



ANNUAL STATEMENT

For the Year Ended December 31, 2015

of the Condition and Affairs of the

FACTORY MUTUAL INSURANCE COMPANY

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

OFFICERS

Name	Title	Name	Title
1. Thomas Alan Lawson	President & Chief Executive Officer	2. Jonathan Irving Mishara	Senior Vice President & Secretary
3. Joy Kirsten Cave	Vice President & Treasurer		

OTHER

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

DIRECTORS OR TRUSTEES

Frank Thomas Connor	Colin Richard Day	Daniel Lee Knotts #	Thomas Alan Lawson
John Anderson Luke Jr	Jonathan Douglas Mariner	Gracia Catherine Martore	Christine Mary McCarthy
Stuart Blain Parker	David Pulman	Edward Joseph Rapp	Shivan Sivaswamy Subramaniam
James Conrad Thyen			

State of Rhode Island
County of Providence

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

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

Subscribed and sworn to before me
This 25th day of February 2016

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

John A. Soares III Notary Public
Expires July 5, 2017

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	3,890,763,372		3,890,763,372	3,545,065,964
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....	8,203,540,277		8,203,540,277	8,137,656,224
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	30,922
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....232,598,045, Schedule E-Part 1), cash equivalents (\$.....140,185,971, Schedule E-Part 2) and short-term investments (\$.....410,963,424, Schedule DA).....	783,747,440		783,747,440	670,983,809
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....	1,820,680,134		1,820,680,134	1,755,181,848
9. Receivables for securities.....	1,341,262		1,341,262	7,372,407
10. Securities lending reinvested collateral assets (Schedule DL).....	63,105,725		63,105,725	27,804,705
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	14,763,178,210	.0	14,763,178,210	14,144,095,879
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	49,370,381		49,370,381	46,642,500
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	517,069,660	35,783,458	481,286,202	541,984,725
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	66,544,914		66,544,914	80,290,124
16.2 Funds held by or deposited with reinsured companies.....	21,415,939		21,415,939	28,820,126
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	105,347,581		105,347,581	
18.2 Net deferred tax asset.....			.0	
19. Guaranty funds receivable or on deposit.....	130,896		130,896	83,415
20. Electronic data processing equipment and software.....	39,460,415	36,780,311	2,680,104	2,581,139
21. Furniture and equipment, including health care delivery assets (\$.....0).....	19,177,597	19,177,597	.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....	91,963,327	21,449,935	70,513,392	118,951,055
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	375,163,835	252,735,626	122,428,209	106,616,073
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	16,048,822,755	365,926,927	15,682,895,828	15,070,065,036
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTALS (Lines 26 and 27).....	16,048,822,755	365,926,927	15,682,895,828	15,070,065,036

DETAILS OF WRITE-INS

1101.....			.0	
1102.....			.0	
1103.....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. Pension asset.....	219,342,287	219,342,287	.0	
2502. CSV life insurance.....	97,177,018		97,177,018	91,283,009
2503. Cash clearing accounts.....	15,070,165		15,070,165	5,487,291
2598. Summary of remaining write-ins for Line 25 from overflow page.....	43,574,365	33,393,339	10,181,026	9,845,773
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	375,163,835	252,735,626	122,428,209	106,616,073

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	1,930,207,036	1,692,117,034
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	32,804,780	105,774,520
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	155,342,000	158,858,474
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	474,196,899	448,337,828
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	19,491,103	19,959,199
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		47,413,064
7.2 Net deferred tax liability.....	454,233,000	595,588,000
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$....439,832,949 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).....	1,415,616,390	1,417,758,943
10. Advance premium.....	11,292,777	11,608,161
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	228,871,494	191,992,802
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	7,244,294	9,821,061
14. Amounts withheld or retained by company for account of others.....	14,682,459	6,865,632
15. Remittances and items not allocated.....	4,210,062	4,766,613
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	88,424,768	51,922,459
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	180,044,583	65,143,237
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....	11,264,301	25,029,543
22. Payable for securities lending.....	63,105,725	27,804,705
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	45,210,156	47,458,024
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	5,136,241,827	4,928,219,299
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	5,136,241,827	4,928,219,299
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....		
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	1,250,000	1,250,000
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....		
35. Unassigned funds (surplus).....	10,545,404,001	10,140,595,737
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	10,546,654,001	10,141,845,737
38. TOTALS (Page 2, Line 28, Col. 3).....	15,682,895,828	15,070,065,036

DETAILS OF WRITE-INS

2501. Miscellaneous accounts payable.....	48,999,156	51,603,024
2502. SSAP 92 defined benefit plan contra liability.....	(3,789,000)	(4,145,000)
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	45,210,156	47,458,024
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201. Guaranty funds.....	1,250,000	1,250,000
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	1,250,000	1,250,000

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	2,784,235,112	2,732,761,511
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	1,511,701,530	1,271,155,969
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	101,820,006	99,429,246
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	797,935,858	728,885,306
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	2,411,457,394	2,099,470,521
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	372,777,718	633,290,990
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	250,091,119	231,074,098
10. Net realized capital gains (losses) less capital gains tax of \$.....72,672,000 (Exhibit of Capital Gains (Losses)).....	134,961,650	135,949,026
11. Net investment gain (loss) (Lines 9 + 10).....	385,052,769	367,023,124
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....241,176).....	(241,176)	(95,711)
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	(14,981,304)	(18,609,021)
15. Total other income (Lines 12 through 14).....	(15,222,480)	(18,704,732)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	742,608,007	981,609,382
17. Dividends to policyholders.....		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	742,608,007	981,609,382
19. Federal and foreign income taxes incurred.....	192,528,895	310,785,002
20. Net income (Line 18 minus Line 19) (to Line 22).....	550,079,112	670,824,380
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	10,141,845,737	9,153,455,476
22. Net income (from Line 20).....	550,079,112	670,824,380
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(80,648,000).....	(65,463,722)	378,973,160
25. Change in net unrealized foreign exchange capital gain (loss).....	(108,354,238)	(27,067,121)
26. Change in net deferred income tax.....	60,707,000	93,206,000
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	18,777,107	206,796,833
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(36,502,309)	(13,758,218)
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from protected cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	(14,434,686)	(320,584,773)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	404,808,264	988,390,261
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	10,546,654,001	10,141,845,737
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. Miscellaneous expense.....	(17,389)	(50,682)
1402. Balances charged off.....	(1,265,990)	(14,543,183)
1403. Loss on foreign exchange.....	(13,697,925)	(4,015,156)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(14,981,304)	(18,609,021)
3701. SSAP 102 and SSAP 92 amortization / actuarial (losses) gains.....	(14,434,686)	(320,584,773)
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	(14,434,686)	(320,584,773)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	2,869,901,626	2,704,829,971
2. Net investment income.....	292,639,585	264,041,876
3. Miscellaneous income.....	(15,222,480)	(18,704,732)
4. Total (Lines 1 through 3).....	3,147,318,731	2,950,167,115
5. Benefit and loss related payments.....	1,318,632,105	1,312,379,782
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	877,928,844	736,155,163
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....86,412,401 tax on capital gains (losses).....	417,961,540	314,221,540
10. Total (Lines 5 through 9).....	2,614,522,489	2,362,756,485
11. Net cash from operations (Line 4 minus Line 10).....	532,796,242	587,410,630
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	2,499,181,870	1,904,820,659
12.2 Stocks.....	750,464,273	601,788,222
12.3 Mortgage loans.....		
12.4 Real estate.....	30,664	
12.5 Other invested assets.....	120,620,619	114,175,002
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(26,616)	(53,850)
12.7 Miscellaneous proceeds.....	6,031,145	22,929,777
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	3,376,301,955	2,643,659,810
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	2,881,070,590	1,920,110,460
13.2 Stocks.....	792,509,622	814,599,689
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....	150,946,734	262,617,321
13.6 Miscellaneous applications.....	13,765,242	6,235,047
13.7 Total investments acquired (Lines 13.1 to 13.6).....	3,838,292,188	3,003,562,517
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(461,990,233)	(359,902,707)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	41,957,622	(78,544,546)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	41,957,622	(78,544,546)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	112,763,631	148,963,377
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	670,983,809	522,020,432
19.2 End of year (Line 18 plus Line 19.1).....	783,747,440	670,983,809

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....	347,248,739	230,428,919	200,670,648	377,007,010
2.	Allied lines.....	696,105,771	542,937,007	415,372,559	823,670,219
3.	Farmowners multiple peril.....				0
4.	Homeowners multiple peril.....				0
5.	Commercial multiple peril.....				0
6.	Mortgage guaranty.....				0
8.	Ocean marine.....	28,051,248	1,641,437	2,433,003	27,259,682
9.	Inland marine.....	834,737,304	401,358,945	457,422,319	778,673,930
10.	Financial guaranty.....				0
11.1	Medical professional liability - occurrence.....				0
11.2	Medical professional liability - claims-made.....				0
12.	Earthquake.....				0
13.	Group accident and health.....				0
14.	Credit accident and health (group and individual).....				0
15.	Other accident and health.....				0
16.	Workers' compensation.....				0
17.1	Other liability - occurrence.....				0
17.2	Other liability - claims-made.....				0
17.3	Excess workers' compensation.....				0
18.1	Products liability - occurrence.....				0
18.2	Products liability - claims-made.....				0
19.1, 19.2	Private passenger auto liability.....				0
19.3, 19.4	Commercial auto liability.....				0
21.	Auto physical damage.....				0
22.	Aircraft (all perils).....				0
23.	Fidelity.....				0
24.	Surety.....				0
26.	Burglary and theft.....				0
27.	Boiler and machinery.....	657,402,407	241,392,635	339,717,861	559,077,181
28.	Credit.....				0
29.	International.....				0
30.	Warranty.....				0
31.	Reinsurance - nonproportional assumed property.....	218,536,529			218,536,529
32.	Reinsurance - nonproportional assumed liability.....	10,561			10,561
33.	Reinsurance - nonproportional assumed financial lines.....				0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0
35.	TOTALS.....	2,782,092,559	1,417,758,943	1,415,616,390	2,784,235,112

DETAILS OF WRITE-INS

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	200,670,648				200,670,648
2.	Allied lines.....	415,372,559				415,372,559
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....					0
5.	Commercial multiple peril.....					0
6.	Mortgage guaranty.....					0
8.	Ocean marine.....	2,433,003				2,433,003
9.	Inland marine.....	457,422,319				457,422,319
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....					0
11.2	Medical professional liability - claims-made.....					0
12.	Earthquake.....					0
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....					0
16.	Workers' compensation.....					0
17.1	Other liability - occurrence.....					0
17.2	Other liability - claims-made.....					0
17.3	Excess workers' compensation.....					0
18.1	Products liability - occurrence.....					0
18.2	Products liability - claims-made.....					0
19.1, 19.2	Private passenger auto liability.....					0
19.3, 19.4	Commercial auto liability.....					0
21.	Auto physical damage.....					0
22.	Aircraft (all perils).....					0
23.	Fidelity.....					0
24.	Surety.....					0
26.	Burglary and theft.....					0
27.	Boiler and machinery.....	339,717,861				339,717,861
28.	Credit.....					0
29.	International.....					0
30.	Warranty.....					0
31.	Reinsurance - nonproportional assumed property.....					0
32.	Reinsurance - nonproportional assumed liability.....					0
33.	Reinsurance - nonproportional assumed financial lines.....					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	1,415,616,390	0	0	0	1,415,616,390
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					1,415,616,390

DETAILS OF WRITE-INS

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	386,314,441	51,038,245	76,108,318	26,852,230	139,360,035	347,248,739
2. Allied lines.....	783,173,321	107,114,835	157,329,450	56,355,233	295,156,602	696,105,771
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....						0
5. Commercial multiple peril.....						0
6. Mortgage guaranty.....						0
8. Ocean marine.....	150,495	26,994,079	1,488,467	78,716	503,077	28,051,248
9. Inland marine.....	958,531,177	111,029,392	193,770,613	58,859,627	369,734,251	834,737,304
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....						0
12. Earthquake.....						0
13. Group accident and health.....						0
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....						0
16. Workers' compensation.....						0
17.1 Other liability - occurrence.....						0
17.2 Other liability - claims-made.....						0
17.3 Excess workers' compensation.....						0
18.1 Products liability - occurrence.....						0
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....						0
19.3, 19.4 Commercial auto liability.....						0
21. Auto physical damage.....						0
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....						0
26. Burglary and theft.....						0
27. Boiler and machinery.....	474,244,363	76,282,672	275,687,200	25,507,596	143,304,232	657,402,407
28. Credit.....						0
29. International.....						0
30. Warranty.....						0
31. Reinsurance - nonproportional assumed property.....	XXX	283,472,578		64,936,049		218,536,529
32. Reinsurance - nonproportional assumed liability.....	XXX		11,358		797	10,561
33. Reinsurance - nonproportional assumed financial lines.....	XXX					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	2,602,413,797	655,931,801	704,395,406	232,589,451	948,058,994	2,782,092,559

DETAILS OF WRITE-INS

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

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	476,357,390	209,564,106	183,754,939	502,166,557	554,271,210	534,954,134	521,483,633	138.3
2. Allied lines.....	192,562,920	29,541,821	46,760,897	175,343,844	208,480,401	181,941,355	201,882,890	24.5
3. Farmowners multiple peril.....				0			0	0.0
4. Homeowners multiple peril.....				0			0	0.0
5. Commercial multiple peril.....				0			0	0.0
6. Mortgage guaranty.....				0			0	0.0
8. Ocean marine.....	1,552,022	330,273	1,907,405	(25,110)	31,055,032	31,422,176	(392,254)	(1.4)
9. Inland marine.....	208,809,065	111,053,040	63,926,622	255,935,483	429,279,987	258,498,969	426,716,501	54.8
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.....				0			0	0.0
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.....				0			0	0.0
16. Workers' compensation.....		4,118		4,118	303,564	82,019	225,663	0.0
17.1 Other liability - occurrence.....	14,277,674	9,843,739	17,891,084	6,230,329	137,644,139	150,063,209	(6,188,741)	0.0
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.....				0			0	0.0
19.3, 19.4 Commercial auto liability.....				0			0	0.0
21. Auto physical damage.....				0			0	0.0
22. Aircraft (all perils).....	22,919	12,625	(56,360)	91,904	1,327,375	968,323	450,956	0.0
23. Fidelity.....	(47,733)			(47,733)			(47,733)	0.0
24. Surety.....				0			0	0.0
26. Burglary and theft.....				0			0	0.0
27. Boiler and machinery.....	174,704,356	77,676,365	24,348,116	228,032,605	175,062,063	197,712,658	205,382,010	36.7
28. Credit.....				0			0	0.0
29. International.....				0			0	0.0
30. Warranty.....				0			0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX	119,351,166	31,481,320	87,869,846			87,869,846	40.2
32. Reinsurance - nonproportional assumed liability.....	XXX	26,359,391	8,349,706	18,009,685	392,783,265	336,474,191	74,318,759	703,709.5
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0			0	0.0
34. Aggregate write-ins for other lines of business.....	0	0	0	0			0	0.0
35. TOTALS.....	1,068,238,613	583,736,644	378,363,729	1,273,611,528	1,930,207,036	1,692,117,034	1,511,701,530	54.3

DETAILS OF WRITE-INS

3401.	.....						
3402.	.....						
3403.	.....						
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	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.....	196,378,122	292,710,663	44,874,170	444,214,615	60,610,365	49,446,230		554,271,210	41,670,379
2. Allied lines.....	203,260,321	65,664,616	68,546,005	200,378,932	1,118,236	6,983,233		208,480,401	1,782,262
3. Farmowners multiple peril.....				0				0	
4. Homeowners multiple peril.....				0				0	
5. Commercial multiple peril.....				0				0	
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....	11,831,621	365,209	8,449,350	3,747,480	65,400,775	21,651,419	59,744,642	31,055,032	3,129,001
9. Inland marine.....	230,775,952	144,644,505	126,230,734	249,189,723	122,297,208	57,805,475	12,419	429,279,987	21,315,771
10. Financial guaranty.....				0				0	
11.1 Medical professional liability - occurrence.....				0				0	
11.2 Medical professional liability - claims-made.....				0				0	
12. Earthquake.....				0				0	
13. Group accident and health.....				0				(a) 0	
14. Credit accident and health (group and individual).....				0				0	
15. Other accident and health.....				0				(a) 0	
16. Workers' compensation.....		85,414		85,414		218,150		303,564	190
17.1 Other liability - occurrence.....	41,362,300	3,610,657	29,256,382	15,716,575	231,229,966	97,567,017	206,869,419	137,644,139	11,826,576
17.2 Other liability - claims-made.....				0				0	
17.3 Excess workers' compensation.....				0				0	
18.1 Products liability - occurrence.....				0				0	
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....				0				0	
19.3, 19.4 Commercial auto liability.....				0				0	
21. Auto physical damage.....				0				0	
22. Aircraft (all perils).....	471,479		273,371	198,108	2,635,736	426,511	1,932,980	1,327,375	75,712
23. Fidelity.....				0				0	
24. Surety.....				0				0	
26. Burglary and theft.....				0				0	
27. Boiler and machinery.....	119,106,668	56,393,957	29,317,673	146,182,952	20,902,282	7,976,829		175,062,063	11,313,111
28. Credit.....				0				0	
29. International.....				0				0	
30. Warranty.....				0				0	
31. Reinsurance - nonproportional assumed property.....	XXX			0	XXX			0	
32. Reinsurance - nonproportional assumed liability.....	XXX	182,072,236	52,609,500	129,462,736	XXX	368,168,926	104,848,397	392,783,265	64,228,998
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	803,186,463	745,547,257	359,557,185	1,189,176,535	504,194,568	610,243,790	373,407,857	1,930,207,036	155,342,000

DETAILS OF WRITE-INS

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	40,707,732			40,707,732
1.2 Reinsurance assumed.....	56,622,158			56,622,158
1.3 Reinsurance ceded.....	35,237,428			35,237,428
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	62,092,462	0	0	62,092,462
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....				0
2.2 Reinsurance assumed, excluding contingent.....		231,640,511		231,640,511
2.3 Reinsurance ceded, excluding contingent.....		155,683,665		155,683,665
2.4 Contingent - direct.....				0
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	75,956,846	0	75,956,846
3. Allowances to manager and agents.....				0
4. Advertising.....	11,333	11,676,852	280	11,688,465
5. Boards, bureaus and associations.....		49,268		49,268
6. Surveys and underwriting reports.....	3,125	11,015,402		11,018,527
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	23,108,078	320,913,630	2,509,608	346,531,316
8.2 Payroll taxes.....	1,298,880	18,384,597	104,233	19,787,710
9. Employee relations and welfare.....	6,146,467	83,901,380	783,050	90,830,897
10. Insurance.....	52,733	4,436,222	1,190	4,490,145
11. Directors' fees.....		3,681,049		3,681,049
12. Travel and travel items.....	4,717,672	48,908,365	96,426	53,722,463
13. Rent and rent items.....	2,773,858	43,882,822	449,176	47,105,856
14. Equipment.....	86,701	3,160,552	5,215	3,252,468
15. Cost or depreciation of EDP equipment and software.....	224,423	35,984,065	802,839	37,011,327
16. Printing and stationery.....	298,650	3,283,986	30,453	3,613,089
17. Postage, telephone and telegraph, exchange and express.....	236,796	2,524,257	(148,607)	2,612,446
18. Legal and auditing.....	709,228	4,201,592		4,910,820
19. Totals (Lines 3 to 18).....	39,667,944	596,004,039	4,633,863	640,305,846
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		74,103,555		74,103,555
20.2 Insurance department licenses and fees.....		1,098,068	13,284	1,111,352
20.3 Gross guaranty association assessments.....		233,970		233,970
20.4 All other (excluding federal and foreign income and real estate).....				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	75,435,593	13,284	75,448,877
21. Real estate expenses.....			11,400	11,400
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	59,600	50,539,380	12,231,601	62,830,581
25. Total expenses incurred.....	101,820,006	797,935,858	16,890,148	(a) 916,646,012
26. Less unpaid expenses - current year.....	155,342,000	493,688,002		649,030,002
27. Add unpaid expenses - prior year.....	158,858,474	468,297,027		627,155,501
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	105,336,480	772,544,883	16,890,148	894,771,511

DETAILS OF WRITE-INS

2401. Bank activity fees.....	942	449,488	471,719	922,149
2402. Investment management fees.....			11,759,882	11,759,882
2403. consulting.....	50,076	47,296,636		47,346,712
2498. Summary of remaining write-ins for Line 24 from overflow page.....	8,582	2,793,256	0	2,801,838
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	59,600	50,539,380	12,231,601	62,830,581

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....17,072,478	.....17,015,433
1.1 Bonds exempt from U.S. tax.....	(a).....43,646,958	.....44,555,928
1.2 Other bonds (unaffiliated).....	(a).....53,538,169	.....54,848,352
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....118,659,649	.....118,975,042
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....11,400	.....11,400
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....2,132,467	.....2,085,284
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....33,063,605	.....33,063,605
9. Aggregate write-ins for investment income.....	.....2,353,458	.....2,353,458
10. Total gross investment income.....	.....270,478,184	.....272,908,502
11. Investment expenses.....	.....	(g).....16,876,864
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....13,284
13. Interest expense.....	.....	(h).....5,926,977
14. Depreciation on real estate and other invested assets.....	.....	(i).....258
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....22,817,383
17. Net investment income (Line 10 minus Line 16).....	.....	.....250,091,119

DETAILS OF WRITE-INS

0901. Securities Litigation Income.....	1,516,610	1,516,610
0902. Miscellaneous Income.....	836,848	836,848
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	2,353,458	2,353,458
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	0

- (a) Includes \$.....1,394,369 accrual of discount less \$.....36,806,476 amortization of premium and less \$.....14,766,797 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 \$.....43,430 accrual of discount less \$.....319,004 amortization of premium and less \$.....1,217,082 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 \$.....258 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.....	206,431	.....	206,431	.....	.....
1.1 Bonds exempt from U.S. tax.....	5,525,441	.....	5,525,441	.....	.....
1.2 Other bonds (unaffiliated).....	19,003,622	(7,378,482)	11,625,140	(14,819,344)	(3,316,874)
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	194,441,351	(47,932,606)	146,508,745	(217,618,863)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	94,948,822	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	(26,616)	.....	(26,616)	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	44,280,857	(486,348)	43,794,509	(8,622,337)	.....
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	263,431,086	(55,797,436)	207,633,650	(146,111,722)	(3,316,874)

DETAILS OF WRITE-INS

0901. ....	.....	.....	0	.....	.....
0902. ....	.....	.....	0	.....	.....
0903. ....	.....	.....	0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page..	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	35,783,458	26,330,694	(9,452,764)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....	36,780,311	24,281,201	(12,499,110)
21. Furniture and equipment, including health care delivery assets.....	19,177,597	21,125,383	1,947,786
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....	21,449,935	19,073,439	(2,376,496)
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other than invested assets.....	252,735,626	293,893,317	41,157,691
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	365,926,927	384,704,034	18,777,107
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	365,926,927	384,704,034	18,777,107

DETAILS OF WRITE-INS

1101.....			0
1102.....			0
1103.....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Pension asset.....	219,342,287	249,852,629	30,510,342
2502. Prepaid expenses.....	20,559,009	23,657,010	3,098,001
2503. Miscellaneous receivable.....	2,461,193	10,010,541	7,549,348
2598. Summary of remaining write-ins for Line 25 from overflow page.....	10,373,137	10,373,137	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	252,735,626	293,893,317	41,157,691

NOTES TO FINANCIAL STATEMENTS**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN****A. Accounting Practices, Impact of NAIC/State Differences**

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

The state of Rhode Island requires insurance companies domiciled in the state of Rhode Island to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioner' (NAIC) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Rhode Island Division of Insurance. The Company has no state prescribed or permitted practices.

	State of Domicile	2015	2014
NET INCOME			
(1) FACTORY MUTUAL INSURANCE COMPANY state basis (Page 4, Line 20, Columns 1 & 2)	RI	\$ 550,079,112	\$ 670,824,380
(2) State Prescribed Practices that increase/decrease NAIC SAP			
(3) State Permitted Practices that increase/decrease NAIC SAP			
(4) NAIC SAP (1 – 2 – 3 = 4)	RI	\$ 550,079,112	\$ 670,824,380
SURPLUS			
(5) FACTORY MUTUAL INSURANCE COMPANY state basis (Page 3, line 37, Columns 1 & 2)	RI	\$ 10,546,654,001	\$ 10,141,845,737
(6) State Prescribed Practices that increase/decrease NAIC SAP			
(7) State Permitted Practices that increase/decrease NAIC SAP			
(8) NAIC SAP (5 – 6 – 7 = 8)	RI	\$ 10,546,654,001	\$ 10,141,845,737

B. Use of Estimates

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

C. Accounting Policies

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

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

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

In addition, the Company utilizes the following accounting policies:

- Short-term investments are stated at amortized cost using the interest method.
- Non loan-backed bonds with NAIC designations 1 or 2 are stated at amortized cost using the interest method. Non loan-backed bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value. See paragraph 6 for loan-backed and structured securities.
- Common Stocks, except investments in stocks of subsidiaries, are stated at fair value.
- Preferred stocks are stated at the lower of cost or fair value.
- The Company has no mortgage loans.
- U.S. government agency loan-backed and structured securities are valued at amortized value. Other loan-backed and structured securities are valued at either amortized value or fair value, depending on many factors including: the type of underlying collateral, whether modeled by NAIC vendor, whether rated (by either NAIC approved rating organization or NAIC Securities Valuation Office), and relationship of amortized value to par value and amortized value to fair value.
- U.S. insurance subsidiaries (Affiliated FM Insurance Company, NAIC #10014, and Appalachian Insurance Company, NAIC #10316) are stated at statutory equity value in accordance with SSAP 97 paragraph 8(b)i. Foreign insurance companies (FM Insurance Company Limited, FM Global de Mexico S.A. de C.V., and Risk Engineering Insurance Company Limited) are stated at the audited foreign basis equity converted to U.S statutory equity value in accordance with SSAP 97 paragraph 8(b)iv. Non-insurance subsidiaries (FMRE Holdings LLC) are stated at audited GAAP equity in accordance with SSAP 97 paragraph 8(b)iii.
- Investments in joint ventures, partnerships and limited liability corporations are stated at the underlying audited GAAP equity value.
- The Company has no derivatives.

NOTES TO FINANCIAL STATEMENTS**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued from preceding page)**

10. The Company does not anticipate investment income when evaluating the need for premium deficiency reserves.
11. Unpaid losses and loss adjustment expenses (including Asbestos and Environmental reserves) include amounts determined from individual case estimates and an amount for IBNR (incurred-but-not-reported) loss estimates. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
12. The Company has not changed its capitalization policy from the prior period
13. The Company has no "pharmaceutical rebate receivables."

D. Going Concern - Not applicable

NOTE 2 – ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS - NOT APPLICABLE**NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL - NOT APPLICABLE****NOTE 4 – DISCONTINUED OPERATIONS - NOT APPLICABLE****NOTE 5 – INVESTMENTS**

- A. Mortgage Loans - Not Applicable
- B. Debt Restructuring - Not applicable
- C. Reverse Mortgages - Not Applicable
- D. Loan-Backed and Structured Securities

(1) Description of Sources Used to Determine Prepayment Assumptions

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

(2) Other-Than-Temporary-Impairment (OTTI) Loss Recognized in the Aggregate - Not applicable

(3) OTTI by CUSIP - Not applicable

(4) Impaired Securities for which OTTI Not Recognized

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

a.	The aggregate amount of unrealized losses:	1.	Less than 12 Months	\$	305,065
		2.	12 Months or Longer	\$	1,710,598
b.	The aggregate related fair value of securities with unrealized losses:	1.	Less than 12 Months	\$	19,316,509
		2.	12 Months or Longer	\$	20,062,113

(5) OTTI Additional Information

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

NOTES TO FINANCIAL STATEMENTS**NOTE 5 – INVESTMENTS (continued from preceding page)****E. Repurchase Agreements and/or Securities Lending Transactions****(1) Policies Requiring Collateral**

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

(2) Collateral Pledged - Not applicable**(3) Collateral Received**

a.	Aggregate Amount Collateral Received	Fair Value
1.	Repurchase Agreement	
(a)	Open	\$ -
(b)	30 Days or Less	
(c)	31 to 60 Days	
(d)	61 to 90 Days	
(e)	Greater Than 90 Days	
(f)	Sub-Total	\$ -
(g)	Securities Received	
(h)	Total Collateral Received	\$ -
2.	Securities Lending	
(a)	Open	\$ -
(b)	30 Days or Less	50,110,467
(c)	31 to 60 Days	6,500,000
(d)	61 to 90 Days	4,995,258
(e)	Greater Than 90 Days	1,500,000
(f)	Sub-Total	\$ 63,105,725
(g)	Securities Received	
(h)	Total Collateral Received	\$ 63,105,725
3.	Dollar Repurchase Agreement	
(a)	Open	\$ -
(b)	30 Days or Less	
(c)	31 to 60 Days	
(d)	61 to 90 Days	
(e)	Greater Than 90 Days	
(f)	Sub-Total	\$ -
(g)	Securities Received	
(h)	Total Collateral Received	\$ -
b.	The fair value of that collateral and of the portion of that collateral that it has sold or repledged	\$ 63,105,725

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

(4) The Company has no collateral administered by an affiliated agent.

NOTES TO FINANCIAL STATEMENTS**NOTE 5 – INVESTMENTS (continued from preceding page)**

(5) Collateral Reinvestment

a.	Aggregate Amount Collateral Reinvested	Amortized Cost	Fair Value
1.	Repurchase Agreement		
(a)	Open	\$ -	\$ -
(b)	30 Days or Less		
(c)	31 to 60 Days		
(d)	61 to 90 Days		
(e)	91 to 120 Days		
(f)	121 to 180 Days		
(g)	181 to 365 Days		
(h)	1 to 2 Years		
(i)	2 to 3 Years		
(j)	Greater Than 3 Years		
(k)	Sub-Total	\$ -	\$ -
(l)	Securities Received		
(m)	Total Collateral Reinvested	\$ -	\$ -
2.	Securities Lending		
(a)	Open	\$ -	\$ -
(b)	30 Days or Less	50,110,467	50,110,467
(c)	31 to 60 Days	6,500,000	6,500,000
(d)	61 to 90 Days	4,995,258	4,995,258
(e)	91 to 120 Days	1,500,000	1,500,000
(f)	121 to 180 Days		
(g)	181 to 365 Days		
(h)	1 to 2 Years		
(i)	2 to 3 Years		
(j)	Greater Than 3 Years		
(k)	Sub-Total	\$ 63,105,725	\$ 63,105,725
(l)	Securities Received		
(m)	Total Collateral Reinvested	\$ 63,105,725	\$ 63,105,725
3.	Dollar Repurchase Agreement		
(a)	Open	\$ -	\$ -
(b)	30 Days or Less		
(c)	31 to 60 Days		
(d)	61 to 90 Days		
(e)	91 to 120 Days		
(f)	121 to 180 Days		
(g)	181 to 365 Days		
(h)	1 to 2 Years		
(i)	2 to 3 Years		
(j)	Greater Than 3 Years		
(k)	Sub-Total	\$ -	\$ -
(l)	Securities Received		
(m)	Total Collateral Reinvested	\$ -	\$ -

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

(6) In addition to the cash collateral, the Company also receives collateral in the form of government securities. These securities are held by the agent and are not traded or repledged. The current fair value of the securities collateral is \$96,971,908.

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

F. Writedowns for Impairments of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features - Not applicable

G. Low-Income Housing Trade Credits - Not Applicable

NOTES TO FINANCIAL STATEMENTS**NOTE 5 – INVESTMENTS (continued from preceding page)**

H. Other Disclosures and Unusual Items

(1) Restricted Assets (Including Pledged)

	Gross Restricted							Percentage		
	Current Period					6	7	8	9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Restricted Assets (a)	Total Protected Cell Restricted Assets	Protected Cell Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Period Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown										
b. Collateral held under security lending arrangements	63,105,725				63,105,725	27,804,705	35,301,020	63,105,725	0.393	0.402
c. Subject to repurchase agreements										
d. Subject to reverse repurchase agreements										
e. Subject to dollar repurchase agreements										
f. Subject to dollar reverse repurchase agreements										
g. Placed under option contracts										
h. Letter stock or securities restricted as to sale-excluding FHLB capital stock										
i. FHLB capital stock										
j. On deposit with state	5,590,422				5,590,422	5,694,282	(103,860)	5,590,422	0.035	0.036
k. On deposit with other regulatory bodies										
l. Pledged as collateral to FHLB (including assets backing funding agreements)										
m. Pledged as collateral not captured in other categories										
n. Other restricted assets										
o. Total Restricted Assets	\$ 68,696,147	\$ -	\$ --	\$ -	\$ 68,696,147	\$ 33,498,987	\$ 35,197,160	\$ 68,696,147	0.428	0.438

(a) Subset of column 1

(b) Subset of column 3

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

(3) Detail of Other Restricted Assets - Not applicable

I. Working Capital Finance Investments - Not applicable

J. Offsetting and Netting of Assets and Liabilities - Not applicable

K. Structured Notes - Not applicable

NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. Details for Those Greater than 10% of the Admitted Assets - Not applicable

B. Writedowns for Impairments of Joint Ventures, Partnerships and LLC's

- During 2015 the Company recognized other than temporary impairments on one private equity investment managed by Morgan Stanley. This investment was determined to be other-than-temporarily-impaired due to significantly depressed fair values for an extended period of time.
- The private equity investment was written down to a total fair value of \$266,417 resulting in a realized loss of \$486,348. The fair value was determined based on the equity value of the private equity holdings.

NOTE 7 – INVESTMENT INCOME

A. Accrued Investment Income

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

B. Amounts Nonadmitted

There were no accrued investment income amounts over 90 days past due as of December 31, 2015, and as of December 31, 2014.

NOTES TO FINANCIAL STATEMENTS**NOTE 8 – DERIVATIVE INSTRUMENTS - NOT APPLICABLE****NOTE 9 – INCOME TAXES****A. Deferred Tax Assets/(Liabilities)****1. Components of Net Deferred Tax Asset/(Liability)**

	2015			2014			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 403,740,000	\$ 127,031,000	\$ 530,771,000	\$ 371,344,000	\$ 107,705,000	\$ 479,049,000	\$ 32,396,000	\$ 19,326,000	\$ 51,722,000
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	403,740,000	127,031,000	530,771,000	371,344,000	107,705,000	479,049,000	32,396,000	19,326,000	51,722,000
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	403,740,000	127,031,000	530,771,000	371,344,000	107,705,000	479,049,000	32,396,000	19,326,000	51,722,000
f. Deferred tax liabilities	36,182,000	948,822,000	985,004,000	45,167,000	1,029,470,000	1,074,637,000	(8,985,000)	(80,648,000)	(89,633,000)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 367,558,000	\$ (821,791,000)	\$ (454,233,000)	\$ 326,177,000	\$ (921,765,000)	\$ (595,588,000)	\$ 41,381,000	\$ 99,974,000	\$ 141,355,000

2. Admission Calculation Components

	2015			2014			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 197,591,000	\$ -	\$ 197,591,000	\$ 106,917,000	\$ -	\$ 106,917,000	\$ 90,674,000	\$ -	\$ 90,674,000
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:	17,898,000		17,898,000	63,326,000		63,326,000	(45,428,000)		(45,428,000)
Adjusted gross deferred tax assets expected to be realized following the balance sheet date	17,898,000		17,898,000	63,326,000		63,326,000	(45,428,000)		(45,428,000)
Adjusted gross deferred tax assets allowed per limitation threshold			1,581,596,085			1,520,889,690			60,706,395
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	188,251,000	127,031,000	315,282,000	201,101,000	107,705,000	308,806,000	(12,850,000)	19,326,000	6,476,000
d. Deferred tax assets admitted as the result of application of SSAP 101.									
Total 2(a)+2(b)+2(c)	\$ 403,740,000	\$ 127,031,000	\$ 530,771,000	\$ 371,344,000	\$ 107,705,000	\$ 479,049,000	\$ 32,396,000	\$ 19,326,000	\$ 51,722,000

3. Other Admissibility Criteria

	2015	2014
a. Ratio percentage used to determine recovery period and threshold limitation amount	924.066%	907.500%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 10,546,654,001	\$ 10,141,845,737

NOTES TO FINANCIAL STATEMENTS**NOTE 9 – INCOME TAXES (continued from preceding page)**

4. Impact of Tax Planning Strategies

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

	12/31/15		12/31/14		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 403,740,000	\$ 127,031,000	\$ 371,344,000	\$ 107,705,000	\$ 32,396,000	\$ 19,326,000
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	- %	- %	- %	- %	- %	- %
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 403,740,000	\$ 127,031,000	\$ 371,344,000	\$ 107,705,000	\$ 32,396,000	\$ 19,326,000
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	- %	- %	- %	- %	- %	- %

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

B. Deferred Tax Liabilities Not Recognized - Not applicable

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 2015	2 2014	3 (Col 1-2) Change
a. Federal	\$ 197,746,544	\$ 291,908,928	\$ (94,162,384)
b. Foreign	(5,217,649)	18,876,074	(24,093,723)
c. Subtotal	\$ 192,528,895	\$ 310,785,002	\$ (118,256,107)
d. Federal income tax on net capital gains	72,672,000	73,203,000	(531,000)
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and Foreign income taxes incurred	\$ 265,200,895	\$ 383,988,002	\$ (118,787,107)

NOTES TO FINANCIAL STATEMENTS**NOTE 9 – INCOME TAXES (continued from preceding page)**

2. Deferred Tax Assets

	1	2	3
	2015	2014	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 49,403,000	\$ 50,978,000	\$ (1,575,000)
2. Unearned premium reserve	98,043,000	99,199,000	(1,156,000)
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual	76,382,000	75,640,000	742,000
9. Pension accrual	65,086,000	57,250,000	7,836,000
10. Receivables - nonadmitted	12,480,000	9,210,000	3,270,000
11. Net operating loss carry-forward			
12. Tax credit carry-forward	26,009,000	35,655,000	(9,646,000)
13. Other (including items <5% of total ordinary tax assets)	76,337,000	43,412,000	32,925,000
99. Subtotal	\$ 403,740,000	\$ 371,344,000	\$ 32,396,000
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 403,740,000	\$ 371,344,000	\$ 32,396,000
e. Capital:			
1. Investments	\$ 127,031,000	\$ 107,705,000	\$ 19,326,000
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax assets)			
99. Subtotal	\$ 127,031,000	\$ 107,705,000	\$ 19,326,000
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	127,031,000	107,705,000	19,326,000
i. Admitted deferred tax assets (2d+2h)	\$ 530,771,000	\$ 479,049,000	\$ 51,722,000

3. Deferred Tax Liabilities

	1	2	3
	2015	2014	(Col 1-2) Change
a. Ordinary:			
1. Investments	\$ -	\$ -	\$ -
2. Fixed assets	5,927,000	4,659,000	1,268,000
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (including items <5% of total ordinary tax liabilities)	30,255,000	40,508,000	(10,253,000)
99. Subtotal	\$ 36,182,000	\$ 45,167,000	\$ (8,985,000)
b. Capital:			
1. Investments	\$ 948,822,000	\$ 1,029,470,000	\$ (80,648,000)
2. Real estate			
3. Other (including items <5% of total capital tax liabilities)			
99. Subtotal	948,822,000	1,029,470,000	(80,648,000)
c. Deferred tax liabilities (3a99+3b99)	\$ 985,004,000	\$ 1,074,637,000	\$ (89,633,000)
4. Net Deferred Tax Assets (2i – 3c)	\$ (454,233,000)	\$ (595,588,000)	\$ 141,355,000

NOTES TO FINANCIAL STATEMENTS**NOTE 9 – INCOME TAXES (continued from preceding page)****D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate**

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

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	\$ 285,348,002	35.0%
Proration of tax exempt investment income	5,409,000	0.7%
Tax exempt income deduction	(15,301,000)	-1.9%
Dividends received deduction	(23,088,000)	-2.8%
Disallowed travel and entertainment	2,079,000	0.3%
Other permanent differences	(908,000)	-0.1%
Temporary Differences:		
Total ordinary DTAs	\$ 1,565,000	0.2%
Total ordinary DTLs	(37,423,000)	-4.6%
Total capital DTAs		-%
Total capital DTLs		-%
Other:		
Statutory valuation allowance adjustment	\$	%
Accrual adjustment – prior year	(4,116,000)	-0.5%
Other	(9,071,107)	-1.2%
Totals	\$ 204,493,895	25.1%
Federal and foreign income taxes incurred	192,528,895	23.7%
Realized capital gains (losses) tax	72,672,000	8.9%
Change in net deferred income taxes	(60,707,000)	-7.5%
Total statutory income taxes	\$ 204,493,895	25.1%

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

At December 31, 2015, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

The following is income tax expense for 2015 and 2014 that is available for recoupment in the event of future net losses:

Year	Amount
2015	\$ 297,041,000
2014	\$ 416,759,000

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

F. Consolidated Federal Income Tax Return

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

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

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

G. Federal or Foreign Federal Income Tax Loss Contingencies

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

NOTES TO FINANCIAL STATEMENTS**NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES****A. Nature of Relationships**

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

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

The Company lists its transactions with affiliates on Schedule Y Part 2. There were no non-insurance transactions between the Company and any affiliates, which exceeded ½% of admitted assets.

C. Change in Terms of Intercompany Arrangements - Not applicable**D. Amounts Due to or from Related Parties**

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

Affiliate	2015	2014
Affiliated FM Insurance Company	\$(34,428,170)	\$(69,934,988)
Appalachian Insurance Company	12,552,307	10,254,123
FM Insurance Company Ltd	118,381,576	209,655,021
FM Global de Mexico S.A. de C.V.	(31,190,053)	(21,771,249)
FMIC Holdings, Inc.	(185,993)	(564,279)
FM do Brasil Servicos de Prevencao de Perdas LTDA	(753,826)	(703,991)
FMIC Escritorio de Representacao No Brasil LTDA	(265,683)	(206,740)
Corporate Insurance Services, Inc.	115,738	101,107
FM Global Servicos de R.L de C.V.	518,652	409,436
FM Approvals LLC	6,205,052	(7,798,801)
TSB Loss Control Consultants	362,208	146,371
FM Engineering Consulting (Shanghai) Co. Ltd	(396,144)	(211,680)
FM Global Services LLC	(402,272)	(423,275)
Totals	\$70,513,392	\$118,951,055

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

E. Guarantees or Undertakings for Related Parties

The Company has entered into Performance Guarantee agreements with its affiliates FM Insurance Company Ltd and Affiliated FM Insurance Company. See Note 14A for further information.

F. Management, Service Contracts, Cost Sharing Agreements

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

G. Nature of Relationships that Could Affect Operations - Not applicable**H. Amounts Deducted for Investment in Upstream Company - Not applicable****I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets - Not applicable**

Note that the investment in FMIC Holdings, Inc. is valued utilizing the look-through approach as indicated in Item L and none of the values of the SCA entities owned by FMIC Holdings, Inc. exceeds 10% of the admitted assets of the Company.

J. Write-down for Impairments of Investments in Affiliates - Not applicable**K. Foreign Insurance Subsidiary Valued Using CARVM - Not applicable**

NOTES TO FINANCIAL STATEMENTS**NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES (continued from preceding page)****L. Downstream Holding Company Valued Using Look-Through Method**

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

1. The carrying value of the downstream non-insurance company is \$1,916,498,296.
2. The financial statements of the downstream non-insurance company are not audited;
3. The reporting entity has limited the value of its investment in the downstream non-insurance holding company to the value contained in the audited financial statements of applicable SCA entities owned by the downstream non-insurance holding company, and valued in accordance with paragraphs 21 through 24 of SSAP 97.
4. All liabilities, commitments, contingencies, guarantees or obligations of the downstream non-insurance holding company, which are required to be recorded as liabilities, commitments, contingencies, guarantees or obligations under applicable accounting guidance, are reflected in the reporting entity's determination of the carrying value of the investment in the downstream non-insurance holding company, if not already recorded in the financial statements of the downstream non-insurance holding company.

M. Non-insurance Subsidiary, Controlled and Affiliated (SCA) Entity Valuations

The Company does not own investments in non-insurance SCA entities which require filing with the NAIC Securities Valuations Office.

N. Insurance SCA Entities Utilizing Prescribed or Permitted Practices

The Company's reported insurance SCA investments include one insurance company that has a permitted practice. Specifically, Affiliated FM Insurance Company (NAIC # 10014), applies paragraph 5(a) of SSAP 23, rather than paragraph 5(b) of SSAP 23, with respect to the methodology applied in translating its Canadian branch to USD. This is consistent with the methodology used in prior years, and a permitted practice has been approved by the State of Rhode Island. The total adjustment to convert Affiliated FM Insurance Company's balance sheet to USD is \$54,501,785, which appears on line 17 – "Net adjustment in assets and liabilities due to foreign exchange rates", on page 3 – "Liabilities" of its 2015 annual statement. There is no net impact on surplus for this practice, and the effect on 2015 net income would be a decrease to net income in the amount of \$6,231,423 (which would be offset by a corresponding increase to surplus).

Since there is no impact on surplus from this permitted practice, there is no effect on risk-based capital that would have triggered a regulatory event. There is no difference in the amount of the Company's investment in Affiliated FM Insurance Company from applying the permitted practice, rather than applying NAIC statutory accounting principles.

NOTE 11 – DEBT - NOT APPLICABLE**NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS****A. Defined Benefit Plans**

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS (continued from preceding page)

(1) Change in Benefit Obligation		Overfunded		Underfunded	
a. Pension Benefits		2015	2014	2015	2014
1.	Benefit obligation at beginning of year	\$ 2,061,684,000	\$ 1,635,326,000	\$ 130,046,000	\$ 106,114,000
2.	Service cost	53,660,000	38,996,000	1,649,000	1,313,000
3.	Interest cost	82,972,000	78,274,000	5,059,000	4,849,000
4.	Continuation by plan participants	545,000			
5.	Actuarial gain (loss)	(80,994,000)	339,984,000	10,025,000	22,625,000
6.	Foreign currency exchange rate changes	(3,490,000)			
7.	Benefits paid	67,677,000	62,108,000	5,171,000	4,855,000
8.	Plan amendments				
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits		(31,212,000)		
10.	Benefit obligation at end of year	\$ 2,046,700,000	\$ 2,061,684,000	\$ 141,608,000	\$ 130,046,000
b. Postretirement Benefits		2015	2014	2015	2014
1.	Benefit obligation at beginning of year	\$ -	\$ -	\$ 210,168,000	\$ 181,236,000
2.	Service cost			1,979,000	1,820,000
3.	Interest cost			8,242,000	8,405,000
4.	Continuation by plan participants				
5.	Actuarial gain (loss)			(3,038,000)	30,953,000
6.	Foreign currency exchange rate changes				
7.	Benefits paid			11,325,000	12,246,000
8.	Plan amendments				
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits				
10.	Benefit obligation at end of year	\$ -	\$ -	\$ 206,026,000	\$ 210,168,000
c. Special or Contractual Benefits per SSAP No. 11		2015	2014	2015	2014
1.	Benefit obligation at beginning of year	\$ -	\$ -	\$ -	\$ -
2.	Service cost				
3.	Interest cost				
4.	Continuation by plan participants				
5.	Actuarial gain (loss)				
6.	Foreign currency exchange rate changes				
7.	Benefits paid				
8.	Plan amendments				
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits				
10.	Benefit obligation at end of year	\$ -	\$ -	\$ -	\$ -

(2) Change in plan assets		Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
		2015	2014	2015	2014	2015	2014
a.	Fair value of plan assets at beginning of year	\$ 2,311,537,000	\$ 2,133,175,000	\$ 156,948,000	\$ 155,832,000	\$ -	\$ -
b.	Actual return on plan assets	27,291,000	183,302,000	(453,000)	12,746,000		
c.	Foreign currency exchange rate changes	(7,387,000)					
d.	Reporting entity contribution	6,904,000	29,197,000	1,149,000	1,339,000		
e.	Plan participants' contributions	545,000					
f.	Benefits paid	72,848,000	66,963,000	12,031,000	12,969,000		
g.	Business combinations, divestitures and settlements		(32,826,000)				
h.	Fair value of plan assets at end of year	\$ 2,266,042,000	\$ 2,311,537,000	\$ 145,613,000	\$ 156,948,000	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS**NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS (continued from preceding page)**

(3)	Funded status		Pension Benefits		Postretirement Benefits	
	Overfunded:		2015	2014	2015	2014
a.	Assets (nonadmitted)					
	1.	Prepaid benefit costs	\$ 930,047,000	\$ 948,205,000	\$ -	\$ -
	2.	Overfunded plans assets	(710,705,000)	(698,352,000)		
	3.	Total assets (nonadmitted)	\$ 219,342,000	\$ 249,853,000	\$ -	\$ -
	Underfunded:					
b.	Liabilities recognized					
	1.	Accrued benefits costs	\$ (79,735,000)	\$ (73,473,000)	\$ (27,387,000)	\$ (25,900,000)
	2.	Liability for pension benefits	(61,873,000)	(56,573,000)	(33,025,000)	(27,320,000)
	3.	Total liabilities recognized	\$ (141,608,000)	\$ (130,046,000)	\$ (60,412,000)	\$ (53,220,000)
c.	Unrecognized liabilities		\$ -	\$ -	\$ -	\$ -

(4)	Components of net periodic benefit cost	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
		2015	2014	2015	2014	2015	2014
a.	Service cost	\$ 55,388,000	\$ 40,299,000	\$ 1,979,000	\$ 1,820,000	\$ -	\$ -
b.	Interest cost	88,057,000	83,115,000	8,242,000	8,405,000		
c.	Expected return on plan assets	(168,047,000)	(157,267,000)	(9,062,000)	(8,997,000)		
d.	Transition asset or obligation	(117,000)	(21,000)	1,749,000	1,749,000		
e.	Gains and losses	47,876,000	19,914,000	3,313,000	416,000		
f.	Prior service cost or credit	4,702,000	16,442,000	4,633,000	4,703,000		
g.	Gain or loss recognized due to a settlements curtailment						
h.	Total net periodic benefit cost	\$ 27,859,000	\$ 2,482,000	\$ 10,854,000	\$ 8,096,000	\$ -	\$ -

(5)	Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost	Pension Benefits		Postretirement Benefits	
		2015	2014	2015	2014
a.	Items not yet recognized as a component of net periodic cost – prior year	\$ 754,925,000	\$ 454,676,000	\$ 76,156,000	\$ 55,820,000
b.	Net transition asset or obligation recognized	5,000	(754,000)	(1,749,000)	(1,749,000)
c.	Net prior service cost or credit arising during the period				
d.	Net prior service cost or credit recognized	(4,702,000)	(16,442,000)	(4,633,000)	(4,703,000)
e.	Net gain and loss arising during the period	70,226,000	337,349,000	6,476,000	27,204,000
f.	Net gain and loss recognized	(47,876,000)	(19,904,000)	(3,313,000)	(416,000)
g.	Items not yet recognized as a component of net periodic cost – current year	\$ 772,578,000	\$ 754,925,000	\$ 72,937,000	\$ 76,156,000

(6)	Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost	Pension Benefits		Postretirement Benefits	
		2015	2014	2015	2014
a.	Net transition asset or obligations	\$ 114,000	\$ (128,000)	\$ 1,749,000	\$ 1,749,000
b.	Net prior service cost or credit	139,000	4,702,000	4,633,000	4,633,000
c.	Net recognized gains and losses	\$ 49,282,000	\$ 47,941,000	\$ 3,854,000	\$ 3,313,000

(7)	Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost	Pension Benefits		Postretirement Benefits	
		2015	2014	2015	2014
a.	Net transition asset or obligations	\$ (538,000)	\$ (754,000)	\$ 6,558,000	\$ 8,306,000
b.	Net prior service cost or credit	659,000	5,361,000	17,492,000	22,125,000
c.	Net recognized gains and losses	\$ 772,457,000	\$ 750,318,000	\$ 48,887,000	\$ 45,725,000

NOTES TO FINANCIAL STATEMENTS**NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS (continued from preceding page)**

(8)	Weighted-average assumptions used to determine net periodic benefit cost as of December 31	2015	2014
a.	Weighted-average discount rate	4.000%	4.750%
b.	Expected long-term rate of return on plan assets	7.310%	7.310%
c.	Rate of compensation increase	4.480%	4.460%
	Weighted-average assumptions used to determine projected benefit obligations as of December 31		
d.	Weighted-average discount rate	4.340%	4.000%
e.	Rate of compensation increase	4.480%	4.480%

(9) The amount of the accumulated benefit obligation for defined benefit pension plans was \$1,930,682,000 for the current year and \$1,916,823,000 for the prior year.

(10) The Company has two non-pension postretirement healthcare plans in the United States and Canada.

For the United States plan the assumed healthcare cost trend for the next year used to measure the expected cost of benefits covered by the plan is 7.50%. The ultimate trend rate of 5.00% is expected to be achieved in five years.

For the Canada plan the assumed healthcare cost trend for the next year used to measure the expected cost of benefits covered by the plan is 6.50%. The ultimate trend rate of 5.00% is expected to be achieved in three years.

(11)	Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects:	1 Percentage Point Increase	1 Percentage Point Decrease
a.	Effect on total of service and interest cost components	\$ 576,000	\$ (489,000)
b.	Effect on postretirement benefit obligation	\$ 12,714,000	\$ (10,910,000)

(12) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the year indicated:

	Year(s)	Amount
a.	2016	\$ 94,494,000
b.	2017	\$ 99,089,000
c.	2018	\$ 105,334,000
d.	2019	\$ 111,445,000
e.	2020	\$ 116,664,000
f.	2021 through 2025	\$ 660,566,000

(13) The Company currently intends to make voluntary contributions to the defined benefit pension plans of \$8,986,000 in 2016. The Company currently intends to make voluntary contributions to other postretirement benefit plans of \$448,000 in 2016.

(14)- (21) - Not Applicable

B. Investment Policies and Strategies

Description of Investment Policies

The investment policy of the Pension Plan specifies the type of securities that may be used, limits on the amount of the asset classes and subclasses, and general principles used in managing the plan's assets. The overriding objective is to maximize long-term total return of plan assets within constraints established to control risk and volatility. Three primary asset classes represent the first layer of asset allocation, these being equity securities, debt securities, and cash equivalents. Since equity securities are expected to provide the highest long-term total return, exposure to equities is emphasized. Current approved ranges for the three asset classes are as follows:

<u>Asset class</u>	<u>Range</u>
Equity securities	50 - 80%
Debt securities	10 - 50%
Cash equivalents	0 - 15%

Equity securities include individual common stocks as well as equity mutual funds and private equity partnerships. All equity investments are based on fundamental analysis of investment variables, including earning prospects, cash flow, balance sheet strength, competitive positioning, and other factors. Diversification is emphasized, with specific size limits on individual stocks, international-oriented mutual funds, small capitalization-oriented funds and private equity. Investment returns are benchmarked against standard indices including the S&P 500 and MSCI global stock indices. In the taxable Postretirement Plan, equities are more heavily weighted based partly on favorable tax considerations.

Debt securities include individual securities, primarily in the high-grade taxable subcategory, debt mutual funds, as well as an outside managed portfolio of U.S. high-yield bonds. Debt securities are actively managed, using many of the same investment disciplines as in the Company's general account. These disciplines include an intermediate-term duration, diversification of securities, and ongoing analysis of the fundamental and valuation factors underlying the securities owned.

Short-term investments, defined as debt securities with a maturity of less than one year, are held primarily for liquidity purposes. Safety of principal is the primary consideration of investment in this asset class, and so only the highest quality investments are used. This will principally be money market funds and commercial paper carrying the highest quality ratings.

NOTES TO FINANCIAL STATEMENTS**NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS (continued from preceding page)**

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

Asset Category	Percentage of Plan Assets	
	2015	Target Allocation
Equity Securities	67%	63%
Debt Securities	20%	27%
Cash	8%	6%
Other	5%	4%
Total	100%	100%

The defined benefit postretirement plan asset allocation and the target asset allocation, presented as a percentage of total plan assets, were as follows:

Asset Category	Percentage of Plan Assets	
	2015	Target Allocation
Equity Securities	94%	90%
Debt Securities	0%	0%
Cash	5%	10%
Other	1%	0%
Total	100%	100%

C. Fair Value of Plan Assets

(1) Fair Value Measurements of Plans Assets at Reporting Date

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
Asset class				
Equity securities				
Consumer discretionary	214,203,000			214,203,000
Consumer staples	101,136,000			101,136,000
Energy	111,972,000			111,972,000
Financials	218,256,000			218,256,000
Healthcare	184,500,000			184,500,000
Industrials	125,610,000			125,610,000
Information technology	215,375,000			215,375,000
Mutual funds	320,854,000	11,751,000		332,605,000
All other sectors	127,623,000			127,623,000
Total equity securities	1,619,529,000	11,751,000		1,631,280,000
Debt securities				
U.S. Treasury securities and obligations of U.S. government agencies		141,584,000		141,584,000
Mortgage and asset-backed securities				
Agency		62,466,000		62,466,000
Residential		1,009,000		1,009,000
Other mortgage and asset-backed securities		28,109,000		28,109,000
U.S. corporate securities		181,726,000		181,726,000
Mutual funds		35,793,000		35,793,000
Other debts securities		6,947,000		6,947,000
Total debt securities		457,634,000		457,634,000
Cash equivalents	199,211,000			199,211,000
Other	6,696,000		116,834,000	123,530,000
Total Plan Assets	\$ 1,825,436,000	\$ 469,385,000	\$ 116,834,000	\$ 2,411,655,000

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

Description for each class of plan assets	Beginning Balance at 1/1/2015	Transfers into Level 3	Transfers out of Level 3	Return on Assets Still Held	Return on Assets Sold	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2015
Other	\$107,369,000	\$ -	\$ -	\$7,994,000	\$335,000	\$12,591,000	\$ -	\$10,785,000	\$ -	\$116,834,000
Total Plan Assets	\$107,369,000	\$ -	\$ -	\$7,994,000	\$335,000	\$12,591,000	\$ -	\$10,785,000	\$ -	\$116,834,000

NOTES TO FINANCIAL STATEMENTS**NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS (continued from preceding page)**

(3) Inputs and Techniques used for Fair Value

The valuation techniques required by the Fair Value Measurements guidance (SSAP 100) are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 Quoted prices for identical instruments in active markets

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

Level 3 Significant inputs to the valuation model are unobservable

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

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

When pricing is not available from a pricing vendor it is based on significant unobservable inputs. In those circumstances, the investment security is classified in Level 3. These investments are primarily comprised of private equity funds and partnerships.

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

Expected rate of return assumptions are created based on assessments of future behavior of asset classes. As part of the process, historical relationships are considered. Using a three-to- five-year outlook, estimates of numerous variables have been combined to gauge economic growth potential. Corporate cash flows are correlated with economic growth but also reflect productivity trends, with positive cash flow trends driving favorable return to equity owners. Debt security returns are expected to approximate their historical relationship with equity securities and produce somewhat lower returns with a lower level of volatility.

E. Defined Contribution Plans

The Company also sponsors a 401(k) savings plan whereby eligible employees may elect annually to contribute from 1% to 50% of their base pay on a pretax or after-tax basis. Employee contributions are restricted to Internal Revenue Service limits. The Company matches pretax contributions up to 6% of the employee's base pay. Company contributions to the Plan were \$17,372,000 in 2015 and \$16,942,000 in 2014.

F. Multiemployer Plans - Not Applicable

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

H. Postemployment Benefits and Compensated Absences - Not Applicable

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - Not Applicable

NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

A. Outstanding Shares - Not applicable

B. Dividend Rate of Preferred Stock - Not applicable

C. Dividend Restrictions - Not applicable

D. Dates and Amounts of Dividends Paid - Not applicable

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

F. Restrictions on Unassigned Funds - Not applicable

G. Mutual Surplus Advances - Not applicable

H. Company Stock Held for Special Purposes - Not applicable

I. Changes in Special Surplus Fund - Not applicable

J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized gains and losses is \$2,710,921,000 and \$2,941,332,000 for 2015 and 2014, respectively, less applicable deferred taxes of \$948,826,000 and \$1,029,470,000 for 2015 and 2014, respectively.

K. Surplus Notes - Not applicable

L. Impact of Quasi-Reorganizations - Not applicable

NOTES TO FINANCIAL STATEMENTS**NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS (continued from preceding page)**

M. Date of Quasi-Reorganizations - Not applicable.

NOTE 14 – LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments

Factory Mutual Insurance Company, as owner of all the issued and outstanding common stock of FM Insurance Company Limited ("FMI"), has previously entered into a Performance Guarantee agreement with FMI. Specifically, Factory Mutual Insurance Company guarantees the full performance by FMI of its lawful obligations with respect to contracts of insurance and reinsurance issued by FMI on or after January 1, 2004. The agreement has no expiration date, but the terms allow Factory Mutual Insurance Company to terminate or modify the agreement in its sole discretion with respect to new contracts of insurance and reinsurance, not in effect on the date of such termination or modification.

There is no current or anticipated amount payable under this agreement, nor is there any amount anticipated to be payable. Should any amounts ever become payable, Factory Mutual Insurance Company would be required to contribute sufficient cash to FMI to enable FMI to fulfill its contractual obligations. There is no applicable carrying value with respect to this agreement, and due to its nature the likelihood of potential future payments is remote and not quantifiable or determinable.

Factory Mutual Insurance Company, as owner of all the issued and outstanding common stock of FMIC Holdings, Inc., the owner of all the issued and outstanding common stock of Affiliated FM Insurance Company ("AFM"), entered into a Performance Guarantee agreement for the benefit of the policyholders of AFM. Specifically, FMIC guarantees the full performance by AFM of its lawful obligations with respect to contracts of insurance and reinsurance issued by AFM on or after January 1, 2014.

There is no current or anticipated amount payable under this agreement, nor is there any amount anticipated to be payable. Should any amounts ever become payable, Factory Mutual Insurance Company would be required to contribute sufficient cash to AFM to enable AFM to fulfill its contractual obligations. There is no applicable carrying value with respect to this agreement, and due to its nature the likelihood of potential future payments is remote and not quantifiable or determinable.

B. Assessments

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

The Company has accrued a liability for guaranty fund and other assessments of \$500,000 and a related premium tax benefit asset of \$131,000. The amount recorded represents management's best estimates based on information received from the states in which the company writes business. The liability is included in the taxes, licenses and fees liability and will be paid in the next year. The asset is included in the guaranty funds receivable asset and is expected to be realized over the five to ten years following payment.

The following reflects the current year change in the premium tax benefit asset. The Company also has the ability to recover certain assessments through policyholder surcharges. The related asset for these transactions, which appears within Page 2 line 25, is \$30,000 and is not included in the following table.

a.	Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year –end		\$ 83,000
b.	Decreases current year:	Premium tax offset applied	53,000
c.	Increases current year:	Premium tax credits generated	101,000
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end		\$ 131,000

C. Gain Contingencies - Not Applicable

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - Not Applicable

E. Product Warranties - Not Applicable

F. Joint and Several Liabilities - Not Applicable

G. All Other Contingencies

At December 31, 2015 and 2014 the Company had admitted premiums receivable assets of \$481,286,202 and \$541,984,725, respectively, in premiums receivable due from policyholders, agents and ceding insurers. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectible premium receivables as of December 31, 2015 are not expected to exceed the nonadmitted amount totaling \$35,783,458, and therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

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

NOTES TO FINANCIAL STATEMENTS**NOTE 15 – LEASES****A. Lessee Operating Lease**

- (1) In connection with its various operating offices through North America, the Company leases office space and automobiles. These leases are classified as operating leases. Rental expense for all operating leases was \$54,214,330 in 2015 and \$55,762,790 in 2014. There are no contingent rental payments or unusual renewal options, escalation clauses or restrictions. There is no liability recognized in the financial statements for early termination of existing leases.
- (2) Future minimum rental payments are as follows:

a. At January 1, 2016 the minimum aggregate rental commitments are as follows:		
	Year Ending December 31	Operating Leases
1.	2016	\$ 26,868,659
2.	2017	\$ 23,996,407
3.	2018	\$ 19,494,342
4.	2019	\$ 13,489,414
5.	2020	\$ 10,977,216
6.	Total	\$ 94,826,038

- (3) Sale-Leaseback Transactions - Not applicable

B. Revenue, Net Income or Assets with Respect to Leases - Not applicable**NOTE 16 – INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK - NOT APPLICABLE****NOTE 17 – SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES****A. Transfers of Receivables Reported as Sales - Not applicable****B. Transfer and Servicing of Financial Assets**

- (1) Loaned Securities

Under a securities lending program with an agent, the Company has temporarily loaned certain debt securities with a fair value of \$156,733,109 and \$110,425,636 at December 31, 2015 and December 31, 2014, respectively. Borrowers of these securities must deposit an amount of cash and/or securities equal to 102% of the fair value of domestic securities or 105% of foreign securities. The Company continues to receive the interest on the loaned debt securities as a beneficial owner, and the loaned debt securities are included in the investment portfolio of the Company. The agent holds any securities pledged as collateral in trust for the borrower, and invests any cash collateral pledged in high quality short term securities. There are no collateral transactions that extend beyond one year.

- (2) Servicing Asset and Liabilities - Not applicable
- (3) Servicing Assets and Liabilities Subsequently Measured at Fair Value - Not applicable
- (4) Securitized Financial Assets that Transfer as a Sale - Not applicable
- (5) Transfers of Financial Assets Accounted for as Secured Borrowing - Not applicable
- (6) Transfers of Receivables with Recourse - Not applicable
- (7) Repurchase Agreements - Not applicable

C. Wash Sales - Not applicable**NOTE 18 – GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE PORTION OF PARTIALLY INSURED PLANS - NOT APPLICABLE****NOTE 19 – DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS - NOT APPLICABLE**

NOTES TO FINANCIAL STATEMENTS**NOTE 20 – FAIR VALUE MEASUREMENTS****A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value****(1) Items Measured and Reported at Fair Value by Levels 1, 2 and 3**

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

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Bonds	\$ -	\$ 141,077,332	\$ -	\$ 141,077,332
Common Stocks - Industrial & Miscellaneous	4,740,251,366			4,740,251,366
Common Stocks - Mutual Funds	685,903,485	85,858,719		771,762,204
Total	\$ 5,426,154,851	\$ 226,936,051	\$ -	\$ 5,653,090,902

(2) Rollforward of Level 3 Items

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

(3) Policy on Transfers Into and Out of Level 3

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

(4) Inputs and Techniques Used for Fair Value

The valuation techniques required by the Fair Value Measurements guidance (SSAP 100) are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 Quoted prices for identical instruments in active markets

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

Level 3 Significant inputs to the valuation model are unobservable

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

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

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

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

(5) Derivative Fair Values - Not applicable**B. Other Fair Value Disclosures - Not applicable****C. Fair Values for All Financial Instruments by Levels 1, 2, and 3**

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

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 3,990,779,597	\$ 3,890,763,372	\$ -	\$ 3,890,763,372	\$ -	\$ -
Common Stocks	5,512,013,570	5,512,013,570	5,426,154,851	85,858,719		
Cash, Cash Equivalents and Short Term Investments	783,747,440	783,747,440	783,747,440			
Securities Lending reinvested collateral assets	63,105,725	63,105,725	63,105,725			
Total	\$ 10,349,646,332	\$ 10,249,630,107	\$ 6,273,008,016	\$ 3,976,622,091	\$ -	\$ -

D. Financial Instruments for Which Not Practicable to Estimate Fair Value - Not applicable

NOTES TO FINANCIAL STATEMENTS**NOTE 21 – OTHER ITEMS**

- A. Unusual or Infrequent Items - Not applicable
- B. Troubled Debt Restructuring Debtors - Not applicable
- C. Other Disclosures

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

- D. Business Interruption Insurance Recoveries - Not applicable
- E. State Transferable and Non-Transferable Tax Credits

- (1) Carrying Value of Transferable and Non-Transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-Transferable State Tax Credits by State and in Total

Description of State Transferable and Non-Transferable Tax Credits	State	Carrying Value	Unused Amount
Investment Tax Credit	RI	\$ -	\$ 2,694,402
Total		\$ -	\$ 2,694,402

- (2) Method of Estimating Utilization of Remaining Transferable and Non-Transferable State Tax Credits

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

- (3) Impairment Loss - Not applicable
- (4) State Tax Credits Admitted and Nonadmitted - NONE

F. Subprime Mortgage Related Risk Exposure

- (1) The Company defines its exposure to subprime mortgage related risk by considering securities with a weighted average FICO/Credit score of less than 660 to be subprime. The company monitors the underlying collateral performance of these securities via monthly trustee reports, Bloomberg performance data and Rating Agency performance reports. The company has minimal exposure to subprime securities and has no plans to increase its holding in subprime securities at this time. This exposure will not materially affect the Company's unrealized losses or anticipated cash flows.
- (2) Direct Exposure Through Investments in Subprime Mortgage Loans - Not applicable
- (3) Direct Exposure Through Other Investments

		Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a.	Residential mortgage backed securities	\$ 1,701,651	\$ 1,710,161	\$ 4,195,249	\$ -
b.	Commercial mortgage backed securities				
c.	Collateralized debt obligations				
d.	Structured securities				
e.	Equity investments in SCAs*				
f.	Other assets				
g.	Total	\$ 1,701,651	\$ 1,710,161	\$ 4,195,249	\$ -

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

- (4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage - Not applicable

G. Proceeds from Issuance of Insurance Linked Securities - Not applicable

NOTE 22 – EVENTS SUBSEQUENT

Subsequent events have been considered through February 25, 2016 for these statutory financial statements which are to be issued February 25, 2016. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

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

NOTES TO FINANCIAL STATEMENTS**NOTE 23 – REINSURANCE**

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

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

		Assumed Reinsurance		Ceded Reinsurance		Net	
		Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a.	Affiliates	\$ 145,595,016	\$ 3,068,161	\$ 53,380,000	\$ 18,683,000	\$ 92,215,016	\$ (15,614,839)
b.	All Other	326,750,984	52,072,559	386,452,949	43,272,935	(59,701,965)	8,799,624
c.	Total	\$ 472,346,000	\$ 55,140,720	\$ 439,832,949	\$ 61,955,935	\$ 32,513,051	\$ (6,815,215)
d.	Direct Unearned Premium Reserves			\$ 1,381,217,430			

(2) Profit Sharing Arrangements - Not applicable

(3) Protected Cells - Not applicable

- D. Uncollectible Reinsurance - Not applicable
- E. Commutation of Ceded Reinsurance - Not applicable
- F. Retroactive Reinsurance - Not applicable
- G. Reinsurance Accounted for as a Deposit - Not applicable
- H. Run-off Agreements - Not applicable
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - Not applicable
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation - Not applicable

NOTE 24 – RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDTERMINATION - NOT APPLICABLE**NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

As a result of changes in estimates of insured events related to prior years, the provision for losses and loss adjustment expenses increased by \$40,397,000. The increase in the prior years was primarily attributable to the reserve strengthening for asbestos and environmental due to the Company's exposure analysis.

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

NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS

Factory Mutual Insurance Company (lead insurer), NAIC #21482, Affiliated FM Insurance Company, NAIC #10014, and Appalachian Insurance Company, NAIC #10316, are members of the FM Global Group and have entered into a Tripartite Quota Share Pooling Agreement (the agreement). The agreement became effective January 1, 1982. The current pooling percentages, amended as of January 1, 2005, are 86% Factory Mutual Insurance Company, 12% Affiliated FM Insurance Company, and 2% Appalachian Insurance Company. The percentages represent the policyholder's surplus of each company compared to the combined policyholder's surplus for the three companies.

All business written by each of the pool participants is subject to pooling. Also, reinsurance may be ceded on a facultative and/or treaty basis by any pool participant prior to pooling. There are no discrepancies between the assumed and ceded reinsurance schedules of the pool participants. Each pool participant establishes its respective provision for reinsurance Schedule F - Part 8 and the write-off of uncollectible reinsurance for its own facultative and treaty cessions. Uncollectible reinsurance has been furnished to insurance departments of those states where the company is licensed.

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

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

NOTES TO FINANCIAL STATEMENTS**NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS (continued from preceding page)**

The amount due to / from the lead entity and the pool participants as of December 31, 2015 are as follows:

Name of Insurer	Amounts Receivable	Amounts Payable
Factory Mutual Insurance Company (lead insurer)	\$82,799,884	\$47,301,232
Affiliated FM Insurance Company	\$21,758,707	\$70,612,703
Appalachian Insurance Company	\$25,542,524	\$12,187,180

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

NOTE 27 – STRUCTURED SETTLEMENTS - NOT APPLICABLE**NOTE 28 – HEALTH CARE RECEIVABLES - NOT APPLICABLE****NOTE 29 – PARTICIPATING POLICIES - NOT APPLICABLE****NOTE 30 – PREMIUM DEFICIENCY RESERVES**

The Company evaluated whether a premium deficiency reserve is required as of December 31, 2015 and determined that a premium deficiency reserve is not applicable.

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

1. Liability carried for premium deficiency reserve: NONE
2. Date of most recent evaluation of this liability: February 3, 2016
3. Was anticipated investment income utilized in the calculation? NO

NOTE 31 – HIGH DEDUCTIBLES - NOT APPLICABLE**NOTE 32 – DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES - NOT APPLICABLE****NOTE 33 – ASBESTOS/ENVIRONMENTAL RESERVES****A. Five-Year Rollforward of Asbestos Reserves, Direct, Assumed and Net**

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

(1) Direct - Asbestos

	2011	2012	2013	2014	2015
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 353,086,000	\$ 356,209,000	\$ 337,759,000	\$ 325,456,000	\$ 294,599,000
b. Incurred losses and loss adjustment expense	23,740,000	2,482,000	2,900,000	(10,612,000)	47,806,000
c. Calendar year payments for losses and loss adjustment expenses	20,617,000	20,932,000	15,203,000	20,245,000	14,928,000
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 356,209,000	\$ 337,759,000	\$ 325,456,000	\$ 294,599,000	\$ 327,477,000

(2) Assumed Reinsurance - Asbestos

	2011	2012	2013	2014	2015
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 460,954,000	\$ 449,977,000	\$ 403,204,000	\$ 485,401,000	\$ 470,835,000
b. Incurred losses and loss adjustment expense	28,760,000	(8,819,000)	107,647,000	25,895,000	71,380,000
c. Calendar year payments for losses and loss adjustment expenses	39,737,000	37,954,000	25,450,000	40,461,000	34,287,000
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 449,977,000	\$ 403,204,000	\$ 485,401,000	\$ 470,835,000	\$ 507,928,000

NOTES TO FINANCIAL STATEMENTS**NOTE 33 – ASBESTOS/ENVIRONMENTAL RESERVES (continued from preceding page)**

(3) Net of Ceded Reinsurance - Asbestos

		2011	2012	2013	2014	2015
a.	Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 413,531,000	\$ 378,906,000	\$ 346,570,000	\$ 458,239,000	\$ 434,431,000
b.	Incurred losses and loss adjustment expense	(7,292,000)	(1,834,000)	129,000,000	5,464,000	41,771,000
c.	Calendar year payments for losses and loss adjustment expenses	27,333,000	30,502,000	17,331,000	29,272,000	22,007,000
d.	Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 378,906,000	\$ 346,570,000	\$ 458,239,000	\$ 434,431,000	\$ 454,195,000

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

(1)	Direct basis	\$ 276,763,000
(2)	Assumed reinsurance basis	355,126,000
(3)	Net of ceded reinsurance basis	\$ 335,229,000

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

(1)	Direct basis	\$ 10,703,554
(2)	Assumed reinsurance basis	58,959,137
(3)	Net of ceded reinsurance basis	\$ 70,479,545

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

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

(1) Direct - Environmental

		2011	2012	2013	2014	2015
a.	Beginning reserves	\$ 17,954,000	\$ 18,112,000	\$ 17,174,000	\$ 16,501,000	\$ 14,932,000
b.	Incurred losses and loss adjustment expense	1,206,000	126,000	100,000	(540,000)	2,423,000
c.	Calendar year payments for losses and loss adjustment expenses	1,048,000	1,064,000	773,000	1,029,000	759,000
d.	Ending reserves	\$ 18,112,000	\$ 17,174,000	\$ 16,501,000	\$ 14,932,000	\$ 16,596,000

(2) Assumed Reinsurance - Environmental

		2011	2012	2013	2014	2015
a.	Beginning reserves	\$ 80,157,000	\$ 70,643,000	\$ 61,126,000	\$ 72,348,000	\$ 76,213,000
b.	Incurred losses and loss adjustment expense	(1,791,000)	(4,619,000)	13,185,000	5,979,000	12,509,000
c.	Calendar year payments for losses and loss adjustment expenses	7,723,000	4,898,000	1,963,000	2,114,000	1,808,000
d.	Ending reserves	\$ 70,643,000	\$ 61,126,000	\$ 72,348,000	\$ 76,213,000	\$ 86,914,000

(3) Net of Ceded Reinsurance - Environmental

		2011	2012	2013	2014	2015
a.	Beginning reserves	63,678,000	58,537,000	49,543,000	61,054,000	62,778,000
b.	Incurred losses and loss adjustment expense	1,356,000	(4,505,000)	13,000,000	3,874,000	10,627,000
c.	Calendar year payments for losses and loss adjustment expenses	6,497,000	4,489,000	1,489,000	2,150,000	1,422,000
d.	Ending reserves	58,537,000	49,543,000	61,054,000	62,778,000	71,983,000

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

(1)	Direct basis	\$ 14,017,000
(2)	Assumed reinsurance basis	67,432,000
(3)	Net of ceded reinsurance basis	\$ 55,949,000

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

(1)	Direct basis	\$ 544,317
(2)	Assumed reinsurance basis	7,551,918
(3)	Net of ceded reinsurance basis	\$ 9,499,092

NOTES TO FINANCIAL STATEMENTS

NOTE 34 – SUBSCRIBER SAVINGS ACCOUNTS - NOT APPLICABLE

NOTE 35 – MULTIPLE PERIL CROP INSURANCE - NOT APPLICABLE

NOTE 36 – FINANCIAL GUARANTY INSURANCE - NOT APPLICABLE

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
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 [X] No [] N/A []
- 1.3 State regulating? Rhode Island
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2012
- 3.2 State as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2012
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 01/10/2014
- 3.4 By what department or departments?
Rhode Island Division of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC
Company
Code | 3
State of
Domicile |
|---------------------|------------------------------|---------------------------|
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes, _____ %
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1
Affiliate Name | 2
Location (City, State) | 3
FRB | 4
OCC | 5
FDIC | 6
SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| | | | | | |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP 200 Clarendon Street, Boston, MA 02116
- 10.1 Has the insurer been granted an exemptions to the prohibited non-audit services provided by the certified independent public account requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [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 complied with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Kathleen Odomirok, FCAS, MAAA - Executive Director, Ernst & Young LLP 200 Clarendon Street, Boston, MA 02116
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No
- 12.11 Name of real estate holding company FMRE Holdings LLC
- 12.12 Number of parcels involved 33
- 12.13 Total book/adjusted carrying value \$ 993,433,806
- 12.2 If yes, provide explanation
FMRE Holdings LLC is a wholly owned subsidiary owning subsidiaries that own commercial office buildings that are leased.
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes No
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes No
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes 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
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
The Code of Ethics was expanded to include additional Finance professionals not previously within its scope. In addition, provisions of the Code of Ethics were enhanced to further emphasize the responsibility such professionals bear in promoting integrity throughout the organization and adhering to the principles set forth in the Code.
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No
- 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
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.
- | 1
American Bankers Association (ABA)
Routing Number | 2
Issuing or Confirming Bank Name | 3
Circumstances That Can Trigger
the Letter of Credit | 4
Amount |
|---|--------------------------------------|---|-------------|
| | | | |
- BOARD OF DIRECTORS**
16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes No
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinator committees thereof? Yes 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
- 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
- 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
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ 0
- 21.22 Borrowed from others \$ 0
- 21.23 Leased from others \$ 0
- 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes No
- 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
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

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

- 24.01 Were all of the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [] No [X]
- 24.02 If no, give full and complete information, relating thereto:
JP Morgan Worldwide Securities Services and RBC (Toronto) hold custody of the securities.
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off balance sheet (an alternative is to reference Note 17 where this information is also provided).
The market value and collateral value of securities loaned as of year end 2015 is \$156,733,109 and \$160,077,634 respectively. The amount of cash collateral carried on the balance sheet is \$63,105,725. See Note 17 for a description of the securities lending program.
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes [X] No [] N/A []
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 160,077,634
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [] N/A []
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [] N/A []
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 63,105,725
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 63,105,725
- 24.103 Total payable for securities lending reported on the liability page: \$ 63,105,725
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes [X] No []
- 25.2 If yes, state the amount thereof at December of the current year:
- 25.21 Subject to repurchase agreements \$ 0
- 25.22 Subject to reverse repurchase agreements \$ 0
- 25.23 Subject to dollar repurchase agreements \$ 0
- 25.24 Subject to reverse dollar repurchase agreements \$ 0
- 25.25 Placed under option agreements \$ 0
- 25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ 0
- 25.27 FHLB Capital Stock \$ 0
- 25.28 On deposit with states \$ 5,590,422
- 25.29 On deposit with other regulatory bodies \$ 0
- 25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 0
- 25.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ 0
- 25.32 Other \$ 0
- 25.3 For category (25.26) provide the following:
- | 1
Nature of Restriction | 2
Description | 3
Amount |
|----------------------------|------------------|-------------|
| | | \$ |
- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 27.2 If yes, state the amount thereof at December 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 all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:
- | 1
Name of Custodian(s) | 2
Custodian Address |
|---|---|
| JP Morgan Worldwide Securities Services | 383 Madison Avenue New York, NY |
| RBC Investor Services | 200 Bay Street, Toronto, Ontario Canada |
- 28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation
- | 1
Name(s) | 2
Location(s) | 3
Complete Explanation(s) |
|--------------|------------------|------------------------------|
| | | |
- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]
- 28.04 If yes, give full and complete information relating thereto:
- | 1
Old Custodian | 2
New Custodian | 3
Date of Change | 4
Reason |
|--------------------|--------------------|---------------------|-------------|
| | | | |

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

28.05 Identify all investment advisors, broker/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	2 Name(s)	3 Address
JP Morgan Worldwide Securities Services	Sanford C. Bernstein & Co LLP	White Plains, NY
JP Morgan Worldwide Securities Services	Standish Mellon	Boston, MA
JP Morgan Worldwide Securities Services	CSFB	New York, NY
JP Morgan Worldwide Securities Services	Morgan Stanley	Philadelphia, PA
JP Morgan Worldwide Securities Services	Goldman Sachs	New York, NY
JP Morgan Worldwide Securities Services	Blackrock Financial Management Inc	New York, NY
RBC Investor Services	BMO Asset Management Inc	Toronto, Ontario

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

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
01882C 10 4	ALLIANCE BERNSTEIN US STRATEGIC VALUE	85,858,719
464286 10 3	ISHARES AUSTRALIA ETF	32,706,000
464286 80 6	ISHARES GERMANY ETF	37,975,500
464287 23 4	ISHARES MSCI EMERGING MKT INDEX ETF	17,382,600
464288 63 8	ISHARES INTERMEDIATE CREDIT	42,912
61744J 30 9	MSIF INC SMALL COMPANY GROWTH	44,798,878
78464A 69 8	SPDR S&P REGIONAL BANKING ETF	23,894,400
78464A 78 9	SPDR S&P INSURANCE ETF	6,950,000
78464A 87 0	SPDR S&P BIOTECH ETF	13,689,000
922042 71 8	VANGUARD INTL EQUITY ETF	11,144,400
922042 77 5	VANGUARD INTL EQUITY INDEX	82,479,000
922042 85 8	VANGUARD MSCI EMERGING MARKET ETF	7,523,300
922042 86 6	VANGUARD PACIFIC ETF	38,535,600
922042 87 4	VANGUARD EUROPEAN ETF	49,880,000
92204A 87 6	VANGUARD UTILITIES ETF	51,605,142
92647K 30 9	VICTORY MUNDER INT'L SMALL CAP FUND	178,477,356
L5458T 11 7	INVESCO US SENIOR LOAN - GX	88,819,397
29.2999	TOTAL	771,762,204

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holdings	4 Date of Valuation
ALLIANCE BERNSTEIN US STRATEGIC VALUE	Microsoft Corp	4,121,219	12/31/2015
ALLIANCE BERNSTEIN US STRATEGIC VALUE	Allstate Corp	4,121,219	12/31/2015
ALLIANCE BERNSTEIN US STRATEGIC VALUE	Delta Air Lines Inc	3,408,591	12/31/2015
ALLIANCE BERNSTEIN US STRATEGIC VALUE	Capital One Financial Corp	3,305,561	12/31/2015
ALLIANCE BERNSTEIN US STRATEGIC VALUE	Applied Materials Inc	3,090,914	12/31/2015
ISHARES AUSTRALIA ETF	Commonwealth Bank of Australia	4,076,149	12/31/2015
ISHARES AUSTRALIA ETF	Westpac Banking Corp	3,128,656	12/31/2015
ISHARES AUSTRALIA ETF	Australia & New Zealand	2,253,770	12/31/2015
ISHARES AUSTRALIA ETF	National Australia Bank	2,224,989	12/31/2015
ISHARES AUSTRALIA ETF	BHP Billiton Ltd	1,609,789	12/31/2015
ISHARES GERMANY ETF	Bayer AG	3,505,139	12/31/2015
ISHARES GERMANY ETF	Allianz SE	2,735,755	12/31/2015
ISHARES GERMANY ETF	Daimler AG	2,734,236	12/31/2015
ISHARES GERMANY ETF	SAP SE	2,639,677	12/31/2015
ISHARES GERMANY ETF	Siemens AG	2,608,537	12/31/2015
ISHARES MSCI EMERGING MKT INDEX ETF	Samsung Electronics Co Ltd	583,708	12/31/2015
ISHARES MSCI EMERGING MKT INDEX ETF	Taiwan Semiconductor	542,163	12/31/2015
ISHARES MSCI EMERGING MKT INDEX ETF	Tencent Holdings Ltd	518,697	12/31/2015
ISHARES MSCI EMERGING MKT INDEX ETF	China Mobile Ltd	351,998	12/31/2015
ISHARES MSCI EMERGING MKT INDEX ETF	China Construction Bank	291,506	12/31/2015
ISHARES INTERMEDIATE CREDIT	Blackrock Cash Funds	645	12/31/2015
ISHARES INTERMEDIATE CREDIT	US Treasury	182	12/31/2015
ISHARES INTERMEDIATE CREDIT	GE Capital Int'l Fund	140	12/31/2015
ISHARES INTERMEDIATE CREDIT	European Investment Bank	113	12/31/2015
ISHARES INTERMEDIATE CREDIT	Wells Fargo & Co	99	12/31/2015
MSIF INC SMALL COMPANY GROWTH	Morgan Stanley Institutional	1,609,176	12/31/2015

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

MSIF INC SMALL COMPANY GROWTH	athenahealth Inc	1,568,857	12/31/2015
MSIF INC SMALL COMPANY GROWTH	Restration Hardware Holdings	1,498,522	12/31/2015
MSIF INC SMALL COMPANY GROWTH	Wisdom Tree Investments Inc	1,451,036	12/31/2015
MSIF INC SMALL COMPANY GROWTH	Fleetmatics Group PLC	1,432,220	12/31/2015
SPDR S&P REGIONAL BANKING ETF	PNC Financial Services	1,074,292	12/31/2015
SPDR S&P REGIONAL BANKING ETF	KeyCorp	1,072,859	12/31/2015
SPDR S&P REGIONAL BANKING ETF	Regions Financial Corp	1,069,274	12/31/2015
SPDR S&P REGIONAL BANKING ETF	Citizens Financial Group	1,066,407	12/31/2015
SPDR S&P REGIONAL BANKING ETF	SunTrust Banks Inc	1,063,062	12/31/2015
SPDR S&P INSURANCE ETF	Assured Guaranty Ltd	164,020	12/31/2015
SPDR S&P INSURANCE ETF	Progressive Corp/The	157,696	12/31/2015
SPDR S&P INSURANCE ETF	Loews Corp	156,028	12/31/2015
SPDR S&P INSURANCE ETF	XL Group PLC	155,611	12/31/2015
SPDR S&P INSURANCE ETF	Renaissance RE Holdings	155,611	12/31/2015
SPDR S&P BIOTECH ETF	Cepheid	247,360	12/31/2015
SPDR S&P BIOTECH ETF	Agios Pharmaceutists Inc	242,569	12/31/2015
SPDR S&P BIOTECH ETF	Medivation Inc	235,998	12/31/2015
SPDR S&P BIOTECH ETF	Ionis Pharmaceuticals Inc	228,606	12/31/2015
SPDR S&P BIOTECH ETF	Baxalta Inc	226,827	12/31/2015
VANGUARD INTL EQUITY ETF	Gildan Activewear Inc	40,677	12/31/2015
VANGUARD INTL EQUITY ETF	Dollarama	39,563	12/31/2015
VANGUARD INTL EQUITY ETF	Constellation Software Inc	36,999	12/31/2015
VANGUARD INTL EQUITY ETF	Open Text Corp	32,207	12/31/2015
VANGUARD INTL EQUITY ETF	CCL Industries Inc	29,310	12/31/2015
VANGUARD INTL EQUITY INDEX	Nestle SA	1,083,774	12/31/2015
VANGUARD INTL EQUITY INDEX	Roche Holding AG	891,598	12/31/2015
VANGUARD INTL EQUITY INDEX	Novartis AG	849,534	12/31/2015
VANGUARD INTL EQUITY INDEX	Toyota Motor Corp	769,529	12/31/2015
VANGUARD INTL EQUITY INDEX	HSBC Holdings PLC	727,465	12/31/2015
VANGUARD MSCI EMERGING MARKET ETF	Tencent Holdings LTD	259,178	12/31/2015
VANGUARD MSCI EMERGING MARKET ETF	Taiwan Semiconductor M	158,817	12/31/2015
VANGUARD MSCI EMERGING MARKET ETF	China Construction Bank	153,626	12/31/2015
VANGUARD MSCI EMERGING MARKET ETF	China Mobile Ltd	148,585	12/31/2015
VANGUARD MSCI EMERGING MARKET ETF	Naspers Ltd	142,867	12/31/2015
VANGUARD PACIFIC ETF	Toyota Motor Corp	1,097,494	12/31/2015
VANGUARD PACIFIC ETF	Samsung Electronics Co Ltd	778,804	12/31/2015
VANGUARD PACIFIC ETF	Commonwealth Bank of Australia	647,398	12/31/2015
VANGUARD PACIFIC ETF	Mitsubishi UFJ Financial	594,990	12/31/2015
VANGUARD PACIFIC ETF	Westpac Banking Corp	512,909	12/31/2015
VANGUARD EUROPEAN ETF	Nestle SA	1,267,950	12/31/2015
VANGUARD EUROPEAN ETF	Roche Holding AG	1,048,976	12/31/2015
VANGUARD EUROPEAN ETF	Novartis AG	993,610	12/31/2015
VANGUARD EUROPEAN ETF	HSBC Holdings PLC	850,454	12/31/2015
VANGUARD EUROPEAN ETF	Bayer AG	600,555	12/31/2015
VANGUARD UTILITIES ETF	Duke Energy Corp	3,637,130	12/31/2015
VANGUARD UTILITIES ETF	NextEra Energy Inc	3,520,503	12/31/2015
VANGUARD UTILITIES ETF	Southern Co/The	3,154,622	12/31/2015
VANGUARD UTILITIES ETF	Dominion Resources Inc	3,122,111	12/31/2015
VANGUARD UTILITIES ETF	American Electric Power Co	2,142,645	12/31/2015
VICTORY MUNDER INT'L SMALL CAP FUND	Stroer Se	2,255,954	12/31/2015
VICTORY MUNDER INT'L SMALL CAP FUND	Howden Joinery Group PLC	2,132,804	12/31/2015
VICTORY MUNDER INT'L SMALL CAP FUND	Mondi PLC	2,086,400	12/31/2015
VICTORY MUNDER INT'L SMALL CAP FUND	Eronext NV	2,075,692	12/31/2015
VICTORY MUNDER INT'L SMALL CAP FUND	Ishares MSCI EAFE ETF	1,945,403	12/31/2015
INVESCO US SENIOR LOAN - GX	Avago Technologies Cayman LTD	2,158,311	12/31/2015
INVESCO US SENIOR LOAN - GX	Asurion LLC	1,803,034	12/31/2015
INVESCO US SENIOR LOAN - GX	First Data Corp	1,652,041	12/31/2015
INVESCO US SENIOR LOAN - GX	iHeartCommunications, Inc	1,536,576	12/31/2015
INVESCO US SENIOR LOAN - GX	Dream Secured BondCo AB	1,287,881	12/31/2015

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	4,314,214,754	4,414,230,979	100,016,225
30.2	Preferred Stocks	0	0	0
30.3	Totals	4,314,214,754	4,414,230,979	100,016,225

30.4 Describe the sources or methods utilized in determining fair values:
 Bonds and preferred stocks are priced by the SVO when available. When the SVO pricing is not available, the securities are priced by our external pricing source, IDC.

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 reliance pricing source for purposes of disclosure of fair value for Schedule D:

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

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 765,969

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

1 Name	2 Amount Paid
American Insurance Association	\$ 484,286

34.1 Amount of payments for legal expenses, if any? \$ 1,895,708

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

1 Name	2 Amount Paid
	\$ 0

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

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

1 Name	2 Amount Paid
	\$ 0

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

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?			Yes []	No [X]	
1.2	If yes, indicate premium earned on U.S. business only.		\$		0	
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?		\$		0	
1.31	Reason for excluding:					
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.		\$		0	
1.5	Indicate total incurred claims on all Medicare Supplement insurance.		\$		0	
1.6	Individual policies:					
	Most current three years:					
1.61	Total premium earned		\$		0	
1.62	Total incurred claims		\$		0	
1.63	Number of covered lives				0	
	All years prior to most current three years:					
1.64	Total premium earned		\$		0	
1.65	Total incurred claims		\$		0	
1.66	Number of covered lives				0	
1.7	Group policies:					
	Most current three years:					
1.71	Total premium earned		\$		0	
1.72	Total incurred claims		\$		0	
1.73	Number of covered lives				0	
	All years prior to most current three years:					
1.74	Total premium earned		\$		0	
1.75	Total incurred claims		\$		0	
1.76	Number of covered lives				0	
2.	Health Test:					
		1		2		
		Current Year		Prior Year		
2.1	Premium Numerator	\$	0	\$	0	
2.2	Premium Denominator	\$	2,784,235,112	\$	2,732,761,511	
2.3	Premium Ratio (2.1/2.2)					
2.4	Reserve Numerator	\$	0	\$	0	
2.5	Reserve Denominator	\$	3,533,970,206	\$	3,374,508,971	
2.6	Reserve Ratio (2.4/2.5)					
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 [X]	
4.2	Does the reporting entity issue non-assessable policies?			Yes [X]	No []	
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?				%	
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.		\$		0	
5.	FOR RECIPROCAL EXCHANGES ONLY:					
5.1	Does the exchange appoint local agents?			Yes []	No []	
5.2	If yes, is the commission paid:					
5.21	Out of Attorney's-in-fact compensation			Yes []	No []	N/A [X]
5.22	As a direct expense of the exchange			Yes []	No []	N/A [X]
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?					
5.4	Has any Attorney-in-fact compensation, contingent on fulfillments of certain conditions, been deferred?			Yes []	No []	
5.5	If yes, give full information:					
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? <u>The Company does not issue Workers' Compensation contracts.</u>					
6.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: <u>The Company uses the AIR Touchstone 2.0 software to model our catastrophe exposure in hurricane and earthquake prone areas where we have concentrations of business.</u>					
6.3	What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss? <u>In addition to controlling the Company's exposure by loss prevention engineering, deductibles, and limits of liability, we purchase risk and catastrophe reinsurance.</u>					
6.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?			Yes []	No [X]	
6.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss: <u>There are certain parts of the Company's catastrophe program in the high excess layers for which a reimbursement clause is not applicable. These parts of the program cover events that management considered and evaluated as less likely to occur, and given the Company's strong surplus position and its ability to purchase additional reinsurance if an event occurs, it was determined that a reinstatement clause is not required for those parts of the program.</u>					

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, 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 reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [X] No []
- 11.2 If yes, give full information
Factory Mutual Insurance Company, as owner of all the issued and outstanding common stock of FM Insurance Company Limited ("FM") has previously entered into a Performance Guarantee agreement with FMI. Specifically, Factory Mutual Insurance Company guarantees the full performance of its lawful obligations with respect to contracts of insurance and reinsurance issued by FMI on or after January 1, 2004. See Notes to the Financial Statements # 14 for further detail. Factory Mutual Insurance Company, as owner of all the issued and outstanding common stock of FMIC Holding, Inc., the owner of all of the issued and outstanding common stock of Affiliated FM Insurance Company (AFM), entered into a Performance Guarantee agreement for the benefit of the policyholders of AFM. Specifically, Factory Mutual Insurance Company guarantees the full performance of AFM of its lawful obligations with respect to contracts of insurance and reinsurance issued by AFM on or after January 1, 2014. See Notes to the Financial Statements #14 for further details.
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | | |
|---|----|---|
| 12.11 Unpaid losses | \$ | 0 |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ | 0 |
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$ 0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] N/A [X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | |
|------------|---|
| 12.41 From | % |
| 12.42 To | % |
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]
- 12.6 If yes, state the amount thereof at December 31 of current year:

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

12.61	Letters of Credit								\$	0
12.62	Collateral and other funds								\$	0
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):								\$	313,750,000
13.2	Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?									Yes [] No [X]
13.3	State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.									4
14.1	Is the company a cedant in a multiple cedant reinsurance contract?									Yes [X] No []
14.2	If yes, please describe the method of allocating and recording reinsurance among the cedants: <u>The method of allocating and recording reinsurance with outside reinsurers is based proportionally on each company's share of occurrence and specific contract terms with respect to intercompany reinsurance agreements</u>									
14.3	If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?									Yes [] No [X]
14.4	If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?									Yes [X] No []
14.5	If the answer to 14.4 is no, please explain:									
15.1	Has the reporting entity guaranteed any financed premium accounts?									Yes [] No [X]
15.2	If yes, give full information									
16.1	Does the reporting entity write any warranty business?									Yes [] No [X]
	If yes, disclose the following information for each of the following types of warranty coverage:									
		1	2	3	4	5				
		Direct Losses	Direct Losses	Direct Written	Direct Premium	Direct Premium				
		Incurred	Unpaid	Premium	Unearned	Earned				
16.11	Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0				0
16.12	Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0				0
16.13	Automobile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0				0
16.14	Other*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0				0
	* Disclose type of coverage:									
17.1	Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:									Yes [X] No []
17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5								\$	20,021,000
17.12	Unfunded portion of Interrogatory 17.11								\$	20,021,000
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11								\$	0
17.14	Case reserves portion of Interrogatory 17.11								\$	0
17.15	Incurred but not reported portion of Interrogatory 17.11								\$	20,021,000
17.16	Unearned premium portion of Interrogatory 17.11								\$	0
17.17	Contingent commission portion of Interrogatory 17.11								\$	0
	Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.									
17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5								\$	0
17.19	Unfunded portion of Interrogatory 17.18								\$	0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18								\$	0
17.21	Case reserves portion of Interrogatory 17.18								\$	0
17.22	Incurred but not reported portion of Interrogatory 17.18								\$	0
17.23	Unearned premium portion of Interrogatory 17.18								\$	0
17.24	Contingent commission portion of Interrogatory 17.18								\$	0
18.1	Do you act as a custodian for health savings accounts?									Yes [] No [X]
18.2	If yes, please provide the amount of custodial funds held as of the reporting date.								\$	0
18.3	Do you act as an administrator for health savings accounts?									Yes [] No [X]
18.4	If yes, please provide the balance of the funds administered as of the reporting date.								\$	0

FIVE-YEAR HISTORICAL DATA

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

	1 2015	2 2014	3 2013	4 2012	5 2011
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	..2,824,409,792	..3,070,982,857	..3,097,178,280	..2,996,715,187	..2,731,144,027
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	....854,847,276	....604,298,111	....625,021,876	....588,681,729	....590,623,117
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	....283,483,936	....291,938,101	....287,474,672	....251,165,229	....190,256,593
6. Total (Line 35).....	..3,962,741,004	..3,967,219,069	..4,009,674,828	..3,836,562,145	..3,512,023,737
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	..1,878,091,814	..2,125,272,932	..2,100,831,894	..2,182,403,954	..1,960,953,770
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	....685,453,655	....484,707,776	....500,505,204	....487,374,593	....502,056,135
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	....218,547,090	....228,518,855	....223,201,615	....185,539,341	....131,476,136
12. Total (Line 35).....	..2,782,092,559	..2,838,499,563	..2,824,538,713	..2,855,317,888	..2,594,486,041
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	....372,777,718	....633,290,990	....594,066,275	....436,875,720	....(531,757,453)
14. Net investment gain (loss) (Line 11).....	....385,052,769	....367,023,124	....365,436,044	....320,562,128	....347,081,262
15. Total other income (Line 15).....	....(15,222,480)	....(18,704,732)	....(2,398,826)	....(5,775,246)	....(462,392)
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	....192,528,895	....310,785,002	....294,617,242	....139,602,810	....(179,526,124)
18. Net income (Line 20).....	....550,079,112	....670,824,380	....662,486,251	....612,059,792	....(5,612,459)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	15,682,895,828	15,070,065,036	13,795,712,203	12,239,933,900	10,978,403,000
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	....481,286,202	....541,984,725	....415,546,721	....430,400,201	....409,036,248
20.2 Deferred and not yet due (Line 15.2).....					
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	..5,136,241,827	..4,928,219,299	..4,642,256,727	..4,714,811,834	..4,546,791,476
22. Losses (Page 3, Line 1).....	..1,930,207,036	..1,692,117,034	..1,766,167,326	..1,891,280,612	..2,321,832,429
23. Loss adjustment expenses (Page 3, Line 3).....	....155,342,000	....158,858,474	....158,359,867	....186,832,025	....193,900,282
24. Unearned premiums (Page 3, Line 9).....	..1,415,616,390	..1,417,758,943	..1,312,020,891	..1,261,721,638	..1,249,571,093
25. Capital paid up (Page 3, Lines 30 & 31).....					
26. Surplus as regards policyholders (Page 3, Line 37).....	..10,546,654,001	..10,141,845,737	..9,153,455,476	..7,525,122,066	..6,431,611,524
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	....532,796,242	....587,410,630	....426,310,102	....270,224,940	....208,236,201
Risk-Based Capital Analysis					
28. Total adjusted capital.....	..10,546,654,001	..10,141,845,737	..9,153,455,476	..7,525,122,066	..6,431,611,524
29. Authorized control level risk-based capital.....	..1,141,331,442	..1,117,514,713	..1,041,576,678	..881,984,126	..786,993,648
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).....	....26.4	....25.1	....27.3	....29.6	....30.5
31. Stocks (Lines 2.1 & 2.2).....	....55.6	....57.5	....56.5	....52.4	....50.3
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....				....0.1	....0.0
34. Cash, cash equivalents and short-term investments (Line 5).....	....5.3	....4.7	....4.0	....4.5	....5.4
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....	....12.3	....12.4	....11.8	....12.7	....12.8
38. Receivable for securities (Line 9).....	....0.0	....0.1	....0.0	....0.2	....0.4
39. Securities lending reinvested collateral assets (Line 10).....	....0.4	....0.2	....0.4	....0.5	....0.5
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	....100.0	....100.0	....100.0	....100.0	....100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	..2,691,526,706	..2,597,913,531	..2,309,437,037	..1,943,447,602	..1,653,031,245
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....	....993,433,806	....943,670,260	....819,309,638	....792,433,720	....730,318,864
48. Total of above lines 42 to 47.....	..3,684,960,512	..3,541,583,791	..3,128,746,675	..2,735,881,322	..2,383,350,109
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	....34.9	....34.9	....25.2	....36.4	....37.1

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2015	2014	2013	2012	2011
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(65,463,722)	378,973,160	932,692,210	508,857,064	(338,669,574)
52. Dividends to stockholders (Line 35).....					
53. Change in surplus as regards policyholders for the year (Line 38).....	404,808,264	988,390,261	1,628,333,410	1,093,510,542	(530,297,511)
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)...	24,125,531	26,005,142	19,099,435	28,402,145	32,657,187
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,227,888,342	1,185,499,720	1,571,799,881	2,126,000,173	1,858,718,644
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	254,298,560	263,220,123	297,046,626	275,689,311	278,350,599
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(47,733)	(43,293)	(108,793)	(54,614)	(78,216)
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	145,710,557	220,535,156	166,553,606	428,039,355	38,866,509
59. Total (Line 35).....	1,651,975,257	1,695,216,848	2,054,390,755	2,858,076,370	2,208,514,723
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)...	6,234,447	6,673,061	4,023,716	9,396,888	7,459,512
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	933,445,884	921,106,657	1,028,676,871	1,432,507,809	1,527,680,632
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	228,099,399	230,408,075	253,186,348	220,562,833	238,253,407
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(47,733)	(43,293)	(108,793)	(54,614)	(78,216)
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	105,879,531	187,061,761	159,579,811	381,903,108	(57,169,748)
65. Total (Line 35).....	1,273,611,528	1,345,206,261	1,445,357,953	2,044,316,024	1,716,145,587
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).....	54.3	46.5	47.6	56.8	91.8
68. Loss expenses incurred (Line 3).....	3.7	3.6	3.0	3.0	3.5
69. Other underwriting expenses incurred (Line 4).....	28.7	26.7	28.0	24.9	25.7
70. Net underwriting gain (loss) (Line 8).....	13.4	23.2	21.4	15.4	(21.0)
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).....	29.2	26.3	27.6	25.0	25.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	58.0	50.2	50.6	59.8	95.3
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).....	26.4	28.0	30.9	37.9	40.3
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).....	40,397	(159,404)	166,153	(82,953)	(142,538)
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).....	0.4	(1.7)	2.2	(1.3)	(2.0)
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).....	(103,555)	42,105	7,621	(215,317)	(352,689)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(1.1)	0.6	0.1	(3.1)	(5.7)

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

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....43,307	.....28,167	.....5,120	.....2,753	.....37	.....159	.....(1,121)	.....17,385	.....XXX.....
2. 2006.....	.....3,118,218	.....779,538	.....2,338,680	.....1,140,413	.....175,840	.....6,468	.....116	.....61,347	.....3,534	.....8,741	.....1,028,739	.....XXX.....
3. 2007.....	.....3,147,998	.....791,285	.....2,356,713	.....1,014,287	.....142,853	.....1,292	.....654	.....54,907	.....4,297	.....13,342	.....922,682	.....XXX.....
4. 2008.....	.....3,043,700	.....719,342	.....2,324,358	.....2,723,101	.....766,845	.....26,284	.....2,285	.....74,404	.....9,798	.....13,748	.....2,044,861	.....XXX.....
5. 2009.....	.....3,358,963	.....757,262	.....2,601,701	.....797,657	.....131,094	.....26,222	.....129	.....89,326	.....2,429	.....8,740	.....779,553	.....XXX.....
6. 2010.....	.....3,230,937	.....829,057	.....2,401,879	.....1,498,583	.....198,063	.....2,650	.....3,941	.....64,240	.....19,058	.....11,412	.....1,344,411	.....XXX.....
7. 2011.....	.....3,374,597	.....847,435	.....2,527,162	.....3,442,147	.....1,015,281	.....7,115	.....501	.....84,165	.....8,166	.....3,872	.....2,509,479	.....XXX.....
8. 2012.....	.....3,803,061	.....959,893	.....2,843,168	.....2,143,076	.....509,609	.....14,202	.....2,567	.....74,875	.....5,500	.....7,456	.....1,714,477	.....XXX.....
9. 2013.....	.....3,870,242	.....1,096,002	.....2,774,240	.....1,219,045	.....169,318	.....13,167	.....1,913	.....76,184	.....4,155	.....6,157	.....1,133,010	.....XXX.....
10. 2014.....	.....3,881,846	.....1,149,085	.....2,732,761	.....1,397,889	.....196,002	.....6,936	.....902	.....77,576	.....3,894	.....681	.....1,281,603	.....XXX.....
11. 2015.....	.....3,948,178	.....1,163,942	.....2,784,236	.....633,718	.....208,171	.....6,980	.....214	.....61,998	.....2,106	.....(299)	.....492,205	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....16,053,223	.....3,541,242	.....116,436	.....15,974	.....719,058	.....63,096	.....72,729	.....13,268,405	.....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.....	.....242,946	.....90,642	.....790,548	.....373,407	.....18,297	.....9,061	.....23,203	.....	.....47,935	.....	.....649,819	.....XXX.....
2. 2006.....	.....87	.....1	.....	.....	.....	.....	.....	.....	.....	.....	.....86	.....XXX.....
3. 2007.....	.....263	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....263	.....XXX.....
4. 2008.....	.....965	.....305	.....	.....	.....4	.....	.....	.....	.....(19)	.....	.....645	.....XXX.....
5. 2009.....	.....(5,963)	.....	.....	.....	.....6	.....	.....	.....	.....	.....6,389	.....(5,957)	.....XXX.....
6. 2010.....	.....(2,262)	.....980	.....12,960	.....	.....14	.....	.....	.....	.....76	.....4,370	.....9,808	.....XXX.....
7. 2011.....	.....(2,692)	.....	.....14,155	.....	.....38	.....	.....	.....	.....11	.....5,868	.....11,512	.....XXX.....
8. 2012.....	.....14,764	.....47,394	.....57,928	.....	.....6,035	.....6,000	.....	.....	.....19,148	.....19,000	.....9,536	.....XXX.....
9. 2013.....	.....43,406	.....3,822	.....17,921	.....	.....2,043	.....	.....	.....	.....7,052	.....	.....13,266	.....XXX.....
10. 2014.....	.....201,568	.....20,242	.....35,052	.....	.....4,088	.....	.....	.....	.....18,092	.....	.....238,558	.....XXX.....
11. 2015.....	.....1,055,652	.....196,171	.....185,875	.....	.....8,532	.....	.....	.....	.....34,846	.....	.....1,088,734	.....XXX.....
12. Totals.....1,548,734359,5571,114,439373,40739,05715,06123,2030127,14119,00059,8562,085,549XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....	.....	.....XXX.....	.....569,445	.....80,374
2. 2006..	.....1,208,315	.....179,490	.....1,028,825	.....38.8	.....23.0	.....44.0	.....	.....	.....86.00	.....86	.....0
3. 2007..	.....1,070,749	.....147,804	.....922,945	.....34.0	.....18.7	.....39.2	.....	.....	.....86.00	.....263	.....0
4. 2008..	.....2,824,739	.....779,233	.....2,045,506	.....92.8	.....108.3	.....88.0	.....	.....	.....86.00	.....660	.....(15)
5. 2009..	.....907,248	.....133,652	.....773,596	.....27.0	.....17.6	.....29.7	.....	.....	.....86.00	.....(5,963)	.....6
6. 2010..	.....1,576,261	.....222,042	.....1,354,219	.....48.8	.....26.8	.....56.4	.....	.....	.....86.00	.....9,718	.....90
7. 2011..	.....3,544,939	.....1,023,948	.....2,520,991	.....105.0	.....120.8	.....99.8	.....	.....	.....86.00	.....11,463	.....49
8. 2012..	.....2,330,028	.....590,070	.....1,739,958	.....61.3	.....61.5	.....61.2	.....	.....	.....86.00	.....25,298	.....183
9. 2013..	.....1,378,818	.....179,208	.....1,199,610	.....35.6	.....16.4	.....43.2	.....	.....	.....86.00	.....57,505	.....9,095
10. 2014..	.....1,741,201	.....221,040	.....1,520,161	.....44.9	.....19.2	.....55.6	.....	.....	.....86.00	.....216,378	.....22,180
11. 2015..	.....1,987,601	.....406,662	.....1,580,939	.....50.3	.....34.9	.....56.8	.....	.....	.....86.00	.....1,045,356	.....43,378
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0	.....0	.....XXX.....	.....1,930,209	.....155,340

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
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	One Year	Two Year
1. Prior.....	1,096,098	1,164,539	976,449	1,127,049	1,113,861	1,093,345	1,081,486	1,211,545	1,188,659	1,247,027	58,368	35,482
2. 2006.....	1,142,402	1,002,796	975,340	982,313	987,884	975,679	970,283	971,743	971,215	971,012	(203)	(731)
3. 2007.....	XXX	1,046,272	885,678	856,790	857,104	859,509	855,536	867,644	871,894	872,336	442	4,692
4. 2008.....	XXX	XXX	2,095,256	2,017,961	2,002,859	1,959,567	1,949,603	1,965,413	1,975,103	1,980,919	5,816	15,506
5. 2009.....	XXX	XXX	XXX	956,813	714,739	700,137	690,547	682,041	679,110	686,699	7,589	4,658
6. 2010.....	XXX	XXX	XXX	XXX	1,406,985	1,352,657	1,320,660	1,301,569	1,305,138	1,308,961	3,823	7,392
7. 2011.....	XXX	XXX	XXX	XXX	XXX	2,479,920	2,469,746	2,428,480	2,427,646	2,444,981	17,335	16,501
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	1,725,297	1,800,876	1,686,498	1,670,435	(16,063)	(130,441)
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,177,143	1,141,787	1,120,529	(21,258)	(56,614)
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,443,839	1,428,387	(15,452)	XXX
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,486,201	XXX	XXX
12. Totals.....											40,397	(103,555)

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
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
1. Prior.....	000	338,358	450,751	468,828	531,153	575,678	608,745	602,983	627,636	645,143	XXX	XXX
2. 2006.....	376,923	839,862	951,651	975,777	978,335	977,348	974,861	971,810	970,863	970,926	XXX	XXX
3. 2007.....	XXX	273,750	711,315	828,502	850,613	853,318	857,220	872,668	871,628	872,073	XXX	XXX
4. 2008.....	XXX	XXX	809,114	1,655,559	1,806,101	1,882,171	1,920,965	1,913,816	1,981,751	1,980,255	XXX	XXX
5. 2009.....	XXX	XXX	XXX	248,998	561,340	654,992	669,541	676,518	678,380	692,656	XXX	XXX
6. 2010.....	XXX	XXX	XXX	XXX	570,851	1,160,032	1,243,217	1,285,493	1,295,729	1,299,229	XXX	XXX
7. 2011.....	XXX	XXX	XXX	XXX	XXX	932,506	2,007,368	2,329,682	2,393,496	2,433,480	XXX	XXX
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	825,034	1,483,598	1,613,320	1,645,102	XXX	XXX
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	445,342	899,390	1,060,981	XXX	XXX
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	614,658	1,207,921	XXX	XXX
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	432,313	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
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Prior.....	623,230	529,688	335,564	439,412	385,679	346,400	315,556	435,500	387,780	440,344
2. 2006.....	151,282	47,348	20,000	12,825	14,800	1,100				
3. 2007.....	XXX	142,725	27,000	14,463	14,600	10,200	905			
4. 2008.....	XXX	XXX	218,816	95,581	69,585	45,397	36,994	4,000		
5. 2009.....	XXX	XXX	XXX	188,283	41,256	20,071	15,061	12,500	5,277	
6. 2010.....	XXX	XXX	XXX	XXX	177,613	55,746	31,655	23,161	15,410	12,960
7. 2011.....	XXX	XXX	XXX	XXX	XXX	214,129	138,016	36,642	20,449	14,155
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	116,482	80,940	63,888	57,928
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	106,725	55,669	17,921
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	116,703	35,052
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	185,875

FACTORY MUTUAL INSURANCE COMPANY SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	L	25,931,060	27,720,525		10,112,456	5,237,467	2,147,545		
2. Alaska.....AK	L	8,845,990	9,319,381		96,441	641,229	711,842		
3. Arizona.....AZ	L	34,130,328	32,193,172		15,355,109	32,479,943	22,997,353		
4. Arkansas.....AR	L	20,615,393	21,622,742		3,674,174	4,947,849	8,860,447		
5. California.....CA	L	336,408,386	352,447,795		52,588,694	33,854,488	26,683,228		
6. Colorado.....CO	L	21,915,203	23,281,619		15,132,288	13,859,880	19,490,172		
7. Connecticut.....CT	L	26,962,958	38,910,253		2,592,220	4,048,922	2,172,193		
8. Delaware.....DE	L	1,500,789	2,055,882		183,629	74,401	107,476		
9. District of Columbia.....DC	L	11,303,865	12,344,029		547,640	4,671,923	4,635,802		
10. Florida.....FL	L	119,551,142	113,177,776		15,218,904	18,379,706	15,980,164		
11. Georgia.....GA	L	64,429,786	65,179,035		11,709,026	16,719,943	15,852,682		
12. Hawaii.....HI	L	6,280,067	7,483,730		137,561	114,201	61,749		
13. Idaho.....ID	L	7,766,541	8,462,137		2,414,563	189,495			
14. Illinois.....IL	L	84,125,342	86,183,223		29,148,123	14,127,410	37,290,186		
15. Indiana.....IN	L	28,489,138	35,193,631		14,294,992	2,756,797	5,702,837		
16. Iowa.....IA	L	26,813,133	27,488,931		3,015,436	2,207,547	2,744,594		
17. Kansas.....KS	L	18,285,854	16,033,810		6,464,285	1,154,113	2,666,152		
18. Kentucky.....KY	L	46,257,771	42,748,596		142,172,716	139,581,164	12,253,513		
19. Louisiana.....LA	L	43,369,346	39,867,404		6,657,988	12,728,576	27,716,321		
20. Maine.....ME	L	8,930,236	10,765,941		905,445	2,726,024	2,332,855		
21. Maryland.....MD	L	26,994,181	27,051,796		13,299,451	13,409,499	13,847,049		
22. Massachusetts.....MA	L	51,581,490	56,100,960		28,124,838	39,021,510	29,904,707		
23. Michigan.....MI	L	41,549,718	44,295,139		15,465,004	6,483,804	20,626,026		
24. Minnesota.....MN	L	32,470,359	33,753,907		25,007,390	25,006,824	14,818,657		
25. Mississippi.....MS	L	20,108,196	18,485,596		3,190,433	9,455,037	7,243,502		
26. Missouri.....MO	L	40,267,677	41,734,620		22,491,359	69,376,364	58,873,887		
27. Montana.....MT	L	5,470,842	5,452,303		540,517	(1,464,112)	725,319		
28. Nebraska.....NE	L	12,709,355	13,161,988		4,043,721	4,778,641	7,496,057		
29. Nevada.....NV	L	17,108,446	21,096,964		10,272,199	(358,994)	1,256,741		
30. New Hampshire.....NH	L	6,447,198	7,088,732		65,683	2,445,706	2,653,833		
31. New Jersey.....NJ	L	39,969,836	39,357,804		18,173,575	11,601,864	30,674,176		
32. New Mexico.....NM	L	9,908,065	10,184,333			10,157,903	16,417,932		
33. New York.....NY	L	89,572,687	97,720,737		53,969,854	(12,210,835)	217,619,887		
34. North Carolina.....NC	L	65,125,632	66,105,039		7,583,351	(103,621)	2,589,149		
35. North Dakota.....ND	L	17,144,117	17,801,980		11,061,769	(3,043,569)	6,070,651		
36. Ohio.....OH	L	59,275,856	63,291,278		14,120,669	48,036,592	86,622,663		
37. Oklahoma.....OK	L	19,763,887	19,649,963		12,306,764	9,254,474	5,461,468		
38. Oregon.....OR	L	34,569,053	37,627,334		3,250,200	2,071,669	1,308,551		
39. Pennsylvania.....PA	L	99,477,419	101,587,679		63,794,985	68,683,649	111,307,258		
40. Rhode Island.....RI	L	6,703,985	7,864,584		10,694,237	2,306,063	1,849,472		
41. South Carolina.....SC	L	34,826,640	37,165,429		24,871,702	69,972,794	64,144,784		
42. South Dakota.....SD	L	5,824,721	5,865,593		2,334,665	235,072	2,189,285		
43. Tennessee.....TN	L	57,405,008	57,329,372		25,805,466	21,987,210	13,299,736		
44. Texas.....TX	L	188,679,281	188,494,615		69,243,039	157,864,150	137,977,963		
45. Utah.....UT	L	17,156,016	16,968,996		1,869,881	937,148	301,681		
46. Vermont.....VT	L	4,398,940	5,481,592		5,075,507	1,839,941	1,032,648		
47. Virginia.....VA	L	40,603,564	43,668,824		24,927,125	17,332,787	12,357,528		
48. Washington.....WA	L	59,374,418	59,374,978		2,240,553	17,388,349	18,855,721		
49. West Virginia.....WV	L	5,832,447	5,392,691		805,869	173,462			
50. Wisconsin.....WI	L	36,449,703	40,302,692		11,400,671	4,903,800	7,132,205		
51. Wyoming.....WY	L	8,677,591	8,419,978		2,009,153	5,539,727	6,395,765		
52. American Samoa.....AS	N	193	195						
53. Guam.....GU	L	183,515	196,684						
54. Puerto Rico.....PR	L	21,322,187	22,759,034		286,386	1,887,865	2,334,813		
55. US Virgin Islands.....VI	L	106,230	113,307			9,594	9,594		
56. Northern Mariana Islands.....MP	L	9,184	9,353						
57. Canada.....CAN	L	257,528,175	257,428,685		222,823,968	168,879,568	140,667,276		
58. Aggregate Other Alien.....OT	XXX	225,905,656	173,573,487	0	24,666,939	60,782,146	52,907,937	0	0
59. Totals.....(a).55		2,602,413,797	2,624,437,850	0	1,068,238,613	1,145,143,162	1,307,381,031	0	0

DETAILS OF WRITE-INS

58001. DZA ALGERIA.....	XXX	83,881	82,433						
58002. AGO ANGOLA.....	XXX	60,838	54,124						
58003. ATG ANTIGUA.....	XXX	196,426	166,028						
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	225,564,511	173,270,902	0	24,666,939	60,782,146	52,907,937	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	225,905,656	173,573,487	0	24,666,939	60,782,146	52,907,937	0	0

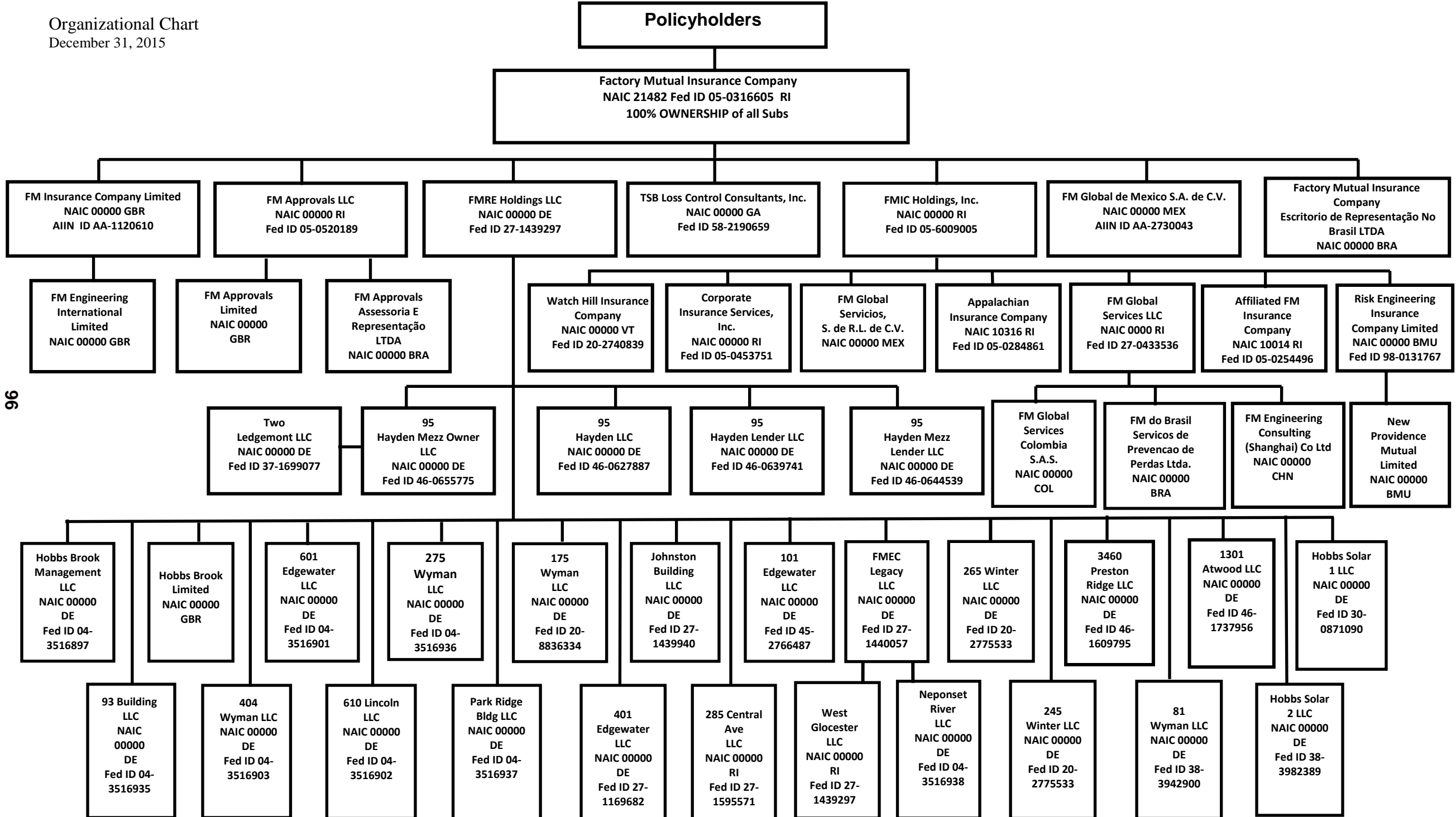
(a) Insert the number of "L" responses except for Canada and Other Alien.

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

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

Organizational Chart
December 31, 2015



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