



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2015  
OF THE CONDITION AND AFFAIRS OF THE

## STATE MUTUAL INSURANCE COMPANY

NAIC Group Code 0045 0045 NAIC Company Code 16020 Employer's ID Number 01-0165140  
(Current) (Prior)

Organized under the Laws of Maine, State of Domicile or Port of Entry Maine  
Country of Domicile United States of America

Incorporated/Organized 05/15/1899 Commenced Business 05/15/1899

Statutory Home Office 572 Kittyhawk Avenue, Auburn, ME, US 04211-1350  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 4 Bouton Street  
(Street and Number)  
Concord, NH, US 03301-5023, 603-224-4086  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 4 Bouton Street, Concord, NH, US 03301-5023  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 4 Bouton Street  
(Street and Number)  
Concord, NH, US 03301-5023, 603-224-4086  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.concordgroupinsurance.com

Statutory Statement Contact Daniel Rodgers, 603-224-4086-6202  
(Name) (Area Code) (Telephone Number)  
DRodgers@concordgroupins.com, 603-227-7333  
(E-mail Address) (FAX Number)

### OFFICERS

President LINDA JOY DAY Treasurer DANIEL RODGERS  
Secretary JOHN EVERETT GOODWIN

### OTHER

LINDA JOY DAY, Chairman THOMAS JOHN MCCONNELL WARREN CHRISTOPHER MCLEAN JR  
MICHAEL PHILIP NOLIN JR RICHARD EARL WELCH JR #

### DIRECTORS OR TRUSTEES

RICHARD DALE BARTLETT J DUDLEY COLCORD LINDA JOY DAY  
WARREN CHRISTOPHER MCLEAN JR GEORGE HAROLD MOREHOUSE GORDON ALVAN REHNBORG JR  
PAUL ELMER VIOLETTE

State of Maine SS:  
County of Androscoggin

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.

LINDA JOY DAY  
President

JOHN EVERETT GOODWIN  
Secretary

DANIEL RODGERS  
Treasurer

Subscribed and sworn to before me this  
16th day of February, 2016

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	1,087,307	0	1,087,307	1,043,523
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	1,194,611	0	1,194,611	1,256,759
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens .....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ .....0 encumbrances) .....	0	0	0	0
5. Cash (\$ .....153,870 , Schedule E - Part 1), cash equivalents (\$ .....0 , Schedule E - Part 2) and short-term investments (\$ .....0 , Schedule DA) .....	153,870	0	153,870	91,056
6. Contract loans (including \$ .....0 premium notes) .....	0	0	0	0
7. Derivatives (Schedule DB) .....	0	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0	0
9. Receivable for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	2,435,788	0	2,435,788	2,391,338
13. Title plants less \$ .....0 charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	14,305	0	14,305	13,707
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	0	0	0	0
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....	0	0	0	0
15.3 Accrued retrospective premiums (\$ .....0 ) and contracts subject to redetermination (\$ .....0 ) .....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	0	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0	2,281
18.2 Net deferred tax asset .....	0	0	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0	0
24. Health care (\$ .....0 ) and other amounts receivable .....	0	0	0	0
25. Aggregate write-ins for other than invested assets .....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,450,093	0	2,450,093	2,407,326
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27) .....	2,450,093	0	2,450,093	2,407,326
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
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. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	0	0
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	0	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	0	0
4. Commissions payable, contingent commissions and other similar charges .....	0	0
5. Other expenses (excluding taxes, licenses and fees) .....	0	0
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	0	0
7.1 Current federal and foreign income taxes (including \$ .....0 on realized capital gains (losses)) .....	4,561	0
7.2 Net deferred tax liability .....	171,008	182,990
8. Borrowed money \$ .....0 and interest thereon \$ .....0 .....	0	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....837,000 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) .....	0	0
10. Advance premium .....	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders .....	0	0
11.2 Policyholders .....	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	0	0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....	0	0
14. Amounts withheld or retained by company for account of others .....	0	0
15. Remittances and items not allocated .....	0	0
16. Provision for reinsurance (including \$ .....0 certified) (Schedule F, Part 8) .....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0
18. Drafts outstanding .....	0	0
19. Payable to parent, subsidiaries and affiliates .....	0	0
20. Derivatives .....	0	0
21. Payable for securities .....	0	0
22. Payable for securities lending .....	0	0
23. Liability for amounts held under uninsured plans .....	0	0
24. Capital notes \$ .....0 and interest thereon \$ .....0 .....	0	0
25. Aggregate write-ins for liabilities .....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	175,569	182,990
27. Protected cell liabilities .....	0	0
28. Total liabilities (Lines 26 and 27) .....	175,569	182,990
29. Aggregate write-ins for special surplus funds .....	137,000	137,000
30. Common capital stock .....	0	0
31. Preferred capital stock .....	0	0
32. Aggregate write-ins for other than special surplus funds .....	0	0
33. Surplus notes .....	0	0
34. Gross paid in and contributed surplus .....	0	0
35. Unassigned funds (surplus) .....	2,137,524	2,087,336
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$ .....0 ) .....	0	0
36.2 .....0 shares preferred (value included in Line 31 \$ .....0 ) .....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) .....	2,274,524	2,224,336
38. TOTALS (Page 2, Line 28, Col. 3) .....	2,450,093	2,407,326
<b>DETAILS OF WRITE-INS</b>		
2501. ....		
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	0	0
2901. Guaranty Fund Certificates .....	137,000	137,000
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) .....	137,000	137,000
3201. ....	0	0
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) .....	0	0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY

**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4).....	0	0
<b>DEDUCTIONS:</b>		
2. Losses incurred (Part 2, Line 35, Column 7).....	0	0
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	0	0
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	0	0
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	0	0
7. Net income of protected cells.....	0	0
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....	0	0
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	61,884	63,363
10. Net realized capital gains or (losses) less capital gains tax of \$ .....8,058 (Exhibit of Capital Gains (Losses) ).....	5,688	4,953
11. Net investment gain (loss) (Lines 9 + 10).....	67,572	68,316
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ .....0 amount charged off \$ .....0 ).....	0	0
13. Finance and service charges not included in premiums.....	0	0
14. Aggregate write-ins for miscellaneous income.....	0	0
15. Total other income (Lines 12 through 14).....	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	67,572	68,316
17. Dividends to policyholders.....	0	0
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).....	67,572	68,316
19. Federal and foreign income taxes incurred.....	3,625	6,382
20. Net income (Line 18 minus Line 19)(to Line 22).....	63,947	61,934
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	2,224,336	2,106,057
22. Net income (from Line 20).....	63,947	61,934
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....(8,752).....	(16,989)	60,592
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0
26. Change in net deferred income tax.....	3,230	(4,247)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....	0	0
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	0	0
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	0
32. Capital changes:		
32.1 Paid in.....	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0
32.3 Transferred to surplus.....	0	0
33. Surplus adjustments:		
33.1 Paid in.....	0	0
33.2 Transferred to capital (Stock Dividend).....	0	0
33.3 Transferred from capital.....	0	0
34. Net remittances from or (to) Home Office.....	0	0
35. Dividends to stockholders.....	0	0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	50,188	118,279
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	2,274,524	2,224,336
<b>DETAILS OF WRITE-INS</b>		
0501. ....	0	0
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. ....	0	0
1402. ....		
1403. ....		
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).....	0	0
3701. ....	0	0
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).....	0	0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	0	0
2. Net investment income .....	69,628	69,310
3. Miscellaneous income .....	0	0
4. Total (Lines 1 through 3) .....	69,628	69,310
5. Benefit and loss related payments .....	0	0
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	0	0
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... (3,823) tax on capital gains (losses) .....	4,845	(4,474)
10. Total (Lines 5 through 9) .....	4,845	(4,474)
11. Net cash from operations (Line 4 minus Line 10) .....	64,783	73,784
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	60,000	146,803
12.2 Stocks .....	49,077	39,840
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	109,077	186,643
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	111,046	169,340
13.2 Stocks .....	0	36,615
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	111,046	205,955
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(1,969)	(19,312)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	0	0
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	0	0
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	62,814	54,472
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	91,056	36,584
19.2 End of period (Line 18 plus Line 19.1) .....	153,870	91,056

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

20.0001. Investment Mergers, Exchanges & Spin-offs .....	0	0
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Underwriting and Investment Exhibit - Part 1 - Premiums Earned

**N O N E**

Underwriting and Investment Exhibit - Part 1A - Recapitulation of all Premiums

**N O N E**

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY

**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	0	0	0	0	0	0
2. Allied lines	0	0	0	0	0	0
3. Farmowners multiple peril	0	0	0	0	0	0
4. Homeowners multiple peril	1,501,608	0	0	1,501,608	0	0
5. Commercial multiple peril	0	0	0	0	0	0
6. Mortgage guaranty	0	0	0	0	0	0
8. Ocean marine	0	0	0	0	0	0
9. Inland marine	12,573	0	0	12,573	0	0
10. Financial guaranty	0	0	0	0	0	0
11.1 Medical professional liability - occurrence	0	0	0	0	0	0
11.2 Medical professional liability - claims-made	0	0	0	0	0	0
12. Earthquake	0	0	0	0	0	0
13. Group accident and health	0	0	0	0	0	0
14. Credit accident and health (group and individual)	0	0	0	0	0	0
15. Other accident and health	0	0	0	0	0	0
16. Workers' compensation	0	0	0	0	0	0
17.1 Other liability - occurrence	6,154	0	0	6,154	0	0
17.2 Other liability - claims-made	0	0	0	0	0	0
17.3 Excess workers' compensation	0	0	0	0	0	0
18.1 Products liability - occurrence	0	0	0	0	0	0
18.2 Products liability - claims-made	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability	0	0	0	0	0	0
19.3, 19.4 Commercial auto liability	0	0	0	0	0	0
21. Auto physical damage	0	0	0	0	0	0
22. Aircraft (all perils)	0	0	0	0	0	0
23. Fidelity	0	0	0	0	0	0
24. Surety	0	0	0	0	0	0
26. Burglary and theft	0	0	0	0	0	0
27. Boiler and machinery	0	0	0	0	0	0
28. Credit	0	0	0	0	0	0
29. International	0	0	0	0	0	0
30. Warranty	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property	XXX	0	0	0	0	0
32. Reinsurance - nonproportional assumed liability	XXX	0	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines	XXX	0	0	0	0	0
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0
35. TOTALS	1,520,335	0	0	1,520,335	0	0
<b>DETAILS OF WRITE-INS</b>						
3401.						
3402.						
3403.						
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 reported on an annualized basis \$ .....0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY

**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 .....	0	0	0	0	0	0	0	0.0
2. Allied lines .....	0	0	0	0	0	0	0	0.0
3. Farmowners multiple peril .....	0	0	0	0	0	0	0	0.0
4. Homeowners multiple peril .....	702,837	0	702,837	0	0	0	0	0.0
5. Commercial multiple peril .....	0	0	0	0	0	0	0	0.0
6. Mortgage guaranty .....	0	0	0	0	0	0	0	0.0
8. Ocean marine .....	0	0	0	0	0	0	0	0.0
9. Inland marine .....	3,624	0	3,624	0	0	0	0	0.0
10. Financial guaranty .....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence .....	0	0	0	0	0	0	0	0.0
11.2 Medical professional liability - claims-made .....	0	0	0	0	0	0	0	0.0
12. Earthquake .....	0	0	0	0	0	0	0	0.0
13. Group accident and health .....	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual) .....	0	0	0	0	0	0	0	0.0
15. Other accident and health .....	0	0	0	0	0	0	0	0.0
16. Workers' compensation .....	0	0	0	0	0	0	0	0.0
17.1 Other liability - occurrence .....	0	0	0	0	0	0	0	0.0
17.2 Other liability - claims-made .....	0	0	0	0	0	0	0	0.0
17.3 Excess workers' compensation .....	0	0	0	0	0	0	0	0.0
18.1 Products liability - occurrence .....	0	0	0	0	0	0	0	0.0
18.2 Products liability - claims-made .....	0	0	0	0	0	0	0	0.0
19.1, 19.2 Private passenger auto liability .....	0	0	0	0	0	0	0	0.0
19.3, 19.4 Commercial auto liability .....	0	0	0	0	0	0	0	0.0
21. Auto physical damage .....	0	0	0	0	0	0	0	0.0
22. Aircraft (all perils) .....	0	0	0	0	0	0	0	0.0
23. Fidelity .....	0	0	0	0	0	0	0	0.0
24. Surety .....	0	0	0	0	0	0	0	0.0
26. Burglary and theft .....	0	0	0	0	0	0	0	0.0
27. Boiler and machinery .....	0	0	0	0	0	0	0	0.0
28. Credit .....	0	0	0	0	0	0	0	0.0
29. International .....	0	0	0	0	0	0	0	0.0
30. Warranty .....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property .....	XXX	0	0	0	0	0	0	0.0
32. Reinsurance - nonproportional assumed liability .....	XXX	0	0	0	0	0	0	0.0
33. Reinsurance - nonproportional assumed financial lines .....	XXX	0	0	0	0	0	0	0.0
34. Aggregate write-ins for other lines of business .....	0	0	0	0	0	0	0	0.0
35. TOTALS .....	706,461	0	706,461	0	0	0	0	0.0
<b>DETAILS OF WRITE-INS</b>								
3401. ....	0	0	0	0	0	0	0	0.0
3402. ....								
3403. ....								
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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY

**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 Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	0	0	0	0	0	0	0	0	0
2. Allied lines	0	0	0	0	0	0	0	0	0
3. Farmowners multiple peril	0	0	0	0	0	0	0	0	0
4. Homeowners multiple peril	471,802	0	471,802	0	57,000	0	57,000	0	0
5. Commercial multiple peril	0	0	0	0	0	0	0	0	0
6. Mortgage guaranty	0	0	0	0	0	0	0	0	0
8. Ocean marine	0	0	0	0	0	0	0	0	0
9. Inland marine	0	0	0	0	0	0	0	0	0
10. Financial guaranty	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence	0	0	0	0	0	0	0	0	0
11.2 Medical professional liability - claims-made	0	0	0	0	0	0	0	0	0
12. Earthquake	0	0	0	0	0	0	0	0	0
13. Group accident and health	0	0	0	0	0	0	0	(a)	0
14. Credit accident and health (group and individual)	0	0	0	0	0	0	0	0	0
15. Other accident and health	0	0	0	0	0	0	0	(a)	0
16. Workers' compensation	0	0	0	0	0	0	0	0	0
17.1 Other liability - occurrence	0	0	0	0	0	0	0	0	0
17.2 Other liability - claims-made	0	0	0	0	0	0	0	0	0
17.3 Excess workers' compensation	0	0	0	0	0	0	0	0	0
18.1 Products liability - occurrence	0	0	0	0	0	0	0	0	0
18.2 Products liability - claims-made	0	0	0	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability	0	0	0	0	0	0	0	0	0
19.3, 19.4 Commercial auto liability	0	0	0	0	0	0	0	0	0
21. Auto physical damage	0	0	0	0	0	0	0	0	0
22. Aircraft (all perils)	0	0	0	0	0	0	0	0	0
23. Fidelity	0	0	0	0	0	0	0	0	0
24. Surety	0	0	0	0	0	0	0	0	0
26. Burglary and theft	0	0	0	0	0	0	0	0	0
27. Boiler and machinery	0	0	0	0	0	0	0	0	0
28. Credit	0	0	0	0	0	0	0	0	0
29. International	0	0	0	0	0	0	0	0	0
30. Warranty	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property	XXX	0	0	0	XXX	0	0	0	0
32. Reinsurance - nonproportional assumed liability	XXX	0	0	0	XXX	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines	XXX	0	0	0	XXX	0	0	0	0
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35. TOTALS	471,802	0	471,802	0	57,000	0	57,000	0	0
<b>DETAILS OF WRITE-INS</b>									
3401.									
3402.									
3403.									
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.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY

**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 .....	116,794	0	0	116,794
1.2 Reinsurance assumed .....	0	0	0	0
1.3 Reinsurance ceded .....	116,794	0	0	116,794
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....	0	0	0	0
2. Commission and brokerage:				
2.1 Direct excluding contingent .....	0	298,034	0	298,034
2.2 Reinsurance assumed, excluding contingent .....	0	0	0	0
2.3 Reinsurance ceded, excluding contingent .....	0	298,034	0	298,034
2.4 Contingent - direct .....	0	0	0	0
2.5 Contingent - reinsurance assumed .....	0	0	0	0
2.6 Contingent - reinsurance ceded .....	0	0	0	0
2.7 Policy and membership fees .....	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....	0	0	0	0
3. Allowances to managers and agents .....	0	0	0	0
4. Advertising .....	0	0	0	0
5. Boards, bureaus and associations .....	0	0	0	0
6. Surveys and underwriting reports .....	0	0	0	0
7. Audit of assureds' records .....	0	0	0	0
8. Salary and related items:				
8.1 Salaries .....	0	0	0	0
8.2 Payroll taxes .....	0	0	0	0
9. Employee relations and welfare .....	0	0	0	0
10. Insurance .....	0	0	0	0
11. Directors' fees .....	0	0	0	0
12. Travel and travel items .....	0	0	0	0
13. Rent and rent items .....	0	0	0	0
14. Equipment .....	0	0	0	0
15. Cost or depreciation of EDP equipment and software .....	0	0	0	0
16. Printing and stationery .....	0	0	0	0
17. Postage, telephone and telegraph, exchange and express .....	0	0	0	0
18. Legal and auditing .....	0	0	0	0
19. Totals (Lines 3 to 18) .....	0	0	0	0
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....	0	0	0	0
20.2 Insurance department licenses and fees .....	0	0	0	0
20.3 Gross guaranty association assessments .....	0	0	0	0
20.4 All other (excluding federal and foreign income and real estate) .....	0	0	0	0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	0	0	0	0
21. Real estate expenses .....	0	0	0	0
22. Real estate taxes .....	0	0	0	0
23. Reimbursements by uninsured plans .....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses .....	0	0	4,319	4,319
25. Total expenses incurred .....	0	0	4,319 (a)	4,319
26. Less unpaid expenses - current year .....	0	0	0	0
27. Add unpaid expenses - prior year .....	0	0	0	0
28. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year .....	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	0	0	4,319	4,319
<b>DETAILS OF WRITE-INS</b>				
2401. Investment Expense .....	0	0	4,319	4,319
2402. ....				
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	0	0	4,319	4,319

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY

**EXHIBIT OF NET INVESTMENT INCOME**

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a) 2,238	2,376
1.1	Bonds exempt from U.S. tax .....	(a) 5,419	5,419
1.2	Other bonds (unaffiliated) .....	(a) 30,482	30,731
1.3	Bonds of affiliates .....	(a) 0	0
2.1	Preferred stocks (unaffiliated) .....	(b) 0	0
2.11	Preferred stocks of affiliates .....	(b) 0	0
2.2	Common stocks (unaffiliated) .....	27,344	27,555
2.21	Common stocks of affiliates .....	0	0
3.	Mortgage loans .....	(c) 0	0
4.	Real estate .....	(d) 0	0
5.	Contract loans .....	0	0
6.	Cash, cash equivalents and short-term investments .....	(e) 122	122
7.	Derivative instruments .....	(f) 0	0
8.	Other invested assets .....	0	0
9.	Aggregate write-ins for investment income .....	0	0
10.	Total gross investment income .....	65,605	66,203
11.	Investment expenses .....		(g) 4,319
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g) 0
13.	Interest expense .....		(h) 0
14.	Depreciation on real estate and other invested assets .....		(i) 0
15.	Aggregate write-ins for deductions from investment income .....		0
16.	Total deductions (Lines 11 through 15) .....		4,319
17.	Net investment income (Line 10 minus Line 16) .....		61,884
<b>DETAILS OF WRITE-INS</b>			
0901.	.....		
0902.	.....		
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) .....	0	0
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 \$ .....242 accrual of discount less \$ .....8,581 amortization of premium and less \$ .....431 paid for accrued interest on purchases.
- (b) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ .....0 paid for accrued dividends on purchases.
- (c) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ .....0 paid for accrued interest on purchases.
- (d) Includes \$ .....0 for company's occupancy of its own buildings; and excludes \$ .....0 interest on encumbrances.
- (e) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ .....0 paid for accrued interest on purchases.
- (f) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium.
- (g) Includes \$ .....4,319 investment expenses and \$ .....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ .....0 interest on surplus notes and \$ .....0 interest on capital notes.
- (i) Includes \$ .....0 depreciation on real estate and \$ .....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	0	0	0	(20)	0
1.1	Bonds exempt from U.S. tax .....	0	0	0	0	0
1.2	Other bonds (unaffiliated) .....	0	0	0	1,097	0
1.3	Bonds of affiliates .....	0	0	0	0	0
2.1	Preferred stocks (unaffiliated) .....	0	0	0	0	0
2.11	Preferred stocks of affiliates .....	0	0	0	0	0
2.2	Common stocks (unaffiliated) .....	23,700	(9,954)	13,746	(26,819)	0
2.21	Common stocks of affiliates .....	0	0	0	0	0
3.	Mortgage loans .....	0	0	0	0	0
4.	Real estate .....	0	0	0	0	0
5.	Contract loans .....	0	0	0	0	0
6.	Cash, cash equivalents and short-term investments .....	0	0	0	0	0
7.	Derivative instruments .....	0	0	0	0	0
8.	Other invested assets .....	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses) .....	0	0	0	0	0
10.	Total capital gains (losses) .....	23,700	(9,954)	13,746	(25,742)	0
<b>DETAILS OF WRITE-INS</b>						
0901.	.....					
0902.	.....					
0903.	.....					
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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY

**EXHIBIT OF NON-ADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....			
13. Title plants (for Title insurers only) .....			
14. Investment income due and accrued .....			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....			
15.2 Deferred premiums, agents' balances and installments booked but not yet due .....			
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....			
21. Furniture and equipment, including health care delivery assets .....			
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....			
25. Aggregate write-ins for other than invested assets .....			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....			
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Lines 26 and 27)			
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. ....			
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)			

NONE

**NOTES TO FINANCIAL STATEMENTS**

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## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices

The accompanying financial statements of State Mutual Insurance Company have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the State of Maine.

The Maine Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Maine for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under Maine Insurance Law. The National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Maine to the extent that it does not conflict with Maine's prescribed or permitted practices.

There are no differences between NAIC SAP and Maine's prescribed practices in accounting that affect the accompanying financial statements of the Company.

Description	State of Domicile	2015	2014
Net Income:			
State basis	ME	\$63,947	\$61,934
State prescribed practices that increased/decreased			
State permitted practices that increased/decreased			
NAIC SAP	ME	\$63,947	\$61,934
Surplus:			
State basis	ME	\$2,274,524	\$2,224,336
State prescribed practices that increased/decreased			
State permitted practices that increased/decreased			
NAIC SAP	ME	\$2,274,524	\$2,224,336

#### B. Use of Estimates in the preparation of the Financial Statements

The preparation of financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

#### C. Accounting Policies

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

In addition, the Company uses the following accounting policies:

- 1) Short-term investments are stated at amortized value using the interest method. Non-investment grade short-term investments are stated at the lower of amortized value or fair value.
- 2) Bonds not backed by other loans are stated at amortized value using the scientific interest method. Non-investment grade bonds are stated at the lower of amortized value or fair value.
- 3) Common stocks are stated at market value.
- 4) Preferred stocks are stated in accordance with NAIC SVO standards.
- 5) The Company has no mortgage loans.
- 6) Loan-backed securities are stated at amortized value. The retrospective adjustment method is used to value all loan-backed securities. However, the prospective adjustment method is applied when loan-backed securities are written down due to other-than-temporary impairment.
- 7) The Company has no investments in affiliates.
- 8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- 9) The Company has no derivatives.
- 10) The Company anticipates investment income in its premium deficiency calculation.
- 11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount to be 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) There was no change in the Company's Capitalization policy.
- 13) The Company has no receivables for Pharmaceutical Rebates.

## NOTES TO FINANCIAL STATEMENTS

## D. Going Concern

Not applicable

**Note 2 – Accounting Changes and Correction of Errors**

Not applicable

**Note 3 – Business Combinations and Goodwill**

## A. Statutory Purchase Method

The Company did not enter into any statutory purchases during the year.

## B. Statutory Mergers

Not applicable

## C. Impairment Loss

Not applicable

**Note 4 – Discontinued Operations**

Not applicable

**Note 5 – Investments**

## A. Mortgage Loans (including Mezzanine Real Estate Loans)

Not applicable

## B. Troubled Debt Restructuring for Creditors

Not applicable

## C. Reverse Mortgages

Not applicable

## D. Loan-Backed Securities

- 1) The company did not have ownership of any single-class or multi-class mortgage-backed securities in 2015.
- 2) Summary by quarter of other-than-temporary impairments for loan-backed securities recorded during the year because the Company had either the intent to sell the securities or the inability or lack of intent to retain as cited in the table:

	Amortized Cost Before Other-Than- Temporary Impairment	Other-Than- Temporary Impairment	Fair Value 1 - 2
OTTI recognized 1 <sup>st</sup> Quarter			
a. Intent to sell	\$0	\$0	\$0
b. Inability or lack of intent to retain in investment in the security for a period of time sufficient to recover the amortized cost basis	\$0	\$0	\$0
c. Total 1 <sup>st</sup> Quarter	\$0	\$0	\$0
OTTI recognized 2 <sup>nd</sup> Quarter			
d. Intent to sell	\$0	\$0	\$0
e. Inability or lack of intent to retain in investment in the security for a period of time sufficient to recover the amortized cost basis	\$0	\$0	\$0
f. Total 2 <sup>nd</sup> Quarter	\$0	\$0	\$0
OTTI recognized 3 <sup>rd</sup> Quarter			
g. Intent to sell	\$0	\$0	\$0
h. Inability or lack of intent to retain in investment in the security for a period of time sufficient to recover the amortized cost basis	\$0	\$0	\$0
i. Total 3 <sup>rd</sup> Quarter	\$0	\$0	\$0
OTTI recognized 4 <sup>th</sup> Quarter			
j. Intent to sell	\$0	\$0	\$0
k. Inability or lack of intent to retain in investment in the security for a period of time sufficient to recover the amortized cost basis	\$0	\$0	\$0
l. Total 4 <sup>th</sup> Quarter	\$0	\$0	\$0
Annual Aggregate Total	\$0	\$0	\$0

- 3) The Company did not recognize any other-than-temporary impairments on mortgage-backed securities in 2015.
- 4) Summary of gross unrealized investment losses on loan-backed and structured securities segregated by the length of time the securities have continuously been in an unrealized position:

## NOTES TO FINANCIAL STATEMENTS

- a. The aggregate amount of unrealized losses:
- |                        |      |
|------------------------|------|
| 1. Less than 12 months | \$0  |
| 2. 12 Months or longer | \$20 |
- b. The aggregate related fair value of securities with unrealized losses:
- |                        |          |
|------------------------|----------|
| 1. Less than 12 months | \$0      |
| 2. 12 Months or longer | \$56,457 |

- 5) The Company does not currently hold any investments in mortgage-backed securities that meet the criteria for other-than-temporary impairments.

E. Repurchase Agreements and Securities Lending Transactions

Not applicable

F. Real Estate Impairments and Retail Land Sales

Not applicable

G. Investments in Low Income Housing Tax Credits

Not applicable

H. Restricted Assets

1) Restricted assets (including pledged) summarized by restricted asset category

	Gross Restricted								Percentage	
	Current Year								Gross Restricted to total assets	Admitted restricted to total admitted Assets
	Total General Account	G/A supporting Protected cell account activity	Total protected cell account restricted assets	Protected cell account assets supporting G/A activity	Total (1 +3)	Total from prior year	Increase/decrease (5 -6)	Total current year admitted restricted		
a) Subject to contractual obligation for which liability is not shown	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%
b) Collateral held under security lending arrangements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%
c) Subject to repurchase agreements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%
d) Subject to reverse repurchase agreements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%
e) Subject to dollar repurchase agreements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%
f) Subject to dollar reverse repurchase agreements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%
g) Placed under option contracts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%
h) Letter stock or securities restricted as to sale, excluding FHLB Capital Stock	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%
i) FHLB Capital Stock	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%
j) On deposit with states	\$100,000	\$0	\$0	\$0	\$100,000	\$100,000	\$0	\$1,000,000	4.081%	0%
k) On deposit with other regulatory bodies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%
l) Pledged collateral to FHLB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%
m) Pledged as collateral not captured in other categories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%
n) Other restricted assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%
o) Total restricted assets	\$100,000	\$0	\$0	\$0	\$100,000	\$100,000	\$0	\$100,000	4.081%	0%

2) Detail of assets pledged as collateral not captured in other categories

Not applicable

3) Detail of other restricted assets (reported on line 1 above)

Not applicable

I. Working Capital Finance Investments

Not applicable

J. Offsetting and Netting of Assets and Liabilities

Not applicable

## NOTES TO FINANCIAL STATEMENTS

### K. Structured Notes

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage Referenced Security (Y/N)
912828-MF-4	\$53,319	\$56,457	\$55,498	N
Total	\$53,319	\$56,457	\$55,498	

### Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

#### A. Detail for those greater than 10% of Admitted Assets

Not applicable

#### B. Write-downs for Impairments

Not applicable

### Note 7 – Investment Income

#### A. Accrued Investment Income

The Company nonadmits investment income due and accrued if amounts are over 90 days past due or relate to bonds in default.

#### B. Amounts Nonadmitted

Not applicable

### Note 8 – Derivative Instruments

The Company has no derivative instruments.

### Note 9 – Income Taxes

#### A. Deferred Tax Asset/(Liability)

##### 1) Components of the net deferred tax asset/(liability):

	December 31, 2015			December 31, 2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	\$0	\$11,085	\$11,085	\$0	\$7,700	\$7,700	\$0	\$3,384	\$3,384
(b) Statutory valuation allowance adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(c) Adjusted gross deferred tax assets (1a-1b)	\$0	\$11,085	\$11,085	\$0	\$7,700	\$7,700	\$0	\$3,384	\$3,384
(d) Deferred tax assets nonadmitted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(e) Subtotal net admitted deferred tax assets (1c-1d)	\$0	\$11,085	\$11,085	\$0	\$7,700	\$7,700	\$0	\$3,384	\$3,384
(f) Deferred tax liabilities	\$1,254	\$180,839	\$182,093	\$1,100	\$189,591	\$190,691	\$154	(\$8,752)	(\$8,598)
(g) Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	(\$1,254)	(\$169,754)	(\$171,008)	(\$1,100)	(\$181,891)	(\$182,991)	(\$154)	\$12,137	\$11,982

##### 2) Admission calculation components:

	December 31, 2015			December 31, 2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(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.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2. Adjusted gross deferred tax assets allowed per limitation threshold	\$0	\$0	\$340,065	\$0	\$0	\$0	\$0	\$0	\$340,065
(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	\$0	\$11,085	\$11,085	\$0	\$7,700	\$7,700	\$0	\$3,385	\$3,385
(d) Deferred tax assets admitted as the result of application of SSAP 101. Total 2(a)+2(b)+2(c)	\$0	\$11,085	\$11,085	\$0	\$7,700	\$7,700	\$0	\$3,385	\$3,385

## NOTES TO FINANCIAL STATEMENTS

## 3) Other admissibility criteria:

		2015	2014
(a)	Ratio percentage used to determine recovery period and threshold limitation amount	1,887.634%	1,841.800%
(b)	Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b) above	\$2,274,524	\$2,224,336

## 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	December 31, 2015		December 31, 2014		Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
1) Adjusted gross DTAs AMOUNT FROM Note 9a1(c)	\$0	\$11,085	\$0	\$7,700	\$0	\$3,384
2) Percentage of adjusted gross DTA's by tax character attributable to the impact of tax planning strategies	0%	100%	0%	100%	0%	0%
3) Net admitted adjusted gross DTA's amount from note 9a1(c)	\$0	\$11,085	\$0	\$7,700	\$0	\$3,384
4) Percentage of net admitted adjusted gross DTA's by	0%	100%	0%	100%	0%	100%
b) Does the Company's tax-planning strategies include the use of reinsurance?	YES [ <input type="checkbox"/> ]		NO [X]			

## B. Deferred Tax Liabilities - Not Recognized

Not applicable

## C. Current and Deferred Income Taxes

## 1) Current income tax:

	2015	2014	Change
(a) Federal	\$3,625	\$6,744	(\$3,119)
(b) Foreign	\$0	\$0	\$0
(c) Subtotal	\$3,625	\$6,744	(\$3,119)
(d) Federal income tax on net capital gains	\$8,058	(\$3,823)	\$11,881
(e) Utilization of capital loss carry-forwards	\$0	\$0	\$0
(f) Other	\$0	\$0	\$0
(g) Federal and foreign income taxes incurred	\$11,683	\$2,921	\$8,762

## 2) Deferred tax assets:

	2015	2014	Change
(a) Ordinary:			
(1) Discounting of unpaid losses	\$0	\$0	\$0
(2) Unearned premium reserve	\$0	\$0	\$0
(3) Policyholder reserves	\$0	\$0	\$0
(4) Investments	\$0	\$0	\$0
(5) Deferred acquisition costs	\$0	\$0	\$0
(6) Policyholder dividends accrual	\$0	\$0	\$0
(7) Fixed assets	\$0	\$0	\$0
(8) Compensation and benefits accrual	\$0	\$0	\$0
(9) Pension accrual	\$0	\$0	\$0
(10) Receivables - nonadmitted	\$0	\$0	\$0
(11) Net operating loss carry-forward	\$0	\$0	\$0
(12) Tax credit carry-forward	\$0	\$0	\$0
(13) Other (including items <5% of total ordinary tax assets)	\$0	\$0	\$0
(14) Other assets - nonadmitted	\$0	\$0	\$0
(99) Subtotal	\$0	\$0	\$0
(b) Statutory valuation allowance adjustment	\$0	\$0	\$0
(c) Nonadmitted	\$0	\$0	\$0
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	\$0	\$0	\$0
(e) Capital:			
(1) Investments	\$11,085	\$7,700	\$3,384
(2) Net capital loss carry-forward	\$0	\$0	\$0
(3) Real estate	\$0	\$0	\$0
(4) Other (including items <5% of total capital tax assets)	\$0	\$0	\$0
(99) Subtotal	\$11,085	\$7,700	\$3,384
(f) Statutory valuation allowance adjustment	\$0	\$0	\$0
(g) Nonadmitted	\$0	\$0	\$0
(h) Admitted capital deferred tax assets (2e99-2f-2g)	\$11,085	\$7,700	\$3,384
(i) Admitted deferred tax assets (2d+2h)	\$11,085	\$7,700	\$3,384

## NOTES TO FINANCIAL STATEMENTS

## 3) Deferred tax liabilities:

	2015	2014	Change
(a) Ordinary:			
(1) Investments	\$1,254	\$1,100	\$154
(2) Fixed assets	\$0	\$0	\$0
(3) Deferred and uncollected premium	\$0	\$0	\$0
(4) Policyholder reserves	\$0	\$0	\$0
(5) Other (including items <5% of total ordinary tax assets)	\$0	\$0	\$0
(6) Additional acquisition costs-installment premiums	\$0	\$0	\$0
(7) Discount of accrued salvage and subrogation	\$0	\$0	\$0
(8) Guaranty funds receivable	\$0	\$0	\$0
(99) Subtotal	\$1,254	\$1,100	\$154
(b) Capital:			
(1) Investments	\$180,839	\$189,591	(\$8,752)
(2) Real estate	\$0	\$0	\$0
(3) Other (including items <5% of total capital tax assets)	\$0	\$0	\$0
(99) Subtotal	\$180,839	\$189,591	(\$8,752)
(c) Deferred tax liabilities (3a99+3b99)	\$182,093	\$190,691	(\$8,598)

## 4)

Net deferred tax assets/liabilities (2i-3c)	\$171,008	(\$182,991)	\$11,982
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## D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate:

Among the more significant book to tax adjustments were the following:	2015	
	Amount	Effective Tax Rate (%)
Provision computed at statutory rate	\$25,716	34.00%
Change in nonadmitted assets	\$0	0.00%
Tax exempt income deduction	(\$375)	(0.50)%
Dividends received deduction	(\$6,253)	(8.27)%
Deferred balance true-up	\$0	0.00%
Foreign taxes	(\$79)	(0.10)%
Proration of tax exempt investment income	\$0	0.00%
Other than temporary impairments	\$0	0.00%
Non-deductible general expenses	\$0	0.00%
Taxes recovered – RAR	\$0	0.00%
Accrual adjustment – prior year	\$0	0.00%
Change in net deferred income taxes	\$3,230	4.27%
Other	(\$10,556)	(13.96)%
Total	\$11,663	15.45%

Federal and foreign income taxes incurred	\$3,625
Realized capital gains (losses) tax	\$8,058
Total statutory income taxes	\$11,683

## E. Operating Loss and Tax Credit Carry-Forwards and Protective Tax Deposits

- 1) At December 31, 2015, the Company does not have any net operating loss carry-forwards.
- 2) 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	\$11,440
2014	\$6,744

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

## F. Consolidated Federal Income Tax Return

- 1) The Company's federal income tax return is not consolidated.
- 2) Not applicable

## G. Federal and Foreign Income Tax Loss Contingencies

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

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

## A. Nature of Relationships

The Company is an affiliate of the Concord Group Insurance Companies.

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

Not applicable

## NOTES TO FINANCIAL STATEMENTS

C. Change in Terms of Intercompany Arrangements

The Company had no changes of intercompany arrangements during the year.

D. Amounts Due to/from Related Parties

Not applicable

E. Guarantees or Contingencies for Related Parties

Not applicable

F. Management, Service Contracts, Cost Sharing Arrangements

The Company receives certain management and data processing services from its affiliate, Concord General Mutual Insurance Company.

G. Nature of Relationship that could affect Operations

Not applicable

H. Amount Deducted for Investment in Upstream Company

Not applicable

I. Detail of Investment in Affiliates Greater than 10% of Admitted Assets

Not applicable

J. Write Down for Impairments of Investments in SCAs

Not applicable

K. Investments in a Foreign Insurance Subsidiary

Not applicable

L. Investments in a Downstream Noninsurance Holding Company

Not applicable

M. Investments in Noninsurance SCA Entities

Not applicable

N. Investments in SCA Entities where Equity Differs from the NAIC Statutory Accounting Practices and Procedures

Not applicable

### **Note 11 – Debt**

A. Amount, Interest, Maturities, Collateral, Covenants

Not applicable

B. Funding Agreements with Federal Home Loan Bank

Not applicable

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

A. Defined Benefit Plan

None

B. Defined Contribution Plan

None

C. Multiemployer Plans

None

D. Consolidated/Holding Company Plans

The Parent sponsors a defined benefit pension plan covering substantially all company employees hired before January 1, 2014. The benefits are based on years of service and the employee's compensation during the last five years of employment. The funding policy of the Parent is to contribute annually between the regulatory minimum requirement and the maximum amount that can be deducted for federal tax purposes, including amortization of unfunded prior service costs over 30 years. The Company has no legal obligation for benefits under this plan.

## NOTES TO FINANCIAL STATEMENTS

The Parent sponsors a postretirement healthcare benefit plan covering substantially all employees of the Company who reach retirement age while working for the Company and who retired on or before December 31, 2014. The Parent makes contributions to this plan as claims are incurred. The Company has no legal obligation for benefits under this plan.

The Parent sponsors a defined contribution savings plan covering substantially all employees of the Company. Employees may contribute up to \$18,000 of salary to the plan. This amount is subject to a 2% Parent match for all employees hired prior to January 1, 2014 and a 6% match for all employees hired on or after January 1, 2014. The Parent match is funded annually. The Company has no legal obligation for benefits under this plan.

The Parent sponsors non-qualified deferred compensation arrangements for certain senior executives of the Company. Executives may contribute up to 50% of salary to the plan, but there is no additional Parent match except for the arranged 2%.

E. Post Employment Benefits and Compensated Absences

None

F. Impact of the Medicare Modernization Act in Postretirement Benefits

None

**Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganization**

1) Outstanding Shares

Not applicable.

2) Dividend Rate of Preferred Stock

Not applicable

3) Dividend Restrictions

Not applicable

4) Dates and Amounts of Dividends Paid

Not applicable

5) Amount of Ordinary Dividends that may be Paid

None

6) Restrictions on Unassigned Funds

Not applicable

7) Mutual Surplus Advances

Not applicable

8) Company Stock Held for Special Purposes

Not applicable

9) Changes in Special Surplus Funds

Not applicable

10) Change in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by each item below are as follows:

Description	Cumulative Increase (Decrease) in Surplus Before Taxes
Unrealized gain or (loss)	\$462,253

11) Surplus Notes

Not applicable

12) and 13) Impact and Date of Quasi Reorganizations

Not applicable

## NOTES TO FINANCIAL STATEMENTS

### Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company has no commitments or contingent commitments to affiliates or other entities.

B. Guaranty Fund and Other Assessments

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. Other assessments should be accrued either at the time of assessments or in the case of premium based assessments, at the time the premiums were written, or, in the case of loss based assessments, at the time the losses are incurred. The Company has not accrued a liability for guaranty fund and other assessments because it feels it has no applicable exposure at year-end.

C. Gain Contingencies

Not applicable

D. Extra Contractual Obligation and Bad Faith Losses Related to Claims

Not applicable

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

G. All Other Contingencies and Impairments

The Company cedes 100% of its premiums to the parent company, Concord General Mutual Insurance Company. Therefore, the Company does not record an uncollected premium receivable.

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.

### Note 15 – Leases

A. Lessee Leasing Arrangements

Not applicable

B. Lessor Leasing Arrangements

Not applicable

### Note 16 – Information About Financial Instruments With Off-Balance Sheet Risk

1) Financial Instruments with Off-Balance Sheet Risk

Not applicable

2) Financial Instruments with Concentrations of Credit Risk

Not applicable

3) Exposure to Credit Related Losses

Not applicable

4) Collateral Policy

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. Transfers and Servicing of Financial Assets

Not applicable

C. Wash Sales

Not applicable

### Note 18 – Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

Not applicable

## NOTES TO FINANCIAL STATEMENTS

## B. Administrative Services Contract (ASC) Plans

Not applicable

## C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

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

Not applicable

**Note 20 – Fair Value Measurements**

## A.

## 1) Assets Measured at Fair Value:

Description	Level 1	Level 2	Level 3	Total
<b>(a) Assets at Fair Value</b>				
Perpetual Preferred Stock				
Industrial and Misc	\$0	\$0	\$0	\$0
Parent, Subsidiaries and Affiliates	\$0	\$0	\$0	\$0
Total Perpetual Preferred Stocks	\$0	\$0	\$0	\$0
Bonds				
U.S. Governments	\$0	\$0	\$0	\$0
Industrial and Misc	\$0	\$0	\$0	\$0
Hybrid Securities	\$0	\$0	\$0	\$0
Mortgage-Backed Securities	\$0	\$0	\$0	\$0
Parent, Subsidiaries and Affiliates	\$0	\$0	\$0	\$0
Total Bonds	\$0	\$0	\$0	\$0

<b>Common Stock</b>				
Industrial and Misc	\$1,194,611	\$0	\$0	\$1,194,611
Parent, Subsidiaries and Affiliates	\$0	\$0	\$0	\$0
Total Common Stocks	\$1,194,611	\$0	\$0	\$1,194,611
<b>Derivative Assets</b>				
Interest Rate Contracts	\$0	\$0	\$0	\$0
Foreign Exchange Contracts	\$0	\$0	\$0	\$0
Credit Contracts	\$0	\$0	\$0	\$0
Commodity Futures Contracts	\$0	\$0	\$0	\$0
Commodity Forward Contracts	\$0	\$0	\$0	\$0
Total Derivatives	\$0	\$0	\$0	\$0
Separate Account Assets	\$0	\$0	\$0	\$0
Total Assets at Fair Value	\$1,194,611	\$0	\$0	\$1,194,611
<b>(b) Liabilities at Fair Value</b>				
Derivative Liabilities	\$0	\$0	\$0	\$0
Total Liabilities at Fair Value	\$0	\$0	\$0	\$0

The Company evaluates those assets measured and reported at fair value at the end of each reporting period to determine whether an event has occurred that would cause an asset to be transferred between levels 1 and 2. There were no transfers between levels 1 and 2 for year-end 2015.

## 2) Rollforward of Level 3 Items

	Balance at 01/01/2015	Transfers in Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases, issuances, sales and settlements	Balance at 12/31/2015
RMBS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CMBS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Derivative Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Derivative Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0

## 3) Policy on Transfers into and out of Level 3

The Company evaluates those assets measured and reported at fair value at the end of each reporting period to determine whether an event has occurred that would cause an asset to be transferred into or out of level 3. The Company determined that no transfers into and out of level 3 were required for year-end 2015.

## 4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value that fall within the level 3 category.

Level 2 assets are valued using a market approach. When assets are recognized as a level 2 it is because either matrix pricing, quoted market prices for similar assets in an active market or quoted market prices for identical assets trading in an inactive market were utilized when determining its fair value.

## NOTES TO FINANCIAL STATEMENTS

## 5) Fair Value Disclosures for Derivative Assets and Liabilities

Not applicable

## B. Other Fair Value Disclosures

Not applicable

## C. Fair Values for all Financial Instruments by Level 1, 2 and 3

Description	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practical (Carrying Value)
Assets:						
Bonds	\$1,122,304	\$1,087,307	\$779,984	\$342,320	\$0	\$0
Preferred Stocks	\$0	\$0	\$0	\$0	\$0	\$0
Common Stocks	\$1,194,611	\$1,194,611	\$1,194,611	\$0	\$0	\$0
Cash Equivalents & Short Term	\$0	\$0	\$0	\$0	\$0	\$0
Other – Collateral Loan	\$0	\$0	\$0	\$0	\$0	\$0
Total Assets	\$2,316,915	\$2,281,918	\$1,974,595	\$342,320	\$0	\$0
Liabilities:						
Derivative Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$0	\$0	\$0	\$0	\$0

## D. Reasons Not Practical to Estimate Fair Value

Not applicable

**Note 21 – Other Items**

## A. Unusual Items

Not applicable

## B. Troubled Debt Restructuring for Debtors

Not applicable

## C. Other Disclosures

Not applicable

## D. Business Interruption Insurance Recoveries

Not applicable

## E. State Transferable and Nontransferable Tax Credits

Not applicable

## F. Subprime Mortgage Related Risk Exposure

- 1) The Company does not engage in subprime residential mortgage lending. The Company's exposure to subprime lending is limited to investments within the fixed maturity investment portfolio which contains securities collateralized by mortgages that may have characteristics of subprime lending such as, adjustable rate mortgages. These investments are in the form of asset backed securities. The Company maintains a conservative investment strategy and primarily invests in mortgage-backed/asset backed securities with the highest quality rating. The Company believes that its greatest exposure is to unrealized losses from declines in asset values rather than losses resulting from defaults or foreclosures.

2)

Direct exposure through investments in subprime mortgage loans	Book/Adj. Carrying Value (excluding interest)	Fair Value	Value of Land and Buildings	Other Than Temporary Impairment Losses Recognized	Default Rate
a. Mortgages in the process of foreclosure	\$0	\$0	\$0	\$0	0%
b. Mortgages in good standing	\$0	\$0	\$0	\$0	0%
c. Mortgages with restructure terms	\$0	\$0	\$0	\$0	0%
d. Total	\$0	\$0	\$0	\$0	0%

3)

Direct exposure through other investments	Actual Cost	Book/Adj. Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$0	\$0	\$0	\$0
b. Commercial mortgage backed securities	\$0	\$0	\$0	\$0
c. Collateralized debt obligations	\$0	\$0	\$0	\$0
d. Structured securities	\$0	\$0	\$0	\$0
e. Equity investment in SCAs*	\$0	\$0	\$0	\$0
f. Other assets	\$0	\$0	\$0	\$0
g. Total	\$0	\$0	\$0	\$0

\*These investments comprise 0% of the companies invested assets.

**NOTES TO FINANCIAL STATEMENTS**

- 4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

Not applicable

G. Insurance Linked Securities

Not applicable

**Note 22 – Events Subsequent**

A. Type 1 – Recognized Subsequent Events

Subsequent events have been considered through February 2, 2016 for the Statutory Financial Statements which are to be issued March 1, 2016. There were no events that occurred subsequent to the end of the year that merit disclosure in the statement.

B. Type 2 – Non Recognized Events

Not applicable

**Note 23 – Reinsurance**

A. Unsecured Reinsurance Recoverables

The Company does not have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with an authorized reinsurer that exceeds 3% of policyholders' surplus.

NAIC Code	Federal ID #	Name of Reinsurer	Amount
20672	02-0131910	Concord General Mutual	\$1,385,592

B. Reinsurance Recoverables in Dispute

The Company does not have reinsurance recoverables for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus for an individual reinsurer or 10% of policyholders' surplus in aggregate.

C. Reinsurance Assumed and Ceded and Protected Cells

- 1) The following table summarizes assumed and ceded unearned premiums and the related commission equity at December 31, 2015.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Unearned Premium Reserve	Commission Equity	Unearned Premium Reserve	Commission Equity	Unearned Premium Reserve	Commission Equity
Affiliates	\$0	\$0	\$837,000	\$167,400	(\$837,000)	(\$167,400)
All Other	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$837,000	\$167,400	(\$837,000)	(\$167,400)
Direct Unearned Premium Reserve	\$837,000					

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 Downgraded or Subject to Revocation

Not applicable

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

Not applicable

**Note 25 – Changes in Incurred Losses and Loss Adjustment Expenses**

Not applicable

**Note 26 – Intercompany Pooling Arrangements**

The Company has no intercompany pooling arrangements.

## NOTES TO FINANCIAL STATEMENTS

**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 has not recorded any premium deficiency reserves.

**Note 31 – High Deductibles**

Not applicable

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

Not applicable

**Note 33 – Asbestos and Environmental Reserves**

Not applicable

**Note 34 – Subscriber Savings Accounts**

The Company is not a reciprocal exchange and therefore does not have subscriber savings accounts.

**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? ..... Maine
- 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. .... 12/31/2010
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2010
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 06/25/2012
- 3.4 By what department or departments?  
Maine .....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ X ] No [ ] N/A [ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ X ] No [ ] N/A [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? ..... Yes [ ] No [ X ]  
4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? ..... Yes [ ] No [ X ]  
4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY  
**GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]  
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
 .....  
 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]  
 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal 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?  
 Crowe Horwath LLP  
 720 Cold Springs Boulevard, Suite 600  
 Franklin, TN 37067-7260
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]  
 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
 .....  
 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 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 compliance 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  
 .....  
 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?  
 Stephen J Streff, ACAS, MAAA  
 406 West Third Street, Suite 450  
 Red Wing, MN 55066
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [ X ]  
     12.11 Name of real estate holding company .....  
     12.12 Number of parcels involved ..... 0  
     12.13 Total book/adjusted carrying value ..... \$ ..... 0
- 12.2 If, yes provide explanation:  
 .....  
**13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**  
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
 .....  
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]  
 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]  
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ ]  
 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]  
     (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
     (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
     (c) Compliance with applicable governmental laws, rules and regulations;  
     (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
     (e) Accountability for adherence to the code.  
 14.11 If the response to 14.1 is No, please explain:  
 .....  
 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]  
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
 .....  
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]  
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
 .....

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY  
GENERAL INTERROGATORIES**

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

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

**BOARD OF DIRECTORS**

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

**FINANCIAL**

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

**INVESTMENT**

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)..... Yes [ X ] No [ ]
- 24.02 If no, give full and complete information relating thereto  
.....
- 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 Company does not participate in a securities lending program. ....
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? ..... Yes [ ] No [ ] N/A [ X ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. .... \$ .....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. .... \$ .....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? ..... Yes [ ] No [ ] N/A [ X ]
- 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 [ ] No [ ] N/A [ X ]

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY  
GENERAL INTERROGATORIES**

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ .....	0
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ .....	0
24.103 Total payable for securities lending reported on the liability page .....	\$ .....	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03)..... Yes [  ] No [  ]

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

25.21 Subject to repurchase agreements .....	\$ .....	0
25.22 Subject to reverse repurchase agreements .....	\$ .....	0
25.23 Subject to dollar repurchase agreements .....	\$ .....	0
25.24 Subject to reverse dollar repurchase agreements .....	\$ .....	0
25.25 Placed under option agreements .....	\$ .....	0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock .....	\$ .....	0
25.27 FHLB Capital Stock .....	\$ .....	0
25.28 On deposit with states .....	\$ .....	112,192
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 [  ]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?..... Yes [  ] No [  ] N/A [  ]  
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?..... Yes [  ] No [  ]

27.2 If yes, state the amount thereof at December 31 of the current year..... \$ .....

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

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

1 Name of Custodian(s)	2 Custodian's Address
TD Wealth .....	143 N Main Street, Concord, NH 03302-0477 .....

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

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

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
33980 .....	LMCG Investments, LLC .....	200 Clarendon Street, 28th Floor, Boston, MA 02116 .....

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY  
GENERAL INTERROGATORIES**

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

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 .....	1,087,307	1,116,599	29,292
30.2 Preferred stocks .....	0	0	0
30.3 Totals	1,087,307	1,116,599	29,292

30.4 Describe the sources or methods utilized in determining the fair values:  
Fair market values are determined through Intercontinental Exchange, Inc. ....

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 [ X ] No [ ]

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 [ X ] No [ ]

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

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

32.2 If no, list exceptions:  
.....

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY  
**GENERAL INTERROGATORIES**

**OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....0

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

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

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [ X ]

1.2 If yes, indicate premium earned on U. S. business only. .... \$ 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 Current Year	2 Prior Year
2.1 Premium Numerator .....	0	0
2.2 Premium Denominator .....	0	0
2.3 Premium Ratio (2.1/2.2) .....	0.000	0.000
2.4 Reserve Numerator .....	0	0
2.5 Reserve Denominator .....	0	0
2.6 Reserve Ratio (2.4/2.5) .....	0.000	0.000

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? ..... % 0.0

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. .... \$ 0

5. For Reciprocal Exchanges Only:

5.1 Does the Exchange appoint local agents? ..... Yes [ ] No [ ]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation.....	Yes [ ]	No [ ]	N/A [ ]
5.22 As a direct expense of the exchange.....	Yes [ ]	No [ ]	N/A [ ]

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?  
 .....

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? ..... Yes [ ] No [ ]

5.5 If yes, give full information  
 .....

**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?  
Not Applicable .....
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.  
Computer modeling and other tools are used to analyze the Company's book of business based on coverage and geographic location. ....
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
The Company is fully reinsured through an intercompany reinsurance program provided by the Concord General Mutual Insurance Company who carries a \$110 million catastrophe program with a \$15 million retention. ....
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? ..... Yes [ X ] No [ ]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.  
.....
- 7.1 Has this 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 ratio cap, an aggregate limit or any similar provisions)?..... Yes [ ] No [ X ]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions: ..... 0
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?..... Yes [ ] No [ ]
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? ..... Yes [ ] No [ X ]
- 8.2 If yes, give full information  
.....
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
(c) Aggregate stop loss reinsurance coverage;  
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. .... Yes [ ] No [ X ]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. .... Yes [ ] No [ X ]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? ..... Yes [ ] No [ X ]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
(a) The entity does not utilize reinsurance; or, ..... Yes [ ] No [ ]  
(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 [ X ] No [ ]  
(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 [ ]
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 [ ] No [ ] N/A [ X ]

**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? ..... Yes [ ] No [ X ]
- 11.2 If yes, give full information  
.....
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset 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 which 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 .....0.0 %  
12.42 To .....0.0 %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? ..... Yes [ ] No [ X ]
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- 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): .....\$ ..... 0
- 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: .....0
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? ..... Yes [ ] No [ X ]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
.....
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? ..... Yes [ ] No [ ]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? ..... Yes [ ] No [ ]
- 14.5 If the answer to 14.4 is no, please explain:  
.....
- 15.1 Has the reporting entity guaranteed any financed premium accounts? ..... Yes [ ] No [ X ]
- 15.2 If yes, give full information  
.....
- 16.1 Does the reporting entity write any warranty business? ..... Yes [ ] No [ X ]  
If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home .....	0	0	0	0	0
16.12 Products .....	0	0	0	0	0
16.13 Automobile .....	0	0	0	0	0
16.14 Other* .....	0	0	0	0	0

\* Disclose type of coverage:  
.....

**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

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

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5 .....	\$ .....	0
17.12 Unfunded portion of Interrogatory 17.11 .....	\$ .....	0
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11.....	\$ .....	0
17.14 Case reserves portion of Interrogatory 17.11 .....	\$ .....	0
17.15 Incurred but not reported portion of Interrogatory 17.11 .....	\$ .....	0
17.16 Unearned premium portion of Interrogatory 17.11 .....	\$ .....	0
17.17 Contingent commission portion of Interrogatory 17.11 .....	\$ .....	0

Provide the following information for all other amounts included in Schedule F - P art 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 funds administered as of the reporting date. .... \$ .....0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY

**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
<b>Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 &amp; 3)</b>					
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)	6,154	7,716	7,825	7,885	7,678
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	12,573	14,343	15,104	15,658	16,810
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,501,608	1,579,097	1,563,152	1,596,376	1,583,909
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	1,520,335	1,601,156	1,586,081	1,619,919	1,608,397
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
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)	0	0	0	0	0
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	0	0	0	0	0
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	0	0	0	0	0
14. Net investment gain or (loss) (Line 11)	67,572	68,316	44,925	49,070	412,401
15. Total other income (Line 15)	0	0	0	0	0
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	3,625	6,382	3,241	4,818	13,817
18. Net income (Line 20)	63,947	61,934	41,684	44,252	398,584
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	2,450,093	2,407,326	2,253,586	1,923,583	1,784,864
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	0	0	0	0	0
20.2 Deferred and not yet due (Line 15.2)	0	0	0	0	0
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	175,569	182,990	147,529	49,171	13,255
22. Losses (Page 3, Line 1)	0	0	0	0	0
23. Loss adjustment expenses (Page 3, Line 3)	0	0	0	0	0
24. Unearned premiums (Page 3, Line 9)	0	0	0	0	0
25. Capital paid up (Page 3, Lines 30 & 31)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37)	2,274,524	2,224,336	2,106,057	1,874,412	1,771,609
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	64,783	73,784	54,262	59,911	(172,750)
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	2,274,524	2,224,336	2,106,057	1,874,412	1,771,609
29. Authorized control level risk-based capital	120,496	120,770	111,153	85,846	73,162
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0</b>					
30. Bonds (Line 1)	44.6	43.6	45.8	51.2	55.8
31. Stocks (Lines 2.1 & 2.2)	49.0	52.6	52.5	45.8	40.6
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	6.3	3.8	1.6	3.0	3.6
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	0	0	0	0	0
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	0	0	0	0	0
49. Total Investment in Parent included in Lines 42 to 47 above	0	0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0	0.0	0.0	0.0	0.0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2015	2 2014	3 2013	4 2012	5 2011
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24) .....	(16,989)	60,592	190,291	62,348	(338,097)
52. Dividends to stockholders (Line 35) .....	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38) .....	50,188	118,279	231,645	102,803	60,487
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
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) .....	0	0	0	0	0
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	3,624	4,239	3,645	6,491	6,405
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	702,837	580,643	518,626	738,986	1,058,032
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	0	0	0	0	0
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
59. Total (Line 35) .....	706,461	584,882	522,271	745,477	1,064,437
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
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) .....	0	0	0	0	0
61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	0	0	0	0	0
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	0	0	0	0	0
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	0	0	0	0	0
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
65. Total (Line 35) .....	0	0	0	0	0
<b>Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0</b>					
66. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2) .....	0.0	0.0	0.0	0.0	0.0
68. Loss expenses incurred (Line 3) .....	0.0	0.0	0.0	0.0	0.0
69. Other underwriting expenses incurred (Line 4) .....	0.0	0.0	0.0	0.0	0.0
70. Net underwriting gain (loss) (Line 8) .....	0.0	0.0	0.0	0.0	0.0
<b>Other Percentages</b>					
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) .....	0.0	0.0	0.0	0.0	0.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	0.0	0.0	0.0	0.0	0.0
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0) .....	0.0	0.0	0.0	0.0	0.0
<b>One Year Loss Development (000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11) .....	0	0	0	0	0
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) .....	0.0	0.0	0.0	0.0	0.0
<b>Two Year Loss Development (000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .....	0	0	0	0	0
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) .....	0.0	0.0	0.0	0.0	0.0

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY  
**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	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4	5	6	7	8	9			
1. Prior.....	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX
2. 2006.....	1,526	1,526	0	736	736	18	18	43	43	11	0	XXX
3. 2007.....	1,522	1,522	0	944	944	21	21	53	53	17	0	XXX
4. 2008.....	1,520	1,520	0	1,148	1,148	21	21	62	62	5	0	XXX
5. 2009.....	1,558	1,558	0	984	984	5	5	71	71	24	0	XXX
6. 2010.....	1,599	1,599	0	576	576	3	3	42	42	1	0	XXX
7. 2011.....	1,610	1,610	0	906	906	0	0	59	59	13	0	XXX
8. 2012.....	1,613	1,613	0	613	613	0	0	36	36	2	0	XXX
9. 2013.....	1,609	1,609	0	499	499	9	9	52	52	1	0	XXX
10. 2014.....	1,599	1,599	0	653	653	5	5	59	59	18	0	XXX
11. 2015.....	1,562	1,562	0	566	566	0	0	63	63	0	0	XXX
12. Totals	XXX	XXX	XXX	7,625	7,625	82	82	540	540	92	0	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	22			
	13	14	15	16	17	18	19	20					
1. Prior.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
2. 2006.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
3. 2007.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
4. 2008.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
5. 2009.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6. 2010.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
7. 2011.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8. 2012.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9. 2013.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
10. 2014.....	179	179	9	9	13	13	1	1	5	5	0	0	XXX
11. 2015.....	293	293	48	48	22	22	3	3	27	27	0	0	XXX
12. Totals	472	472	57	57	35	35	4	4	32	32	0	0	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
2. 2006.....	797	797	0	52.2	52.2	0.0	0	0	0.0	0	0
3. 2007.....	1,018	1,018	0	66.9	66.9	0.0	0	0	0.0	0	0
4. 2008.....	1,231	1,231	0	81.0	81.0	0.0	0	0	0.0	0	0
5. 2009.....	1,060	1,060	0	68.0	68.0	0.0	0	0	0.0	0	0
6. 2010.....	621	621	0	38.8	38.8	0.0	0	0	0.0	0	0
7. 2011.....	965	965	0	59.9	59.9	0.0	0	0	0.0	0	0
8. 2012.....	649	649	0	40.2	40.2	0.0	0	0	0.0	0	0
9. 2013.....	560	560	0	34.8	34.8	0.0	0	0	0.0	0	0
10. 2014.....	924	924	0	57.8	57.8	0.0	0	0	0.0	0	0
11. 2015.....	1,022	1,022	0	65.4	65.4	0.0	0	0	0.0	0	0
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0

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.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE STATE MUTUAL INSURANCE COMPANY

**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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	11 One Year	12 Two Year
1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 2006	0	0	0	0	0	0	0	0	0	0	0	0
3. 2007	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 2008	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2009	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2010	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2011	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

**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 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015		
1. Prior	000	0	0	0	0	0	0	0	0	0	XXX	XXX
2. 2006	0	0	0	0	0	0	0	0	0	0	XXX	XXX
3. 2007	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX
4. 2008	XXX	XXX	0	0	0	0	0	0	0	0	XXX	XXX
5. 2009	XXX	XXX	XXX	0	0	0	0	0	0	0	XXX	XXX
6. 2010	XXX	XXX	XXX	XXX	0	0	0	0	0	0	XXX	XXX
7. 2011	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	XXX	XXX
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	XXX	XXX
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX	XXX
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
1. Prior	0	0	0	0	0	0	0	0	0	0
2. 2006	0	0	0	0	0	0	0	0	0	0
3. 2007	XXX	0	0	0	0	0	0	0	0	0
4. 2008	XXX	XXX	0	0	0	0	0	0	0	0
5. 2009	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2010	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2011	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

**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 (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	N	0	0	0	0	0	0	0
2. Alaska	AK	N	0	0	0	0	0	0	0
3. Arizona	AZ	N	0	0	0	0	0	0	0
4. Arkansas	AR	N	0	0	0	0	0	0	0
5. California	CA	N	0	0	0	0	0	0	0
6. Colorado	CO	N	0	0	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0	0	0
9. District of Columbia	DC	N	0	0	0	0	0	0	0
10. Florida	FL	N	0	0	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0	0	0
14. Illinois	IL	N	0	0	0	0	0	0	0
15. Indiana	IN	N	0	0	0	0	0	0	0
16. Iowa	IA	N	0	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0	0
20. Maine	ME	L	1,520,335	1,561,839	0	706,461	997,244	528,802	0
21. Maryland	MD	N	0	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0	0
34. North Carolina	NC	N	0	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0	0
36. Ohio	OH	N	0	0	0	0	0	0	0
37. Oklahoma	OK	N	0	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0	0
41. South Carolina	SC	N	0	0	0	0	0	0	0
42. South Dakota	SD	N	0	0	0	0	0	0	0
43. Tennessee	TN	N	0	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59. Totals	(a)	1	1,520,335	1,561,839	0	706,461	997,244	528,802	0
DETAILS OF WRITE-INS									
58001.		XXX							
58002.		XXX							
58003.		XXX							
58998. Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)		XXX	0	0	0	0	0	0	0

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

Explanation of basis of allocation of premiums by states, etc.

Location of the risk on all property lines. Location of principal garaging or use on all auto lines.

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

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART**

20672	NH	02-0131910	CONCORD GENERAL MUTUAL INSURANCE COMPANY - PARENT COMPANY
20680	VT	03-0127400	GREEN MOUNTAIN INSURANCE COMPANY, INC. - WHOLLY-OWNED SUBSIDIARY
16020	ME	01-0165140	STATE MUTUAL INSURANCE COMPANY - AFFILIATED MANAGEMENT
28479	NH	02-0233364	SUNAPEE MUTUAL FIRE INSURANCE COMPANY - AFFILIATED MANAGEMENT
13110	VT	03-6010097	VERMONT ACCIDENT INSURANCE COMPANY, INC. - WHOLLY-OWNED SUBSIDIARY
15315	NH	02-0436450	BOW MUTUAL FIRE INSURANCE COMPANY - AFFILIATED MANAGEMENT
00000	NH	26-1187549	PEOPLES BUSINESS SERVICES OF NH, INC. - WHOLLY-OWNED SUBSIDIARY
15317	NH	02-0241854	WEARE MUTUAL FIRE INSURANCE COMPANY - AFFILIATED MANAGEMENT

**NONE**

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