may rely on inputs that are significant to the estimated fair value that are not observable in the market or cannot be derived principally from, or corroborated by, observable market data. Significant inputs that are unobservable generally include references to emerging market currencies and inputs that are outside the observable portion of the interest rate curve, credit curve, volatility or other relevant market measure. These unobservable inputs may involve significant management judgment or estimation. Even though unobservable, these inputs are based on assumptions deemed appropriate given the circumstances and management believes they are consistent with what other market participants would use when pricing such instruments.

Most inputs for OTC derivatives are mid-market inputs but, in certain cases, liquidity adjustments are used when they are deemed more representative of exit value. Market liquidity, as well as the use of different methodologies, assumptions and inputs may have a material effect on the estimated fair values of the Company's derivatives and could materially affect the net change in capital and surplus.

D. At December 31, 2013 the Company had no investments where it is not practicable to estimate fair value.

21. Other Items

A. Extraordinary Items

Not Applicable.

B. Troubled Debt Restructuring

Not Applicable.

C. Other Disclosures

- (1) The Company has elected to use truncation in reporting amounts on all parts of Schedule D. Some Schedules and Exhibits may not agree due to rounding.
- (2) Management fees paid to MLIC totaled \$276,793,624 and \$243,828,020 for the periods ended December 31, 2013 and 2012, respectively. These charges were allocated to the proper expense classifications based on information provided by MLIC.
- (3) Effective January 1, 2001, the NAIC and most state insurance departments implemented a comprehensive guide to Statutory Accounting Principles (Codification). These Accounting Practices and Procedures produced an increase to surplus for the Company in 2001 as a result of the recognition of deferred federal income taxes.
- (4) The Company contributed \$5,000 to the political action committee MetLife Political Participation Fund B as of December 31, 2013.
- (5) Supplement to Interrogatory No. 18: As part of a MetLife enterprise-wide Code of Conduct Certification, the Chief Compliance Officer is designated with the responsibility to oversee such disclosures. Following that review, a summary report is sent to the Chairman of the Board of Directors of MetLife, Inc.

D. Business Interruption Insurance Recoveries

Not Applicable.

E. State Transferable and Non-transferable Tax Credits

Not Applicable.

F. Subprime-Mortgage-Related Risk Exposure

At December 31, 2013, the Company had direct exposure to subprime mortgage risk through other investments as follows:

| | Actual Cost | Book Adjusted Carry Value | Fair Value | Realized Gain (Loss) On Impairment |
|---|----------------|------------------------------|---------------|--|
| Residential Mortgage Backed Securities | \$125,159 | \$125,404 | \$112,252 | \$0 |
| Commercial Mortgage Backed Securities | 0 | 0 | 0 | 0 |
| Collateralized Debt Obligations | 0 | 0 | 0 | 0 |
| Structured Securities | 0 | 0 | 0 | 0 |
| Equity Investments in subsidiary, controlled or affiliated entities | 0 | 0 | 0 | 0 |
| Other Assets | 0 | 0 | 0 | 0 |
| Total | \$125,159 | \$125,404 | \$112,252 | \$0 |

While there is no market standard definition, the Company defines subprime mortgage lending as the origination of residential mortgage loans to borrowers with weak credit profiles. The Company's exposure to subprime mortgage loans exists through investments in subprime RMBS. The Company has exposure to unrealized losses due to a reduction in fair value. Over the past few years, the Company has managed its exposure to subprime mortgage lending by reducing its overall exposure, increasing the credit quality of the portfolio, stress testing the portfolio with severe loss assumptions and closely monitoring the performance of the portfolio. Based upon the analysis of the Company's exposure to subprime mortgages through its investments in RMBS, the Company expects to receive payments in accordance with the contractual terms of the securities.

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G. Obligations Resulting from Joint and Several Liability Arrangements

Not Applicable.

22. Events Subsequent

The Company has evaluated events subsequent to December 31, 2013, through February 18, 2014, which is the date these financial statements were available to be issued, and have determined there are no material subsequent events requiring adjustment to or disclosure in the financial statements.

23. Reinsurance

A. Unsecured Reinsurance Recoverables

The Company does not have unsecured aggregate recoverable losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premiums with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company's policyholder surplus.

The Company has significant unsecured aggregate recoverables with the federal government and mandatory state pools and associations in the amount of \$57,327,004, \$7,955,787, and \$10,833,757 with Michigan Catastrophic Claims Association (Federal ID AA-9991159), National Flood Insurance Program (Federal ID AA-9992201), and North Carolina Reinsurance Facility (Federal ID AA-9991139), respectively.

The Michigan Catastrophic Claims Association (MCCA), a private non-profit unincorporated association, was created by the state Legislature in 1978. Michigan's unique auto insurance no-fault law provides unlimited lifetime coverage for medical expenses which result from auto accidents. The MCCA reimburses auto no-fault insurance companies for each Personal Injury Protection (PIP) medical claim paid in excess of a set amount. Currently that amount is \$500,000. This means that the insurance company pays the entire claim, but is reimbursed by the MCCA for medical costs over \$500,000. All auto insurance companies operating in Michigan are required to participate and are assessed to cover the catastrophic medical claims occurring in Michigan. Those assessments are generally passed on to auto insurance policyholders.

The unsecured aggregate recoverable for the National Flood Insurance Program are part of the Write Your Own (WYO) Program which began in 1983 and is a cooperative undertaking of the insurance industry and FEMA. The WYO Program allows participating property and casualty insurance companies to write and service the Standard Flood Insurance Policy in their own names. The companies receive an expense allowance for policies written and claims processed while the Federal Government retains responsibility for underwriting losses. The WYO Program operates as part of the NFIP, and is subject to its rules and regulations.

NC Reinsurance Facility is a mandatory risk pool in which all direct writers of automobile coverage in the state require participation. The underlying security of this pool is backed by every insurance company, which writes automobile insurance. In the worst case scenario, if a company that participates becomes insolvent, that company's share of the pool losses would be distributed on a pro rata basis to the remaining writers in the state. The Company has participated in mandatory reinsurance facilities over a substantial number of years and has never experienced a reinsurance write-off.

B. Reinsurance Recoverable in Dispute

Not Applicable.

C. Reinsurance Assumed and Ceded

| (1) | Assumed Reinsurance | | Ceded Reinsurance | | Net | |
|--------------|-----------------------|-------------------|----------------------|---------------------|-----------------------|-----------------------|
| | Premium Reserve | Commission Equity | Premium Reserve | Commission Equity | Premium Reserve | Commission Equity |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Affiliates | \$ 861,039,952 | \$ 0 | \$ 0 | \$ 0 | \$ 861,039,952 | \$ 0 |
| All Other | 2,120,670 | 525,293 | 17,627,622 | 5,590,177 | (15,506,952) | (5,064,884) |
| Total | \$ 863,160,622 | \$ 525,293 | \$ 17,627,622 | \$ 5,590,177 | \$ 845,533,000 | \$ (5,064,884) |

Direct Unearned Premium Reserve \$660,691,161

(2) The additional or return commission, predicted on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements are accrued as follows:

| | Direct | Assumed | Ceded | Net |
|--------------------------------------|---------------------|---------------------|-------------|----------------------|
| Contingent Commission | \$ 6,491,581 | \$ 8,914,808 | \$ 0 | \$ 15,406,389 |
| Sliding Scale Adjustments | 0 | 0 | 0 | 0 |
| Other Profit Commission Arrangements | 0 | 0 | 0 | 0 |
| Total | \$ 6,491,581 | \$ 8,914,808 | \$ 0 | \$ 15,406,389 |

D. Uncollectible Reinsurance

Not Applicable.

NOTES TO FINANCIAL STATEMENTS

E. Commutation of Ceded Reinsurance

Not Applicable.

F. Retroactive Reinsurance

Not Applicable.

G. Reinsurance Accounted for as a Deposit

Not Applicable.

H. Transfer of Property and Casualty Run-Off Agreements

Not Applicable.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not Applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not Applicable.

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$787 million from \$1,554 million in 2012 to \$767 million in 2013. The prior year reserves have decreased principally for the private passenger auto liability and homeowners lines of insurance. The ultimate losses and loss adjustment expenses for the prior years have also decreased for most lines, but to a lesser extent. This is shown in Schedule P. The Company has no retrospectively rated policies.

26. Intercompany Pooling Arrangements

Not Applicable.

27. Structured Settlements

A. The Company has purchased annuities with the claimant as payee for which the Company has a contingent liability. The Company eliminated its loss reserves for these claims at the time the annuities were purchased. A contingent liability exists to the extent that the issuers of the annuity contracts become unable to fulfill their contractual obligations. The present value of all annuity contracts still in force at December 31, 2013 was \$187,157,271. If the Company became responsible for any payments under these annuities, such payments could possibly be reduced by reinsurance recoverables.

| <u>Loss Reserves</u> | <u>Unrecorded Loss</u> |
|----------------------|------------------------|
| <u>Eliminated by</u> | <u>Contingencies</u> |
| <u>Annuities</u> | |
| \$187,157,271 | \$0 |

B. The Company has not purchased any annuities for which it has not obtained a release of liability from the claimant/annuitant as a result of the purchase of an annuity as of December 31, 2013.

28. Health Care Receivables

Not Applicable.

29. Participating Policies

Not Applicable.

30. Premium Deficiency Reserves

- Liability carried for premium deficiency reserves: \$17,667
- Date of the most recent evaluation of this liability: December 31, 2013
- Was anticipated investment income utilized in the calculation? Yes No

The Company had liabilities of \$17,667 and \$7,605 related to premium deficiency reserves as of December 31, 2013 and 2012, respectively. The Company did consider anticipated investment income when calculating its premium deficiency reserves. The reserves are the result of the Company's participation in the Florida Automobile Joint Underwriting Association.

31. High Deductibles

Not Applicable.

NOTES TO FINANCIAL STATEMENTS

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

Not Applicable.

33. Asbestos/Environmental (Mass Tort) Reserves

Not Applicable.

34. Subscriber Savings Accounts

Not Applicable.

35. Multiple Peril Crop Insurance

Not Applicable.

36. Financial Guaranty Insurance

Not Applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
 If yes, complete Schedule Y, Parts 1, 1A and 2.

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

1.3 State regulating? Rhode Island

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No

2.2 If yes, date of change: N/A

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011

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. 12/31/2011

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). 05/28/2013

3.4 By what department or departments?
Rhode Island Insurance Division / Department of Business Regulation

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes No

4.12 renewals? Yes No

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

4.21 sales of new business? Yes No

4.22 renewals? Yes No

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

5.2 If yes, provide the name of 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 |
|---------------------|--------------------|------------------------|
| Not Applicable | | |

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

6.2 If yes, give full information:
Not Applicable

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

7.2 If yes, 0.000 %

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

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

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

8.4 If 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 |
|--|-----------------------------|----------|----------|-----------|----------|
| MetLife Advisers, LLC | Boston, MA | | | | YES |
| MetLife Investment Management, LLC | Wilmington, DE | | | | YES |
| MetLife Investors Distribution Company | Irvine, CA | | | | YES |
| MetLife Securities, Inc. | New York, NY | | | | YES |
| New England Securities Corporation | Boston, MA | | | | YES |

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche, LLP 30 Rockefeller Plaza, New York, NY 10112-0015

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

- 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.
Not Applicable

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?
Lise Hasegawa, Vice President, 700 Quaker Lane, Warwick, RI 02886, Officer of Metropolitan Property and Casualty Insurance Company
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company
-
- 12.12 Number of parcels involved0
- 12.13 Total book/adjusted carrying value \$.....0
- 12.2 If yes, provide explanation.

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
-
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
-
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).

- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

| 1 | 2 | 3 | 4 |
|---|---------------------------------|---|--------|
| American Bankers Association (ABA) Routing Number | Issuing or Confirming Bank Name | Circumstances That Can Trigger the Letter of Credit | 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 [] No [X]

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 \$.....0
- 21.22 Borrowed from others \$.....0
- 21.23 Leased from others \$.....0
- 21.24 Other \$.....0

PART 1 - COMMON INTERROGATORIES - FINANCIAL

- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....0
- 22.22 Amount paid as expenses \$.....0
- 22.23 Other amounts paid \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 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.
 Certain securities on deposit with States. JP Morgan Chase Bank is the custodian for all securities under the Company's exclusive control.

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).
 Not Applicable

- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [X] No [] N/A []
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [] N/A []
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] 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 [X]
- 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. \$.....0
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....0
- 24.103 Total payable for securities lending reported on the liability page. \$.....0
- 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 [X] No []
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$.....0
- 25.22 Subject to reverse repurchase agreements \$.....0
- 25.23 Subject to dollar repurchase agreements \$.....0
- 25.24 Subject to reverse dollar repurchase agreements \$.....0
- 25.25 Pledged as collateral \$.....552,062
- 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 \$.....4,804,351
- 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 [X] No []
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [X] 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 [X]
- 27.2 If yes, state the amount thereof at December 31 of the current year: \$.....0

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

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

| 1 Name of Custodian(s) | 2 Custodian's Address |
|---------------------------|--|
| JPMorgan Chase & Co. | 4 New York Plaza - 12th Floor, New York, NY, 10004 |

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

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

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

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

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

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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 |
|--|-----------------------|-------------------------------------|
| 4095 | Daniel Adler | 200 Park Avenue, New York, NY 10166 |
| 4095 | Atif Ahabab | 200 Park Avenue, New York, NY 10166 |
| 4095 | Vince Allilaire | 200 Park Avenue, New York, NY 10166 |
| 4095 | Stuart Ashton | 200 Park Avenue, New York, NY 10166 |
| 4095 | Ernest Asp | 200 Park Avenue, New York, NY 10166 |
| 4095 | Chris Bajak | 200 Park Avenue, New York, NY 10166 |
| 4095 | Consuelo Baraona | 200 Park Avenue, New York, NY 10166 |
| 4095 | James Barker | 200 Park Avenue, New York, NY 10166 |
| 4095 | Matthew Bowen | 200 Park Avenue, New York, NY 10166 |
| 4095 | Ashleigh Breeden | 200 Park Avenue, New York, NY 10166 |
| 4095 | Steve Bruno | 200 Park Avenue, New York, NY 10166 |
| 4095 | Susan Buffum | 200 Park Avenue, New York, NY 10166 |
| 4095 | Christopher Celio | 200 Park Avenue, New York, NY 10166 |
| 4095 | Eric Chan | 200 Park Avenue, New York, NY 10166 |
| 4095 | Hank Chang | 200 Park Avenue, New York, NY 10166 |
| 4095 | Jason Chapin | 200 Park Avenue, New York, NY 10166 |
| 4095 | Daniel Chen | 200 Park Avenue, New York, NY 10166 |
| 4095 | Sharon Chen | 200 Park Avenue, New York, NY 10166 |
| 4095 | Yang Chen | 200 Park Avenue, New York, NY 10166 |
| 4095 | Ernesto Chesculescu | 200 Park Avenue, New York, NY 10166 |
| 4095 | Alejandro Conte-Grand | 200 Park Avenue, New York, NY 10166 |
| 4095 | Mario Cortes | 200 Park Avenue, New York, NY 10166 |
| 4095 | Claudia Cromie | 200 Park Avenue, New York, NY 10166 |
| 4095 | Christian Crosby | 200 Park Avenue, New York, NY 10166 |
| 4095 | Filipe Cunha | 200 Park Avenue, New York, NY 10166 |
| 4095 | Michael De Fazio | 200 Park Avenue, New York, NY 10166 |
| 4095 | Reka Deim | 200 Park Avenue, New York, NY 10166 |
| 4095 | Joe DellaValle | 200 Park Avenue, New York, NY 10166 |
| 4095 | Joseph Demetrick | 200 Park Avenue, New York, NY 10166 |
| 4095 | Andy DeRosa | 200 Park Avenue, New York, NY 10166 |
| 4095 | Francis Diebold | 200 Park Avenue, New York, NY 10166 |
| 4095 | Kim Dowling | 200 Park Avenue, New York, NY 10166 |
| 4095 | Nancy Doyle | 200 Park Avenue, New York, NY 10166 |
| 4095 | Jean-Luc Eberlin | 200 Park Avenue, New York, NY 10166 |
| 4095 | Michael Fania | 200 Park Avenue, New York, NY 10166 |
| 4095 | David Farrell | 200 Park Avenue, New York, NY 10166 |
| 4095 | Richard Federico | 200 Park Avenue, New York, NY 10166 |
| 4095 | Michael Finn | 200 Park Avenue, New York, NY 10166 |
| 4095 | Eric Fitzgerald | 200 Park Avenue, New York, NY 10166 |
| 4095 | William Gardner | 200 Park Avenue, New York, NY 10166 |
| 4095 | Fei Ge | 200 Park Avenue, New York, NY 10166 |
| 4095 | Elyse Goldschmidt | 200 Park Avenue, New York, NY 10166 |
| 4095 | Adam Goodman | 200 Park Avenue, New York, NY 10166 |
| 4095 | Sacha Green | 200 Park Avenue, New York, NY 10166 |
| 4095 | Dominic Guillossou | 200 Park Avenue, New York, NY 10166 |
| 4095 | Judy Gulotta | 200 Park Avenue, New York, NY 10166 |
| 4095 | Patricio Gutierrez | 200 Park Avenue, New York, NY 10166 |
| 4095 | Laura Hames | 200 Park Avenue, New York, NY 10166 |
| 4095 | Dean Hamilton | 200 Park Avenue, New York, NY 10166 |
| 4095 | Daniel Harrison | 200 Park Avenue, New York, NY 10166 |
| 4095 | Nicol Helm | 200 Park Avenue, New York, NY 10166 |
| 4095 | Marianne Herse | 200 Park Avenue, New York, NY 10166 |
| 4095 | Norman Hu | 200 Park Avenue, New York, NY 10166 |
| 4095 | Sean Huang | 200 Park Avenue, New York, NY 10166 |
| 4095 | Scott Isley | 200 Park Avenue, New York, NY 10166 |
| 4095 | Henry Jai | 200 Park Avenue, New York, NY 10166 |
| 4095 | Smita Jain | 200 Park Avenue, New York, NY 10166 |
| 4095 | Robin Jenner | 200 Park Avenue, New York, NY 10166 |
| 4095 | Chris Johnson | 200 Park Avenue, New York, NY 10166 |
| 4095 | Aoife Kaufman | 200 Park Avenue, New York, NY 10166 |
| 4095 | Kevin Kelly | 200 Park Avenue, New York, NY 10166 |
| 4095 | Leo Kelser | 200 Park Avenue, New York, NY 10166 |
| 4095 | Chris Kemendo | 200 Park Avenue, New York, NY 10166 |
| 4095 | Vivian Kim | 200 Park Avenue, New York, NY 10166 |
| 4095 | Brian Kish | 200 Park Avenue, New York, NY 10166 |
| 4095 | Ming Kuang | 200 Park Avenue, New York, NY 10166 |
| 4095 | Wai Lee | 200 Park Avenue, New York, NY 10166 |
| 4095 | Jason Leinwand | 200 Park Avenue, New York, NY 10166 |
| 4095 | John Lima | 200 Park Avenue, New York, NY 10166 |
| 4095 | Stacey Lituchy | 200 Park Avenue, New York, NY 10166 |
| 4095 | Clive Long | 200 Park Avenue, New York, NY 10166 |
| 4095 | Carson Lu | 200 Park Avenue, New York, NY 10166 |
| 4095 | Sean Lyng | 200 Park Avenue, New York, NY 10166 |

PART 1 - COMMON INTERROGATORIES - INVESTMENT

| | | |
|------|-----------------------|-------------------------------------|
| 4095 | Ewan Macaulay | 200 Park Avenue, New York, NY 10166 |
| 4095 | Kenneth Mahon | 200 Park Avenue, New York, NY 10166 |
| 4095 | Jason Manske | 200 Park Avenue, New York, NY 10166 |
| 4095 | Edward Mashkovich | 200 Park Avenue, New York, NY 10166 |
| 4095 | Joseph Mazon | 200 Park Avenue, New York, NY 10166 |
| 4095 | John Mazzullo | 200 Park Avenue, New York, NY 10166 |
| 4095 | William McGettigan | 200 Park Avenue, New York, NY 10166 |
| 4095 | Matthew McInerney | 200 Park Avenue, New York, NY 10166 |
| 4095 | Mansi Mehta | 200 Park Avenue, New York, NY 10166 |
| 4095 | Justin Minogue | 200 Park Avenue, New York, NY 10166 |
| 4095 | Steven Molino | 200 Park Avenue, New York, NY 10166 |
| 4095 | Frank Monfalcone | 200 Park Avenue, New York, NY 10166 |
| 4095 | Marco Morandi | 200 Park Avenue, New York, NY 10166 |
| 4095 | William Moretti | 200 Park Avenue, New York, NY 10166 |
| 4095 | May Moy | 200 Park Avenue, New York, NY 10166 |
| 4095 | Christopher Muchmore | 200 Park Avenue, New York, NY 10166 |
| 4095 | Nancy Handal Mueller | 200 Park Avenue, New York, NY 10166 |
| 4095 | Mei-Ling Ng | 200 Park Avenue, New York, NY 10166 |
| 4095 | Ron Nirenberg | 200 Park Avenue, New York, NY 10166 |
| 4095 | Joel Nybeck | 200 Park Avenue, New York, NY 10166 |
| 4095 | Camila Oliveira | 200 Park Avenue, New York, NY 10166 |
| 4095 | Anne Laure Orosco | 200 Park Avenue, New York, NY 10166 |
| 4095 | Alvaro Otarola | 200 Park Avenue, New York, NY 10166 |
| 4095 | Francisco Paez | 200 Park Avenue, New York, NY 10166 |
| 4095 | Reena Pally | 200 Park Avenue, New York, NY 10166 |
| 4095 | Edward Palmer | 200 Park Avenue, New York, NY 10166 |
| 4095 | Tracy Pamperl | 200 Park Avenue, New York, NY 10166 |
| 4095 | Hubert Penot | 200 Park Avenue, New York, NY 10166 |
| 4095 | Juan Peruyero | 200 Park Avenue, New York, NY 10166 |
| 4095 | Kearny Posner | 200 Park Avenue, New York, NY 10166 |
| 4095 | Jennifer Potenta | 200 Park Avenue, New York, NY 10166 |
| 4095 | Naomi Prasad | 200 Park Avenue, New York, NY 10166 |
| 4095 | Adolfo PuenteArnao | 200 Park Avenue, New York, NY 10166 |
| 4095 | Adrian Pysariwsky | 200 Park Avenue, New York, NY 10166 |
| 4095 | Andrea Quezada | 200 Park Avenue, New York, NY 10166 |
| 4095 | Juan Raffetto | 200 Park Avenue, New York, NY 10166 |
| 4095 | Arvindh Rao | 200 Park Avenue, New York, NY 10166 |
| 4095 | Brad Rhoads | 200 Park Avenue, New York, NY 10166 |
| 4095 | David Richter | 200 Park Avenue, New York, NY 10166 |
| 4095 | Sean Ritter | 200 Park Avenue, New York, NY 10166 |
| 4095 | Douglas Roach | 200 Park Avenue, New York, NY 10166 |
| 4095 | Maria Rojas | 200 Park Avenue, New York, NY 10166 |
| 4095 | Mark Rooney | 200 Park Avenue, New York, NY 10166 |
| 4095 | John Rosenthal | 200 Park Avenue, New York, NY 10166 |
| 4095 | Jason Rothenberg | 200 Park Avenue, New York, NY 10166 |
| 4095 | Justin Ryvicker | 200 Park Avenue, New York, NY 10166 |
| 4095 | Sanket Sant | 200 Park Avenue, New York, NY 10166 |
| 4095 | Jonathan Schlein | 200 Park Avenue, New York, NY 10166 |
| 4095 | Bijal Shah | 200 Park Avenue, New York, NY 10166 |
| 4095 | Matthew Sheedy | 200 Park Avenue, New York, NY 10166 |
| 4095 | Saif Showki | 200 Park Avenue, New York, NY 10166 |
| 4095 | Michael Sing | 200 Park Avenue, New York, NY 10166 |
| 4095 | Thomas Smith | 200 Park Avenue, New York, NY 10166 |
| 4095 | Todd Stockton | 200 Park Avenue, New York, NY 10166 |
| 4095 | Alex Strickler | 200 Park Avenue, New York, NY 10166 |
| 4095 | Paulina Szymankiewicz | 200 Park Avenue, New York, NY 10166 |
| 4095 | John Tanyeri | 200 Park Avenue, New York, NY 10166 |
| 4095 | Jeff Tapper | 200 Park Avenue, New York, NY 10166 |
| 4095 | Ivan Tonra | 200 Park Avenue, New York, NY 10166 |
| 4095 | William Turner | 200 Park Avenue, New York, NY 10166 |
| 4095 | Tracy Tynan | 200 Park Avenue, New York, NY 10166 |
| 4095 | Mirsad Usejnoski | 200 Park Avenue, New York, NY 10166 |
| 4095 | Jason Valentino | 200 Park Avenue, New York, NY 10166 |
| 4095 | Philip Varughese | 200 Park Avenue, New York, NY 10166 |
| 4095 | Peter Venter | 200 Park Avenue, New York, NY 10166 |
| 4095 | Scott Waterstredt | 200 Park Avenue, New York, NY 10166 |
| 4095 | Daniel West | 200 Park Avenue, New York, NY 10166 |
| 4095 | Michael Williams | 200 Park Avenue, New York, NY 10166 |
| 4095 | John Wills | 200 Park Avenue, New York, NY 10166 |
| 4095 | Jim Wiviott | 200 Park Avenue, New York, NY 10166 |
| 4095 | Erchen Yan | 200 Park Avenue, New York, NY 10166 |
| 4095 | Michael Yick | 200 Park Avenue, New York, NY 10166 |
| 4095 | David Yu | 200 Park Avenue, New York, NY 10166 |
| 4095 | Deidra Zablocki | 200 Park Avenue, New York, NY 10166 |
| 4095 | Eva Lei Zhang | 200 Park Avenue, New York, NY 10166 |

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 [X]

PART 1 - COMMON INTERROGATORIES - INVESTMENT

29.2 If yes, complete the following schedule:

| 1 | 2 | 3 |
|----------------|---------------------|--------------------------|
| CUSIP # | Name of Mutual Fund | Book/Adj. Carrying Value |
| 29.2999. TOTAL | | 0 |

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 |
| | | | |

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..... | 3,083,881,570 | 3,096,923,403 | 13,041,833 |
| 30.2 Preferred stocks..... | 140,922,440 | 140,922,440 | 0 |
| 30.3 Totals..... | 3,224,804,010 | 3,237,845,843 | 13,041,833 |

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

Per Part 5, Section 1 of the SVO Purposes and Procedures Manual, Insurance companies can elect to not use prices provided by the NAIC. They can select any of 5 price sources, as defined in this section, and identify them in their appropriate schedule. MetLife and its affiliate insurance companies have chosen to not use market prices obtained from the NAIC. First an external quoted price is sought. In cases where an external quoted price is not available, the fair value is internally estimated using present value or valuation techniques. Factors considered in estimating fair value include: coupon rate, maturity, estimated duration, call provisions, sinking fund requirements, credit rating, industry sector of the issuer and quoted market prices of comparable securities.

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. Management is responsible for the determination of estimated fair value. The estimated fair value of publicly traded fixed maturity, equity and trading securities as well as short-term investments is determined by management after considering one of three primary sources of information: quoted market prices in active markets, independent pricing services, or independent broker quotations. The number of quotes obtained varies by instrument and depends on the liquidity of the particular instrument. Generally, we obtain prices from multiple pricing services to cover all asset classes and obtain multiple prices for certain securities.

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? \$.....10,435,191

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 | 2 |
|---------------------------------|-------------|
| Name | Amount Paid |
| Insurance Services Office, Inc. | 3,855,662 |

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

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

| 1 | 2 |
|----------------|-------------|
| Name | Amount Paid |
| Not Applicable | |

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....531,737

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 | 2 |
|---|-------------|
| Name | Amount Paid |
| Property Casualty Insurers Association of America | 531,737 |

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. \$.....0
 1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$.....0
 1.31 Reason for excluding:

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$.....0
 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$.....0

- 1.6 Individual policies:
 Most current three years:
 1.61 Total premium earned \$.....0
 1.62 Total incurred claims \$.....0
 1.63 Number of covered lives0
 All years prior to most current three years:
 1.64 Total premium earned \$.....0
 1.65 Total incurred claims \$.....0
 1.66 Number of covered lives0

- 1.7 Group policies:
 Most current three years:
 1.71 Total premium earned \$.....0
 1.72 Total incurred claims \$.....0
 1.73 Number of covered lives0
 All years prior to most current three years:
 1.74 Total premium earned \$.....0
 1.75 Total incurred claims \$.....0
 1.76 Number of covered lives0

2. Health test:

| | 1 Current Year | 2 Prior Year |
|----------------------------------|----------------------|----------------------|
| 2.1 Premium Numerator..... | \$.....15,409,593 | \$.....13,421,858 |
| 2.2 Premium Denominator..... | \$.....3,251,415,124 | \$.....3,079,796,459 |
| 2.3 Premium Ratio (2.1/2.2)..... |0.5 |0.4 |
| 2.4 Reserve Numerator..... | \$.....3,083,348 | \$.....3,569,335 |
| 2.5 Reserve Denominator..... | \$.....3,058,930,679 | \$.....2,939,791,735 |
| 2.6 Reserve Ratio (2.4/2.5)..... |0.1 |0.1 |

- 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 \$.....0
 3.22 Non-participating policies \$.....0

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

- 4.1 Does the reporting entity issue assessable policies? Yes [] No []
 4.2 Does the reporting entity issue non-assessable policies? Yes [] No []
 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?0.0 %
 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$.....0

5. FOR RECIPROCAL EXCHANGES ONLY:

- 5.1 Does the exchange appoint local agents? Yes [] No []
 5.2 If yes, is the commission paid:
 5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A []
 5.22 As a direct expense of the exchange Yes [] No [] N/A []
 5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?

- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No []
 5.5 If yes, give full information:

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
Not Applicable

- 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's evaluation of the hurricane and earthquake perils (property business only) is based on EQECAT's WORLDCAT Enterprise, Risk Management Solutions (RMS) and Applied Insurance Research (AIR) computer models. The largest Probable Maximum Loss generated is produced by a hurricane in the Northeast region of the United States.

- 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?
The Company is protected from this loss through the purchase of Property Catastrophe Excess of Loss reinsurance treaties.

- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No []

- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [X] No []
 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.1
 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 [X]

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 [] No [X]
- 11.2 If yes, give full information:

- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
 12.1 Unpaid losses \$.....0
 12.1 Unpaid underwriting expenses (including loss adjustment expenses) \$.....0
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds: \$.....0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] N/A [X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
 12.4 From0.0 %
 12.4 To0.0 %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
 12.6 Letters of credit \$.....0
 12.6 Collateral and other funds \$.....0
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....5,000,000
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.2

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [] No [X]
 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

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 [X]
 15.2 If yes, give full information:

16.1 Does the reporting entity write any warranty business? Yes [] No [X]
 If yes, disclose the following information for each of the following types of warranty coverage:

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

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5? Yes [] No [X]
 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 \$.....0
 17.12 Unfunded portion of Interrogatory 17.11 \$.....0
 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 \$.....0
 17.14 Case reserves portion of Interrogatory 17.11 \$.....0
 17.15 Incurred but not reported portion of Interrogatory 17.11 \$.....0
 17.16 Unearned premium portion of Interrogatory 17.11 \$.....0
 17.17 Contingent commission portion of Interrogatory 17.11 \$.....0

Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above:

17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 \$.....0
 17.19 Unfunded portion of Interrogatory 17.18 \$.....0
 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 \$.....0
 17.21 Case reserves portion of Interrogatory 17.18 \$.....0
 17.22 Incurred but not reported portion of Interrogatory 17.18 \$.....0
 17.23 Unearned premium portion of Interrogatory 17.18 \$.....0
 17.24 Contingent commission portion of Interrogatory 17.18 \$.....0

18.1 Do you act as a custodian for health savings account? Yes [] No [X]
 18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....0
 18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
 18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....0

FIVE-YEAR HISTORICAL DATA

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

| | 1 2013 | 2 2012 | 3 2011 | 4 2010 | 5 2009 |
|---|---------------|---------------|---------------|---------------|---------------|
| 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)... | 1,360,347,259 | 1,297,622,201 | 1,262,461,849 | 1,226,989,064 | 1,213,638,521 |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26)..... | 966,607,404 | 918,613,020 | 907,830,574 | 914,486,458 | 907,435,831 |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)..... | 1,111,160,209 | 1,022,765,119 | 945,228,127 | 901,561,569 | 860,985,635 |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)..... | 14,861,262 | 13,694,662 | 11,032,160 | 10,136,097 | 9,930,397 |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33)..... | 0 | 0 | 0 | 0 | 0 |
| 6. Total (Line 35)..... | 3,452,976,135 | 3,252,695,002 | 3,126,552,711 | 3,053,173,188 | 2,991,990,385 |
| 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)... | 1,335,649,897 | 1,273,938,757 | 1,240,515,424 | 1,206,818,198 | 1,194,060,295 |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26)..... | 944,851,085 | 898,023,990 | 888,120,840 | 893,635,503 | 886,632,069 |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)..... | 1,076,771,566 | 988,288,932 | 915,759,666 | 872,646,550 | 825,094,944 |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)..... | 14,861,262 | 13,694,662 | 11,032,160 | 10,136,097 | 9,930,397 |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33)..... | 0 | 0 | 0 | 0 | 0 |
| 12. Total (Line 35)..... | 3,372,133,809 | 3,173,946,341 | 3,055,428,090 | 2,983,236,348 | 2,915,717,705 |
| Statement of Income (Page 4) | | | | | |
| 13. Net underwriting gain (loss) (Line 8)..... | 126,306,998 | 56,990,195 | (162,206,178) | 137,631,696 | 193,467,370 |
| 14. Net investment gain (loss) (Line 11)..... | 200,825,554 | 210,545,972 | 147,931,053 | 178,064,205 | 177,732,024 |
| 15. Total other income (Line 15)..... | 5,025,570 | 10,207,901 | 12,526,392 | 1,045,574 | 6,359,705 |
| 16. Dividends to policyholders (Line 17)..... | 146,605 | 948,017 | (287,367) | (1,108,922) | 621,757 |
| 17. Federal and foreign income taxes incurred (Line 19)..... | 66,205,492 | 41,632,041 | (3,678,078) | 61,910,973 | 91,453,520 |
| 18. Net income (Line 20)..... | 265,806,025 | 235,164,010 | 2,216,712 | 255,939,424 | 285,483,822 |
| Balance Sheet Lines (Pages 2 and 3) | | | | | |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)..... | 5,499,670,294 | 5,146,441,717 | 4,967,373,706 | 4,900,892,670 | 4,819,781,668 |
| 20. Premiums and considerations (Page 2, Col. 3): | | | | | |
| 20.1 In course of collection (Line 15.1)..... | 18,435,903 | 18,304,776 | 18,135,129 | 38,729,947 | 39,715,110 |
| 20.2 Deferred and not yet due (Line 15.2)..... | 915,398,497 | 828,382,099 | 736,473,796 | 679,228,513 | 634,511,353 |
| 20.3 Accrued retrospective premiums (Line 15.3)..... | 0 | 0 | 0 | 0 | 0 |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26)..... | 3,274,808,958 | 3,159,162,731 | 3,110,048,681 | 3,055,570,489 | 3,002,568,770 |
| 22. Losses (Page 3, Line 1)..... | 1,250,888,302 | 1,257,668,854 | 1,309,500,603 | 1,284,190,162 | 1,262,536,871 |
| 23. Loss adjustment expenses (Page 3, Line 3)..... | 301,849,573 | 296,655,061 | 314,055,535 | 326,045,518 | 327,197,851 |
| 24. Unearned premiums (Page 3, Line 9)..... | 1,506,231,254 | 1,385,512,572 | 1,291,362,689 | 1,247,378,253 | 1,200,627,844 |
| 25. Capital paid up (Page 3, Lines 30 & 31)..... | 318,000,000 | 318,000,000 | 318,000,000 | 318,000,000 | 318,000,000 |
| 26. Surplus as regards policyholders (Page 3, Line 37)..... | 2,224,861,336 | 1,987,278,986 | 1,857,325,025 | 1,845,322,181 | 1,817,212,898 |
| Cash Flow (Page 5) | | | | | |
| 27. Net cash from operations (Line 11)..... | 346,073,513 | 171,435,342 | 34,801,068 | 300,777,369 | 239,444,786 |
| Risk-Based Capital Analysis | | | | | |
| 28. Total adjusted capital..... | 2,224,861,336 | 1,987,278,986 | 1,857,325,025 | 1,845,322,181 | 1,817,212,898 |
| 29. Authorized control level risk-based capital..... | 191,596,321 | 173,252,557 | 166,649,179 | 156,256,463 | 179,198,796 |
| 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)..... | 76.0 | 73.9 | 73.7 | 73.1 | 75.0 |
| 31. Stocks (Lines 2.1 & 2.2)..... | 23.8 | 24.5 | 25.9 | 27.1 | 26.2 |
| 32. Mortgage loans on real estate (Lines 3.1 & 3.2)..... | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 33. Real estate (Lines 4.1, 4.2 & 4.3)..... | 0.3 | 0.1 | 0.0 | 0.0 | 0.0 |
| 34. Cash, cash equivalents and short-term investments (Line 5)..... | (2.4) | (2.7) | (3.0) | (2.7) | (2.6) |
| 35. Contract loans (Line 6)..... | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 36. Derivatives (Line 7)..... | 0.0 | 0.0 | 0.0 | 0.0 | XXX |
| 37. Other invested assets (Line 8)..... | 2.4 | 4.1 | 3.4 | 2.5 | 1.3 |
| 38. Receivable for securities (Line 9)..... | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 39. Securities lending reinvested collateral assets (Line 10)..... | 0.0 | 0.0 | 0.0 | 0.0 | XXX |
| 40. Aggregate write-ins for invested assets (Line 11)..... | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 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)..... | 0 | 0 | 0 | 0 | 0 |
| 43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)..... | 0 | 0 | 0 | 0 | 0 |
| 44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)..... | 824,730,110 | 783,086,132 | 789,097,169 | 765,118,008 | 751,444,812 |
| 45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10)..... | 0 | 0 | 0 | 0 | 0 |
| 46. Affiliated mortgage loans on real estate..... | 0 | 0 | 0 | 0 | 0 |
| 47. All other affiliated..... | 16,201,267 | 16,054,134 | 15,586,546 | 14,991,616 | 14,391,340 |
| 48. Total of above lines 42 to 47..... | 840,931,377 | 799,140,266 | 804,683,715 | 780,109,624 | 765,836,152 |
| 49. Total investment in parent included in Lines 42 to 47 above..... | 0 | 0 | 0 | 0 | 0 |
| 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)..... | 37.8 | 40.2 | 43.3 | 42.3 | 42.1 |

FIVE-YEAR HISTORICAL DATA

(Continued)

| | 1 | 2 | 3 | 4 | 5 |
|---|---------------|---------------|---------------|---------------|---------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 |
| Capital and Surplus Accounts (Page 4) | | | | | |
| 51. Net unrealized capital gains (losses) (Line 24)..... | 34,859,470 | 4,633,716 | 31,900,967 | 27,559,257 | 15,777,777 |
| 52. Dividends to stockholders (Line 35)..... | (104,053,140) | (104,220,352) | (34,174,779) | (264,393,992) | (304,823,739) |
| 53. Change in surplus as regards policyholders for the year (Line 38)..... | 237,582,349 | 129,953,961 | 12,002,846 | 28,109,282 | 54,878,155 |
| 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)... | 830,895,332 | 830,252,265 | 798,235,141 | 762,720,078 | 794,597,601 |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26)..... | 534,311,975 | 490,676,067 | 485,438,633 | 436,869,559 | 441,895,089 |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)..... | 610,448,384 | 661,082,821 | 774,173,341 | 522,779,818 | 495,798,793 |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)..... | 6,050,958 | 5,655,884 | 4,166,293 | 3,999,632 | 3,911,243 |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33)..... | 66,336 | 158,529 | 69,073 | 179,513 | 320,626 |
| 59. Total (Line 35)..... | 1,981,772,986 | 1,987,825,566 | 2,062,082,481 | 1,726,548,600 | 1,736,523,353 |
| 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)... | 815,217,784 | 805,221,973 | 782,225,702 | 746,239,121 | 775,236,513 |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26)..... | 478,718,070 | 474,633,458 | 473,029,745 | 429,685,142 | 434,797,767 |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)..... | 603,432,139 | 656,240,523 | 768,511,285 | 518,428,475 | 488,267,968 |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)..... | 6,050,958 | 5,655,884 | 4,166,293 | 3,999,632 | 3,911,243 |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33)..... | 66,336 | 158,529 | 69,073 | 179,513 | 320,626 |
| 65. Total (Line 35)..... | 1,903,485,287 | 1,941,910,367 | 2,028,002,097 | 1,698,531,884 | 1,702,534,118 |
| 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)..... | 58.3 | 61.4 | 68.2 | 58.6 | 56.0 |
| 68. Loss expenses incurred (Line 3)..... | 10.4 | 10.3 | 10.7 | 10.4 | 10.0 |
| 69. Other underwriting expenses incurred (Line 4)..... | 27.4 | 26.5 | 26.5 | 26.3 | 27.3 |
| 70. Net underwriting gain (loss) (Line 8)..... | 3.9 | 1.9 | (5.4) | 4.7 | 6.6 |
| 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)..... | 26.2 | 25.4 | 25.7 | 25.9 | 27.2 |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)..... | 68.8 | 71.7 | 78.9 | 69.0 | 66.0 |
| 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)..... | 151.6 | 159.7 | 164.5 | 161.7 | 160.5 |
| 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)..... | (42,643) | (85,982) | (78,275) | (58,712) | (66,099) |
| 75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100)..... | (2.1) | (4.6) | (4.2) | (3.2) | (3.8) |
| 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)..... | (138,234) | (147,977) | (162,104) | (163,074) | (258,912) |
| 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)..... | (7.4) | (8.0) | (8.9) | (9.3) | (14.2) |

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

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned | | | Loss and Loss Expense Payments | | | | | | 10 Salvage and Subrogation Received | 11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12 Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
| | 1 Direct and Assumed | 2 Ceded | 3 Net (Cols. 1 - 2) | Loss Payments | | Defense and Cost Containment Payments | | Adjusting and Other Payments | | | | |
| | | | | 4 Direct and Assumed | 5 Ceded | 6 Direct and Assumed | 7 Ceded | 8 Direct and Assumed | 9 Ceded | | | |
| 1. Prior..... | XXX | XXX | XXX | 3,254 | 1,487 | 390 | 1 | 765 | 0 | 206 | 2,920 | XXX |
| 2. 2004..... | 3,054,742 | 97,232 | 2,957,510 | 1,570,822 | 43,531 | 46,582 | 1,274 | 250,684 | 489 | 148,549 | 1,822,794 | XXX |
| 3. 2005..... | 3,052,121 | 132,255 | 2,919,866 | 1,777,906 | 224,328 | 49,072 | 12,037 | 265,871 | 842 | 153,714 | 1,855,641 | XXX |
| 4. 2006..... | 3,046,444 | 114,061 | 2,932,383 | 1,532,402 | 39,622 | 43,538 | 1,367 | 268,103 | 531 | 149,006 | 1,802,522 | XXX |
| 5. 2007..... | 3,088,979 | 115,534 | 2,973,445 | 1,581,385 | 33,100 | 42,766 | 1,316 | 271,276 | 337 | 164,548 | 1,860,675 | XXX |
| 6. 2008..... | 3,084,200 | 99,987 | 2,984,213 | 1,770,229 | 31,638 | 39,686 | 934 | 266,098 | 321 | 155,884 | 2,043,120 | XXX |
| 7. 2009..... | 2,998,007 | 79,143 | 2,918,865 | 1,668,497 | 37,256 | 39,690 | 616 | 253,941 | 104 | 148,572 | 1,924,151 | XXX |
| 8. 2010..... | 3,005,873 | 69,388 | 2,936,486 | 1,711,535 | 22,250 | 32,277 | 622 | 262,727 | 64 | 159,872 | 1,983,604 | XXX |
| 9. 2011..... | 3,081,861 | 70,417 | 3,011,444 | 1,957,207 | 33,944 | 23,773 | 1,370 | 283,998 | 246 | 171,148 | 2,229,418 | XXX |
| 10. 2012..... | 3,157,181 | 77,384 | 3,079,796 | 1,775,292 | 76,707 | 13,545 | 3,015 | 272,712 | 847 | 173,352 | 1,980,981 | XXX |
| 11. 2013..... | 3,329,967 | 78,552 | 3,251,415 | 1,305,611 | 11,101 | 3,957 | 229 | 217,168 | 28 | 114,778 | 1,515,378 | XXX |
| 12. Totals..... | XXX | XXX | XXX | 16,654,141 | 554,964 | 335,276 | 22,783 | 2,613,343 | 3,809 | 1,539,629 | 19,021,204 | 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..... | 30,524 | 27,814 | 10,533 | 70 | 6,969 | (0) | 2,614 | 0 | 7,467 | (0) | 0 | 30,223 | XXX |
| 2. 2004..... | 3,552 | 4,631 | 1,047 | (1) | 765 | 0 | 295 | 0 | 917 | 0 | 163 | 1,946 | XXX |
| 3. 2005..... | 4,453 | 1,472 | 762 | 10 | 625 | 2 | 195 | 0 | 799 | 0 | 162 | 5,349 | XXX |
| 4. 2006..... | 5,296 | 1,910 | 2,308 | 8 | 692 | 1 | 279 | 0 | 1,052 | (1) | 240 | 7,709 | XXX |
| 5. 2007..... | 7,139 | 2,338 | 3,714 | 15 | 842 | 3 | 495 | 2 | 1,649 | 2 | 374 | 11,478 | XXX |
| 6. 2008..... | 13,700 | 2,500 | 7,833 | 51 | 1,510 | 7 | 851 | 6 | 2,768 | 7 | 638 | 24,091 | XXX |
| 7. 2009..... | 27,645 | 5,316 | 13,879 | 64 | 3,102 | 5 | 1,483 | 1 | 5,378 | 2 | 1,036 | 46,098 | XXX |
| 8. 2010..... | 62,012 | 5,347 | 26,269 | 70 | 5,932 | 0 | 2,941 | 0 | 10,187 | 0 | 2,159 | 101,924 | XXX |
| 9. 2011..... | 110,669 | 3,073 | 51,872 | 124 | 10,941 | 0 | 4,942 | 0 | 18,055 | 0 | 5,163 | 193,281 | XXX |
| 10. 2012..... | 199,953 | 16,052 | 100,853 | 351 | 18,558 | 431 | 9,160 | 0 | 33,043 | 0 | 9,850 | 344,734 | XXX |
| 11. 2013..... | 489,279 | 6,363 | 155,823 | 646 | 37,335 | 134 | 16,097 | 0 | 94,514 | 0 | 69,359 | 785,905 | XXX |
| 12. Totals..... | 954,221 | 76,818 | 374,894 | 1,408 | 87,270 | 582 | 39,353 | 10 | 175,829 | 10 | 89,144 | 1,552,738 | XXX |

| | Total Losses and Loss Expenses Incurred | | | Loss and Loss Expense Percentage (Incurred/Premiums Earned) | | | Nontabular Discount | | 34 Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount | |
|-----------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
| | 26 Direct and Assumed | 27 Ceded | 28 Net | 29 Direct and Assumed | 30 Ceded | 31 Net | 32 Loss | 33 Loss Expense | | 35 Losses Unpaid | 36 Loss Expenses Unpaid |
| 1. Prior..... | XXX | XXX | XXX | XXX | XXX | XXX | 0 | 0 | XXX | 13,173 | 17,050 |
| 2. 2004..... | 1,874,665 | 49,925 | 1,824,740 | 61.4 | 51.3 | 61.7 | 0 | 0 | 0.00 | (31) | 1,977 |
| 3. 2005..... | 2,099,682 | 238,691 | 1,860,990 | 68.8 | 180.5 | 63.7 | 0 | 0 | 0.00 | 3,732 | 1,617 |
| 4. 2006..... | 1,853,670 | 43,440 | 1,810,230 | 60.8 | 38.1 | 61.7 | 0 | 0 | 0.00 | 5,685 | 2,023 |
| 5. 2007..... | 1,909,267 | 37,113 | 1,872,154 | 61.8 | 32.1 | 63.0 | 0 | 0 | 0.00 | 8,500 | 2,979 |
| 6. 2008..... | 2,102,675 | 35,464 | 2,067,211 | 68.2 | 35.5 | 69.3 | 0 | 0 | 0.00 | 18,982 | 5,109 |
| 7. 2009..... | 2,013,614 | 43,365 | 1,970,249 | 67.2 | 54.8 | 67.5 | 0 | 0 | 0.00 | 36,144 | 9,955 |
| 8. 2010..... | 2,113,880 | 28,352 | 2,085,528 | 70.3 | 40.9 | 71.0 | 0 | 0 | 0.00 | 82,864 | 19,060 |
| 9. 2011..... | 2,461,457 | 38,757 | 2,422,699 | 79.9 | 55.0 | 80.4 | 0 | 0 | 0.00 | 159,344 | 33,938 |
| 10. 2012..... | 2,423,117 | 97,402 | 2,325,715 | 76.7 | 125.9 | 75.5 | 0 | 0 | 0.00 | 284,404 | 60,330 |
| 11. 2013..... | 2,319,785 | 18,502 | 2,301,282 | 69.7 | 23.6 | 70.8 | 0 | 0 | 0.00 | 638,092 | 147,812 |
| 12. Totals..... | XXX | XXX | XXX | XXX | XXX | XXX | 0 | 0 | XXX | 1,250,888 | 301,850 |

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 |
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | One Year | Two Year |
| 1. Prior..... | 806,918 | 829,164 | 722,952 | 685,455 | 649,785 | 633,230 | 634,163 | 634,286 | 632,467 | 634,784 | 2,317 | 499 |
| 2. 2004..... | 1,757,423 | 1,688,997 | 1,642,782 | 1,607,213 | 1,597,090 | 1,585,020 | 1,578,660 | 1,576,015 | 1,575,291 | 1,573,628 | (1,662) | (2,386) |
| 3. 2005..... | XXX | 1,738,748 | 1,734,065 | 1,674,908 | 1,632,980 | 1,616,231 | 1,604,094 | 1,601,203 | 1,597,250 | 1,595,163 | (2,087) | (6,040) |
| 4. 2006..... | XXX | XXX | 1,643,491 | 1,640,695 | 1,584,370 | 1,567,626 | 1,550,933 | 1,541,948 | 1,541,669 | 1,541,607 | (63) | (342) |
| 5. 2007..... | XXX | XXX | XXX | 1,701,173 | 1,675,257 | 1,648,424 | 1,627,555 | 1,605,392 | 1,602,082 | 1,599,568 | (2,514) | (5,824) |
| 6. 2008..... | XXX | XXX | XXX | XXX | 1,860,873 | 1,883,725 | 1,841,875 | 1,811,334 | 1,802,451 | 1,798,672 | (3,779) | (12,662) |
| 7. 2009..... | XXX | XXX | XXX | XXX | XXX | 1,744,597 | 1,782,861 | 1,746,571 | 1,717,074 | 1,711,037 | (6,037) | (35,534) |
| 8. 2010..... | XXX | XXX | XXX | XXX | XXX | XXX | 1,818,564 | 1,843,681 | 1,822,445 | 1,812,678 | (9,767) | (31,004) |
| 9. 2011..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 2,165,832 | 2,149,552 | 2,120,892 | (28,660) | (44,940) |
| 10. 2012..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 2,011,198 | 2,020,807 | 9,608 | XXX |
| 11. 2013..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1,989,628 | XXX | XXX |
| 12. Totals..... | | | | | | | | | | | (42,643) | (138,234) |

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 |
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | | |
| 1. Prior..... | 000 | 271,282 | 437,984 | 526,323 | 564,791 | 589,082 | 599,750 | 604,701 | 609,874 | 612,029 | XXX | XXX |
| 2. 2004..... | 1,006,274 | 1,310,969 | 1,424,850 | 1,498,942 | 1,540,136 | 1,558,912 | 1,566,998 | 1,570,943 | 1,572,036 | 1,572,599 | XXX | XXX |
| 3. 2005..... | XXX | 985,898 | 1,295,919 | 1,428,152 | 1,517,963 | 1,560,290 | 1,576,694 | 1,586,360 | 1,589,559 | 1,590,612 | XXX | XXX |
| 4. 2006..... | XXX | XXX | 962,256 | 1,280,542 | 1,400,350 | 1,472,188 | 1,509,677 | 1,526,582 | 1,531,432 | 1,534,951 | XXX | XXX |
| 5. 2007..... | XXX | XXX | XXX | 1,009,529 | 1,332,034 | 1,457,057 | 1,527,724 | 1,565,876 | 1,579,795 | 1,589,736 | XXX | XXX |
| 6. 2008..... | XXX | XXX | XXX | XXX | 1,166,461 | 1,534,115 | 1,651,189 | 1,722,353 | 1,762,436 | 1,777,342 | XXX | XXX |
| 7. 2009..... | XXX | XXX | XXX | XXX | XXX | 1,101,163 | 1,431,383 | 1,557,101 | 1,634,150 | 1,670,315 | XXX | XXX |
| 8. 2010..... | XXX | XXX | XXX | XXX | XXX | XXX | 1,151,613 | 1,510,244 | 1,646,810 | 1,720,941 | XXX | XXX |
| 9. 2011..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1,442,016 | 1,812,343 | 1,945,665 | XXX | XXX |
| 10. 2012..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1,337,819 | 1,709,116 | XXX | XXX |
| 11. 2013..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1,298,238 | 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 |
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| 1. Prior..... | 350,344 | 291,287 | 146,723 | 93,358 | 45,907 | 19,354 | 14,363 | 13,578 | 11,773 | 13,077 |
| 2. 2004..... | 423,463 | 185,668 | 110,361 | 55,550 | 33,174 | 15,719 | 6,944 | 3,588 | 3,061 | 1,343 |
| 3. 2005..... | XXX | 367,382 | 260,184 | 146,519 | 56,775 | 26,368 | 12,630 | 7,146 | 3,269 | 947 |
| 4. 2006..... | XXX | XXX | 239,238 | 156,365 | 73,210 | 40,342 | 16,397 | 4,319 | 3,449 | 2,579 |
| 5. 2007..... | XXX | XXX | XXX | 228,066 | 128,999 | 73,048 | 37,024 | 9,620 | 5,330 | 4,192 |
| 6. 2008..... | XXX | XXX | XXX | XXX | 204,392 | 141,132 | 71,344 | 25,678 | 13,068 | 8,626 |
| 7. 2009..... | XXX | XXX | XXX | XXX | XXX | 161,259 | 130,928 | 70,359 | 26,683 | 15,297 |
| 8. 2010..... | XXX | XXX | XXX | XXX | XXX | XXX | 163,658 | 106,177 | 52,737 | 29,140 |
| 9. 2011..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 213,130 | 118,486 | 56,690 |
| 10. 2012..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 172,894 | 109,663 |
| 11. 2013..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 171,274 |

Metropolitan Property and Casualty 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 | 26,990,170 | 24,848,068 | 3 | 13,826,039 | 13,005,557 | 4,765,853 | 21,518 | 0 |
| 2. Alaska.....AK | N | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Arizona.....AZ | L | 30,352,153 | 30,584,125 | 151 | 16,342,113 | 14,872,132 | 5,800,485 | 36,081 | 0 |
| 4. Arkansas.....AR | L | 13,113,625 | 12,276,938 | 269 | 5,927,982 | 6,513,567 | 5,872,586 | 36,299 | 0 |
| 5. California.....CA | N | 0 | 0 | 0 | 1,525 | 0 | 0 | 0 | 0 |
| 6. Colorado.....CO | L | 42,500,173 | 40,123,469 | 626 | 37,416,140 | 40,318,935 | 19,243,862 | 145,625 | 0 |
| 7. Connecticut.....CT | L | 80,952,866 | 81,254,208 | 98 | 43,625,227 | 38,545,063 | 42,132,695 | 748,099 | 0 |
| 8. Delaware.....DE | L | 1,605,493 | 1,625,560 | 9 | 711,805 | 291,801 | 753,306 | 12,202 | 0 |
| 9. District of Columbia.....DC | L | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Florida.....FL | L | 5,297,318 | 5,341,227 | 529 | 2,222,000 | 1,226,752 | 3,218,579 | 2,421 | 0 |
| 11. Georgia.....GA | L | 21,496,196 | 21,858,034 | 1,305 | 14,392,757 | 15,010,764 | 5,515,727 | 70,334 | 0 |
| 12. Hawaii.....HI | L | 454,311 | 452,633 | 34 | 258,488 | 381,330 | 210,444 | 1,546 | 0 |
| 13. Idaho.....ID | L | 15,107,603 | 14,604,006 | 187 | 9,180,524 | 8,976,237 | 4,486,462 | 83,110 | 0 |
| 14. Illinois.....IL | L | 10,422,805 | 10,453,578 | 99 | 4,332,115 | 5,293,304 | 8,490,267 | 52,804 | 0 |
| 15. Indiana.....IN | L | 31,544,659 | 31,101,395 | 16 | 20,708,182 | 20,424,298 | 10,621,074 | 193,043 | 0 |
| 16. Iowa.....IA | L | 11,030,786 | 10,149,752 | 4 | 5,113,623 | 4,146,637 | 2,288,854 | 49,631 | 0 |
| 17. Kansas.....KS | L | 10,724,177 | 9,932,290 | 98 | 7,401,646 | 8,032,287 | 2,362,749 | 0 | 0 |
| 18. Kentucky.....KY | L | 27,617,582 | 25,524,912 | 22 | 12,665,896 | 12,244,683 | 6,629,971 | 0 | 0 |
| 19. Louisiana.....LA | L | 23,323,648 | 22,094,866 | 86 | 11,819,479 | 11,598,769 | 6,701,788 | 90,827 | 0 |
| 20. Maine.....ME | L | 22,998,982 | 22,014,120 | 1,595 | 10,679,907 | 10,307,023 | 6,381,701 | 163,097 | 0 |
| 21. Maryland.....MD | L | 7,599,179 | 7,707,949 | 111 | 3,400,135 | 2,043,243 | 1,673,904 | 10,696 | 0 |
| 22. Massachusetts.....MA | L | 263,819,879 | 259,910,688 | 133,310 | 134,593,248 | 136,045,696 | 73,717,954 | 1,106,140 | 0 |
| 23. Michigan.....MI | L | 3,024,962 | 2,725,594 | 56 | 2,658,309 | 4,834,152 | 11,010,408 | 14,236 | 0 |
| 24. Minnesota.....MN | L | 42,480,155 | 43,040,484 | 193 | 23,498,587 | 22,582,205 | 12,668,928 | 160,025 | 0 |
| 25. Mississippi.....MS | L | 16,979,775 | 16,173,127 | 0 | 13,783,631 | 14,895,580 | 3,422,848 | 45,856 | 0 |
| 26. Missouri.....MO | L | 9,956,690 | 9,587,649 | 11 | 3,900,369 | 4,283,498 | 2,970,070 | 0 | 0 |
| 27. Montana.....MT | L | 3,014,704 | 2,993,982 | 0 | 1,553,687 | 1,395,230 | 525,007 | 20,010 | 0 |
| 28. Nebraska.....NE | L | 8,519,585 | 8,199,472 | 8 | 16,243,692 | 17,722,358 | 2,828,289 | 11,914 | 0 |
| 29. Nevada.....NV | L | 9,426,653 | 9,656,007 | 289 | 4,918,862 | 4,985,630 | 4,954,049 | 30,034 | 0 |
| 30. New Hampshire.....NH | L | 12,776,670 | 12,474,298 | 1,366 | 6,509,818 | 6,420,270 | 4,987,725 | 57,390 | 0 |
| 31. New Jersey.....NJ | L | 89,076,467 | 76,624,956 | 746 | 40,611,778 | 47,075,151 | 38,696,055 | 208,551 | 0 |
| 32. New Mexico.....NM | L | 13,357,790 | 14,114,564 | 779 | 8,260,227 | 7,688,569 | 8,008,024 | 59,584 | 0 |
| 33. New York.....NY | L | 138,593,191 | 135,635,778 | 0 | 105,518,472 | 72,897,387 | 48,468,168 | 865,947 | 0 |
| 34. North Carolina.....NC | L | 63,604,150 | 56,198,858 | 1,886 | 33,668,513 | 34,901,922 | 13,090,021 | 149,099 | 0 |
| 35. North Dakota.....ND | L | 8,052,996 | 6,762,543 | 6 | 3,938,004 | 4,698,742 | 1,464,386 | 20,747 | 0 |
| 36. Ohio.....OH | L | 41,475,738 | 40,120,604 | 64 | 19,740,576 | 20,357,901 | 11,940,085 | 239,397 | 0 |
| 37. Oklahoma.....OK | L | 28,250,597 | 27,976,517 | 436 | 29,482,721 | 29,800,434 | 12,500,715 | 47,333 | 0 |
| 38. Oregon.....OR | L | 24,251,425 | 24,396,576 | 39 | 13,872,782 | 13,572,264 | 10,516,574 | 80,328 | 0 |
| 39. Pennsylvania.....PA | L | 16,051,994 | 15,279,335 | 37 | 5,985,219 | 4,909,855 | 6,012,675 | 90,705 | 0 |
| 40. Rhode Island.....RI | L | 38,540,904 | 38,632,904 | 133 | 21,083,019 | 20,804,073 | 16,881,927 | 242,694 | 0 |
| 41. South Carolina.....SC | L | 4,307,067 | 4,109,231 | 403 | 1,639,688 | 1,443,753 | 367,723 | 6,913 | 0 |
| 42. South Dakota.....SD | L | 3,679,477 | 3,268,624 | 0 | 4,640,079 | 5,685,480 | 1,618,776 | 11,437 | 0 |
| 43. Tennessee.....TN | L | 26,011,704 | 24,971,175 | 346 | 12,773,296 | 12,298,501 | 5,425,297 | 45,368 | 0 |
| 44. Texas.....TX | L | 4,538,381 | 4,281,998 | 0 | 1,240,800 | 1,087,544 | 1,756,416 | 17,799 | 0 |
| 45. Utah.....UT | L | 8,538,888 | 8,342,341 | 34 | 4,357,155 | 2,157,740 | 1,881,431 | 17,446 | 0 |
| 46. Vermont.....VT | L | 6,663,756 | 6,630,474 | 47 | 4,066,152 | 4,360,719 | 2,412,256 | 77,047 | 0 |
| 47. Virginia.....VA | L | 18,097,141 | 18,009,973 | 870 | 8,293,798 | 6,626,020 | 3,012,963 | 49,522 | 0 |
| 48. Washington.....WA | L | 38,990,292 | 37,982,914 | 150 | 18,287,079 | 17,499,701 | 7,817,668 | 0 | 0 |
| 49. West Virginia.....WV | L | 8,342,116 | 8,079,750 | 71 | 4,059,334 | 3,769,446 | 1,742,081 | 21,853 | 0 |
| 50. Wisconsin.....WI | L | 27,482,824 | 27,038,359 | 81 | 17,965,283 | 16,002,070 | 11,382,667 | 157,436 | 0 |
| 51. Wyoming.....WY | L | 6,513,155 | 6,179,725 | 0 | 5,122,276 | 5,529,372 | 1,744,914 | 37,234 | 0 |
| 52. American Samoa.....AS | N | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 53. Guam.....GU | N | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 54. Puerto Rico.....PR | N | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 55. US Virgin Islands.....VI | N | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 56. Northern Mariana Islands.....MP | N | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 57. Canada.....CAN | N | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58. Aggregate Other Alien.....OT | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Totals.....(a) .49 | | 1,367,550,852 | 1,321,345,630 | 146,603 | 792,292,037 | 759,563,645 | 460,976,407 | 5,609,378 | 0 |

DETAILS OF WRITE-INS

| | | | | | | | | | |
|--|-----|---|---|---|---|---|---|---|---|
| 58001.....XXX | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58002.....XXX | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58003.....XXX | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above) | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 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.

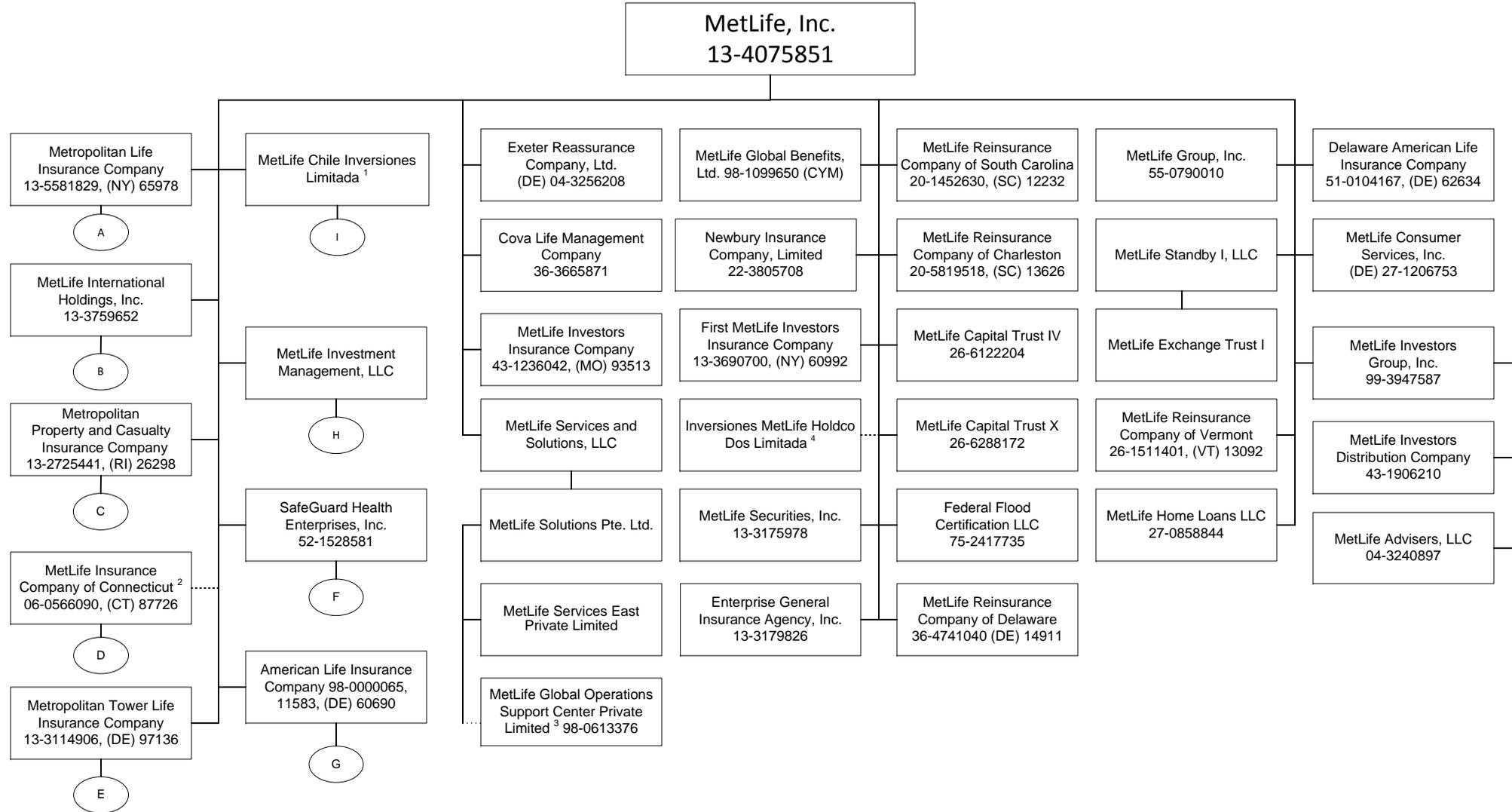
Explanation of Basis of Allocation of Premiums by States, etc.

HOMEOWNERS, INLAND MARINE, EARTHQUAKE, WORKERS' COMPENSATION - LOCATION OF PROPERTY INSURED

AUTOMOBILE LIABILITY, AUTOMOBILE PHYSICAL DAMAGE - STATE WHERE VEHICLE IS GARAGED

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

PART 1 - ORGANIZATIONAL CHART

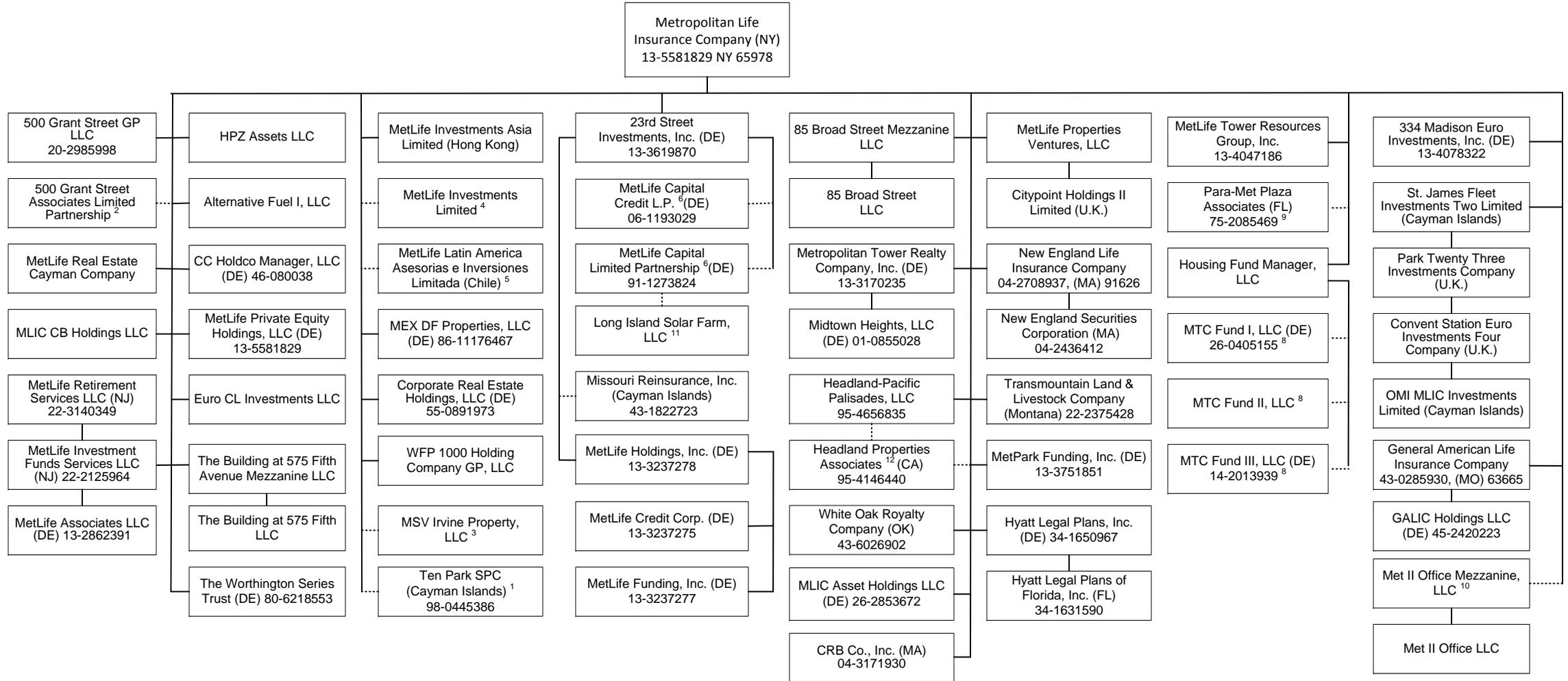


1 70.4345328853% is owned by MetLife, Inc., 26.6071557459% by American Life Insurance Company, 2.9583113284% is owned by Inversiones MetLife Holdco Dos Limitada and 0.000000404% is owned by Natiloportem Holdings, Inc.
 2 86.72% is owned by MetLife, Inc. and 13.28% is owned by MetLife Investors Group, Inc.
 3 99.99999% is owned by MetLife Solutions Pte. Ltd. and 0.00001% is owned by Natiloportem Holdings, Inc.
 4 99.999338695% of Inversiones MetLife Holdco Dos Limitada is owned by MetLife, Inc., 0.00065469% is owned by MetLife International Holdings, Inc. and 0.000006613% is owned by Natiloportem Holdings, Inc.

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

PART 1 - ORGANIZATIONAL CHART

A



96.1

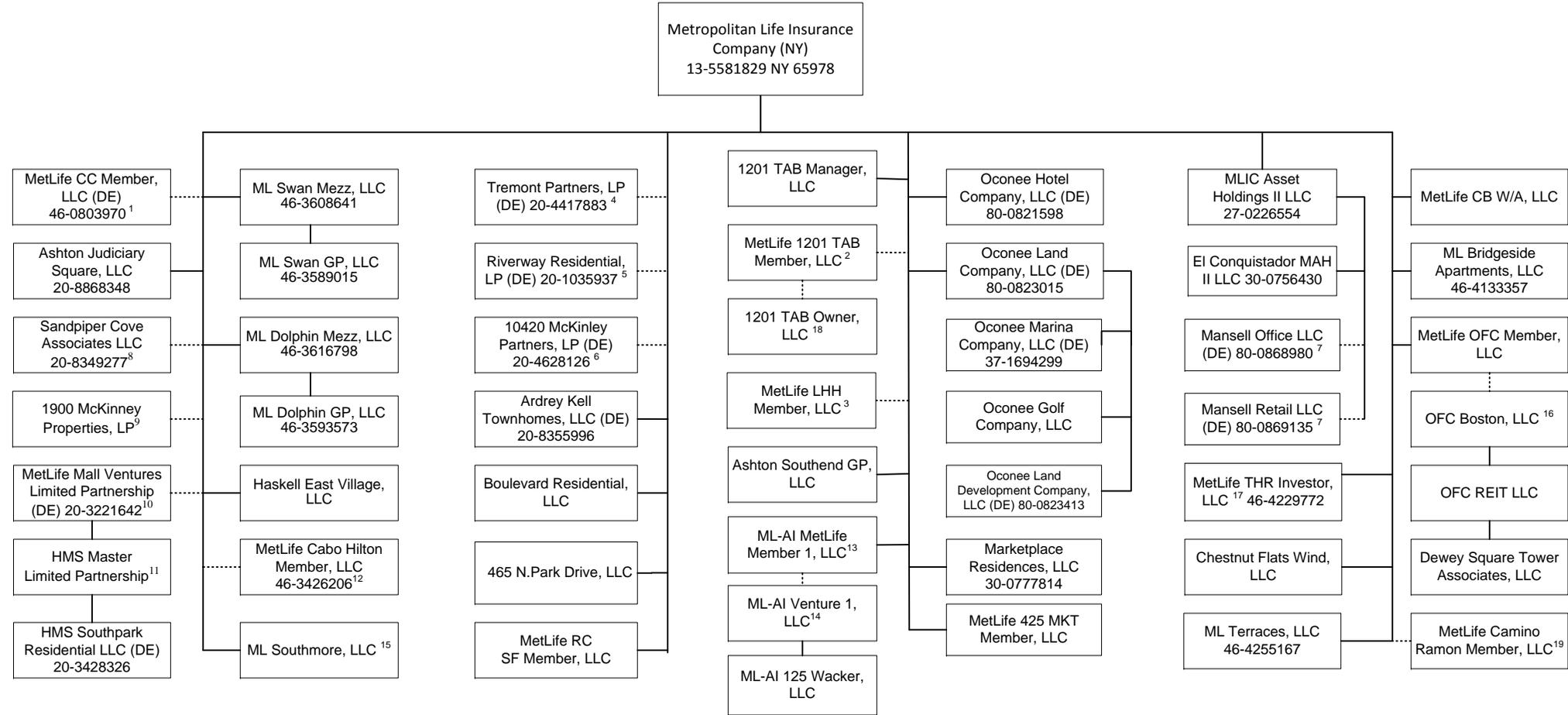
1 1% voting control of Ten Park SPC is held by 23rd Street Investments, Inc.
 2 99% of 500 Grant Street Associates Limited Partnership is held by Metropolitan Life Insurance Company and 1% by 500 Grant Street GP LLC.
 3 4% of MSV Irvine Property, LLC is owned by Metropolitan Tower Realty Company, Inc. and 96% is owned by Metropolitan Life Insurance Company.
 4 23rd Street Investments, Inc. holds one share of MetLife Investments Limited.
 5 23rd Street Investments, Inc. holds .01% of MetLife Latin American Asesorias e Inversiones Limitada.
 6 1% general partnership interest is held by 23rd Street Investments, Inc. and 99% limited partnership interest is held by Metropolitan Life Insurance Company.

8 Housing Fund Manager, LLC is the managing member LLC and the remaining interests are held by a third party member.
 9 75% of the general partnership is held by Metropolitan Life Insurance Company and 25% of the general partnership is held by Metropolitan Tower Realty Company, Inc.
 10 10.4167% of the membership interest is owned by Metropolitan Tower Life Insurance Company and 89.5833% is owned by Metropolitan Life Insurance Company.
 11 9.61% membership interest is held by MetLife Renewables Holding, LLC and 90.39% membership interest is held by LISF Solar Trust in which MetLife Capital Limited Partnership has a 100% beneficial interest.
 12 Metropolitan Life Insurance Company owns 99% of Headland Properties Associates and Headland-Pacific Palisades, LLC owns the other 1%.

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

PART 1 - ORGANIZATIONAL CHART

A-1



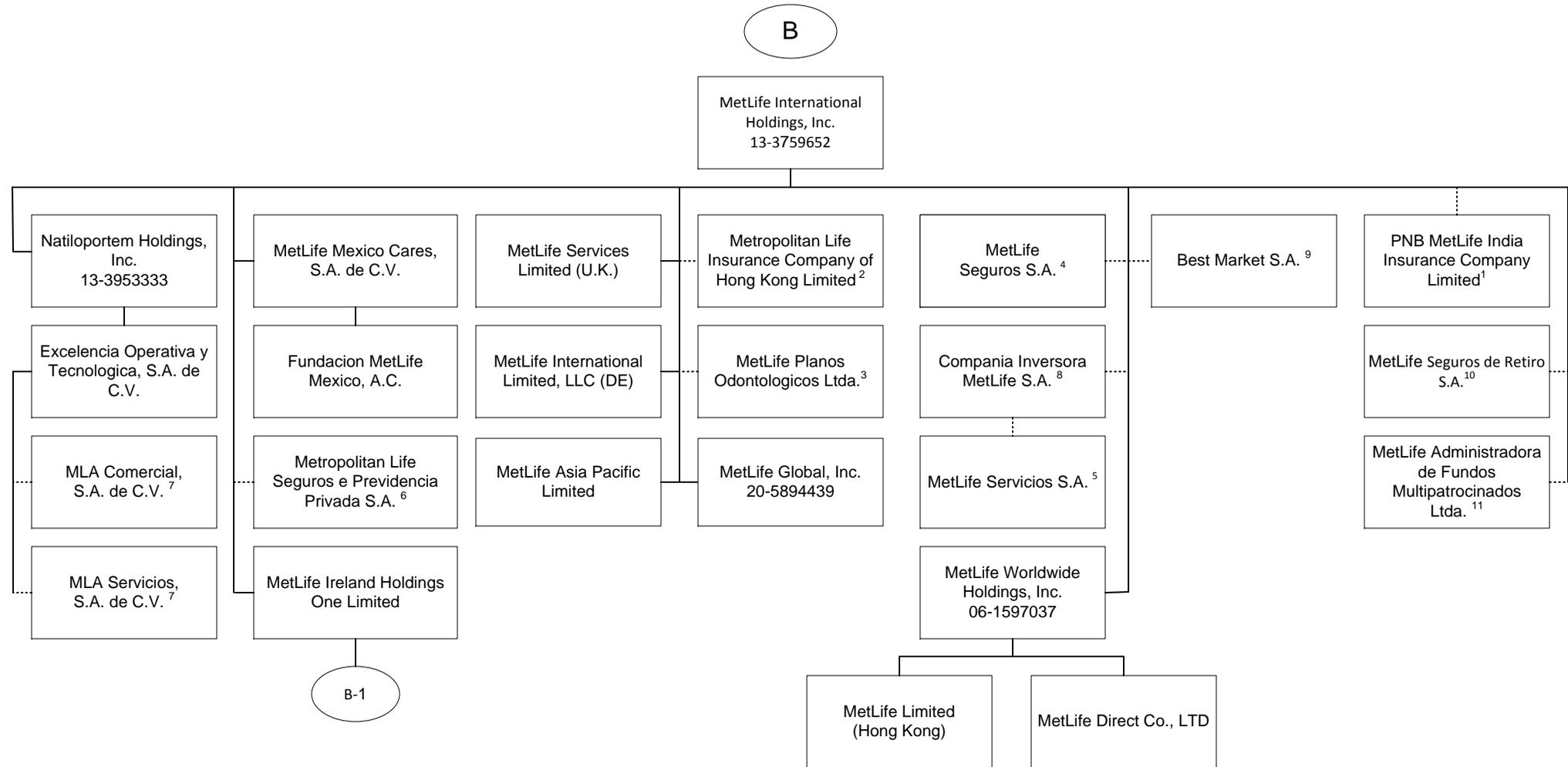
96.2

1 63.415% of MetLife CC Member, LLC is held by Metropolitan Life Insurance Company, 17.073% by MetLife Investors USA Insurance Company, 14.634% by MetLife Insurance Company of Connecticut and 4.878% by General American Life Insurance Company.
 2 69.66% of MetLife 1201 TAB Member, LLC is owned by Metropolitan Life Insurance Company, 12.07% is owned by MetLife Investors USA Insurance Company, 15.17% is owned by MetLife Insurance Company of Connecticut and 3.10% is owned by Metropolitan Property and Casualty Insurance Company.
 3 69.23% of MetLife LHH Member, LLC is owned by Metropolitan Life Insurance Company, 19.78% is owned by MetLife Investors USA Insurance Company and 10.99% is owned by New England Life Insurance Company.
 4 99.9% LP Interest of Tremont Partners, LP is owned by Metropolitan Life Insurance Company and .1% GP is owned by Ashton Southend GP, LLC.
 5 99.9% LP Interest of Riverway Residential, LP is owned by Metropolitan Life Insurance Company and .1% GP interest is owned by Metropolitan Tower Realty Company, Inc.
 6 99.9% LP interest of 10420 McKinley Partners, LP is owned by Metropolitan Life Insurance Company and .1% GP interest is owned by Metropolitan Tower Realty Company, Inc.
 7 73.0284% is owned by MLIC Asset Holdings II LLC and 26.9716% is owned by MLIC CB Holdings LLC.
 8 90.59% of the membership interest is owned by Metropolitan Life Insurance Company and 9.41% by Metropolitan Tower Realty Company, Inc.
 9 99.9% LP interest of 1900 McKinney Properties, LP is owned by Metropolitan Life Insurance Company and 0.1% GP interest is owned by Metropolitan Tower Realty Company, Inc.

10 99% LP interest of MetLife Mall Ventures Limited Partnership is owned by Metropolitan Life Insurance Company and 1% GP interest is owned by Metropolitan Tower Realty Company, Inc.
 11 60% LP Interest of HMS Master Limited Partnership is owned by MetLife Mall Ventures Limited Partnership. A 40% LP Interest is owned by a third party. Metropolitan Tower Realty Company, Inc. is the GP.
 12 54.129% of MetLife Cabo Hilton Member, LLC is owned by Metropolitan Life Insurance Company, 16.9% by General American Life Insurance Company, 16.9% by MetLife Investors USA Insurance Company and 12.071% by MetLife Insurance Company of Connecticut.
 13 83.675% of the membership interest is owned by Metropolitan Life Insurance Company, 5.762% by MetLife Insurance Company of Connecticut, 5.762% by MetLife Investors USA Insurance Company and 4.801% by Metropolitan Property and Casualty Insurance Company
 14 51% of ML-AI Venture 1, LLC is owned by ML-AI MetLife Member 1, LLC and 49% by a third party. MetLife Investment Management, LLC is the asset manager.
 15 75.12% of ML Southmore, LLC is owned by Metropolitan Life Insurance Company and 24.88% by MetLife Insurance Company of Connecticut.
 16 52.5% of OFC Boston, LLC is owned by MetLife OFC Member, LLC and 47.5% by a third party
 17 85% of MetLife THR Investors, LLC is owned by Metropolitan Life Insurance Company and 15% by MetLife Insurance Company of Connecticut.
 18 50% of 1201 TAB Owner, LLC is owned by MetLife 1201 TAB Member, LLC and the remainder is owned by a third party. MetLife 1201 TAB Manager, LLC is the manager of 1201 TAB Owner, LLC
 19 78.6% of MetLife Camino Ramon Member, LLC is owned by Metropolitan Life Insurance Company and 21.4% by MetLife Insurance Company of Connecticut.

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

PART 1 - ORGANIZATIONAL CHART

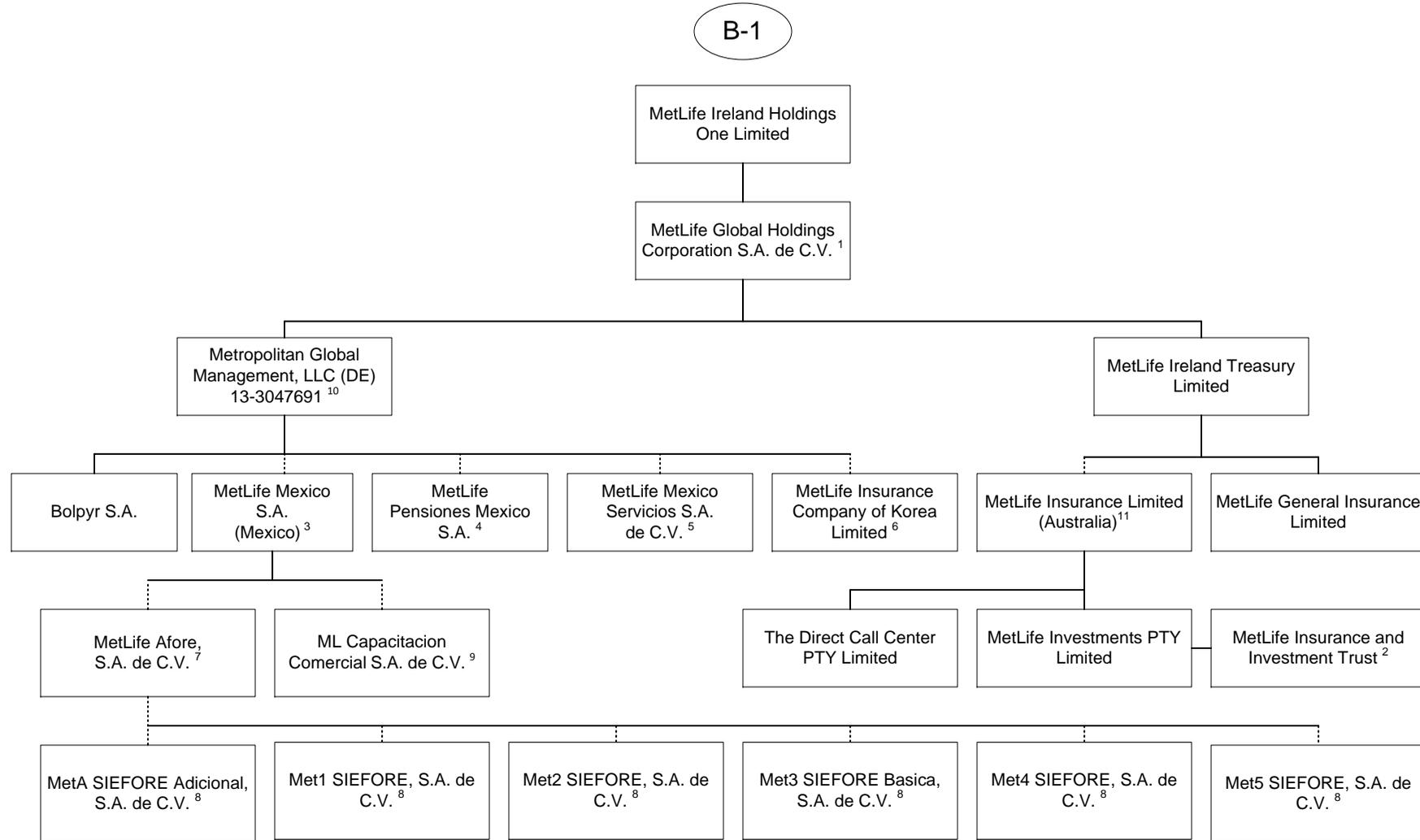


1 26% is owned by MetLife International Holdings, Inc. and 74% is owned by third parties.
 2 99.99935% is owned by MetLife International Holdings, Inc. and 0.00065% is owned by Natiloportem Holdings, Inc.
 3 99.999% is owned by MetLife International Holdings, Inc. and .001% is owned by Natiloportem Holdings, Inc.
 4 79.3196% is owned by MetLife International Holdings, Inc. and 2.6753% is owned by Natiloportem Holdings, Inc., 16.2046% is owned by American Life Insurance Company and 1.8005% is owned by International Technical and Advisory Services Limited.
 5 18.87% of the shares of MetLife Servicios S.A. are held by Compania Inversora MetLife S.A., 79.88% is owned by MetLife Seguros S.A., .99% is held by Natiloportem Holdings, Inc. and .26% is held by MetLife Seguros de Retiro S.A.
 6 66.662% is owned by MetLife International Holdings, Inc., 33.337% is owned by MetLife Worldwide Holdings, Inc. and 0.001% is owned by Natiloportem Holdings, Inc.

7 99% is owned by Servicios Administrativos Gen, S.A. de C.V. and 1% is owned by MetLife Mexico Cares, S.A. de C.V.
 8 95.46% is owned by MetLife International Holdings, Inc. and 4.54% is owned by Natiloportem Holdings, Inc.
 9 5% of the shares are held by Natiloportem Holdings, Inc. and 95% is owned by MetLife International Holdings, Inc.
 10 95.5883% is owned by MetLife International Holdings, Inc. and 3.1102% is owned by Natiloportem Holdings, Inc., 1.3014% is owned by American Life Insurance Company and 0.0001% is owned by International Technical and Advisory Services Limited.
 11 99.99998% of MetLife Administradora de Fondos Multipatrocinaados Ltda. is owned by MetLife International Holdings, Inc. and .00002% by Natiloportem Holdings, Inc.

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

PART 1 - ORGANIZATIONAL CHART



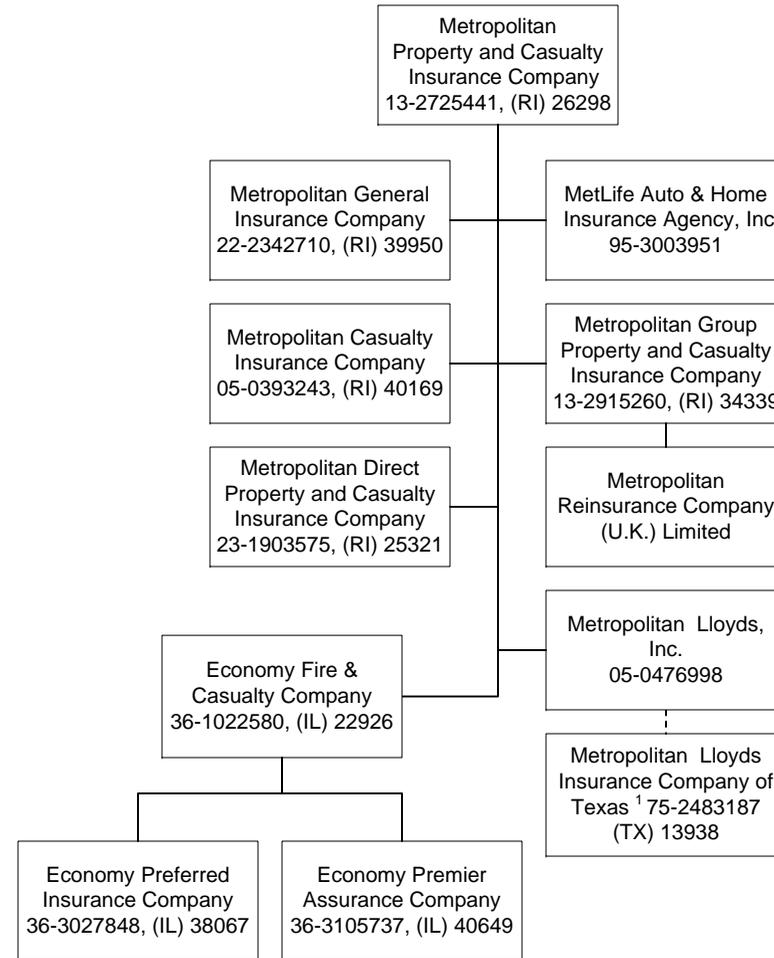
1 98.9% is owned by MetLife Ireland Holdings One Limited and 1.1% is owned by MetLife International Limited, LLC.
 2 MetLife Insurance and Investment Trust is a trust vehicle, the trustee of which is MetLife Investments PTY Limited ("MIPL"). MIPL is a wholly owned subsidiary of MetLife Insurance Limited.
 3 99.050271% is owned by Metropolitan Global Management, LLC and .949729% is owned by MetLife International Holdings, Inc.
 4 97.4738% is owned by Metropolitan Global Management, LLC and 2.5262% is owned by MetLife International Holdings, Inc.
 5 98% is owned by Metropolitan Global Management, LLC and 2% is owned by MetLife International Holdings, Inc.

6 14.64% is owned by MetLife Mexico, S.A. and 85.36% is owned by Metropolitan Global Management, LLC.
 7 99.99% is owned by MetLife Mexico S.A. (Mexico) and .01% is owned by MetLife Pensiones S.A.
 8 99.99% is owned by MetLife Afore, S.A. de C.V. and .01% is owned by MetLife Mexico S.A. (Mexico)
 9 99% is owned by MetLife Mexico S.A. and 1% is owned by MetLife Mexico Cares, S.A. de C.V.
 10 99.7% is owned by MetLife Global Holdings Corporation S.A. de C.V. and 0.3% is owned by MetLife International Holdings, Inc.
 11 91.16468% of MetLife Insurance Limited (Australia) is owned by MetLife Ireland Treasury Limited and 8.83532% by MetLife Global Holdings Corp. S.A. de C.V.

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

PART 1 - ORGANIZATIONAL CHART

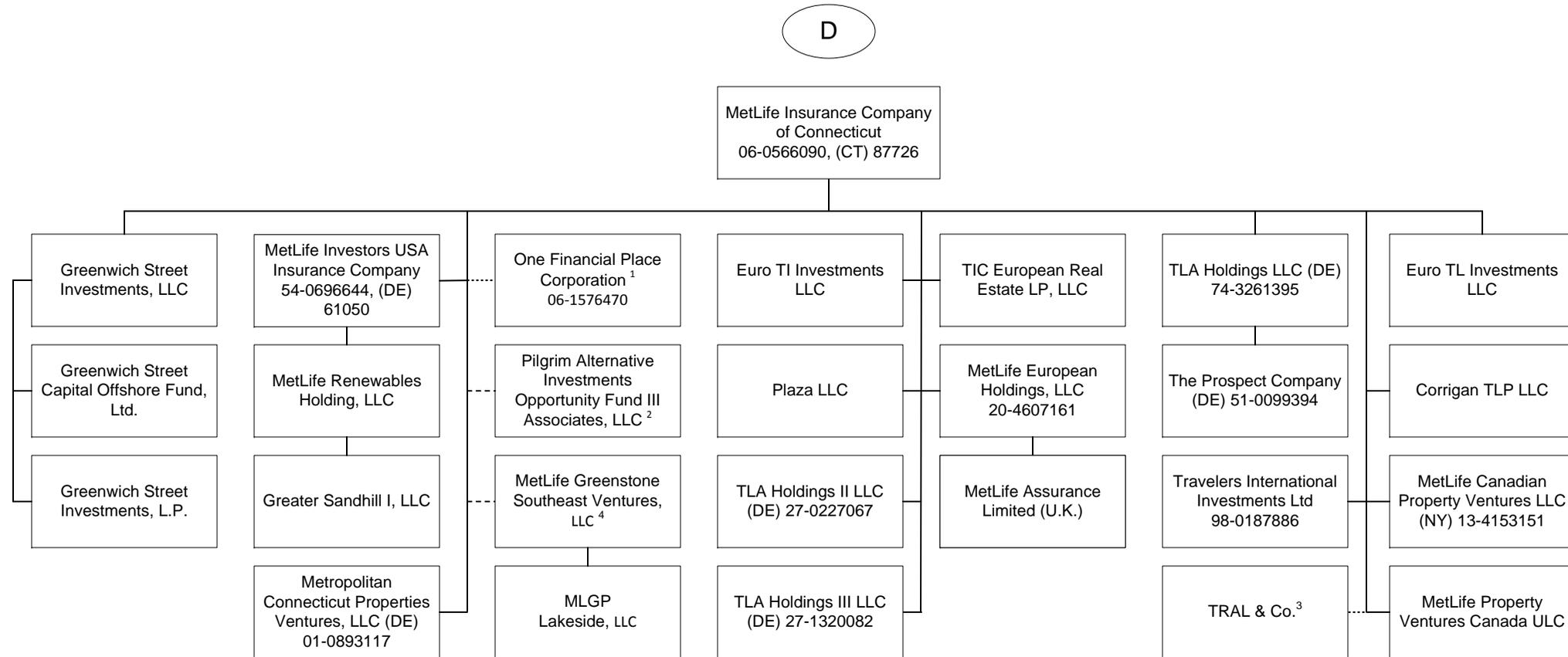
C



¹ Metropolitan Lloyds Insurance Company of Texas, an affiliated association, provides automobile, homeowner and related insurance for the Texas market. It is an association of individuals designated as underwriters. Metropolitan Lloyds, Inc., a subsidiary of Metropolitan Property and Casualty Insurance Company, serves as the attorney-in-fact and manages the association.

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

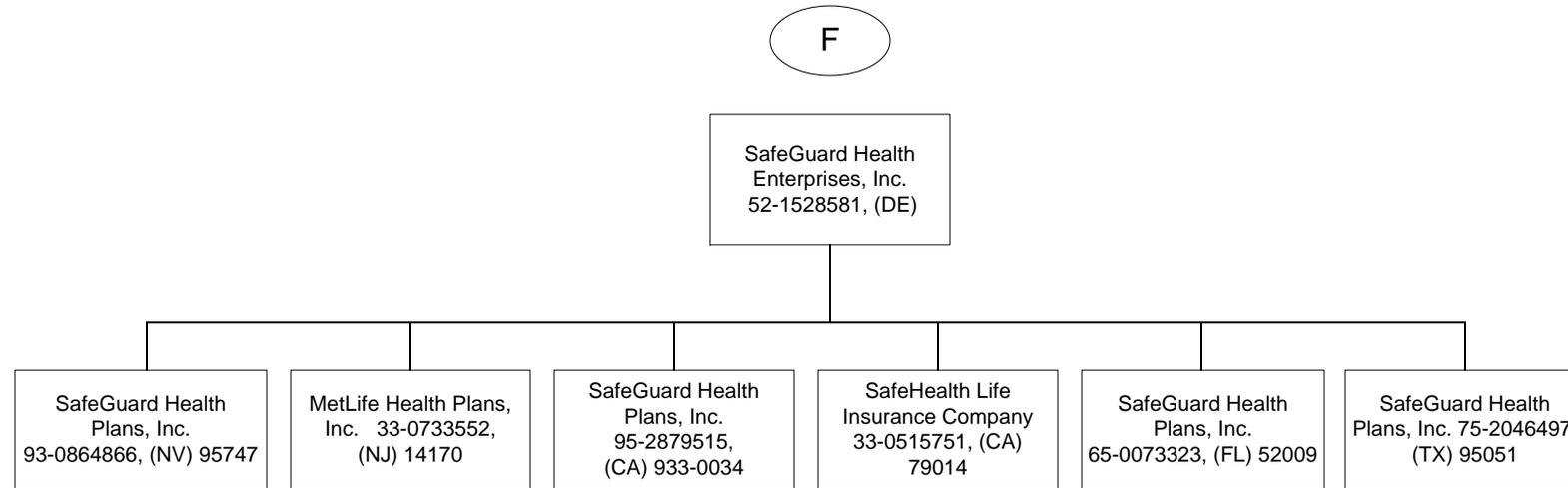
PART 1 - ORGANIZATIONAL CHART



1 100% is owned, in the aggregate, by MetLife Insurance Company of Connecticut.
 2 67% is owned by MetLife Insurance Company of Connecticut and 33% is owned by a third party.
 3 TRAL & Co. is a general partnership. Its partners are MetLife Insurance Company of Connecticut and Metropolitan Life Insurance Company.
 4 5% of MetLife Greenstone Southeast Ventures, LLC is owned by Metropolitan Connecticut Properties Ventures, LLC.

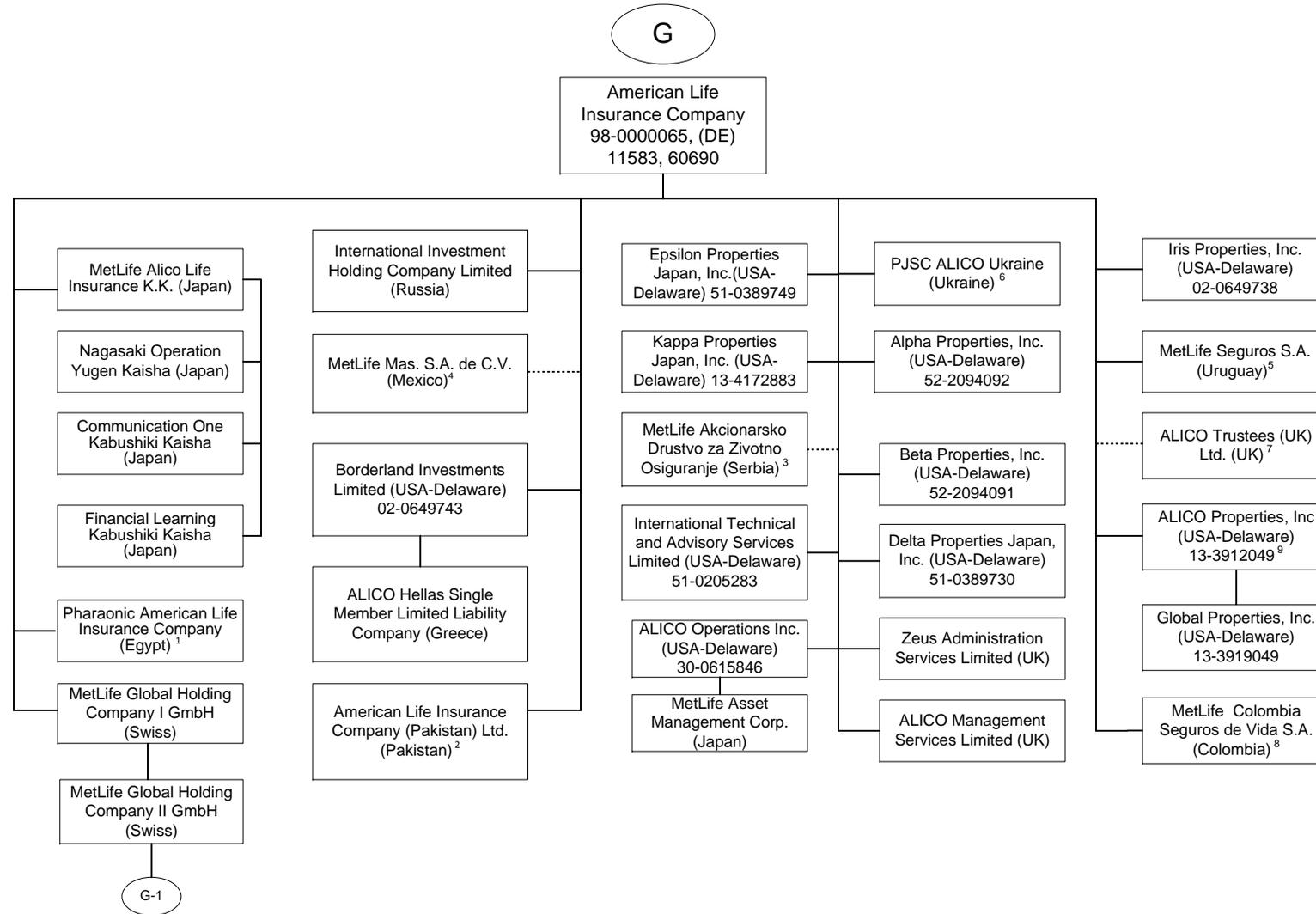
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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

PART 1 - ORGANIZATIONAL CHART



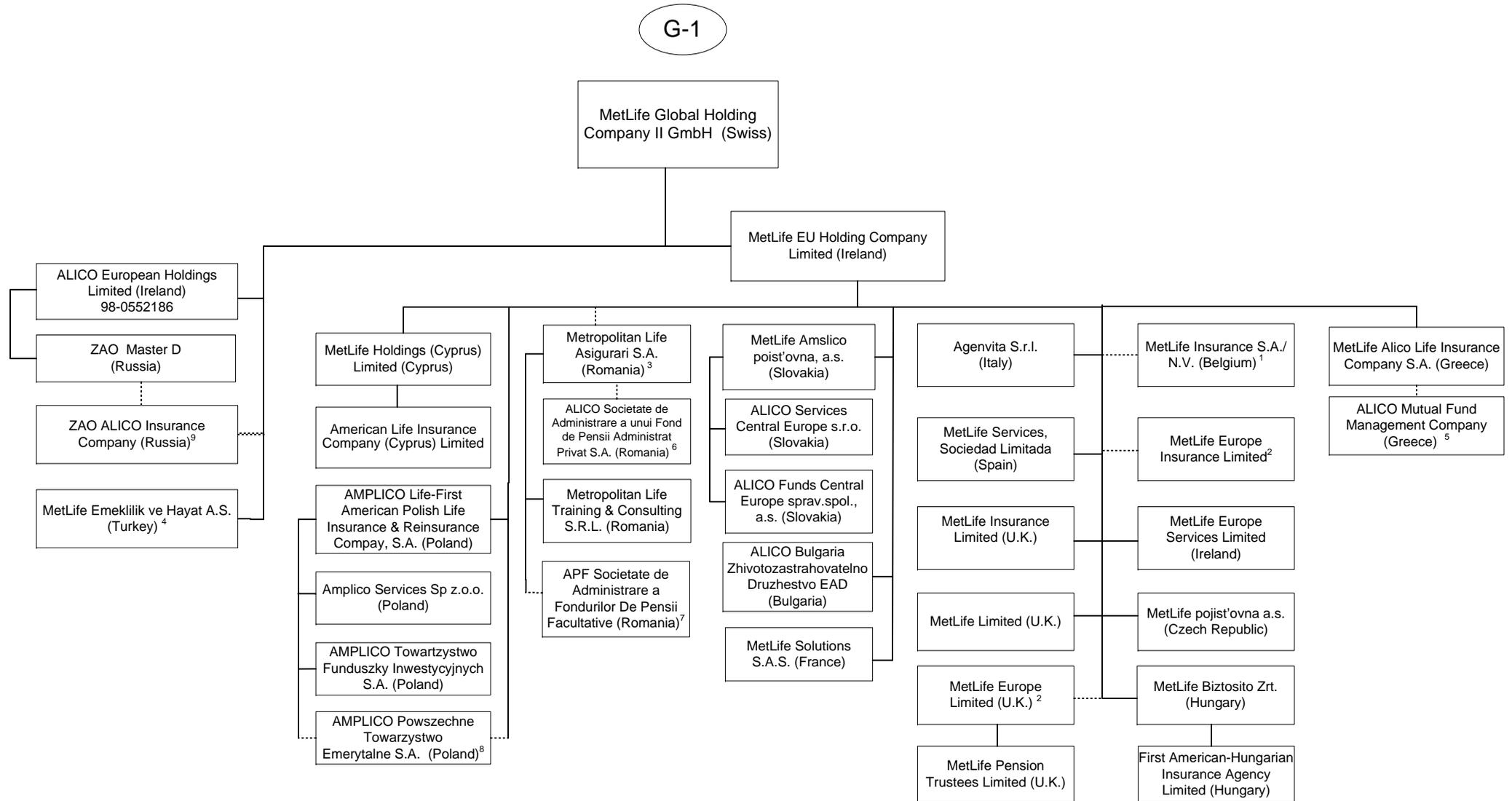
96.9

1 84.125% of Pharaonic American Life Insurance Company is owned by American Life Insurance Company and the remaining interests are owned by third parties.
 2 81.96% of American Life Insurance Company (Pakistan) Ltd. is owned by American Life Insurance Company and the remaining interests are owned by third parties.
 3 99.98% of MetLife Akcionarsko Društvo za Životno Osiguranje is owned by American Life Insurance Company and the remaining .02% is owned by International Technical and Advisory Services Limited.
 4 99.9997546% MetLife Mas S.A. de C.V. is owned by American Life Insurance Company and .0002454% is owned by International Technical and Advisory Services Limited.
 5 74.9187% MetLife Seguros de Vida S.A. de C.V. is owned by American Life Insurance Company, 25.0798% is owned by MetLife, Inc. and 0.0015% by third party (Oscar Schmidt).

6 99.9988% PJSC ALICO Ukraine is owned by American Life Insurance Company, .0006% is owned by International Technical and Advisory Services Limited and the remaining .0006% is owned by Borderland Investments Limited.
 7 50% of ALICO Trustees (UK) Ltd. is owned by American Life Insurance Company and the remaining interest is owned by International Technical and Advisory Services Limited.
 8 94.9899823% of MetLife Colombia Seguros de Vida S.A. is owned by American Life Insurance Company, 5.0100106% is owned by International Technical and Advisory Services Limited and the remaining interests are owned by third parties.
 9 51% of ALICO Properties, Inc. is owned by American Life Insurance Company and the remaining interest by third parties.

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

PART 1 - ORGANIZATIONAL CHART



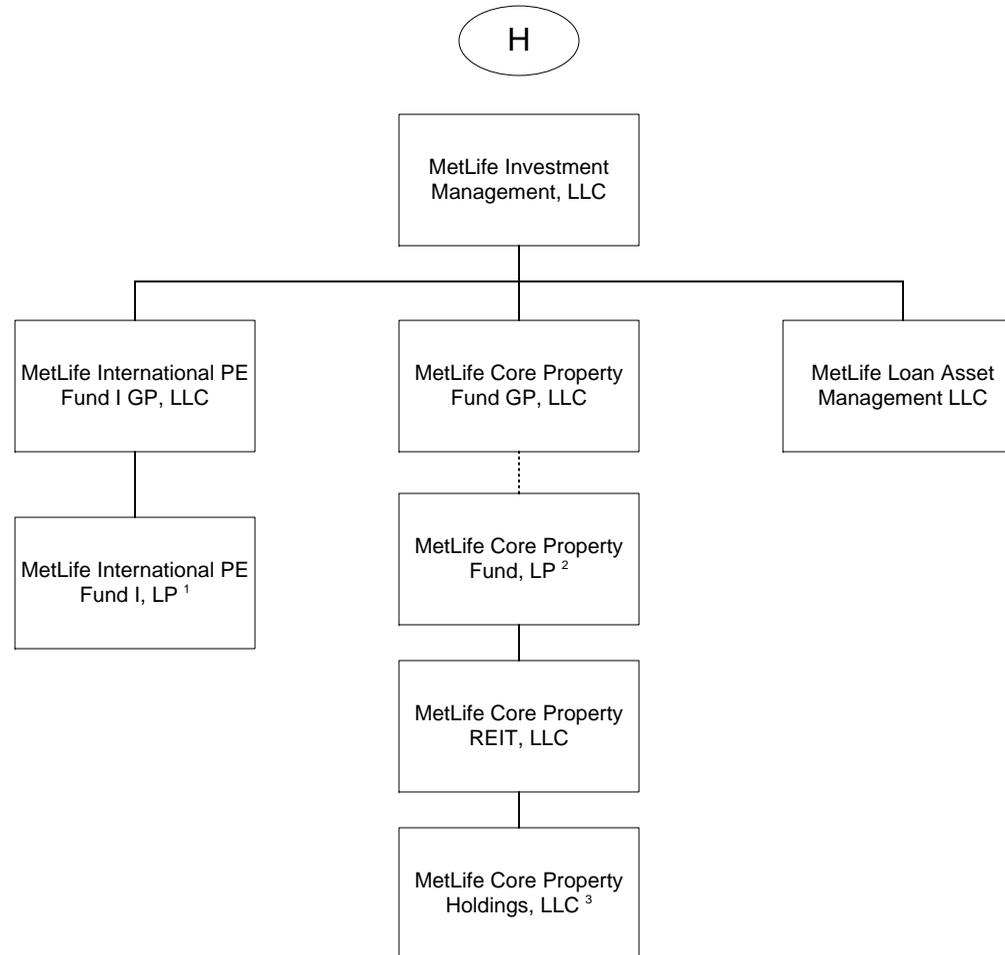
96.10

1 99.999% of MetLife Insurance S.A./N.V. is owned by MetLife EU Holding Company Limited and .001% is owned by Natiloportem Holdings, Inc.
 2 American Life Insurance Company holds a 7% interest in this entity.
 3 99.9982018% of Metropolitan Life Asigurari S.A. is owned by MetLife EU Holding Company Limited and the remaining .0017982% is owned by International Technical and Advisory Services Limited.
 4 99.9788% of MetLife Emeklilik ve Hayat A.S. is owned by American Life Insurance company and the remaining by third parties.
 5 90% of ALICO Mutual Fund Management Company is owned by MetLife Alico Life Insurance Company S.A. (Greece) and the remaining interest by a third party.

6 99.9748% of ALICO Societate de Administrare a unui Fond de Pensii Administrat Privat S.A. is owned by Metropolitan Life Asigurari S.A. Romania and .0252% by Amplico Services Sp z.o.o.
 7 99.99% of APF Societate de Administrare a Fondurilor De Pensii Facultative is owned by Metropolitan Life Asigurari S.A. Romania and 0.0001% is owned by International Technical and Advisory Services Limited.
 8 50% of AMPLICO Powszechne Towarzystwo Emerytalne S.A. is owned by MetLife EU Holding Company Limited.
 9 ZAO Master D (Russia) owns 51% of ZAO ALICO Insurance Company (Russia) and MetLife Global Holding Company II GmbH owns the other 49%.

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

PART 1 - ORGANIZATIONAL CHART

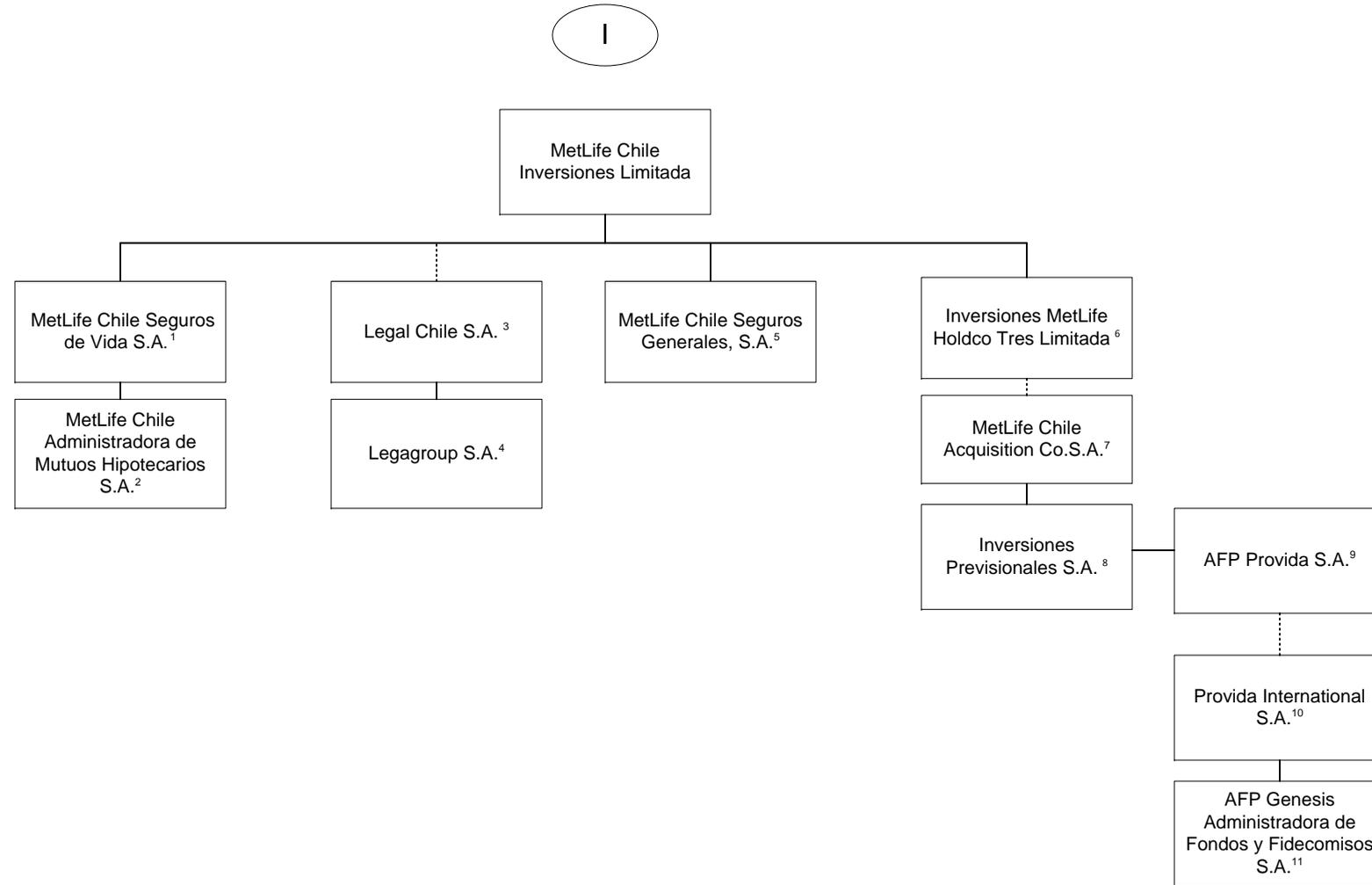


1 92.5935% of the Limited partnership interests of this entity is owned by MetLife Alico Life Insurance K.K, 4.115% is owned by MetLife Mexico S.A., 2.716% by MetLife Limited (Hong Kong) and the remaining 0.576% is owned by Metropolitan Life Insurance Company of Hong Kong Limited.

2 MetLife Core Property Fund GP, LLC is the general partner of MetLife Core Property Fund, LP (the "Fund"). A substantial majority of the limited partnership interests in the Fund are held by third parties. The following affiliates hold a minority share of the limited partnership interests in the Fund: Metropolitan Life Insurance Company owns 23.7%, General American Life Insurance Company owns 0.1% and MetLife Insurance Company of Connecticut owns 0.2%.

3 MetLife Core Property Holdings, LLC holds the following single-property limited liability companies: MCP 7 Riverway, LLC, MCP SoCal Industry- Redondo, LLC, MCP SoCal Industrial-Springdale, LLC, MCP SoCal Industrial-Concourse, LLC, MCP SoCal Industrial-Kellwood, LLC, MCP SoCal Industrial-Bernado, LLC, MCP SoCal Industrial-Canyon, LLC, MCP SoCal Industrial-Anaheim, LLC, MCP SoCal Industrial-LAX, LLC, MCP SoCal Industrial-Fullerton, LLC, MCP SoCal Industrial-Ontario, LLC, MCP SoCal Industrial-Loker, LLC, MCP Paragon Point, LLC, MCP 4600 South Syracuse, LLC, MCP The Palms Doral, LLC, MCP Waterfront Atrium, LLC, MCP EnV Chicago, LLC, MCP 100 Congress, LLC, MCP 1900 McKinney, LLC, MCP 550 West Washington, LLC, MCP Main Street Village, LLC, MCP Lodge At Lakecrest, LLC and MCP Ashton South End, LLC

PART 1 - ORGANIZATIONAL CHART



1 99.9969% is held by MetLife Chile Inversiones Limitada and .0031% by International Technical and Advisory Services Limited.
 2 99.99% is held by MetLife Chile Seguros de Vida S.A. and .01% by MetLife Chile Inversiones Limitada.
 3 51% of Legal Chile S.A. is owned by MetLife Chile Inversiones Limitada and the remainder by a third party.
 4 99% of Legagroup S.A. is owned by Legal Chile S.A. and the remainder by a third party.
 5 99.9% of MetLife Chile Seguros Generales, S.A. is owned by MetLife Chile Inversiones Limitada and 0.1% by International Technical and Advisory Services Limited..
 6 99.9% of Inversiones MetLife Holdco Tres Limitada is owned by MetLife Chile Inversiones Limitada and 0.1% is owned by Inversiones MetLife Holdco Dos Limitada.

7 45% of MetLife Chile Acquisition Co. S.A. is owned by Inversiones MetLife Holdco Dos Limitada, 45% owned by Inversiones MetLife Holdco Tres Limitada and 10% by MetLife Chile Inversiones Limitada.
 8 99.999% of Inversiones Previsionales S.A. is owned by MetLife Chile Acquisition Co. S.A. and .001% is owned by Inversiones MetLife Holdco Tres Limitada.
 9 51.62% of AFP Provida S.A. is owned by Inversiones Previsionales S.A., 21.97% is owned indirectly (by means of American Depository Receipt) by MetLife Chile Acquisition Co. S.A., 17.79% is owned directly by MetLife Chile Acquisition Co. S.A. and the remainder by third parties.
 10 99.99% of Provida Internacional S.A. is owned by AFP Provida S.A. and .01% by Inversiones Previsionales S.A.
 11 99.9997% of AFP Genesis Administradora de Fondos y Fidecomisos S.A. is owned by Provida Internacional S.A. and .0003% by Inversiones Previsionales S.A.

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

PART 1 - ORGANIZATIONAL CHART

- 1) The voting securities (excluding directors' qualifying shares, if any) of each subsidiary shown on the organizational chart are 100% owned by their respective parent corporation, unless otherwise indicated.
- 2) The Metropolitan Money Market Pool and MetLife Intermediate Income Pool are pass-through investments pools, of which Metropolitan Life Insurance Company and/or its subsidiaries and/or affiliates are general partners.
- 3) The MetLife, Inc. organizational chart does not include real estate joint ventures and partnerships of which MetLife, Inc. and/or its subsidiaries is an investment partner. In addition, certain inactive subsidiaries have also been omitted.
- 4) MetLife Services EEIG is a cost-sharing mechanism used in European Union for European Union-affiliated members.

2013 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

| | | | |
|--|------|--|------|
| Assets | 2 | Schedule P-Part 2G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery) | 58 |
| Cash Flow | 5 | Schedule P-Part 2H-Section 1-Other Liability-Occurrence | 58 |
| Exhibit of Capital Gains (Losses) | 12 | Schedule P-Part 2H-Section 2-Other Liability-Claims-Made | 58 |
| Exhibit of Net Investment Income | 12 | Schedule P-Part 2I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft) | 59 |
| Exhibit of Nonadmitted Assets | 13 | Schedule P-Part 2J-Auto Physical Damage | 59 |
| Exhibit of Premiums and Losses (State Page) | 19 | Schedule P-Part 2K-Fidelity, Surety | 59 |
| Five-Year Historical Data | 17 | Schedule P-Part 2L-Other (Including Credit, Accident and Health) | 59 |
| General Interrogatories | 15 | Schedule P-Part 2M-International | 59 |
| Jurat Page | 1 | Schedule P-Part 2N-Reinsurance - Nonproportional Assumed Property | 60 |
| Liabilities, Surplus and Other Funds | 3 | Schedule P-Part 2O-Reinsurance - Nonproportional Assumed Liability | 60 |
| Notes To Financial Statements | 14 | Schedule P-Part 2P-Reinsurance - Nonproportional Assumed Financial Lines | 60 |
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