



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2019
OF THE CONDITION AND AFFAIRS OF THE

The Hanover Insurance Company

NAIC Group Code 0088 0088 NAIC Company Code 22292 Employer's ID Number 13-5129825
(Current) (Prior)
Organized under the Laws of New Hampshire, State of Domicile or Port of Entry NH
Country of Domicile United States of America
Incorporated/Organized 10/05/1972 Commenced Business 04/15/1852
Statutory Home Office 1 Executive Park Drive, 2nd Floor Suite 200, Bedford, NH, US 03110-5905
(Street and Number) (City or Town, State, Country and Zip Code)
Main Administrative Office 440 Lincoln Street
(Street and Number)
Worcester, MA, US 01653-0002, 508-853-7200
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
Mail Address 440 Lincoln Street, Worcester, MA, US 01653-0002
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)
Primary Location of Books and Records 440 Lincoln Street
(Street and Number)
Worcester, MA, US 01653-0002, 508-853-7200-8557928
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
Internet Website Address WWW.HANOVER.COM
Statutory Statement Contact Dennis M. Hazelwood, 508-853-7200-8557928
(Name) (Area Code) (Telephone Number)
DHAZELWOOD@HANOVER.COM, 508-853-6332
(E-mail Address) (FAX Number)

OFFICERS

President John Conner Roche Executive Vice President & Treasurer Ann Kirkpatrick Tripp #
Vice President & Secretary Charles Frederick Cronin

OTHER

Mark Leo Berthiaume, Executive Vice President Jeffrey Mark Farber, Executive Vice President & CFO J. Kendall Huber, Executive Vice President & GC
Richard William Lavey, Executive Vice President Denise Maureen Lowsley #, Executive Vice President Bryan James Salvatore, Executive Vice President
Mark Joseph Welzenbach, Executive Vice President

DIRECTORS OR TRUSTEES

Warren Ellison Barnes # Mark Leo Berthiaume Jeffrey Mark Farber
J. Kendall Huber Richard William Lavey Denise Maureen Lowsley #
John Conner Roche Bryan James Salvatore Ann Kirkpatrick Tripp
Mark Joseph Welzenbach

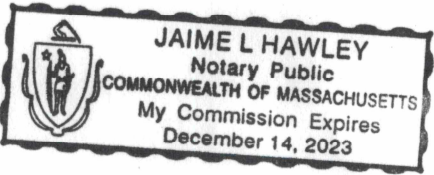
State of Massachusetts SS:
County of Worcester

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.

John Conner Roche Charles Frederick Cronin Ann Kirkpatrick Tripp
President Vice President & Secretary Executive Vice President & Treasurer

Subscribed and sworn to before me this 3rd day of February, 2020
Jaime L. Hawley
Notary
December 14, 2023

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



ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER 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)	4,627,002,148	0	4,627,002,148	4,393,600,921
2. Stocks (Schedule D):				
2.1 Preferred stocks	4,402,904	0	4,402,904	3,403,221
2.2 Common stocks	1,628,944,721	811,971	1,628,132,750	1,557,049,179
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	82,424,330	0	82,424,330	35,416,666
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	42,511,216	0	42,511,216	42,911,542
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 (\$(21,927,370) , Schedule E - Part 1), cash equivalents (\$71,454,605 , Schedule E - Part 2) and short-term investments (\$14,525,948 , Schedule DA)	64,053,183	0	64,053,183	41,790,100
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)	572,511,637	0	572,511,637	550,108,360
9. Receivable for securities	32,073	0	32,073	100,114
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0	3,183,860
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	7,021,882,212	811,971	7,021,070,241	6,627,563,963
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	38,980,399	0	38,980,399	38,266,579
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	147,223,705	11,903,383	135,320,322	140,487,366
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	972,520,530	0	972,520,530	912,868,240
15.3 Accrued retrospective premiums (\$0) and contracts subject to redetermination (\$0)	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	59,653,399	0	59,653,399	30,143,283
16.2 Funds held by or deposited with reinsured companies	4,565,350	0	4,565,350	4,827,549
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	0
18.2 Net deferred tax asset	116,279,021	0	116,279,021	139,502,864
19. Guaranty funds receivable or on deposit	739,280	0	739,280	839,849
20. Electronic data processing equipment and software	71,825,851	64,863,113	6,962,738	6,841,237
21. Furniture and equipment, including health care delivery assets (\$0)	8,787,669	8,787,669	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	126,606,684	0	126,606,684	126,332,963
24. Health care (\$0) and other amounts receivable	0	0	0	0
25. Aggregate write-ins for other than invested assets	109,549,908	40,042,548	69,507,360	64,577,160
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	8,678,614,008	126,408,684	8,552,205,324	8,092,251,053
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	8,678,614,008	126,408,684	8,552,205,324	8,092,251,053
DETAILS OF WRITE-INS				
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. Equity in Pools & Associations	37,354,356	0	37,354,356	35,243,800
2502. State Tax Credits	7,505,055	0	7,505,055	7,358,577
2503. Miscellaneous Assets	24,647,949	0	24,647,949	21,974,783
2598. Summary of remaining write-ins for Line 25 from overflow page	40,042,548	40,042,548	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	109,549,908	40,042,548	69,507,360	64,577,160

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	2,996,700,404	2,835,472,500
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	593,032	20,031
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	717,861,037	666,966,310
4. Commissions payable, contingent commissions and other similar charges	136,988,394	117,796,795
5. Other expenses (excluding taxes, licenses and fees)	177,104,348	185,193,565
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	27,208,183	24,876,585
7.1 Current federal and foreign income taxes (including \$0 on realized capital gains (losses))	898,129	403,277
7.2 Net deferred tax liability	0	0
8. Borrowed money \$0 and interest thereon \$0	0	151,724,169
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$104,606,000 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)	1,837,028,359	1,764,889,916
10. Advance premium	14,762,601	10,995,903
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	4,053,000	4,047,000
12. Ceded reinsurance premiums payable (net of ceding commissions)	42,810,623	31,113,028
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	3,213,490	2,713,483
14. Amounts withheld or retained by company for account of others	2,640,520	1,926,726
15. Remittances and items not allocated	60,101,315	71,479,639
16. Provision for reinsurance (including \$0 certified) (Schedule F, Part 3, Column 78)	147,000	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	27,465,155	19,221,034
20. Derivatives	0	0
21. Payable for securities	887,781	92,167
22. Payable for securities lending	0	3,183,860
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	37,123,431	33,072,500
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	6,087,586,802	5,925,188,488
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	6,087,586,802	5,925,188,488
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	5,000,000	5,000,000
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	146,230,870	146,230,870
35. Unassigned funds (surplus)	2,313,387,652	2,015,831,695
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)	2,464,618,522	2,167,062,565
38. TOTALS (Page 2, Line 28, Col. 3)	8,552,205,324	8,092,251,053
DETAILS OF WRITE-INS		
2501. Collateral Held	21,994,247	22,537,738
2502. Miscellaneous Liabilities	15,129,184	10,534,762
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)	37,123,431	33,072,500
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0
3201.		
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 2019 OF THE HANOVER INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	3,615,651,785	3,458,144,729
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	1,826,408,326	1,794,559,130
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	463,360,214	427,705,352
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,224,676,924	1,191,115,290
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	3,514,445,464	3,413,379,772
7. Net income of protected cells	0	0
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	101,206,321	44,764,957
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	313,315,730	281,831,207
10. Net realized capital gains or (losses) less capital gains tax of \$1,095,674 (Exhibit of Capital Gains (Losses))	4,107,368	2,364,013
11. Net investment gain (loss) (Lines 9 + 10)	317,423,098	284,195,220
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$3,886,764 amount charged off \$11,969,477)	(8,082,713)	(7,406,965)
13. Finance and service charges not included in premiums	11,464,773	11,609,619
14. Aggregate write-ins for miscellaneous income	9,578,125	(15,611,828)
15. Total other income (Lines 12 through 14)	12,960,185	(11,409,174)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	431,589,604	317,551,003
17. Dividends to policyholders	3,171,059	3,516,164
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)	428,418,545	314,034,839
19. Federal and foreign income taxes incurred	63,098,682	44,121,064
20. Net income (Line 18 minus Line 19)(to Line 22)	365,319,863	269,913,775
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	2,167,062,565	2,071,733,636
22. Net income (from Line 20)	365,319,863	269,913,775
23. Net transfers (to) from Protected Cell accounts	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$17,853,784	69,952,161	(31,244,308)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0
26. Change in net deferred income tax	129,574	(527,568)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(18,387,734)	3,247,280
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(147,000)	3,298
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	(140,000,000)	(140,000,000)
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	20,689,092	(6,063,547)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	297,555,956	95,328,930
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	2,464,618,522	2,167,062,565
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)	0	0
1401. Miscellaneous Income	1,429,141	567,437
1402. Interest on Intercompany Notes Receivable	6,729,063	8,303,811
1403. Gains on State Tax Credits	1,419,921	1,649,079
1498. Summary of remaining write-ins for Line 14 from overflow page	0	(26,132,155)
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	9,578,125	(15,611,828)
3701. Pensions, net of tax	20,689,092	(6,063,547)
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)	20,689,092	(6,063,547)

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER INSURANCE COMPANY

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	3,639,240,522	3,468,515,642
2. Net investment income	239,496,095	212,282,788
3. Miscellaneous income	11,043,160	14,423,616
4. Total (Lines 1 through 3)	3,889,779,777	3,695,222,046
5. Benefit and loss related payments	1,694,330,958	1,616,257,589
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	1,623,708,432	1,609,440,883
8. Dividends paid to policyholders	3,165,059	3,386,164
9. Federal and foreign income taxes paid (recovered) net of \$1,095,974 tax on capital gains (losses)	63,699,500	23,592,005
10. Total (Lines 5 through 9)	3,384,903,949	3,252,676,641
11. Net cash from operations (Line 4 minus Line 10)	504,875,828	442,545,405
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	797,941,884	462,414,593
12.2 Stocks	191,427,873	95,192,914
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	51,055,719	38,391,606
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	339	(3,641)
12.7 Miscellaneous proceeds	984,244	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,041,410,059	595,995,472
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,013,589,622	892,476,542
13.2 Stocks	182,971,969	56,110,201
13.3 Mortgage loans	47,007,273	35,416,666
13.4 Real estate	4,631,542	3,108,309
13.5 Other invested assets	70,872,806	70,245,954
13.6 Miscellaneous applications	0	748,363
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,319,073,212	1,058,106,035
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)	(277,663,153)	(462,110,563)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	(151,724,169)	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	69,937,267	10,390,202
16.6 Other cash provided (applied)	16,711,844	(15,181,481)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(204,949,592)	(25,571,683)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	22,263,083	(45,136,841)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	41,790,100	86,926,941
19.2 End of period (Line 18 plus Line 19.1)	64,053,183	41,790,100

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

20.0001. Bonds sold to subsidiaries in settlement of capital contributions	(15,381,409)	(17,322,826)
20.0002. Bonds acquired in settlement of stockholder dividends receivable	72,710,181	75,048,712
20.0003. Accrued interest income on bonds acquired (sold) for intercompany transactions	414,269	(541,506)
20.0004. Bonds sold to parent in settlement of stockholder dividend payable	(69,599,891)	(128,390,869)
20.0005. Bonds acquired in settlement of intercompany loans and reinsurance	24,233,820	59,882,768

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	69,128,073	38,129,156	45,303,107	61,954,122
2.	Allied lines	85,738,445	41,616,077	46,366,797	80,987,725
3.	Farmowners multiple peril	0	0	0	0
4.	Homeowners multiple peril	359,755,970	183,855,084	192,675,909	350,935,145
5.	Commercial multiple peril	974,934,198	474,311,169	495,260,482	953,984,885
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	40,686,755	18,273,936	18,908,807	40,051,884
9.	Inland marine	233,299,900	99,044,260	102,550,441	229,793,719
10.	Financial guaranty	0	0	0	0
11.1	Medical professional liability - occurrence	3,444,203	1,237,040	1,568,083	3,113,160
11.2	Medical professional liability - claims-made	11,969,762	5,164,693	6,641,904	10,492,551
12.	Earthquake	11,143,797	5,088,196	5,493,710	10,738,283
13.	Group accident and health	2,056,371	643,010	620,904	2,078,477
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	10,439	0	0	10,439
16.	Workers' compensation	352,520,803	146,599,106	153,607,573	345,512,336
17.1	Other liability - occurrence	191,682,025	105,497,478	104,598,062	192,581,441
17.2	Other liability - claims-made	235,269,104	104,053,616	112,354,262	226,968,458
17.3	Excess workers' compensation	166,566	61,522	88,479	139,609
18.1	Products liability - occurrence	19,311,731	9,121,383	9,137,104	19,296,010
18.2	Products liability - claims-made	3,044,475	861,471	1,615,084	2,290,862
19.1, 19.2	Private passenger auto liability	354,763,172	165,247,949	172,548,433	347,462,688
19.3, 19.4	Commercial auto liability	267,623,985	124,433,912	122,725,163	269,332,734
21.	Auto physical damage	371,843,342	170,958,263	176,886,088	365,915,517
22.	Aircraft (all perils)	(2,519)	0	0	(2,519)
23.	Fidelity	24,935,622	16,220,786	18,223,891	22,932,517
24.	Surety	65,628,645	43,593,935	41,144,868	68,077,712
26.	Burglary and theft	10,432,108	7,903,869	7,546,761	10,789,216
27.	Boiler and machinery	0	(7,745)	1,851	(9,596)
28.	Credit	(216,482)	1,167,252	696,191	254,579
29.	International	(1,380,262)	1,796,837	446,744	(30,169)
30.	Warranty	0	0	0	0
31.	Reinsurance - nonproportional assumed property	0	17,661	17,661	0
32.	Reinsurance - nonproportional assumed liability	0	0	0	0
33.	Reinsurance - nonproportional assumed financial lines	0	0	0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	3,687,790,228	1,764,889,916	1,837,028,359	3,615,651,785
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

		1	2	3	4	5
Line of Business		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	45,301,657	1,450	0	0	45,303,107
2.	Allied lines	46,362,559	4,238	0	0	46,366,797
3.	Farmowners multiple peril	0	0	0	0	0
4.	Homeowners multiple peril	192,675,909	0	0	0	192,675,909
5.	Commercial multiple peril	495,088,069	172,413	0	0	495,260,482
6.	Mortgage guaranty	0	0	0	0	0
8.	Ocean marine	18,908,807	0	0	0	18,908,807
9.	Inland marine	93,440,969	9,109,472	0	0	102,550,441
10.	Financial guaranty	0	0	0	0	0
11.1	Medical professional liability - occurrence	1,568,083	0	0	0	1,568,083
11.2	Medical professional liability - claims-made	6,641,904	0	0	0	6,641,904
12.	Earthquake	5,493,710	0	0	0	5,493,710
13.	Group accident and health	620,904	0	0	0	620,904
14.	Credit accident and health (group and individual)	0	0	0	0	0
15.	Other accident and health	0	0	0	0	0
16.	Workers' compensation	153,607,280	293	0	0	153,607,573
17.1	Other liability - occurrence	101,836,553	2,761,509	0	0	104,598,062
17.2	Other liability - claims-made	112,354,262	0	0	0	112,354,262
17.3	Excess workers' compensation	0	88,479	0	0	88,479
18.1	Products liability - occurrence	9,137,104	0	0	0	9,137,104
18.2	Products liability - claims-made	1,615,084	0	0	0	1,615,084
19.1, 19.2	Private passenger auto liability	172,548,433	0	0	0	172,548,433
19.3, 19.4	Commercial auto liability	122,487,744	237,419	0	0	122,725,163
21.	Auto physical damage	176,807,894	78,194	0	0	176,886,088
22.	Aircraft (all perils)	0	0	0	0	0
23.	Fidelity	17,976,459	247,432	0	0	18,223,891
24.	Surety	41,100,733	44,135	0	0	41,144,868
26.	Burglary and theft	7,543,096	3,665	0	0	7,546,761
27.	Boiler and machinery	1,851	0	0	0	1,851
28.	Credit	0	696,191	0	0	696,191
29.	International	446,744	0	0	0	446,744
30.	Warranty	0	0	0	0	0
31.	Reinsurance - nonproportional assumed property	17,661	0	0	0	17,661
32.	Reinsurance - nonproportional assumed liability	0	0	0	0	0
33.	Reinsurance - nonproportional assumed financial lines	0	0	0	0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	1,823,583,469	13,444,890	0	0	1,837,028,359
36.	Accrued retrospective premiums based on experience					0
37.	Earned but unbilled premiums					0
38.	Balance (Sum of Line 35 through 37)					1,837,028,359
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER 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	7,841,156	84,175,505	19,705	.0	22,908,293	69,128,073
2.	Allied lines	38,984,123	62,177,583	7,562	.0	15,430,823	85,738,445
3.	Farmowners multiple peril .....	.0	.0	.0	.0	.0	.0
4.	Homeowners multiple peril	131,854,052	247,075,443	.0	.0	19,173,525	359,755,970
5.	Commercial multiple peril	227,213,888	884,942,157	.0	.0	137,221,847	974,934,198
6.	Mortgage guaranty .....	.0	.0	.0	.0	.0	.0
8.	Ocean marine	47,333,029	.0	.0	.0	6,646,274	40,686,755
9.	Inland marine	210,579,411	55,211,711	.0	.0	32,491,222	233,299,900
10.	Financial guaranty .....	.0	.0	.0	.0	.0	.0
11.1	Medical professional liability - occurrence	2,085	3,667,331	.0	.0	225,213	3,444,203
11.2	Medical professional liability - claims-made .....	.0	12,967,846	.0	.0	998,084	11,969,762
12.	Earthquake	1,958,899	9,595,940	.0	.0	411,042	11,143,797
13.	Group accident and health .....	.0	.0	2,056,371	.0	.0	2,056,371
14.	Credit accident and health (group and individual) .....	.0	.0	.0	.0	.0	.0
15.	Other accident and health .....	.0	.0	10,439	.0	.0	10,439
16.	Workers' compensation	80,887,736	311,266,037	9,689,836	.0	49,322,806	352,520,803
17.1	Other liability - occurrence	144,024,946	150,213,987	.0	.0	102,556,908	191,682,025
17.2	Other liability - claims-made	230,888,165	19,339,856	.0	.0	14,958,917	235,269,104
17.3	Excess workers' compensation .....	.0	339,931	.0	.0	173,365	166,566
18.1	Products liability - occurrence	3,078,630	16,876,231	.0	.0	643,130	19,311,731
18.2	Products liability - claims-made	3,155,784	.0	.0	.0	111,309	3,044,475
19.1, 19.2	Private passenger auto liability	69,725,128	285,334,657	51,170	.0	347,783	354,763,172
19.3, 19.4	Commercial auto liability	19,110,147	250,949,762	2,873,508	.0	5,309,432	267,623,985
21.	Auto physical damage	59,853,375	313,265,588	432,256	.0	1,707,877	371,843,342
22.	Aircraft (all perils) .....	.0	.0	(2,519)	.0	.0	(2,519)
23.	Fidelity	23,591,459	1,776,424	.0	.0	432,261	24,935,622
24.	Surety	72,680,534	1,239,321	1,578,475	.0	9,869,685	65,628,645
26.	Burglary and theft	9,685,033	1,587,952	63	.0	840,940	10,432,108
27.	Boiler and machinery	3,017,493	8,382,738	.0	.0	11,400,231	.0
28.	Credit .....	.0	105,019	.0	.0	321,501	(216,482)
29.	International	326,298	(1,634,735)	.0	.0	71,825	(1,380,262)
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	1,385,791,371	2,718,856,284	16,716,866	0	433,574,293	3,687,790,228
DETAILS OF WRITE-INS							
3401.	.....					
3402.	.....					
3403.	.....					
3498.	Summary of remaining write-ins for Line 34 from overflow page .....	.0	.0	.0	.0	.0	.0
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 2019 OF THE HANOVER INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 -3)	Net Losses Unpaid Current Year (Part 2A , Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	2,895,907	47,690,634	13,011,982	37,574,559	18,630,144	14,888,926	41,315,777	66.7
2.	Allied lines	9,085,546	51,502,546	18,233,260	42,354,832	23,674,806	26,635,855	39,393,783	48.6
3.	Farmowners multiple peril	0	0	0	0	0	0	0	0.0
4.	Homeowners multiple peril	62,711,137	110,243,702	1,779,929	171,174,910	98,491,224	89,549,869	180,116,265	51.3
5.	Commercial multiple peril	88,034,687	363,794,627	41,726,427	410,102,887	851,560,115	806,037,845	455,625,157	47.8
6.	Mortgage guaranty	0	0	0	0	0	0	0	0.0
8.	Ocean marine	17,222,601	(41)	4,449,339	12,773,221	25,479,598	22,923,044	15,329,775	38.3
9.	Inland marine	90,653,833	30,357,400	6,586,589	114,424,644	43,559,959	46,431,117	111,553,486	48.5
10.	Financial guaranty	0	0	0	0	0	0	0	0.0
11.1	Medical professional liability - occurrence	0	296,700	0	296,700	4,890,751	4,711,624	475,827	15.3
11.2	Medical professional liability - claims-made	0	3,862,441	54,510	3,807,931	6,049,918	6,587,808	3,270,041	31.2
12.	Earthquake	0	0	0	0	2,084,074	650,646	1,433,428	13.3
13.	Group accident and health	0	8,028,447	4	8,028,443	110,805,189	110,010,619	8,823,013	424.5
14.	Credit accident and health (group and individual)	0	0	0	0	0	0	0	0.0
15.	Other accident and health	0	35,731	0	35,731	745,000	761,000	19,731	189.0
16.	Workers' compensation	23,128,586	109,979,338	14,739,687	118,368,237	517,325,457	500,589,021	135,104,673	39.1
17.1	Other liability - occurrence	60,069,310	73,107,551	51,190,711	81,986,150	350,516,488	328,456,099	104,046,539	54.0
17.2	Other liability - claims-made	61,483,521	5,485,350	5,604,025	61,364,846	145,176,825	132,688,692	73,852,979	32.5
17.3	Excess workers' compensation	0	0	0	0	155,644	95,118	60,526	43.4
18.1	Products liability - occurrence	238,636	3,436,142	474,876	3,199,902	28,214,792	29,763,005	1,651,689	8.6
18.2	Products liability - claims-made	0	0	0	0	341,622	210,882	130,740	5.7
19.1, 19.2	Private passenger auto liability	32,541,246	176,956,884	(295,592)	209,793,722	317,360,429	277,838,038	249,316,113	71.8
19.3, 19.4	Commercial auto liability	15,626,493	137,188,067	4,313,514	148,501,046	388,685,041	359,533,579	177,652,508	66.0
21.	Auto physical damage	30,349,003	177,765,193	373,832	207,740,364	5,364,079	8,493,756	204,610,687	55.9
22.	Aircraft (all perils)	0	28,280	0	28,280	1,573,890	1,596,255	5,915	(234.8)
23.	Fidelity	4,417,497	1,125,598	0	5,543,095	15,375,047	13,735,956	7,182,186	31.3
24.	Surety	33,042,734	295,049	9,804,358	23,533,425	32,525,058	47,713,918	8,344,565	12.3
26.	Burglary and theft	2,778,737	534,484	1	3,313,220	7,167,409	3,996,111	6,484,518	60.1
27.	Boiler and machinery	1,414,222	5,764,082	7,168,850	9,454	133,036	109,030	33,460	(348.7)
28.	Credit	0	2,104,211	984,635	1,119,576	45,583	423,747	741,412	291.2
29.	International	53,418	0	0	53,418	120,684	340,793	(166,691)	552.5
30.	Warranty	0	0	0	0	0	0	0	0.0
31.	Reinsurance - nonproportional assumed property	XXX	51,827	(2)	51,829	648,542	700,147	224	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	535,747,114	1,309,634,243	180,200,935	1,665,180,422	2,996,700,404	2,835,472,500	1,826,408,326	50.5
DETAILS OF WRITE-INS									
3401.	.....							
3402.	.....							
3403.	.....							
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	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 2019 OF THE HANOVER INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire	828,600	23,576,656	12,272,878	12,132,378	547,677	10,844,171	4,894,082	18,630,144	1,323,717
2.	Allied lines	8,564,189	21,588,501	11,878,517	18,274,173	1,754,759	5,634,611	1,988,737	23,674,806	1,734,007
3.	Farmowners multiple peril	0	0	0	0	0	0	0	0	0
4.	Homeowners multiple peril	16,727,642	39,341,148	1,911,673	54,157,117	15,652,625	30,442,589	1,761,107	98,491,224	7,597,219
5.	Commercial multiple peril	94,349,254	445,016,389	37,358,513	502,007,130	81,001,445	324,470,223	55,918,683	851,560,115	287,357,166
6.	Mortgage guaranty	0	0	0	0	0	0	0	0	0
8.	Ocean marine	19,328,895	23,045	4,014,310	15,337,630	15,452,068	0	5,310,100	25,479,598	7,026,195
9.	Inland marine	30,899,030	1,635,557	2,324,922	30,209,665	14,626,983	3,660,051	4,936,740	43,559,959	7,044,593
10.	Financial guaranty	0	0	0	0	0	0	0	0	0
11.1	Medical professional liability - occurrence	0	3,224,989	13,230	3,211,759	0	2,174,825	495,833	4,890,751	3,871,977
11.2	Medical professional liability - claims-made	0	2,983,907	12,771	2,971,136	0	5,046,194	1,967,412	6,049,918	5,423,406
12.	Earthquake	0	0	0	0	54,309	2,037,303	7,538	2,084,074	333,798
13.	Group accident and health	0	75,921,662	0	75,921,662	0	34,980,211	96,684	(a) .....110,805,189	44,076
14.	Credit accident and health (group and individual)	0	0	0	0	0	0	0	0	0
15.	Other accident and health	0	745,000	0	745,000	0	0	0	(a) .....745,000	0
16.	Workers' compensation	109,379,497	310,691,471	70,611,083	349,459,885	41,681,440	219,789,100	93,604,968	517,325,457	68,918,917
17.1	Other liability - occurrence	66,846,056	122,381,149	34,553,348	154,673,857	137,494,423	126,118,568	67,770,360	350,516,488	100,512,554
17.2	Other liability - claims-made	75,670,538	9,875,130	407,699	85,137,969	66,340,971	4,600,760	10,902,875	145,176,825	102,796,903
17.3	Excess workers' compensation	0	127,382	87,689	39,693	0	246,185	130,234	155,644	45,579
18.1	Products liability - occurrence	2,845,691	11,778,721	1,052,869	13,571,543	3,371,634	13,012,831	1,741,216	28,214,792	17,254,083
18.2	Products liability - claims-made	99	0	0	99	341,523	0	0	341,622	383,125
19.1, 19.2	Private passenger auto liability	30,723,930	166,496,798	767,311	196,453,417	19,843,524	102,421,053	1,357,565	317,360,429	30,744,120
19.3, 19.4	Commercial auto liability	19,958,385	202,940,239	3,299,588	219,599,036	15,109,579	170,366,053	16,389,627	388,685,041	49,639,600
21.	Auto physical damage	2,266,318	11,580,987	544,948	13,302,357	(972,169)	(6,538,899)	427,210	5,364,079	3,179,312
22.	Aircraft (all perils)	16,699	1,573,890	16,699	1,573,890	21,742	0	21,742	1,573,890	10
23.	Fidelity	10,009,059	1,749,644	12,629	11,746,074	3,520,895	1,249,047	1,140,969	15,375,047	2,054,303
24.	Surety	20,142,952	1,553,881	7,912,331	13,784,502	27,963,495	898,336	10,121,275	32,525,058	19,593,646
26.	Burglary and theft	6,680,323	1,180,512	2,453,494	5,407,341	946,772	827,478	14,182	7,167,409	841,026
27.	Boiler and machinery	88,000	858,020	817,983	128,037	0	331,132	326,133	133,036	26,701
28.	Credit	0	0	0	0	0	157,381	111,798	45,583	67,844
29.	International	0	0	0	0	17,875	102,809	0	120,684	47,160
30.	Warranty	0	0	0	0	0	0	0	0	0
31.	Reinsurance - nonproportional assumed property	XXX	303,291	19,271	284,020	XXX	364,521	(1)	648,542	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	515,325,157	1,457,147,969	192,343,756	1,780,129,370	444,771,570	1,053,236,533	281,437,069	2,996,700,404	717,861,037
DETAILS OF WRITE-INS										
3401.	.....								
3402.	.....								
3403.	.....								
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	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 2019 OF THE HANOVER 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	100,435,353	0	0	100,435,353
1.2 Reinsurance assumed	193,847,448	0	0	193,847,448
1.3 Reinsurance ceded	28,465,243	0	0	28,465,243
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	265,817,558	0	0	265,817,558
2. Commission and brokerage:				
2.1 Direct excluding contingent	0	220,315,699	0	220,315,699
2.2 Reinsurance assumed, excluding contingent	0	414,319,003	0	414,319,003
2.3 Reinsurance ceded, excluding contingent	0	98,707,286	0	98,707,286
2.4 Contingent - direct	0	24,542,231	0	24,542,231
2.5 Contingent - reinsurance assumed	0	45,317,965	0	45,317,965
2.6 Contingent - reinsurance ceded	0	593,699	0	593,699
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	605,193,913	0	605,193,913
3. Allowances to managers and agents	608,721	2,221,941	2,114	2,832,775
4. Advertising	573,349	1,522,093	0	2,095,442
5. Boards, bureaus and associations	0	24,542,762	0	24,542,762
6. Surveys and underwriting reports	0	18,535,200	0	18,535,200
7. Audit of assureds' records	0	2,747,866	0	2,747,866
8. Salary and related items:				
8.1 Salaries	112,075,212	274,653,662	3,210,784	389,939,658
8.2 Payroll taxes	8,926,162	21,874,623	255,721	31,056,506
9. Employee relations and welfare	18,349,248	40,617,914	389,036	59,356,198
10. Insurance	1,083,891	1,730,669	0	2,814,560
11. Directors' fees	0	0	0	0
12. Travel and travel items	4,943,401	10,244,361	54,098	15,241,860
13. Rent and rent items	5,240,706	13,340,569	3,102,046	21,683,321
14. Equipment	13,860,341	27,352,000	196,699	41,409,040
15. Cost or depreciation of EDP equipment and software	3,767,597	17,523,125	12,455	21,303,177
16. Printing and stationery	746,216	2,031,131	7,731	2,785,078
17. Postage, telephone and telegraph, exchange and express	2,838,783	7,143,592	13,454	9,995,829
18. Legal and auditing	2,845,421	4,727,159	56,109	7,628,689
19. Totals (Lines 3 to 18)	175,859,047	470,808,669	7,300,247	653,967,963
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$0	0	84,586,134	0	84,586,134
20.2 Insurance department licenses and fees	0	6,422,299	0	6,422,299
20.3 Gross guaranty association assessments	0	(230,058)	0	(230,058)
20.4 All other (excluding federal and foreign income and real estate)	0	856,765	0	856,765
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	91,635,140	0	91,635,140
21. Real estate expenses	0	0	2,124,197	2,124,197
22. Real estate taxes	0	0	2,073,357	2,073,357
23. Reimbursements by uninsured plans	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses	21,683,609	57,039,203	1,496,615	80,219,426
25. Total expenses incurred	463,360,214	1,224,676,924	12,994,416	(a) 1,701,031,554
26. Less unpaid expenses - current year	717,861,037	341,300,925	0	1,059,161,962
27. Add unpaid expenses - prior year	666,966,310	327,866,945	0	994,833,255
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)	412,465,487	1,211,242,944	12,994,416	1,636,702,847
DETAILS OF WRITE-INS				
2401. Outside Consulting Fees	6,049,552	24,197,547	4,900	30,251,999
2402. Pools Expense	0	1,120,212	0	1,120,212
2403. SOP - 98 Capitalization Software	(2,470,057)	(19,654,721)	0	(22,124,778)
2498. Summary of remaining write-ins for Line 24 from overflow page	18,104,114	51,376,164	1,491,715	70,971,992
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	21,683,609	57,039,203	1,496,615	80,219,426

(a) Includes management fees of \$5,599,546 to affiliates and \$0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....1,706,947	.....1,747,674
1.1	Bonds exempt from U.S. tax	(a) .....367,542	.....343,987
1.2	Other bonds (unaffiliated)	(a) .....160,414,245	.....160,534,922
1.3	Bonds of affiliates	(a) .....0	.....0
2.1	Preferred stocks (unaffiliated)	(b) .....261,547	.....256,103
2.11	Preferred stocks of affiliates	(b) .....0	.....0
2.2	Common stocks (unaffiliated) .....	.....11,856,918	.....11,859,454
2.21	Common stocks of affiliates .....	.....114,200,000	.....114,400,000
3.	Mortgage loans	(c) .....2,304,261	.....2,452,054
4.	Real estate	(d) .....12,229,422	.....12,229,422
5.	Contract loans .....	.....0	.....0
6.	Cash, cash equivalents and short-term investments	(e) .....422,522	.....680,828
7.	Derivative instruments	(f) .....0	.....0
8.	Other invested assets .....	.....26,039,974	.....26,012,753
9.	Aggregate write-ins for investment income .....	.....824,817	.....824,817
10.	Total gross investment income	330,628,195	331,342,014
11.	Investment expenses		(g) .....10,921,059
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) .....2,073,357
13.	Interest expense		(h) .....0
14.	Depreciation on real estate and other invested assets		(i) .....5,031,868
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....18,026,284
17.	Net investment income (Line 10 minus Line 16)		313,315,730
DETAILS OF WRITE-INS			
0901.	Miscellaneous Investment Income .....	.....799,532	.....799,532
0902.	Security Lending Income .....	.....25,285	.....25,285
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) .....	.....824,817	.....824,817
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....		.....0

- (a) Includes \$4,718,762 accrual of discount less \$8,465,540 amortization of premium and less \$2,947,571 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 \$391 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (d) Includes \$12,229,422 for company's occupancy of its own buildings; and excludes \$0 interest on encumbrances.
- (e) Includes \$199,679 accrual of discount less \$20,043 amortization of premium and less \$256,326 paid for accrued interest on purchases.
- (f) Includes \$0 accrual of discount less \$0 amortization of premium.
- (g) Includes \$0 investment expenses and \$0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$0 interest on surplus notes and \$0 interest on capital notes.
- (i) Includes \$5,031,868 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 .....	.....543,866	.....0	.....543,866	.....0	.....0
1.1	Bonds exempt from U.S. tax .....	.....(1,599)	.....0	.....(1,599)	.....0	.....0
1.2	Other bonds (unaffiliated) .....	.....3,092,977	.....(2,797,720)	.....295,257	.....8,700,043	.....0
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....(316)	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....6,177,893	.....(2,355,108)	.....3,822,785	.....73,590,738	.....0
2.21	Common stocks of affiliates .....	.....421,803	.....0	.....421,803	.....2,787,928	.....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 .....	.....339	.....0	.....339	.....0	.....0
7.	Derivative instruments .....	.....0	.....0	.....0	.....0	.....0
8.	Other invested assets .....	.....0	.....0	.....0	.....2,727,553	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....120,590	.....0	.....120,590	.....0	.....0
10.	Total capital gains (losses)	10,355,869	(5,152,828)	5,203,041	87,805,946	0
DETAILS OF WRITE-INS						
0901.	Prior Year Gains .....	.....120,590	.....0	.....120,590	.....0	.....0
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)	120,590	0	120,590	0	0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER 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)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	811,971	728,190	(83,781)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB)	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	811,971	728,190	(83,781)
13. Title plants (for Title insurers only)	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	11,903,383	13,513,335	1,609,952
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	64,863,113	59,639,054	(5,224,059)
21. Furniture and equipment, including health care delivery assets	8,787,669	8,753,053	(34,616)
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable	0	0	0
25. Aggregate write-ins for other than invested assets	40,042,548	25,387,318	(14,655,230)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	126,408,684	108,020,950	(18,387,734)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	126,408,684	108,020,950	(18,387,734)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Miscellaneous Assets	40,042,548	25,387,318	(14,655,230)
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	40,042,548	25,387,318	(14,655,230)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of The Hanover Insurance Company ("the Company") are presented on the basis of accounting practices prescribed or permitted by the State of New Hampshire Insurance Department.

The State of New Hampshire Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of New Hampshire for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the New Hampshire 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 New Hampshire. The State has not adopted any prescribed accounting practices that differ from those found in NAIC SAP.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of New Hampshire is shown below:

	SSAP #	F/S Page	F/S Line #	2019	2018
NET INCOME					
(1) State basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 365,319,863	\$ 269,913,775
(2) State Prescribed Practices that are an increase/ (decrease) from NAIC SAP:				\$ -	\$ -
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				\$ -	\$ -
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ 365,319,863</u>	<u>\$ 269,913,775</u>
SURPLUS					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 2,464,618,522	\$ 2,167,062,565
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:				\$ -	\$ -
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:				\$ -	\$ -
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 2,464,618,522</u>	<u>\$ 2,167,062,565</u>

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 and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by loans are stated at either amortized cost or fair value, using the scientific interest method, in accordance with the NAIC Purposes and Procedures of the Securities Valuation Office ("SVO").
- (3,4) Preferred stocks that are subject to a 100% mandatory sinking fund are carried at amortized cost. All other preferred stocks and common stocks are carried at fair value, except investments in stocks of unconsolidated subsidiaries and affiliates in which the Company has an interest of 10% or more are carried using the equity method.
- (5) Mortgage loans on real estate are stated at unpaid principal balances net of unamortized discounts, premiums, and other adjustments. Mortgage loans are reduced for losses expected by management to be realized on transfers of mortgage loans to real estate (upon foreclosure), on the disposition or settlement of mortgage loans and on mortgage loans which the Company believes may not be collectible in full. In determining the amount of loss, management considers, among other things, the estimated fair value of the underlying collateral.
- (6) Loan-backed securities are stated at either amortized cost or fair value, in accordance with the NAIC Purposes and Procedures of the SVO.
- (7) The Company owns 100% of the common stock of Allmerica Financial Alliance Insurance Company ("AFAIC"), Allmerica Financial Benefit Insurance Company ("AFBIC"), The Hanover American Insurance Company ("American"), The Hanover Atlantic Insurance Company Ltd. ("Atlantic"), The Hanover Casualty Company ("Hanover Casualty"), Massachusetts Bay Insurance Company ("Mass Bay"), Citizens Insurance Company of America ("CICA"), Citizens Insurance Company of the Midwest ("CICM"), Citizens Insurance Company of Ohio ("CICO"), The Hanover New Jersey Insurance Company ("New Jersey"), Verlan Fire Insurance Company ("Verlan"), The Hanover National Insurance Company ("National"), Campmed Casualty and Indemnity Company, Inc. ("Campmed"), and Nova Casualty Company ("NOVA"), all of which are insurance subsidiaries. The Company owns 100% of the common stock of Professionals Direct Inc. ("PDI"), AIX, Inc. ("AIX"), and Allmerica Plus Insurance Agency ("APIA"), which are non-insurance subsidiaries. All subsidiaries are carried using the equity method.
- (8) Other invested assets, including investments in trusts, are recorded using the equity method in accordance with the Statement of Statutory Accounting Principles ("SSAP") No. 48, "Joint Ventures, Partnerships and Limited Liability Companies". Investments in affiliated entities are recorded based on its underlying audited GAAP equity balances in accordance with the SSAP 97, "Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP 88". Commercial mortgage loan participations are recorded at outstanding principal balance of the loan per SSAP 21, "Other Admitted Assets".
- (9) The Company has not entered into derivative contracts.
- (10) The Company does utilize anticipated investment income as a factor in the 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 ("IBNR"). Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior year.
- (13) The Company does not write major medical insurance with prescription drug coverage.

NOTES TO FINANCIAL STATEMENTS

D. Going Concern

Not applicable

NOTE 2 Accounting Changes and Corrections of Errors

Not applicable

NOTE 3 Business Combinations and Goodwill

A. Statutory Purchase Method

The transaction was accounted for as a statutory purchase, and reflects the following:

1	2	3	4	5	6	7
Purchased Entity	Acquisition Date	Cost of Acquired Entity	Original Amount of Admitted Goodwill	Admitted Goodwill as of the Reporting Date	Amount of Goodwill Amortized During the Reporting Period	Admitted Goodwill as a % of SCA BACV, Gross of Admitted Goodwill
Campmed	03/31/2010	\$ 25,734,697	\$ 14,481,871	\$ 724,094	\$ 1,086,140	3.4%

NOTE 4 Discontinued Operations

Not applicable

NOTE 5 Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

- (1) The maximum and minimum lending rates for new commercial mortgage loans during 2019 were 4.42% and 3.75%, respectively.
- (2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 80%.
- (3) There were no taxes, assessments or any amounts advanced and not included in the mortgage loan total at the end of the reporting period.
- (4-9) The Company did not have impaired loans as of the end of the reporting period.

B. Debt Restructuring

The Company did not have any restructured debt as of the end of the reporting period.

C. Reverse Mortgages

The Company did not have any reverse mortgages as of the end of the reporting period.

D. Loan-Backed Securities

- (1) Prepayment assumptions for loan-backed and structured securities were obtained from prepayment models that are sensitive to refinancing, turnover, equity take-out and other relevant factors. These assumptions are consistent with the current interest rate and economic environment.
- (2) Not applicable
- (3) The Company had no securities with a recognized other-than-temporary impairment.
- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):
- a) The aggregate amount of unrealized losses:
- | | |
|------------------------|------------|
| 1. Less than 12 Months | \$ 346,450 |
| 2. 12 Months or Longer | \$ 196,856 |
- b)The aggregate related fair value of securities with unrealized losses:
- | | |
|------------------------|---------------|
| 1. Less than 12 Months | \$ 71,862,976 |
| 2. 12 Months or Longer | \$ 23,858,492 |
- (5) The Company employs a systematic methodology to determine if a decline in market value below book/adjusted carrying value is other-than-temporary. In determining whether a decline in fair value below book/adjusted carrying value is other-than-temporary, the Company evaluates several factors and circumstances, including the issuer's overall financial condition; the issuer's credit and financial strength ratings; the issuer's financial performance, including earnings trends, dividend payments, and asset quality; any specific events which may influence the operations of the issuer including governmental actions; a weakening of the general market conditions in the industry or geographic region in which the issuer operates; the length of time and degree to which the fair value of an issuer's securities remains below cost; the Company's intent and ability to hold the security until such time to allow for the expected recovery in value; and with respect to fixed maturity investments, any factors that might raise doubt about the issuer's ability to pay all amounts due according to the contractual terms. These factors are applied to all securities.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

(1-7) Not applicable

F., G., H., I., J., K.

Not applicable

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	Current Year					6	7
	1	2	3	4	5		
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Collateral held under security lending agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,183,860	\$ (3,183,860)
c. Subject to repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d. Subject to reverse repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e. Subject to dollar repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
f. Subject to dollar reverse repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
g. Placed under option contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
i. FHLB capital stock	\$ 1,768,100	\$ -	\$ -	\$ -	\$ 1,768,100	\$ 8,156,500	\$ (6,388,400)
j. On deposit with states	\$ 224,862,407	\$ -	\$ -	\$ -	\$ 224,862,407	\$ 224,842,915	\$ 19,492
k. On deposit with other regulatory bodies	\$ 69,960	\$ -	\$ -	\$ -	\$ 69,960	\$ 69,896	\$ 64
l. Pledged collateral to FHLB (including assets backing funding agreements)	\$ 69,327,344	\$ -	\$ -	\$ -	\$ 69,327,344	\$ 210,229,641	\$ (140,902,297)
m. Pledged as collateral not captured in other categories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
n. Other restricted assets	\$ 3,918,037	\$ -	\$ -	\$ -	\$ 3,918,037	\$ 6,939,902	\$ (3,021,865)
o. Total Restricted Assets	\$ 299,945,848	\$ -	\$ -	\$ -	\$ 299,945,848	\$ 453,422,714	\$ (153,476,866)

(a) Subset of Column 1

(b) Subset of Column 3

Restricted Asset Category	Current Year			
	8	9	Percentage	
			10	11
			Gross (Admitted & Non-admitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	0.000%	0.000%
b. Collateral held under security lending agreements	\$ -	\$ -	0.000%	0.000%
c. Subject to repurchase agreements	\$ -	\$ -	0.000%	0.000%
d. Subject to reverse repurchase agreements	\$ -	\$ -	0.000%	0.000%
e. Subject to dollar repurchase agreements	\$ -	\$ -	0.000%	0.000%
f. Subject to dollar reverse repurchase agreements	\$ -	\$ -	0.000%	0.000%
g. Placed under option contracts	\$ -	\$ -	0.000%	0.000%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	\$ -	\$ -	0.000%	0.000%
i. FHLB capital stock	\$ -	\$ 1,768,100	0.020%	0.021%
j. On deposit with states	\$ -	\$ 224,862,407	2.591%	2.629%
k. On deposit with other regulatory bodies	\$ -	\$ 69,960	0.001%	0.001%
l. Pledged collateral to FHLB (including assets backing funding agreements)	\$ -	\$ 69,327,344	0.799%	0.811%
m. Pledged as collateral not captured in other categories	\$ -	\$ -	0.000%	0.000%
n. Other restricted assets	\$ -	\$ 3,918,037	0.045%	0.046%
o. Total Restricted Assets	\$ -	\$ 299,945,848	3.456%	3.507%

(c) Column 5 divided by Asset Page, Column 1, Line 28

(d) Column 9 divided by Asset Page, Column 3, Line 28

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Not applicable

NOTES TO FINANCIAL STATEMENTS

3. Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

	Gross (Admitted & Nonadmitted) Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
	Description of Assets	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account (S/A) Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets
Held in Trust for Group Accident & Health Business	\$ 3,918,037	\$ -	\$ -	\$ -	\$ 3,918,037	\$ 6,939,902	\$ (3,021,865)	\$ 3,918,037	0.045%	0.046%
Total (c)	\$ 3,918,037	\$ -	\$ -	\$ -	\$ 3,918,037	\$ 6,939,902	\$ (3,021,865)	\$ 3,918,037	0.045%	0.046%

(a) Subset of column 1
(b) Subset of column 3
(c) Total Line for Columns 1 through 7 should equal 5L(1)n Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)n Columns 9 through 11 respectively.

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Not Applicable

M., N.

Not applicable

O. 5GI Securities

Investment	Number of 5GI Securities		Aggregate BACV		Aggregate Fair Value	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
(1) Bonds - AC	1	1	\$ 2,429,400	\$ 3,405,282	\$ 2,455,953	\$ 3,497,487
(2) Bonds - FV	0	0	\$ -	\$ -	\$ -	\$ -
(3) LB&SS - AC	0	0	\$ -	\$ -	\$ -	\$ -
(4) LB&SS - FV	0	0	\$ -	\$ -	\$ -	\$ -
(5) Preferred Stock - AC	0	0	\$ -	\$ -	\$ -	\$ -
(6) Preferred Stock - FV	0	0	\$ -	\$ -	\$ -	\$ -
(7) Total (1+2+3+4+5+6)	1	1	\$ 2,429,400	\$ 3,405,282	\$ 2,455,953	\$ 3,497,487

AC - Amortized Cost FV - Fair Value

P. Short Sales

Not applicable

Q. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
1. Number of CUSIPs	50	-
2. Aggregate Amount of Investment Income	\$ 2,476,896	\$ -

NOTE 6 Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in joint ventures, partnerships or limited liability companies that exceed 10% of total admitted assets as of the end of the reporting period.
- B. The Company recognizes impairments when it is probable that the reporting entity will be unable to recover the carrying amount of the investment or there is evidence indicating inability of the investee to sustain earnings which would justify the carrying value of the investment. The Company did not recognize any impairments in joint ventures, partnerships or limited liability companies during the current reporting period.

NOTE 7 Investment Income

The Company did not have any due and accrued amounts over 90 days past due to exclude from surplus.

NOTE 8 Derivative Instruments

Not applicable

NOTES TO FINANCIAL STATEMENTS

NOTE 9 Income Taxes

A. The components of the net deferred tax asset/(liability) at the end of current period are as follows:

1.

	As of End of Current Period			12/31/2018			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
(a) Gross Deferred Tax Assets	\$ 180,262,448	\$ -	\$ 180,262,448	\$ 187,556,081	\$ -	\$ 187,556,081	\$ (7,293,633)	\$ -	\$ (7,293,633)
(b) Statutory Valuation Allowance Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 180,262,448	\$ -	\$ 180,262,448	\$ 187,556,081	\$ -	\$ 187,556,081	\$ (7,293,633)	\$ -	\$ (7,293,633)
(d) Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 180,262,448	\$ -	\$ 180,262,448	\$ 187,556,081	\$ -	\$ 187,556,081	\$ (7,293,633)	\$ -	\$ (7,293,633)
(f) Deferred Tax Liabilities	\$ 31,732,226	\$ 32,251,201	\$ 63,983,427	\$ 33,848,328	\$ 14,204,889	\$ 48,053,217	\$ (2,116,102)	\$ 18,046,312	\$ 15,930,210
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 148,530,222	\$ (32,251,201)	\$ 116,279,021	\$ 153,707,753	\$ (14,204,889)	\$ 139,502,864	\$ (6,177,531)	\$ (18,046,312)	\$ (23,223,843)

2.

	As of End of Current Period			12/31/2018			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 89,929,915	\$ -	\$ 89,929,915	\$ 38,256,910	\$ -	\$ 38,256,910	\$ 51,673,005	\$ -	\$ 51,673,005
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 54,240,322	\$ -	\$ 54,240,322	\$ 107,821,844	\$ -	\$ 107,821,844	\$ (53,581,522)	\$ -	\$ (53,581,522)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ 54,240,322	\$ -	\$ 54,240,322	\$ 107,821,844	\$ -	\$ 107,821,844	\$ (53,581,522)	\$ -	\$ (53,581,522)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	xxx	xxx	\$ 368,648,368	xxx	xxx	\$ 303,107,771	xxx	xxx	\$ 65,540,597
(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.	\$ 31,732,226	\$ 4,359,985	\$ 36,092,211	\$ 33,848,328	\$ 7,628,999	\$ 41,477,327	\$ (2,116,102)	\$ (3,269,014)	\$ (5,385,116)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 175,902,463	\$ 4,359,985	\$ 180,262,448	\$ 179,927,082	\$ 7,628,999	\$ 187,556,081	\$ (4,024,619)	\$ (3,269,014)	\$ (7,293,633)

3.

	2019	2018
a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	441%	390%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 2,345,965,917	\$ 2,024,103,701

4.

	As of End of Current Period		12/31/2018		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col. 1 - 3) Ordinary	(6) (Col. 2 - 4) Capital
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.						
1. Adjusted Gross DTAs amount from Note 9A1(c)	\$ 180,262,448	\$ -	\$ 187,556,081	\$ -	\$ (7,293,633)	\$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 180,262,448	\$ -	\$ 187,556,081	\$ -	\$ (7,293,633)	\$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

b. Do the Company's tax-planning strategies include the use of reinsurance? Yes [] No [X]

B. The Company does not have any deferred tax liabilities that are not recognized for amounts described in Accounting Standards Codification 740, Income Tax.

NOTES TO FINANCIAL STATEMENTS

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

	(1) As of End of Current Period	(2) 12/31/2018	(3) (Col. 1 - 2) Change
1. Current Income Tax			
(a) Federal	\$ 63,098,682	\$ 44,121,064	\$ 18,977,618
(b) Foreign	\$ -	\$ -	\$ -
(c) Subtotal	\$ 63,098,682	\$ 44,121,064	\$ 18,977,618
(d) Federal income tax on net capital gains	\$ 1,095,674	\$ 2,347,601	\$ (1,251,927)
(e) Utilization of capital loss carry-forwards	\$ -	\$ -	\$ -
(f) Other	\$ -	\$ -	\$ -
(g) Federal and foreign income taxes incurred	\$ 64,194,356	\$ 46,468,665	\$ 17,725,691
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 56,416,920	\$ 55,188,420	\$ 1,228,500
(2) Unearned premium reserve	\$ 77,775,220	\$ 74,587,204	\$ 3,188,016
(3) Policyholder reserves	\$ -	\$ -	\$ -
(4) Investments	\$ 5,284,632	\$ 7,999,856	\$ (2,715,224)
(5) Deferred acquisition costs	\$ -	\$ -	\$ -
(6) Policyholder dividends accrual	\$ -	\$ -	\$ -
(7) Fixed Assets	\$ 15,719,636	\$ 1,606,992	\$ 14,112,644
(8) Compensation and benefits accrual	\$ 6,109,997	\$ 6,087,370	\$ 22,627
(9) Pension accrual	\$ -	\$ 4,705,992	\$ (4,705,992)
(10) Receivables - nonadmitted	\$ 10,884,964	\$ 22,716,567	\$ (11,831,603)
(11) Net operating loss carry-forward	\$ -	\$ -	\$ -
(12) Tax credit carry-forward	\$ -	\$ -	\$ -
(13) Other (including items <5% of total ordinary tax assets)	\$ 8,071,079	\$ 14,663,680	\$ (6,592,601)
(99) Subtotal	\$ 180,262,448	\$ 187,556,081	\$ (7,293,633)
(b) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(c) Nonadmitted	\$ -	\$ -	\$ -
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 180,262,448	\$ 187,556,081	\$ (7,293,633)
(e) Capital:			
(1) Investments	\$ -	\$ -	\$ -
(2) Net capital loss carry-forward	\$ -	\$ -	\$ -
(3) Real estate	\$ -	\$ -	\$ -
(4) Other (including items <5% of total ordinary tax assets)	\$ -	\$ -	\$ -
(99) Subtotal	\$ -	\$ -	\$ -
(f) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(g) Nonadmitted	\$ -	\$ -	\$ -
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ -	\$ -	\$ -
(i) Admitted deferred tax assets (2d + 2h)	\$ 180,262,448	\$ 187,556,081	\$ (7,293,633)
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ -	\$ -	\$ -
(2) Fixed Assets	\$ 13,326,106	\$ 11,679,993	\$ 1,646,113
(3) Deferred and uncollected premium	\$ -	\$ -	\$ -
(4) Policyholder reserves	\$ 17,306,520	\$ 22,168,335	\$ (4,861,815)
(5) Other (including items <5% of total ordinary tax liabilities)	\$ 1,099,600	\$ -	\$ 1,099,600
(99) Subtotal	\$ 31,732,226	\$ 33,848,328	\$ (2,116,102)
(b) Capital:			
(1) Investments	\$ 32,251,201	\$ 14,204,889	\$ 18,046,312
(2) Real estate	\$ -	\$ -	\$ -
(3) Other (including items <5% of total capital tax liabilities)	\$ -	\$ -	\$ -
(99) Subtotal	\$ 32,251,201	\$ 14,204,889	\$ 18,046,312
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 63,983,427	\$ 48,053,217	\$ 15,930,210
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 116,279,021	\$ 139,502,864	\$ (23,223,843)

The change in net deferred income taxes is comprised of the following, exclusive of non-admitted assets:

	(1) As of End of Current Period	(2) 12/31/2018	(3) (Col. 1 - 2) Change
Adjusted gross deferred tax assets	\$ 180,262,448	\$ 187,556,081	\$ (7,293,633)
Total deferred tax liabilities	\$ 63,983,427	\$ 48,053,217	\$ 15,930,210
Net deferred tax assets (liabilities)	\$ 116,279,021	\$ 139,502,864	\$ (23,223,843)
Tax effect of the change in unrealized gains (losses)			\$ 17,853,784
Tax effect of the change in pension liability			\$ 5,499,632
Change in net deferred income tax			\$ 129,573

NOTES TO FINANCIAL STATEMENTS

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

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

	As of End of Current Period	
	Tax	Rate
Tax provision at statutory rate	\$ 90,197,986	21.0%
Intercompany dividends	\$ (24,024,000)	-5.6%
Dividend received deductions and tax exempt interest income	\$ (943,984)	-0.2%
Sale of common stock of affiliate	\$ (616,997)	-0.1%
Non-deductible expenses	\$ 1,738,827	0.4%
Non-admitted assets	\$ (3,874,700)	-0.9%
Return to provision and other	\$ 1,587,651	0.4%
Total	\$ 64,064,783	15.0%

	As of End of Current Period	
	Tax	Rate
Federal income taxes incurred	\$ 63,098,682	14.7%
Realized capital gains tax	\$ 1,095,674	0.3%
Change in net deferred income taxes	\$ (129,573)	0.0%
Total statutory income taxes	\$ 64,064,783	15.0%

E. Operating Loss and Tax Credit Carryforwards

1. At the end of the current reporting period, the Company has no net operating loss carryforwards, no capital loss carryforwards, and no alternative minimum tax credits.
2. The Company has the following federal income taxes which are available for recoupment in the event of future losses:

For the tax year 2018:

\$ 31,932,813

For the tax year 2019:

\$ 57,997,102
3. At the end of the current reporting period, the Company has no deposits under section 6603 of the Internal Revenue Service Code.

F. Consolidated Federal Income Tax Return

1. The Company's Federal Income Tax Return is consolidated with the following affiliated companies:

440 Lincoln Street Holding Company LLC

AIX Holdings, Inc.

AIX, Inc.

AIX Insurance Services of California, Inc.

AIX Specialty Insurance Company

Allmerica Financial Alliance Insurance Company

Allmerica Financial Benefit Insurance Company

Allmerica Plus Insurance Agency, Inc.

Campania Holding Company, Inc.

Campmed Casualty & Indemnity Company, Inc.

Citizens Insurance Company of America

Citizens Insurance Company of Illinois

Citizens Insurance Company of Ohio

Citizens Insurance Company of the Midwest

Educators Insurance Agency, Inc.

Hanover Specialty Insurance Brokers, Inc.

Hanover Texas Insurance Management Company, Inc.

Massachusetts Bay Insurance Company

NOVA American Group, Inc.

NOVA Casualty Company

Opus Investment Management, Inc.

Professionals Direct, Inc.

Professionals Direct Insurance Services, Inc.

The Hanover American Insurance Company

The Hanover Atlantic Insurance Company Ltd.

The Hanover Casualty Company

The Hanover Insurance Group, Inc.

The Hanover National Insurance Company

The Hanover New Jersey Insurance Company

VeraVest Investments, Inc.

Verlan Fire Insurance Company

Verlan Holdings, Inc.
2. The Board of Directors has delegated to Company Management, the development and maintenance of appropriate Federal Income Tax allocation policies and procedures, which are subject to written agreement between the companies. The Federal Income tax for all subsidiaries in the consolidated return of The Hanover Insurance Group, Inc. ("THG") is calculated on a separate return basis. Any current tax liability is paid to THG. Tax benefits resulting from taxable operating losses or credits of THG's subsidiaries are reimbursed to the subsidiary when such losses or credits can be utilized on a consolidated return basis.

- G. The Company has no federal or foreign income tax loss contingencies, for which it is reasonably possible that the total liability will significantly increase within 12 months of the reporting date.

H. Repatriation Transition Tax (RTT)

Not applicable

I. Alternative Minimum Tax (AMT) Credit

Not applicable

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

A. Nature of Relationships

The Company is a wholly-owned subsidiary of Opus Investment Management, Inc. ("OPUS") which, in turn, is a wholly-owned non-insurance subsidiary of THG, a publicly traded company incorporated in Delaware.

On February 14, 2019, the Company completed the sale of Chaucer Insurance Company Designated Activity Co. to China Reinsurance (Group) Corporation for proceeds of \$27,761,138, and recognized a realized gain, net of tax, of \$950,221 during the current year. At that time, the Company novated its intercompany reinsurance agreement retroactive to January 1, 2018.

NOTES TO FINANCIAL STATEMENTS

The Company has intercompany reinsurance agreements with AFAIC, AFBIC, American, Atlantic, Hanover Casualty, Mass Bay, New Jersey, Citizens Insurance Company of Illinois, Verlan, NOVA, AIX Specialty Insurance Company ("ASIC"), and Campmed whereby the Company assumes 100% of the affiliates' insurance and reinsurance obligations. The Company also has an intercompany reinsurance agreement with CICA, whereby the Company assumes 100% of CICA's insurance and reinsurance obligations related to business written in all states except Michigan, Indiana, and Ohio.

Prior to November 2019, AIX Holdings, Inc. (AIX Hold) was a wholly-owned subsidiary of the Company. AIX Hold owned Nova and AIX. In November 2019, AIX Hold was part of a Reorganizational Plan that was approved by the New York Department of Financial Services. Subsequent to that Reorganizational Plan, Nova and AIX are wholly-owned subsidiaries of the Company.

B. Detail of Transactions Greater than 1/2% of Admitted Assets

On October 20, 2015, the Company entered into an intercompany loan agreement with THG and issued a loan with a maximum principal amount of up to \$125,000,000. This note was disbursed in installments during 2016 and matures on September 25, 2029. Interest is calculated at the annual rate of 5.5%, and is payable on the first month following each quarter, pursuant to the agreement. At the end of the reporting period, the outstanding balance including accrued interest was \$126,756,944.

The Company has an intercompany line of credit agreement between itself, THG, and CICA. Interest is calculated at the 3-month LIBOR rate and principal and interest are due within 90 days of the date of the loan. The following transactions occurred in 2019:

Origination Date	Affiliate	Cash Received/(Paid) Origination	Cash Received/(Paid) Repayment	O/S Balance
January 2, 2019	THG	\$ 89,500,000	\$ (89,500,000)	\$ -
January 7, 2019	THG	\$ 21,500,000	\$ (21,500,000)	\$ -
February 27, 2019	THG	\$ 23,500,000	\$ (23,500,000)	\$ -
February 28, 2019	THG	\$ 10,000,000	\$ (10,000,000)	\$ -
February 28, 2019	CICA	\$ (5,400,000)	\$ 5,400,000	\$ -
March 7, 2019	CICA	\$ (8,000,000)	\$ 8,000,000	\$ -
March 11, 2019	CICA	\$ (2,000,000)	\$ 2,000,000	\$ -
March 13, 2019	THG	\$ 9,200,000	\$ (9,200,000)	\$ -
March 18,2019	CICA	\$ (2,000,000)	\$ 2,000,000	\$ -
April 1, 2019	THG	\$ 7,000,000	\$ (7,000,000)	\$ -
April 5, 2019	THG	\$ 3,500,000	\$ (3,500,000)	\$ -
May 30, 2019	THG	\$ 5,000,000	\$ (5,000,000)	\$ -
May 31, 2019	THG	\$ 14,000,000	\$ (14,000,000)	\$ -
June 6, 2019	THG	\$ 23,300,000	\$ (23,300,000)	\$ -

The Company declared an ordinary common stock dividend of \$140,000,000 to Opus on May 10, 2019. The dividend was settled on May 28, 2019 by transferring bonds at fair value of \$69,599,891, accrued interest of \$462,842, and cash of \$69,937,267 to Opus. The Company recognized \$219,957 of net realized losses on these transactions.

The Company received the following ordinary common stock dividends from subsidiaries during the current reporting period:

Subsidiary	Dividend Amount	Declaration Date	Settlement Date	Bonds at Fair Value	Accrued Interest on Bonds	Cash	Realized Gains Deferred
CICO	\$ 1,300,000	June 3, 2019	June 19, 2019	\$ 922,684	\$ 6,593	\$ 370,723	\$ 17,931
New Jersey	\$ 800,000	June 3, 2019	June 19, 2019	\$ 771,182	\$ 4,881	\$ 23,937	\$ 20,023
Verlan	\$ 600,000	June 3, 2019	June 19, 2019	\$ 506,846	\$ 4,254	\$ 88,900	\$ 8,439
Campmed	\$ 500,000	June 3, 2019	June 19, 2019	\$ 407,207	\$ 1,924	\$ 90,869	\$ 6,971
National	\$ 300,000	June 3, 2019	June 19, 2019	\$ -	\$ -	\$ 300,000	\$ -
AIX Hold	\$ 300,000	September 16, 2019	September 27, 2019	\$ -	\$ -	\$ 300,000	\$ -
Casualty	\$ 1,000,000	December 6, 2019	December 17, 2019	\$ 322,401	\$ 2,410	\$ 675,190	\$ 23,000
Mass Bay	\$ 3,000,000	December 13, 2019	December 17, 2019	\$ 2,502,936	\$ 22,606	\$ 474,458	\$ 180,129
Alliance	\$ 400,000	December 13, 2019	December 17, 2019	\$ 377,038	\$ 3,258	\$ 19,704	\$ 28,123
CICA	\$ 106,000,000	December 13, 2019	December 23, 2019	\$ 87,094,985	\$ 980,209	\$17,924,806	\$ 3,955,829

The Company made the following capital contributions during the current reporting period:

Subsidiary	Contribution Amount	Transaction Date	Bonds at Fair Value	Accrued Interest on Bonds	Cash Paid (Received)	Realized Gains (Loss) Recognized
AFBIC	\$ 3,000,000	December 13, 2019	\$ 2,698,890	\$ 36,075	\$ 265,035	\$ (42,216)
CICM	\$ 12,000,000	December 13, 2019	\$ 11,781,006	\$ 101,169	\$ 117,825	\$ (331,252)
American	\$ 1,000,000	December 13, 2019	\$ 901,512	\$ 1,385	\$ 97,103	\$ (24,207)

On January 8, 2019, the Company sold bonds to THG at fair value of \$49,045,929 and accrued interest of \$485,328 in exchange for cash. The Company recognized \$438,784 of realized gains on these transactions.

On November 26, 2019, THG sold bonds to the Company at fair value of \$49,145,085 and accrued interest of \$148,681 in exchange for cash.

On December 24, 2019, THG sold bonds to the Company at fair value of \$24,233,820 and accrued interest of \$245,931 in exchange for cash.

C. Change in Terms of Intercompany Arrangements

Not applicable

D. Amounts Due to or from Related Parties

At the end of the reporting period the Company reported \$27,465,155 as amounts due to subsidiary, controlled and affiliated companies and \$126,606,684 due from subsidiary, controlled and affiliated companies. These affiliated receivables include \$126,756,944 in notes receivable from affiliated companies and are subject to intercompany loan terms discussed in footnote 10B above. Intercompany servicing arrangements require that intercompany balances be settled within 30 days.

E. Guarantees or Contingencies for Related Parties

The Company has related party guarantee agreements with Verlan, NOVA, ASIC, and Campmed, ensuring the complete performance of all obligations of the affiliated companies.

NOTES TO FINANCIAL STATEMENTS

F. Management, Service Contracts, Cost Sharing Arrangements

The Company and its affiliates have entered into an intercompany Consolidated Service Agreement. Under the agreement, legal entities will be charged the cost of the service provided or expenses paid by the entity providing the service or paying the expense. In addition, these entities will be charged a portion of the costs associated with activities that are performed for the good of THG legal entities.

Investment related services are provided by Opus pursuant to an intercompany Advisory Agreement.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by Opus.

H., I., J., K., L.

Not applicable

M. All SCA Investments

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities	0.0%	\$ -	\$ -	\$ -
Total SSAP No. 97 8a Entities	XXX	\$ -	\$ -	\$ -
b. SSAP No. 97 8b(ii) Entities	0.0%	\$ -	\$ -	\$ -
Total SSAP No. 97 8b(ii) Entities	XXX	\$ -	\$ -	\$ -
c. SSAP No. 97 8b(iii) Entities				
Professionals Direct, Inc.	100.0%	\$ 152,471	\$ -	\$ 152,471
Allmerica Plus Insurance Agency, Inc.	100.0%	\$ 538,428	\$ -	\$ 538,428
AlX, Inc.	100.0%	\$ 121,072	\$ -	\$ 121,072
Total SSAP No. 97 8b(iii) Entities	XXX	\$ 811,971	\$ -	\$ 811,971
d. SSAP No. 97 8b(iv) Entities				
Hanover Atlantic Inc. Co. Ltd.	100.0%	\$ 51,028,760	\$ 51,028,760	\$ -
		\$ 51,028,760	\$ 51,028,760	\$ -
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	\$ 51,840,731	\$ 51,028,760	\$ 811,971
f. Aggregate Total (a+ e)	XXX	\$ 51,840,731	\$ 51,028,760	\$ 811,971

(2) NAIC Filing Response Information

SCA Entity (Should be same entities as shown in M(1) above.)	Type of NAIC Filing *	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code **
a. SSAP No. 97 8a Entities			\$ -			
Total SSAP No. 97 8a Entities	XXX	XXX	\$ -	XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities			\$ -			
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities						
AlX, Inc.	S1	12/19/2019	\$ 121,218	Y	N	I
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities						
Hanover Atlantic Inc. Co. Ltd.	S2	05/24/2019	\$ 48,260,665	Y	N	M
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	\$ 48,260,665	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	\$ 48,260,665	XXX	XXX	XXX
f. Aggregate Total (a+e)	XXX	XXX	\$ 48,260,665	XXX	XXX	XXX

* S1 - Sub-1, S2 - Sub-2 or RDF - Resubmission of Disallowed Filing

** I - Immaterial or M - Material

N. Investment in Insurance SCAs

Not applicable

O. SCA or SSAP 48 Entity Loss Tracking

Not applicable

NOTES TO FINANCIAL STATEMENTS

NOTE 11 Debt

A. See disclosure below related to Federal Home Loan Bank of Boston (FHLBB) Agreements.

B. FHLB (Federal Home Loan Bank) Agreements

(1) In 2009, the Company received a \$125,000,000 FHLBB advance through the Company's membership in FHLBB, which was repaid on January 2, 2019. The Company maintains FHLBB membership stock to enable short-term advances through its membership in FHLBB. During the current reporting period, the Company received and repaid advances to meet short-term liquidity needs.

As collateral to FHLBB, the Company has pledged government agency securities with a fair value of \$70,465,412 as of the end of the reporting period. The fair value of the collateral pledged must be maintained at certain specified levels (equal to 100% to 112% of loan) of the borrowed amount, which can vary depending on the type of assets pledged. If the fair value of this collateral declines below these specified levels, the Company would be required to pledge additional collateral or repay outstanding borrowings. As a requirement of membership in the FHLBB, the Company maintains a certain level of investment in FHLBB stock. Total holdings of FHLBB stock were \$1,768,100 at the end of the reporting period.

The Company calculates the maximum borrowing capacity amount based on the 4.0% requirement rate on short-term advances, maturing within 90 days.

There are no reserves related to FHLBB funding agreements at the end of the reporting period.

(2) FHLB Capital Stock

a. Aggregate Totals

	1	2	3
	Total 2+3	General Account	Protected Cell Accounts
1. Current Year			
(a) Membership Stock - Class A	\$ -	\$ -	\$ -
(b) Membership Stock - Class B	\$ 1,768,100	\$ 1,768,100	\$ -
(c) Activity Stock	\$ -	\$ -	\$ -
(d) Excess Stock	\$ -	\$ -	\$ -
(e) Aggregate Total (a+b+c+d)	\$ 1,768,100	\$ 1,768,100	\$ -
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	\$ 4,020,250	XXX	XXX
2. Prior Year-end			
(a) Membership Stock - Class A	\$ -	\$ -	\$ -
(b) Membership Stock - Class B	\$ 8,156,500	\$ 8,156,500	\$ -
(c) Activity Stock	\$ -	\$ -	\$ -
(d) Excess Stock	\$ -	\$ -	\$ -
(e) Aggregate Total (a+b+c+d)	\$ 8,156,500	\$ 8,156,500	\$ -
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	\$ 143,539,075	XXX	XXX

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)

11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	1	2	Eligible for Redemption			
	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	3	4	5	6
			Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
Membership Stock						
1. Class A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Class B	\$ 1,768,100	\$ 1,768,100	\$ -	\$ -	\$ -	\$ -

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)

11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1	2	3
	Fair Value	Carrying Value	Aggregate Total Borrowing
1. Current Year Total General and Protected Cell Account Total Collateral Pledged (Lines 2+3)	\$ 70,465,412	\$ 69,327,344	\$ -
2. Current Year General Account Total Collateral Pledged	\$ 70,465,412	\$ 69,327,344	\$ -
3. Current Year Protected Cell Account Total Collateral Pledged	\$ -	\$ -	\$ -
4. Prior Year-end Total General and Protected Cell Account Total Collateral Pledged	\$ 207,172,578	\$ 210,229,641	\$ 125,000,000

11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively)

11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively)

11B(3)a3 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (Columns 1, 2 and 3 respectively)

11B(3)a4 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (Columns 1, 2 and 3 respectively)

NOTES TO FINANCIAL STATEMENTS

b. Maximum Amount Pledged During Reporting Period

	1	2	3
	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Protected Cell Account Maximum Collateral Pledged (Lines 2+3)	\$ 207,172,578	\$ 210,229,641	\$ 125,000,000
2. Current Year General Account Maximum Collateral Pledged	\$ 207,172,578	\$ 210,229,641	\$ 125,000,000
4. Prior Year-end Total General and Protected Cell Account Maximum Collateral Pledged	\$ 225,325,023	\$ 226,796,720	\$ 164,700,000

(4) Borrowing from FHLB

a. Amount as of Reporting Date

	1	2	3	4
	Total 2+3	General Account	Protected Cell Account	Funding Agreements Reserves Established
1. Current Year				
(a) Debt	\$ -	\$ -	\$ -	XXX
(b) Funding Agreements	\$ -	\$ -	\$ -	\$ -
(c) Other	\$ -	\$ -	\$ -	XXX
(d) Aggregate Total (a+b+c)	\$ -	\$ -	\$ -	\$ -
2. Prior Year end				
(a) Debt	\$ 125,000,000	\$ 125,000,000	\$ -	XXX
(b) Funding Agreements	\$ -	\$ -	\$ -	\$ -
(c) Other	\$ -	\$ -	\$ -	XXX
(d) Aggregate Total (a+b+c)	\$ 125,000,000	\$ 125,000,000	\$ -	\$ -

b. Maximum Amount During Reporting Period (Current Year)

	1	2	3
	Total 2+3	General Account	Protected Cell Account
1. Debt	\$ 125,000,000	\$ 125,000,000	\$ -
2. Funding Agreements	\$ -	\$ -	\$ -
3. Other	\$ -	\$ -	\$ -
4. Aggregate Total (1+2+3)	\$ 125,000,000	\$ 125,000,000	\$ -

11B(4)b4 (Columns 1, 2 and 3) should be equal to or greater than 11B(4)a1(d) (Columns 1, 2 and 3 respectively)

c. FHLB - Prepayment Obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	No
2. Funding Agreements	No
3. Other	No

NOTES TO FINANCIAL STATEMENTS

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

The labor for all domestic THG companies is provided and paid for by the Company.

The Company, as the common employer for all domestic affiliated Companies, provided multiple benefit plans to employees and agents of these affiliated Companies, including retirement plans. The salaries of employees and agents covered by these plans and the expenses of these plans are charged to the affiliated Companies in accordance with an intercompany cost sharing agreement.

A. Defined Benefit Plan

Prior to 2005, THG provided retirement benefits to substantially all of its employees under defined benefit pension plans. These plans were based on a defined benefit cash balance formula, whereby the Company annually provided an allocation to each covered employee based on a percentage of that employee's eligible salary, similar to a defined contribution plan arrangement. In addition to the cash balance allocation, certain transition group employees who had met specified age and service requirements as of December 31, 1994 were eligible for a grandfathered benefit based primarily on each employee's years of service and compensation during their highest five consecutive plan years of employment. The Company's policy for the plans is to fund at least the minimum amount required by the Employee Retirement Income Security Act of 1974 ("ERISA").

As of January 1, 2005, the defined benefit pension plans were frozen and since that date, no further cash balance allocations have been credited to participants. Participants' accounts are credited with interest daily, based upon the General Agreement of Trades and Tariffs rate (the 30-year Treasury Bond interest rate). In addition, the grandfathered benefits for the transition group were also frozen at January 1, 2005 levels with an annual transition pension adjustment calculated at an interest rate equal to 5% per year up to 35 years of completed service, and 3% thereafter. As of December 31, 2019, based on current estimates of plan liabilities and other assumptions, the assets of the qualified defined benefit pension plan exceeded the projected benefit obligation by approximately \$15.1 million.

A summary of assets, obligations and assumptions of the Pention and Other Postretirement Benefit Plans are as follows at December 31, 2019 and 2018:

(1) Change in benefit obligation

a. Pension Benefits

	Overfunded		Underfunded	
	2019	2018	2019	2018
1. Benefit obligation at beginning of year	\$ -	\$ -	\$ 503,332,000	\$ 537,837,000
2. Service cost	\$ -	\$ -	\$ -	\$ -
3. Interest cost	\$ -	\$ -	\$ 21,254,000	\$ 19,831,000
4. Contribution by plan participants	\$ -	\$ -	\$ -	\$ -
5. Actuarial gain (loss)	\$ -	\$ -	\$ 22,175,000	\$ (27,528,000)
6. Foreign currency exchange rate changes	\$ -	\$ -	\$ -	\$ -
7. Benefits paid	\$ -	\$ -	\$ (40,203,000)	\$ (35,510,000)
8. Plan amendments	\$ -	\$ -	\$ (2,412,000)	\$ 8,702,000
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$ -	\$ -	\$ -	\$ -
10. Benefit obligation at end of year	\$ -	\$ -	\$ 504,146,000	\$ 503,332,000

b. Postretirement Benefits

	Overfunded		Underfunded	
	2019	2018	2019	2018
1. Benefit obligation at beginning of year	\$ -	\$ -	\$ 8,405,000	\$ 10,143,000
2. Service cost	\$ -	\$ -	\$ -	\$ -
3. Interest cost	\$ -	\$ -	\$ 366,000	\$ 339,000
4. Contribution by plan participants	\$ -	\$ -	\$ -	\$ -
5. Actuarial gain (loss)	\$ -	\$ -	\$ 120,000	\$ (376,000)
6. Foreign currency exchange rate changes	\$ -	\$ -	\$ -	\$ -
7. Benefits paid	\$ -	\$ -	\$ (1,122,000)	\$ (1,198,000)
8. Plan amendments	\$ -	\$ -	\$ 526,000	\$ (503,000)
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$ -	\$ -	\$ -	\$ -
10. Benefit obligation at end of year	\$ -	\$ -	\$ 8,295,000	\$ 8,405,000

c. Special or Contractual Benefits Per SSAP No. 11

	Overfunded		Underfunded	
	2019	2018	2019	2018
1. Benefit obligation at beginning of year	\$ -	\$ -	\$ 752,000	\$ 588,000
2. Service cost	\$ -	\$ -	\$ -	\$ -
3. Interest cost	\$ -	\$ -	\$ -	\$ -
4. Contribution by plan participants	\$ -	\$ -	\$ -	\$ -
5. Actuarial gain (loss)	\$ -	\$ -	\$ 8,000	\$ (46,000)
6. Foreign currency exchange rate changes	\$ -	\$ -	\$ -	\$ -
7. Benefits paid	\$ -	\$ -	\$ (432,000)	\$ (359,000)
8. Plan amendments	\$ -	\$ -	\$ 137,000	\$ 569,000
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$ -	\$ -	\$ -	\$ -
10. Benefit obligation at end of year	\$ -	\$ -	\$ 465,000	\$ 752,000

NOTES TO FINANCIAL STATEMENTS

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2019	2018	2019	2018	2019	2018
(2) Change in plan assets						
a. Fair value of plan assets at beginning of year	\$ 450,742,000	\$ 460,118,000	\$ -	\$ -	\$ -	\$ -
b. Actual return on plan assets	\$ 64,200,000	\$ (16,763,000)	\$ -	\$ -	\$ -	\$ -
c. Foreign currency exchange rate changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d. Reporting entity contribution	\$ 12,863,000	\$ 42,897,000	\$ 1,122,000	\$ 1,198,000	\$ -	\$ -
e. Plan participants' contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
f. Benefits paid	\$ (40,203,000)	\$ (35,510,000)	\$ (1,122,000)	\$ (1,198,000)	\$ -	\$ -
g. Business combinations, divestitures and settlements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
h. Fair value of plan assets at end of year	<u>\$ 487,602,000</u>	<u>\$ 450,742,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(3) Funded status

	Pension Benefits		Post Retirement Benefits	
	2019	2018	2019	2018
a. Components:				
1. Prepaid benefit costs	\$ -	\$ -	\$ -	\$ -
2. Overfunded plan assets	\$ -	\$ -	\$ -	\$ -
3. Accrued benefit costs	\$ 60,782,000	\$ 57,148,000	\$ (3,915,000)	\$ (4,498,000)
4. Liability for pension benefits	\$ (77,326,000)	\$ (109,738,000)	\$ (4,380,000)	\$ (3,907,000)
b. Assets and liabilities recognized:				
1. Assets (nonadmitted)	\$ -	\$ -	\$ -	\$ -
2. Liabilities recognized	\$ (16,544,000)	\$ (52,590,000)	\$ (8,295,000)	\$ (8,405,000)
c. Unrecognized liabilities	\$ -	\$ -	\$ -	\$ -

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2019	2018	2019	2018	2019	2018
(4) Components of net periodic benefit cost						
a. Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Interest cost	\$ 21,254,000	\$ 19,831,000	\$ 366,000	\$ 339,000	\$ -	\$ -
c. Expected return on plan assets	\$ (23,350,000)	\$ (20,638,000)	\$ -	\$ -	\$ -	\$ -
d. Transition asset or obligation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e. Gains and losses	\$ 11,326,000	\$ 9,649,000	\$ 307,000	\$ 310,000	\$ -	\$ -
f. Prior service cost or credit	\$ -	\$ -	\$ (135,000)	\$ (285,000)	\$ -	\$ -
g. Gain or loss recognized due to a settlement or curtailment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
h. Total net periodic benefit cost	<u>\$ 9,230,000</u>	<u>\$ 8,842,000</u>	<u>\$ 538,000</u>	<u>\$ 364,000</u>	<u>\$ -</u>	<u>\$ -</u>

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	2019	2018	2019	2018
a. Items not yet recognized as a component of net periodic cost - prior year	\$ 109,738,000	\$ 100,812,000	\$ 3,907,000	\$ 4,811,000
b. Net transition asset or obligation recognized	\$ -	\$ -	\$ -	\$ -
c. Net prior service cost or credit arising during the period	\$ -	\$ -	\$ -	\$ -
d. Net prior service cost or credit recognized	\$ -	\$ -	\$ 135,000	\$ 285,000
e. Net gain and loss arising during the period	\$ (11,325,000)	\$ 18,575,000	\$ (307,000)	\$ (310,000)
f. Net gain and loss recognized	\$ (21,087,000)	\$ (9,649,000)	\$ 646,000	\$ (879,000)
g. Items not yet recognized as a component of net periodic cost - current year	<u>\$ 77,326,000</u>	<u>\$ 109,738,000</u>	<u>\$ 4,381,000</u>	<u>\$ 3,907,000</u>

(6) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	2019	2018	2019	2018
a. Net transition asset or obligation	\$ -	\$ -	\$ -	\$ -
b. Net prior service cost or credit	\$ -	\$ -	\$ -	\$ (135,000)
c. Net recognized gains and losses	\$ 77,326,000	\$ 109,738,000	\$ 4,381,000	\$ 4,041,000

(7) Weighted-average assumptions used to determine net periodic benefit cost as of the end of current period:

	2019	2018
a. Weighted average discount rate	4.500%	3.875%
b. Expected long-term rate of return on plan assets	5.500%	5.000%
c. Rate of compensation increase	N/A	N/A
d. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	3.500%	3.500%

Weighted average assumptions used to determine projected benefit obligations as of end of current period:

	2019	2018
e. Weighted average discount rate	3.750%	4.500%
f. Rate of compensation increase	N/A	N/A
g. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	3.500%	3.500%

(8) The amount of accumulated benefit obligation for defined benefit pension plans was \$504,146,000 and \$503,332,000 as of December 31 , 2019 and 2018, respectively.

(9) Not Applicable

NOTES TO FINANCIAL STATEMENTS

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

	Amount
a. 2020	\$ 40,281,000
b. 2021	41,626,000
c. 2022	40,290,000
d. 2023	39,647,000
e. 2024	37,864,000
f. 2025 through 2029	168,288,000

(11) The Company does not have any regulatory contribution requirement for 2020.

(12-16) Not applicable

(17) The Company's Pension Plan and Post Retirement Plans are underfunded by \$16,544,000 and \$52,590,000 respectively, at the end of the current and prior reporting period.

(18) Not applicable

B. Plan Assets

For the qualified defined benefit plan, a target allocation approach is utilized, which focuses on creating a mix of assets that will generate modest growth from equity securities while minimizing volatility from changes in the markets and economic environment. Various factors are taken into consideration in determining the appropriate asset mix, such as census data, actuarial valuation information and capital market assumptions. Target allocations are reviewed and updated at least annually. Changes are made periodically. During 2019, the target allocations changed from a mix of 85% fixed maturities and 15% equity securities to a portfolio with 90% fixed maturities and 10% equity securities.

The following table provides its year-end 2019 target allocations and actual invested asset allocations at December 31, 2019 and 2018.

	2019 TARGET LEVELS	2019	2018
Fixed Income Securities			
Fixed maturities	88%	88%	85%
Money Market Funds	2%	2%	2%
Total Fixed Income Securities	90%	90%	87%
Equity Securities			
Domestic	10%	10%	10%
International	0%	0%	3%
Total Equity Securities	10%	10%	13%
Total Plan Assets	100%	100%	100%

C. The fair value of each class of plan assets

(1) The following table presents, for each hierarchy level, the qualified defined benefit plan's investment assets that are measured at fair value at December 31, 2019

(in thousands)	(Level 1)	(Level 2)	(Level 3)	Total
Fixed income securities:				
Fixed maturities	\$ 10,730	\$ -	\$ 22,890	\$ 33,620
Money Markets	\$ 7,829	\$ -	\$ -	\$ 7,829
Total Investments at fair value	\$ 18,559	\$ -	\$ 22,890	\$ 41,449

(2) Securities classified as Level 1 at December 31, 2019 includes actively traded mutual funds and publicly traded securities, which are valued at quoted market prices. Securities classified as Level 3 at December 31, 2019 includes assets held in a fixed account of an insurance company. The fair value of the investment is estimated using a comparable public market financial institution derived fair value curve that uses non-observable inputs for market liquidity and unique credit characteristics of its underlying securities.

The Plan also holds investments measured at fair value using NAV based on the value of the underlying investments, which is determined independently by the investment manager and have not been included in the table above. These include investments in commingled pools and investment-grade fixed income securities held in a custom fund, and other commingled pools that primarily invest in publicly traded common stocks and international equity securities. The daily NAV, which is not published as a quoted market price for these investments, is used as the basis for transactions. Redemption of these funds is not subject to restriction.

D. The expected rates of return were determined by using historical mean returns for each asset class, adjusted for certain factors believed to have an impact on future returns. These returns are generally weighted to the plan's actual asset allocation, and are net of administrative expenses. For the qualified defined benefit plan, the 2019 expected return on plan assets of 5.50% reflects long-term expectations and increased slightly based upon long-term market expectations and expense management efforts. The Company reviews and updates, at least annually, its expected return on plan assets based on changes in the actual assets held by the plan and market conditions.

E. Defined Contribution Plan

In addition to the defined benefit plans, THG provides a qualified defined contribution 401(k) plan for all of its employees, whereby the Company matches employee elective 401(k) contributions, up to a maximum of 6% of eligible compensation in 2019 and 2018. The Company's expense for this matching provision was \$22.2 million and \$21.7 million for 2019 and 2018, respectively. In addition to this matching provision, the Company can elect to make an annual contribution to employees' accounts. There were no additional contributions for the 2019 plan year.

F. Multiemployer Plans

Not applicable

G. Consolidated/Holding Company Plans

The Company, as a common employer for all domestic THG Companies, sponsors the qualified benefit pension plan and other postretirement benefits to retired employees. The Company allocates amounts to affiliates based on salary ratios. Net expense amounts allocated to affiliates were \$1.7 million and \$1.6 million in 2019 and 2018, respectively for the qualified pension plan, and \$0.1 million and \$0.1 million for other post retirement benefit plans in 2019 and 2018, respectively.

H., I. Not applicable

NOTES TO FINANCIAL STATEMENTS

NOTE 13 Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) Outstanding Shares

The Company has 20,861,784 shares of \$1 par value common stock authorized and 5,000,000 shares issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

(2) Dividend Rate of Preferred Stock

Not applicable

(3-6) Dividend Restrictions

Pursuant to New Hampshire's statute, the maximum dividends and other distributions that an insurer may pay in any twelve month period, without prior approval of the New Hampshire Insurance Commissioner, is limited to the lesser of 10% of statutory policyholder surplus as of the preceding December 31, or net income. The Company declared an ordinary dividend of \$140,000,000 to Opus on May 10, 2019. Accordingly, the maximum dividend that may be declared payable at January 1, 2020 without prior approval from the New Hampshire Commissioner of Insurance is \$106,461,852. The maximum dividend that may be declared payable subsequent to May 10, 2020 without prior approval is \$246,461,852.

(7-9)

Not applicable

(10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains \$ 924,107,607

This unrealized gain is not net of the applicable deferred tax liability of \$29,951,888.

(11-13)

Not applicable

NOTE 14 Liabilities, Contingencies and Assessments

A. Contingent Commitments

(1) At the end of the reporting period, there were contractual investment commitments of up to \$183,553,579. The Company has commitments of \$3,461,890 related to state tax credit investments at the end of the reporting period.

Total contingent liabilities: \$ 187,015,469

(2-3) Not Applicable

B., C.

Not applicable

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits

Direct

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

\$ 2,666,050

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

0-25 Claims

(3) Indicate whether claim count information is disclosed per claim or per claimant

Per Claim

E., F.

Not applicable

G. All Other Contingencies

The Company routinely engages in various legal proceedings in the normal course of business, including claims for punitive damages. In the opinion of management, none of such contingencies are expected to have a material effect on the Company's financial position, although it is possible that the results of operations in a particular quarter or annual period would be materially affected by an adverse development or unfavorable outcome.

NOTE 15 Leases

A. Lessee Operating Lease:

The Company has lease agreements for office space, automobiles, furniture, and equipment with varying expiration dates and options. Rental expense for 2019 and 2018 was approximately \$12,096,296 and \$11,926,069, respectively. At the end of the reporting period, future minimum rental payments are as follows:

Years ending December 31,	Operating Leases
2020	\$ 12,635,622
2021	\$ 10,371,533
2022	\$ 7,329,144
2023	\$ 4,555,403
2024	\$ 2,853,799
Total	\$ 38,702,333

B. Lessor Leases

Not applicable

NOTE 16 Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not applicable

NOTES TO FINANCIAL STATEMENTS

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

1. Not applicable

2.

a. The Company participates in a securities lending program whereby securities, which are included in invested assets, are loaned to third parties, primarily major brokerage firms and commercial banks. Generally, the company accepts collateral of 102 percent of the fair value of the loaned securities to be separately maintained as collateral for the loans. The collateral is restricted as stated in the lending agreement, which requires that cash collateral be placed in a special bank account with the lending agent for reinvestment into the Goldman Sachs Financial Square Government Fund. The same agreement provides that the company retain control over the loaned securities.

b.		Statement of Income	Current Reporting Period	Prior Year-End
Fees earned		Net Investment Income	\$ 25,285	\$ 51,062

c. The Company has no loaned securities as of the end of the reporting period.

3-7.

Not applicable

C. Wash Sales

The Company generally does not sell and reacquire securities within 30 days of the sale date. There were no wash sale transactions with a NAIC designation of 3 or below in the current year.

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

Not applicable

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

Not applicable

NOTE 20 Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Preferred Stocks: Industrial and miscellaneous	\$ -	\$ -	\$ 999,704	\$ -	\$ 999,704
Bonds: Industrial and miscellaneous	\$ -	\$ 15,144,595	\$ -	\$ -	\$ 15,144,595
U.S. Special Revenues	\$ -	\$ 300,404	\$ -	\$ -	\$ 300,404
Common Stocks: Industrial and miscellaneous (a)	\$ 419,595,144	\$ -	\$ -	\$ -	\$ 419,595,144
Total assets at fair value/NAV	\$ 419,595,144	\$ 15,444,999	\$ 999,704	\$ -	\$ 436,039,847

(a) Excludes equities carried at cost of \$1,768,100 at the end of the reporting period which consists of FHLB common stock.

b. The Company does not have any liabilities measured at fair value at the end of the current reporting period.

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

Description	Beginning Balance at 01/01/2019	Transfers into 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	Settle-ments	Ending Balance at 12/31/2019
a. Assets										
Preferred Stocks: Industrial and miscellaneous	\$ 21	\$ -	\$ -	\$ -	\$ -	\$ 999,683	\$ -	\$ -	\$ -	\$ 999,704
Common Stocks: Industrial and miscellaneous	\$ 1,607	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,607)	\$ -	\$ -
Total Assets	\$ 1,628	\$ -	\$ -	\$ -	\$ -	\$ 999,683	\$ -	\$ (1,607)	\$ -	\$ 999,704

b. Not applicable

(3) The reporting entity's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstances that caused the transfer.

NOTES TO FINANCIAL STATEMENTS

(4) For fair value measurements categorized within Level 2 of the fair value hierarchy, fair values of bonds are obtained by a quoted market price if available, otherwise, fair values are estimated using independent pricing sources or internally developed pricing models using discounted cash flow analyses.

The Company utilizes a third party pricing service for the valuation of the majority of its fixed maturity securities and receives one quote per security. When quoted market prices in an active market are available, they are provided by the pricing service as the fair value and such values are classified as Level 1. Since fixed maturities other than U.S. Treasury securities generally do not trade on a daily basis, the pricing service prepares estimates of fair value for those securities using pricing applications based on a market approach. Inputs into the fair value pricing applications which are common to all asset classes include benchmark U.S. Treasury security yield curves, reported trades of identical or similar fixed maturity securities, broker/dealer quotes of identical or similar fixed maturity securities and structural characteristics of the security, such as maturity date, coupon, mandatory principal payment dates, frequency of interest and principal payments and optional principal redemption features. Inputs into the fair value applications that are unique by asset class include, but are not limited to:

- U.S. government – determination of direct versus indirect government support and whether any contingencies exist with respect to the timely payment of principal and interest.
- All other governments – estimates of appropriate market spread versus underlying related sovereign treasury curves dependent on liquidity and direct or contingent support.
- Corporate bonds, which are included in Industrial and miscellaneous bonds - overall credit quality, including assessments of the level and variability of: economic sensitivity; liquidity; corporate financial policies; management quality; regulatory environment; competitive position; ownership; restrictive covenants; and security or collateral.
- Municipal bonds, which are included in States, territories and possessions; Political subdivisions of states, territories and possessions; and Special revenue and special assessment obligations - overall credit quality, including assessments of the level and variability of: sources of payment such as income, sales or property taxes, levies or user fees; credit support such as insurance; state or local economic and political base; natural resource availability; and susceptibility to natural or man-made catastrophic events such as hurricanes, earthquakes or acts of terrorism.
- Residential mortgage-backed securities, U.S. agency pass-thrus and collateralized mortgage obligations (“CMOs”) which are included in U.S. governments and Special revenue and special assessment obligations - estimates of prepayment speeds based upon: historical prepayment rate trends; underlying collateral interest rates; geographic concentration; vintage year; borrower credit quality characteristics; interest rate and yield curve forecasts; government or monetary authority support programs; tax policies; and delinquency/default trends.
- Residential mortgage-backed securities, non-agency CMOs, which are included in Industrial and miscellaneous bonds - estimates of prepayment speeds based upon: historical prepayment rate trends; underlying collateral interest rates; geographic concentration; vintage year; borrower credit quality characteristics; interest rate and yield curve forecasts; government or monetary authority support programs; tax policies; delinquency/default trends; and severity of loss upon default and length of time to recover proceeds following default.
- Commercial mortgage-backed securities, which are included in Industrial and miscellaneous bonds - overall credit quality, including assessments of the value and supply/demand characteristics of: collateral type such as office, retail, residential, lodging, or other; geographic concentration by region, state, metropolitan statistical area and locale; vintage year; historical collateral performance including defeasance, delinquency, default and special servicer trends; and capital structure support features.
- Asset-backed securities, which are included in Industrial and miscellaneous bonds – overall credit quality, including assessments of the underlying collateral type such as credit card receivables, auto loan receivables and equipment lease receivables; geographic diversification; vintage year; historical collateral performance including delinquency, default and casualty trends; economic conditions influencing use rates and resale values; and contract structural support features.

Generally, all prices provided by the pricing service, except actively traded securities with quoted market prices, are reported as Level 2.

The Company holds privately placed corporate bonds and certain other bonds that do not have an active market and for which the pricing service cannot provide fair values. The Company determines fair values for these securities using either matrix pricing or broker quotes. The Company will use observable market data to the extent it is available, but is also required to use a certain amount of unobservable judgment due to the illiquid nature of the securities involved. Additionally, the Company may obtain nonbinding broker quotes which are reported as Level 3.

Fair values of common and preferred stocks are based on SVO valuation, if available. If SVO valuations are not available, quoted market prices are used. If neither SVO prices nor quoted market prices are available, fair values are estimated using independent pricing sources or internally developed pricing models using discounted cash flow analyses.

Level 2 includes securities that are valued using pricing for similar securities and pricing models that incorporate observable inputs. Level 3 consists of common stock of private companies for which observable inputs are not available. The Company uses a third party pricing service for the valuation of the majority of its equity securities. When quoted market prices in an active market are available, they are provided by the pricing service as the fair value and such values are classified as Level 1. Generally, all prices provided by the pricing service except quoted market prices, are reported as Level 2. Occasionally, the Company may obtain nonbinding broker quotes which are reported as Level 3.

(5) Not applicable

B. Not applicable

C. Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 4,802,837,238	\$ 4,627,002,148	\$ 65,106,651	\$ 4,719,830,234	\$ 17,900,353	\$ -	\$ -
Preferred Stock	\$ 4,875,904	\$ 4,402,904	\$ -	\$ 3,876,200	\$ 999,704	\$ -	\$ -
Common Stock (a)	\$ 421,363,244	\$ 421,363,244	\$ 419,595,144	\$ 1,768,100	\$ -	\$ -	\$ -
Mortgages	\$ 86,908,303	\$ 82,424,330	\$ -	\$ -	\$ 86,908,303	\$ -	\$ -
Other Invested Assets (a)	\$ 368,708,561	\$ 356,952,991	\$ -	\$ 7,196,900	\$ 361,511,661	\$ -	\$ -
Cash and Short-Term Investments	\$ 64,058,964	\$ 64,053,183	\$ 49,526,985	\$ 14,531,979	\$ -	\$ -	\$ -

(a) Excludes investments in subsidiaries and other invested assets using the equity method of accounting

D., E.

Not applicable

NOTES TO FINANCIAL STATEMENTS

NOTE 21 Other Items

A. Unusual or Infrequent Items

Not applicable

B. Troubled Debt Restructuring: Debtors

Not applicable

C. Other Disclosures

IBNR loss and loss adjustment expense reserves are allocated to the Company based on the proportion of the Company's earned premiums and case loss reserves relative to other affiliates in The Hanover Insurance Group. Fluctuations by affiliate and state may occur as a result of this re-estimation process.

The Company elected to use rounding to the nearest dollar in reporting amounts in the Statement, except as otherwise directed by instructions.

At the end of the current period and prior year, the Company had admitted assets of \$1,107,840,852 and \$1,053,355,606, respectively, in premiums receivable due from policyholders, agents and ceding insurers. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectible premiums receivable at the end of the current period are not expected to exceed the non admitted amounts totaling \$11,903,383 and, therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial position.

The Company reported \$135,320,322 on Page 2 Line 15.1 for Agents' balances or Uncollected Premiums. There are no agents' balances or uncollected premiums due from controlled or controlling persons.

D. Business Interruption Insurance Recoveries

Not applicable

E. State Transferable and Non-transferable Tax Credits

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

(1) Description of State Transferable and Non-transferable Tax Credits	(2) State	(3) Carrying Value	(4) Unused Amount
School Tuition Credits	AZ	\$ 338,822	\$ 338,822
21E1999 - Total		\$ 338,822	\$ 338,822

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

The Company estimates the utilization of the remaining transferable and non-transferable state tax credits by projecting future direct written premiums taking into account expected changes in volumes and rates, projecting future tax liabilities based on projected premiums, tax rates and tax credits, and comparing these projected tax liabilities to the availability of the remaining transferable and non-transferable state tax credits.

(3) Impairment Loss

The Company did not recognize an impairment loss related to the write-down as a result of impairment analysis of the carrying amount for state transferable and non-transferable tax credits.

(4) State Tax Credits Admitted and Nonadmitted

	Total Admitted	Total Nonadmitted
a. Transferable	\$ -	\$ -
b. Non-transferable	\$ 338,822	\$ -

F. Subprime Mortgage Related Risk Exposure

The Company has reviewed its investments in mortgage-backed securities and has determined that these investments are not subprime.

G. Insurance-Linked Securities (ILS) Contracts

Not applicable

NOTE 22 Events Subsequent

Not applicable

NOTE 23 Reinsurance

A. Unsecured Reinsurance Recoverables

A summary for reinsurance recoverable from individual companies that are individually in excess of 3% of statutory surplus is as follows:

<u>GROUP</u>	<u>NAIC</u>	<u>Federal ID</u>	<u>Reinsurer</u>	<u>Recoverable</u>
FGN	0000	AA-1340125	HANNOVER RUCKVERSICHERUNGS AG	\$ 115,909,000

B. Reinsurance Recoverable in Dispute

The Company had no reinsurance recoverable on paid and unpaid losses in dispute which exceeds 5% of the Company's policyholder surplus. The aggregate of the Company's disputed items did not exceed 10% of policyholder surplus.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed and Ceded

(1) The following table summarizes cedd and assumed unearned premiums and the related commission equityat the end of the current reporting period:

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 1,285,014,985	\$ -	\$ -	\$ -	\$ 1,285,014,985	\$ -
b. All Other	\$ 7,448,112	\$ 1,381,008	\$ 104,605,573	\$ 27,175,783	\$ (97,157,461)	\$ (25,794,775)
c. Total	\$ 1,292,463,097	\$ 1,381,008	\$ 104,605,573	\$ 27,175,783	\$ 1,187,857,524	\$ (25,794,775)
d. Direct Unearned Premium Reserve						\$ 649,170,836

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

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 74,523,743	\$ -	\$ -	\$ 74,523,743
b. Sliding Scale Adjustments	\$ -	\$ -	\$ (2,598,916)	\$ 2,598,916
c. Other Profit Commission Arrangements	\$ -	\$ -	\$ -	\$ -
d. TOTAL	\$ 74,523,743	\$ -	\$ (2,598,916)	\$ 77,122,659

(3) Not applicable

D. Uncollectible Reinsurance

(1) The Company has written off in the current year reinsurance balances due from the companies listed below, the amount of: \$ (503,065)

Which is reflected as:

a. Losses incurred	\$ (548,403)
b. Loss adjustment expenses incurred	45,338
c. Premiums earned	-
d. Other	-
e. <u>Company</u>	Amount
Tower Insurance Company of New York	\$ (503,065)

E., F., G., H., I., J.

Not applicable

NOTE 24 Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

NOTE 25 Change in Incurred Losses and Loss Adjustment Expenses

- A. The estimated cost of loss and loss adjustment expenses (“LAE”) attributable to insured events of prior year’s decreased by \$19,484,460 during the current year. The redundancy of \$19,484,460 is 0.6% of unpaid losses and LAE of \$3,502,438,810 as of December 31, 2018. The favorable loss and LAE reserve development during 2019 is primarily due to favorable catastrophe development mainly due to anticipated recoveries on the 2017 and 2018 California wildfires as a result of a recent sale of the Company’s subrogation rights for certain of these events to a large financial institution. Additionally, there were lower than expected losses in the workers’ compensation line in accident year 2017 as well as the commercial multiple peril line in accident year 2018. These were partially offset by higher than expected losses in the commercial and personal automobile lines of business in accident years 2017 and 2016. Increases or decreases generally occur as a result of claim settlements during the current year, and as additional information is received regarding individual claims, causing changes from the original estimates of the costs of these claims. Recent loss development trends are also taken into account evaluating the overall adequacy of unpaid losses and LAE.
- B. There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid property and casualty losses and loss adjustment expenses.

NOTE 26 Intercompany Pooling Arrangements

Not applicable

NOTE 27 Structured Settlements

A. The company has purchased annuities from life insurers under which the claimants are payees as follows:

	Loss Reserves Eliminated by Annuities	Unrecorded Loss Contin-gencies
	\$ 16,289,471	\$ 16,289,471
B. Annuity Insurers with Balances due Greater than 1% of Policyholders' Surplus		

Not applicable

NOTE 28 Health Care Receivables

Not applicable

NOTE 29 Participating Policies

Not applicable

NOTE 30 Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves \$ -
2. Date of the most recent evaluation of this liability 12/31/2019
3. Was anticipated investment income utilized in the calculation? Yes [X] No []

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

NOTE 31 High Deductibles

A. Reserve Credit Recorded on Unpaid Claims and Amount Billed and Recoverable on Paid Claims for High Deductibles

(1) Counter Party Exposure Recorded on Unpaid Claims and Billed Recoverables on Paid Claims

Annual Statement Line of Business (ASL)		3	4	5	6
1	2	Gross (of High Deductible) Loss Reserves	Reserve Credit for High Deductibles	Billed Recoverables on Paid Claims	Total High Deductibles and Billed Recoverables (Col 4 + Col 5)
ASL #	ASL Description				
16.0	Workers' Compensation	\$ 810,000	\$ 810,000	\$ 111,000	\$ 921,000
17.1	Other Liability - occurrence	\$ 4,511,000	\$ 1,701,000	\$ 133,000	\$ 1,834,000
Total		\$ 5,321,000	\$ 2,511,000	\$ 244,000	\$ 2,755,000

(2) Unsecured Amounts of High Deductibles

a. Total high deductibles and billed recoverables on paid claims (Should equal total line for Column 6 for A(1) above)	\$ 2,755,000
b. Collateral on balance sheet (Must be equal to or greater than zero)	\$ -
c. Collateral off balance sheet (Must be equal to or greater than zero)	\$ 2,755,000
d. Total unsecured deductibles and billed recoverables on paid claims d=a-(b+c) (Must be equal to or greater than zero)	\$ -
e. Percentage unsecured	0.0%

(3) High Deductible Recoverables Amounts on Paid Claims

Not applicable

(4) The Deductible Amounts for the Highest Ten Unsecured High Deductible Policies

Not applicable

B. Unsecured High Deductible Recoverables for Individual Obligors Part of a Group Under the Same Management or Control Which Are Greater Than 1% of Capital and Surplus. For this purpose, a group of entities under common control shall be regarded as a single customer.

Not applicable

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

Total liabilities for unpaid property and casualty losses and loss adjustment expenses are not discounted. However, case unpaid losses for pension-type workers' compensation reserves are discounted on a tabular basis using the National Council on Compensation Insurance ("NCCI") published tables at a rate of 3.5%. This discount is completely offset in the Company's IBNR reserves.

The Company discounts the Group Accident and Health liabilities for unpaid losses on long term care and medical conversion claims.

A. Tabular Discount

Reserves for Long Term Care claims have been discounted on a tabular basis using the 1994 GAM Table at 4.75%. The reserves as of the end of the current reporting period include \$81,259,238 of such discounted reserves. The amount of disocunt for case and IBNR reserves is as follows:

	Tabular Discount Included in Schedule P, Part 1*	
	(1) Case	(2) IBNR
1. Homeowners/Farmowners	\$ -	\$ -
2. Private Passenger Auto Liability/Medical	\$ -	\$ -
3. Commercial Auto/Truck Liability/Medical	\$ -	\$ -
4. Workers' Compensation	\$ -	\$ -
5. Commercial Multiple Peril	\$ -	\$ -
6. Medical Professional Liability - occurrence	\$ -	\$ -
7. Medical Professional Liability - claims-made	\$ -	\$ -
8. Special Liability	\$ -	\$ -
9. Other Liability - occurrence	\$ -	\$ -
10. Other Liability - claims-made	\$ -	\$ -
11. Special Property	\$ -	\$ -
12. Auto Physical Damage	\$ -	\$ -
13. Fidelity, Surety	\$ -	\$ -
14. Other (including Credit, Accident & Health)	\$ 37,983,837	\$ 17,900,184
15. International	\$ -	\$ -
16. Reinsurance Nonproportional Assumed Property	\$ -	\$ -
17. Reinsurance Nonproportional Assumed Liability	\$ -	\$ -
18. Reinsurance Nonproportional Assumed Financial Lines	\$ -	\$ -
19. Products Liability - occurrence	\$ -	\$ -
20. Products Liability - claims-made	\$ -	\$ -
21. Financial Guaranty/Mortgage Guaranty	\$ -	\$ -
22. Warranty	\$ -	\$ -
23. Total	\$ 37,983,837	\$ 17,900,184

* Must exclude medical loss reserves and all loss adjustment expense reserves.

NOTES TO FINANCIAL STATEMENTS

B. Nontabular Discount

Reserves for Conversion Trust and Individual Health unpaid losses have been discounted on a non-tabular basis using an interest rate of 4.0%. The reserves as of the end of the current reporting period include \$4,745,000 of such discounted reserves. The amount of the discount is as follows:

	(1)	(2)	(3)	(4)
	Case	IBNR	Defense & Cost Containment Expense	Adjusting & Other Expense
1. Homeowners/Farmowners	\$ -	\$ -	\$ -	\$ -
2. Private Passenger Auto Liability/Medical	\$ -	\$ -	\$ -	\$ -
3. Commercial Auto/Truck Liability/Medical	\$ -	\$ -	\$ -	\$ -
4. Workers' Compensation	\$ -	\$ -	\$ -	\$ -
5. Commercial Multiple Peril	\$ -	\$ -	\$ -	\$ -
6. Medical Professional Liability - occurrence	\$ -	\$ -	\$ -	\$ -
7. Medical Professional Liability - claims-made	\$ -	\$ -	\$ -	\$ -
8. Special Liability	\$ -	\$ -	\$ -	\$ -
9. Other Liability - occurrence	\$ -	\$ -	\$ -	\$ -
10. Other Liability - claims-made	\$ -	\$ -	\$ -	\$ -
11. Special Property	\$ -	\$ -	\$ -	\$ -
12. Auto Physical Damage	\$ -	\$ -	\$ -	\$ -
13. Fidelity, Surety	\$ -	\$ -	\$ -	\$ -
14. Other (including Credit, Accident & Health)	\$ 2,373,584	\$ -	\$ -	\$ -
15. International	\$ -	\$ -	\$ -	\$ -
16. Reinsurance Nonproportional Assumed Property	\$ -	\$ -	\$ -	\$ -
17. Reinsurance Nonproportional Assumed Liability	\$ -	\$ -	\$ -	\$ -
18. Reinsurance Nonproportional Assumed Financial Lines	\$ -	\$ -	\$ -	\$ -
19. Products Liability - occurrence	\$ -	\$ -	\$ -	\$ -
20. Products Liability - claims-made	\$ -	\$ -	\$ -	\$ -
21. Financial Guaranty/Mortgage Guaranty	\$ -	\$ -	\$ -	\$ -
22. Warranty	\$ -	\$ -	\$ -	\$ -
23. Total	\$ 2,373,584	\$ -	\$ -	\$ -

** Should include medical loss reserves and all loss adjustment expense reserves, whether reported as tabular or nontabular in Schedule P.

C. Charges in Discount Assumptions

Not applicable

NOTE 33 Asbestos/Environmental Reserves

A. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for existence of, a liability due to asbestos losses?

Yes [X] No []

The Company's exposure to asbestos claims arises from the sale of commercial multiple peril and general liability policies.

The Company tries to estimate the full impact of the asbestos exposure by establishing full case basis reserves on all known losses and computing IBNR losses based on previous experience.

The Company's asbestos-related losses (including coverage dispute costs) for each of the five most recent calendar years were as follows:

(1) Direct

	2015	2016	2017	2018	2019
a. Beginning reserves:	\$ 20,631,000	\$ 19,756,000	\$ 19,819,000	\$ 20,525,000	\$ 18,969,000
b. Incurred losses and loss adjustment expense:	\$ 1,261,000	\$ 1,341,000	\$ 2,332,000	\$ (132,000)	\$ 1,495,000
c. Calendar year payments for losses and loss adjustment expenses:	\$ 2,136,000	\$ 1,278,000	\$ 1,626,000	\$ 1,424,000	\$ 2,059,000
d. Ending reserves:	\$ 19,756,000	\$ 19,819,000	\$ 20,525,000	\$ 18,969,000	\$ 18,405,000

(2) Assumed Reinsurance

	2015	2016	2017	2018	2019
a. Beginning reserves:	\$ 22,020,000	\$ 20,950,000	\$ 25,349,000	\$ 24,530,000	\$ 24,180,000
b. Incurred losses and loss adjustment expense:	\$ 325,000	\$ 6,300,000	\$ 719,000	\$ 1,012,000	\$ (296,000)
c. Calendar year payments for losses and loss adjustment expenses:	\$ 1,395,000	\$ 1,901,000	\$ 1,538,000	\$ 1,362,000	\$ 1,046,000
d. Ending reserves:	\$ 20,950,000	\$ 25,349,000	\$ 24,530,000	\$ 24,180,000	\$ 22,838,000

(3) Net of Ceded Reinsurance

	2015	2016	2017	2018	2019
a. Beginning reserves:	\$ 27,657,000	\$ 26,599,000	\$ 31,644,000	\$ 30,817,000	\$ 29,751,000
b. Incurred losses and loss adjustment expense:	\$ 1,774,000	\$ 6,961,000	\$ 1,310,000	\$ 599,000	\$ 948,000
c. Calendar year payments for losses and loss adjustment expenses:	\$ 2,832,000	\$ 1,916,000	\$ 2,137,000	\$ 1,665,000	\$ 1,937,000
d. Ending reserves:	\$ 26,599,000	\$ 31,644,000	\$ 30,817,000	\$ 29,751,000	\$ 28,762,000

NOTES TO FINANCIAL STATEMENTS

B. State the amount of the ending reserves for Bulk + IBNR included in A (Loss & LAE):										
(1) Direct Basis:			\$	15,476,000						
(2) Assumed Reinsurance Basis:			\$	17,162,000						
(3) Net of Ceded Reinsurance Basis:			\$	21,714,000						
C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk + IBNR):										
(1) Direct Basis:			\$	9,676,000						
(2) Assumed Reinsurance Basis:			\$	867,000						
(3) Net of Ceded Reinsurance Basis:			\$	3,387,000						
D. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for existence of, a liability due to environmental losses?										
Yes [X] No []										
The Company's exposure to environmental claims arises from the sale of commercial multiple peril and general liability policies.										
The Company tries to estimate the full impact of the environmental exposure by establishing full case basis reserves on all known losses and computing IBNR losses based on previous experience.										
The Company's environmental-related losses (including coverage dispute costs) for each of the five most recent calendar years were as follows:										
(1) Direct										
		2015	2016	2017	2018	2019				
a. Beginning reserves:	\$	7,315,000	\$	6,672,000	\$	6,707,000	\$	5,475,000	\$	5,584,000
b. Incurred losses and loss adjustment expense:	\$	398,000	\$	207,000	\$	(1,167,000)	\$	175,000	\$	(895,000)
c. Calendar year payments for losses and loss adjustment expenses:	\$	1,041,000	\$	172,000	\$	65,000	\$	66,000	\$	105,000
d. Ending reserves:	\$	6,672,000	\$	6,707,000	\$	5,475,000	\$	5,584,000	\$	4,584,000
(2) Assumed Reinsurance										
		2015	2016	2017	2018	2019				
a. Beginning reserves:	\$	7,944,000	\$	7,547,000	\$	6,938,000	\$	6,906,000	\$	6,813,000
b. Incurred losses and loss adjustment expense:	\$	(230,000)	\$	(331,000)	\$	469,000	\$	213,000	\$	1,004,000
c. Calendar year payments for losses and loss adjustment expenses:	\$	167,000	\$	278,000	\$	501,000	\$	306,000	\$	159,000
d. Ending reserves:	\$	7,547,000	\$	6,938,000	\$	6,906,000	\$	6,813,000	\$	7,658,000
(3) Net of Ceded Reinsurance										
		2015	2016	2017	2018	2019				
a. Beginning reserves:	\$	10,418,000	\$	9,378,000	\$	8,890,000	\$	8,627,000	\$	8,782,000
b. Incurred losses and loss adjustment expense:	\$	168,000	\$	(38,000)	\$	280,000	\$	686,000	\$	372,000
c. Calendar year payments for losses and loss adjustment expenses:	\$	1,208,000	\$	450,000	\$	543,000	\$	531,000	\$	278,000
d. Ending reserves:	\$	9,378,000	\$	8,890,000	\$	8,627,000	\$	8,782,000	\$	8,876,000
E. State the amount of the ending reserves for Bulk + IBNR included in D (Loss & LAE):										
(1) Direct Basis:			\$	3,869,000						
(2) Assumed Reinsurance Basis:			\$	5,756,000						
(3) Net of Ceded Reinsurance Basis:			\$	6,174,000						
F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk + IBNR):										
(1) Direct Basis:			\$	2,419,000						
(2) Assumed Reinsurance Basis:			\$	615,000						
(3) Net of Ceded Reinsurance Basis:			\$	874,000						

NOTE 34 Subscriber Savings Accounts

Not applicable

NOTE 35 Multiple Peril Crop Insurance

Not applicable

NOTE 36 Financial Guaranty Insurance

Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes ☒ No ☐

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐

1.3

State Regulating?

New Hampshire

1.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes ☒ No ☐

1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

0000944695

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2019

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.

12/31/2014

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).

12/18/2015

3.4

By what department or departments?
New Hampshire Department of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ N/A ☒

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☐ No ☐ N/A ☒

4.1

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

Yes ☐ No ☒
Yes ☐ No ☒

4.2

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

Yes ☐ No ☒
Yes ☐ No ☒

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If yes, complete and file the merger history data file with the NAIC.

Yes ☐ No ☒

5.2

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

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

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒

7.2

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

0.0 %

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER 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 [X] No []
- 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	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC
Opus Investment Management, Inc.	Worcester, MA				YES

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

PricewaterhouseCoopers LLP, 101 Seaport Boulevard, Suite 500, Boston, MA 02210
- 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?

Jonathan Blake, Vice President and Lead Reserving Actuary, FCAS, MAAA, 440 Lincoln Street, Worcester, MA 01653
- 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 [X] No []
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).

The Hanover's Code of Conduct has been amended to remove references related to companies that are no longer with the group. The only other substantive updates were enhanced provisions about the company's inclusion and diversity efforts as well as workplace conduct and employee safety matters. The Code continues to be applicable to all directors, officers, senior financial officers, and employees, each of whom is accountable for adherence to the Code.
- 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 2019 OF THE HANOVER 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?
- 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.
- Yes [X] No []

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
021207154	1st Constitution Bancorp	Collateral associated with surety business	50,000
026014562	Allied Irish Banks plc	Collateral associated with surety business	374,400
073900522	American Trust Bank	Collateral associated with surety business	634,928
065300486	BancorpSouth	Collateral associated with surety business	1,000,000
211274382	Bangor Savings Bank	Collateral associated with surety business	50,000
323371076	Banner Bank	Collateral associated with surety business	200,000
086504326	Bear State Financial Inc	Collateral associated with surety business	50,000
211073981	Blue Hills Bancorp Inc	Collateral associated with surety business	50,000
091017523	Bridgewater Bank	Collateral associated with surety business	1,700,000
211272465	Camden National Corp	Collateral associated with surety business	45,000
072413450	Capitol Bancorp Ltd	Collateral associated with surety business	8,800
081906013	Carrollton Bank	Collateral associated with surety business	2,000,000
122203950	Cathay General Bancorp	Collateral associated with surety business	1,100,000
091905114	Central Bank	Collateral associated with surety business	60,000
071006486	CIBC Bank USA	Collateral associated with surety business	3,817,915
031306278	CNB Financial Corp	Collateral associated with non-surety business	27,500
031306278	CNB Financial Corp	Collateral associated with surety business	25,000
031310086	Codorus Valley Bancorp Inc	Collateral associated with surety business	1,000,000
071926155	Cornerstone National Bank & Trust Co	Collateral associated with surety business	30,000
026013275	CTBC Financial Holding Co Ltd	Collateral associated with surety business	250,000
211372035	Dean Bank	Collateral associated with surety business	28,000
071004271	Devon Bancorp Inc	Collateral associated with surety business	27,000
072403350	Fentura Financial Inc	Collateral associated with surety business	1,300,000
071922609	First Bank of Highland Park	Collateral associated with surety business	2,000,000
053100300	First Citizens Bank & Trust Co	Collateral associated with surety business	250,000
031317898	First Commonwealth Financial Corp	Collateral associated with surety business	150,000
241270851	First Defiance Financial Corp	Collateral associated with non-surety business	200,000
092901683	First Interstate Bank	Collateral associated with surety business	50,000
074900657	First Merchants Corporation	Collateral associated with surety business	200,000
092102851	First National Bancorp Inc	Collateral associated with surety business	50,000
041204726	First National Bank OH	Collateral associated with surety business	60,000
321081669	First Republic Bank	Collateral associated with surety business	175,354
041201143	First Tennessee Bank	Collateral associated with surety business	105,000
121037240	Hammi Financial Corp Inc	Collateral associated with surety business	75,000
321370765	Hawaiin Electric Industries Inc	Collateral associated with surety business	25,000
265070574	Home Bancorp Inc	Collateral associated with non-surety business	300,000
026006224	Hope Bancorp Inc	Collateral associated with surety business	100,000
055003434	Howard Bank	Collateral associated with surety business	48,500
026005319	Intesa Sanpaolo Spa	Collateral associated with surety business	150,000
074903719	Lakeland Financial Corp	Collateral associated with surety business	500,000
071926252	MB Financial Bank	Collateral associated with surety business	25,000
067010509	Mercantil Servicios Financieros CA	Collateral associated with surety business	50,000
042310525	Minster Financial Corp	Collateral associated with surety business	30,000
211370558	NBT Bancorp Inc	Collateral associated with surety business	50,000
072413926	Northpointe Bancshares Inc	Collateral associated with surety business	60,000
066011392	Ocean Bank	Collateral associated with surety business	170,000
075000666	Park Bank	Collateral associated with surety business	50,000
211871772	Peoples Bank - Holyoke, MA	Collateral associated with surety business	130,000
061101294	Pinnacle Bank	Collateral associated with surety business	58,679
073922652	Premier Bank	Collateral associated with surety business	38,073
011102612	Salisbury Bancorp Inc	Collateral associated with surety business	100,000
322286803	Silvergate Bank	Collateral associated with surety business	114,219
122034103	Sinopac Financial Holdings	Collateral associated with surety business	153,312
211274476	Skowhegan Savings Bank	Collateral associated with non-surety business	500,000
071909363	Standard Bancshares Inc	Collateral associated with surety business	150,000
026007773	Sterling Bancorp	Collateral associated with surety business	90,000
111909579	TBK Bank	Collateral associated with surety business	75,000
231371964	The Bryn Mawr Trust Company	Collateral associated with non-surety business	1,686,637
074006674	The National Bank of Indianapolis	Collateral associated with surety business	70,000
022306818	Tompkins Financial Corp	Collateral associated with surety business	400,000
121135045	TriCo Bancshares	Collateral associated with surety business	100,000
122000496	Union Bank	Collateral associated with surety business	300,000
071900993	Union National Bank	Collateral associated with surety business	50,000
021201383	Valley National Bancorp	Collateral associated with surety business	50,000
125100089	Washington Trust Bank	Collateral associated with surety business	50,000
075972105	Wolf River Bancorp Inc	Collateral associated with surety business	40,000

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER INSURANCE COMPANY

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

20.12 To stockholders not officers

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

20.22 To stockholders not officers

20.23 Trustees, supreme or grand (Fraternal Only)

\$

0

21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes [] No [X]

21.2

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

21.21 Rented from others

21.22 Borrowed from others

21.23 Leased from others

21.24 Other

\$

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

22.22 Amount paid as expenses

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 [X] No []

23.2

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

\$363,093

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) Please see note 17.

24.04

Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes [X] No [] N/A []

24.05

If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$0

24.06

If answer to 24.04 is no, report amount of collateral for other programs.

\$0

24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [X] No [] N/A []

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [X] No [] N/A []

24.09

Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?

Yes [X] No [] N/A []

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER 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	\$	1,768,100
		25.28 On deposit with states	\$	224,862,407
		25.29 On deposit with other regulatory bodies	\$	69,960
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	3,918,037
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	69,327,344
		25.32 Other	\$	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0

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.

LINES 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? ..

Yes ☐ No ☐

26.4	If the response to 26.3 is YES, does the reporting entity utilize:	26.41 Special accounting provision of SSAP No. 108	Yes <input type="checkbox"/> No <input type="checkbox"/>
		26.42 Permitted accounting practice	Yes <input type="checkbox"/> No <input type="checkbox"/>
		26.43 Other accounting guidance	Yes <input type="checkbox"/> No <input type="checkbox"/>

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:

Yes ☐ No ☐

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

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.

\$ 999,683

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
Bank of New York Mellon	225 Liberty Street, New York, NY 10286

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER INSURANCE COMPANY

GENERAL INTERROGATORIES

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

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

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

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

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

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Opus Investment Management, Inc.	A.....
.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [] No []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [] No []

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
107569	Opus Investment Management, Inc. ....	.....	Securities Exchange Commission	DS.....

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

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
808524-79-7	Schwab US Dividend ETF	11,250,960
921943-85-8	Vanguard FTSE Dev Market ETF	53,061,458
921946-40-6	Vanguard High Div Yield ETF	24,731,006
922908-76-9	Vanguard Total Stock Market Index ETF	91,255,783
29.2999 - Total		180,299,207

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

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
Schwab US Dividend ETF	Intel Corp	522,045	12/31/2019 ...
Vanguard FTSE Dev Market ETF	Nestle SA	848,983	12/31/2019 ...
Vanguard High Div Yield ETF	JP Morgan Chase & Co	989,240	12/31/2019 ...
Vanguard Total Stock Market Index ETF	Miscrosoft Corp	3,467,720	12/31/2019 ...
.....

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER INSURANCE COMPANY

GENERAL INTERROGATORIES

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	4,677,176,077	4,853,016,949	175,840,872
30.2 Preferred stocks	4,402,904	4,875,904	473,000
30.3 Totals	4,681,578,981	4,857,892,853	176,313,872

30.4 Describe the sources or methods utilized in determining the fair values:
Fair values are obtained by a quoted market price if available, otherwise, fair values are estimated using independent pricing sources or internally developed pricing models using discounted cash flow analysis.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []

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

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:
.....

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
Has the reporting entity self-designated 5GI securities? Yes [X] No []

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
a. The security was purchased prior to January 1, 2018.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
Has the reporting entity self-designated PLGI securities? Yes [] No [X]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
a. The shares were purchased prior to January 1, 2019.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
d. The fund only or predominantly holds bonds in its portfolio.
e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

OTHER

36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$14,024,762

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

1 Name	2 Amount Paid
Insurance Services Offices Inc.	9,542,766

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER INSURANCE COMPANY

GENERAL INTERROGATORIES

37.1 Amount of payments for legal expenses, if any?\$1,994,119

37.2 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
Watt, Tieder, Hoffar & Fitzgerald LLP	605,260
.....	

38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$168,000

38.2 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
The Brennan Group	96,000
Dykema Gossett	72,000
.....	

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U. S. business only.

\$ 0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31 Reason for excluding
.....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ 0

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ 0

1.6

Individual policies:

Most current three years:

1.61 Total premium earned\$ 0

1.62 Total incurred claims\$ 0

1.63 Number of covered lives0

All years prior to most current three years

1.64 Total premium earned\$ 0

1.65 Total incurred claims\$ 0

1.66 Number of covered lives0

1.7

Group policies:

Most current three years:

1.71 Total premium earned\$ 0

1.72 Total incurred claims\$ 0

1.73 Number of covered lives0

All years prior to most current three years

1.74 Total premium earned\$ 0

1.75 Total incurred claims\$ 0

1.76 Number of covered lives0

2.

Health Test:

1

Current Year

2

Prior Year

2.1 Premium Numerator82,316.....95,237

2.2 Premium Denominator3,615,651,785.....3,458,144,729

2.3 Premium Ratio (2.1/2.2)0.000.....0.000

2.4 Reserve Numerator112,215,169.....111,458,705

2.5 Reserve Denominator5,552,182,832.....5,267,348,757

2.6 Reserve Ratio (2.4/2.5)0.020.....0.021

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes [X] No []

3.2

If yes, state the amount of calendar year premiums written on:

3.21 Participating policies\$ 1,696,211

3.22 Non-participating policies\$ 1,384,095,148

4.

For mutual reporting Entities and Reciprocal Exchanges Only:

4.1

Does the reporting entity issue assessable policies?

Yes [] No []

4.2

Does the reporting entity issue non-assessable policies?

Yes [] No []

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

% 0.0

4.4

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

\$ 0

5.

For Reciprocal Exchanges Only:

5.1

Does the Exchange appoint local agents?

Yes [] No []

5.2

If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation..... Yes [] No [] N/A []

5.22 As a direct expense of the exchange..... Yes [] No [] N/A []

5.3

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

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes [] No []

5.5

If yes, give full information
.....

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?
The Company maintains workers compensation coverage under the casualty excess of loss reinsurance agreement.

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
The Company uses multiple models including RMS v18.1 and AIR Touchstone v5 Catastrophe Modeling software packages to estimate the Company's probably maximum loss. These exposures are a combination of personal and commercial property risks. The major concentration of losses is in the Northeast.

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 purchases catastrophe reinsurance in the amount of \$900 million excess \$200 million for all perils to protect itself, along with a top-and-agg (\$75 million excess of \$300 million aggregate layer, and \$75 million excess of \$1.1 billion occurrence layer) effective 07/01/2019.

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

Yes ☒ No ☐

6.5

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

7.1

Has 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 ☐

7.2

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

3

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 ☒

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 ☒

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 ☒

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 37 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 ☒

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,
(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
(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 ☒
Yes ☐ No ☒
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 ☐

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

11.2If yes, give full information
.....

12.1If 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:

12.11Unpaid losses\$0

12.12Unpaid underwriting expenses (including loss adjustment expenses)\$0

12.2Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds\$0

12.3If 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 [X] N/A []

12.4If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41From0.0 %

12.42To0.0 %

12.5Are 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 [X] No []

12.6If yes, state the amount thereof at December 31 of the current year:

12.61Letters of credit\$7,200,000

12.62Collateral and other funds\$0

13.1Largest net aggregate amount insured in any one risk (excluding workers' compensation):\$2,567,500

13.2Does 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]

13.3State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.2

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

14.2If yes, please describe the method of allocating and recording reinsurance among the cedants:
.....

14.3If 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 []

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

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

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

15.2If yes, give full information
.....

16.1Does 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:

.....

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER INSURANCE COMPANY

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 is exempt from the statutory provision for unauthorized reinsurance?

Yes [☐] No [☒]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11

Gross amount of unauthorized reinsurance in Schedule F - Part 3 exempt from the statutory provision for unauthorized reinsurance

\$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

18.1

Do you act as a custodian for health savings accounts?

Yes [☐] No [☒]

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 [☒]

18.4

If yes, please provide the balance of funds administered as of the reporting date.

\$0

19.

Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

Yes [☒] No [☐]

19.1

If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?

Yes [☐] No [☐]

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE HANOVER 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 2019	2 2018	3 2017	4 2016	5 2015
Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,614,442,773	1,546,068,340	1,470,991,948	1,389,018,890	1,329,353,850
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	855,375,862	795,341,652	735,936,123	689,599,886	673,387,164
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,549,816,281	1,480,482,551	1,404,494,804	1,321,450,350	1,260,703,070
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	101,729,605	110,937,703	104,861,646	102,215,380	99,895,934
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	22	79,834
6. Total (Line 35)	4,121,364,521	3,932,830,246	3,716,284,521	3,502,284,528	3,363,419,851
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,439,795,826	1,405,697,624	1,339,527,676	1,269,487,752	1,217,120,672
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	781,585,665	739,628,875	680,678,492	650,490,085	633,797,538
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,375,374,404	1,308,413,560	1,232,412,185	1,165,598,869	1,111,135,471
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	91,034,333	99,940,145	84,458,510	85,890,538	84,161,730
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	22	79,834
12. Total (Line 35)	3,687,790,228	3,553,680,204	3,337,076,863	3,171,467,266	3,046,295,244
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	101,206,321	44,764,957	(60,918,335)	(158,649,947)	(69,510,173)
14. Net investment gain or (loss) (Line 11)	317,423,098	284,195,220	318,262,667	256,700,064	222,908,238
15. Total other income (Line 15)	12,960,185	(11,409,174)	23,576,493	19,505,612	8,450,000
16. Dividends to policyholders (Line 17)	3,171,059	3,516,164	2,740,077	2,855,757	2,005,156
17. Federal and foreign income taxes incurred (Line 19)	63,098,682	44,121,064	8,048,665	(2,446,283)	31,082,136
18. Net income (Line 20)	365,319,863	269,913,775	270,132,083	117,146,255	128,760,773
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	8,552,205,324	8,092,251,053	7,748,104,763	7,409,276,518	6,926,338,802
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	135,320,322	140,487,366	123,723,542	95,699,498	90,728,829
20.2 Deferred and not yet due (Line 15.2)	972,520,530	912,868,240	848,344,976	795,337,369	735,766,679
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	6,087,586,802	5,925,188,488	5,676,371,127	5,241,116,307	4,738,297,789
22. Losses (Page 3, Line 1)	2,996,700,404	2,835,472,500	2,672,549,381	2,424,469,766	2,139,940,968
23. Loss adjustment expenses (Page 3, Line 3)	717,861,037	666,966,310	627,366,105	564,175,239	436,056,878
24. Unearned premiums (Page 3, Line 9)	1,837,028,359	1,764,889,916	1,669,354,441	1,566,642,985	1,500,006,384
25. Capital paid up (Page 3, Lines 30 & 31)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	2,464,618,522	2,167,062,565	2,071,733,636	2,168,160,211	2,188,041,013
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	504,875,828	442,545,405	491,024,869	467,785,782	317,482,540
Risk-Based Capital Analysis					
28. Total adjusted capital	2,462,244,522	2,163,606,565	2,068,433,636	2,164,635,211	2,179,838,013
29. Authorized control level risk-based capital	531,855,391	518,451,563	500,690,670	442,006,245	378,533,337
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	65.9	66.3	63.7	64.8	65.8
31. Stocks (Lines 2.1 & 2.2)	23.3	23.5	25.7	27.3	27.6
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	1.2	0.5	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.6	0.6	0.7	0.7	0.8
34. Cash, cash equivalents and short-term investments (Line 5)	0.9	0.6	1.4	(0.1)	0.3
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)	8.2	8.3	8.1	6.7	4.9
38. Receivables for securities (Line 9)	0.0	0.0	0.1	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.3	0.5	0.5
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)	0	0	0	0	96,629,303
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)	1,207,581,477	1,216,133,883	1,196,501,601	1,182,786,536	1,108,156,669
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	1,207,581,477	1,216,133,883	1,196,501,601	1,182,786,536	1,204,785,972
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)	49.0	56.1	57.8	54.6	55.1

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2019	2 2018	3 2017	4 2016	5 2015
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	69,952,161	(31,244,308)	3,950,382	75,338,628	5,774,829
52. Dividends to stockholders (Line 35)	(140,000,000)	(140,000,000)	(296,800,000)	(218,800,000)	0
53. Change in surplus as regards policyholders for the year (Line 38)	297,555,956	95,328,930	(96,426,575)	(19,880,803)	135,625,734
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	703,400,265	706,174,553	629,149,638	605,493,713	611,794,013
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	443,613,283	432,236,173	372,188,692	315,532,007	304,678,367
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	649,213,297	664,956,790	597,235,603	507,496,817	523,590,459
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	49,102,685	13,193,571	34,888,135	68,669,891	60,570,550
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	51,827	33,043	65,560	80,960	109,388
59. Total (Line 35)	1,845,381,357	1,816,594,130	1,633,527,628	1,497,273,388	1,500,742,777
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	627,318,534	647,056,948	577,951,284	562,943,060	580,172,473
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	405,407,619	375,977,339	340,298,398	300,079,249	297,832,153
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	594,088,752	597,160,907	526,452,145	459,373,777	486,311,603
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	38,313,688	11,408,891	4,191,695	47,279,363	45,473,601
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	51,829	31,926	63,791	80,058	107,767
65. Total (Line 35)	1,665,180,422	1,631,636,011	1,448,957,313	1,369,755,507	1,409,897,597
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	50.5	51.9	52.5	53.3	52.4
68. Loss expenses incurred (Line 3)	12.8	12.4	13.9	16.2	14.0
69. Other underwriting expenses incurred (Line 4)	33.9	34.4	35.5	35.7	35.9
70. Net underwriting gain (loss) (Line 8)	2.8	1.3	(1.9)	(5.1)	(2.3)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	32.9	33.8	33.7	34.3	34.8
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	63.3	64.3	66.4	69.4	66.4
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)	149.6	164.0	161.1	146.3	139.2
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(23,330)	(36,090)	101,566	273,181	90,741
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).....	(1.1)	(1.7)	4.7	12.5	4.4
Two Year Loss Development (\$000 omitted)					
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)	(36,673)	58,582	381,672	353,076	167,075
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(1.8)	2.7	17.4	17.2	9.1

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 2019 OF THE HANOVER 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								12
	1 Direct and Assumed	2 Ceded	3 Net (1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)	
1. Prior.....	XXX	XXX	XXX	21,421	3,362	5,344	1,478	1,668	0	240	23,594	XXX
2. 2010.....	2,389,683	222,132	2,167,551	1,356,502	98,450	141,398	17,547	150,123	999	79,315	1,531,027	XXX
3. 2011.....	2,662,374	241,958	2,420,416	1,781,572	141,781	177,413	16,029	175,287	446	81,437	1,976,016	XXX
4. 2012.....	2,863,410	289,842	2,573,568	1,700,772	170,706	196,278	16,856	176,267	243	78,711	1,885,511	XXX
5. 2013.....	3,019,990	296,851	2,723,139	1,430,321	89,896	172,828	9,945	186,636	302	79,495	1,689,642	XXX
6. 2014.....	3,117,884	294,208	2,823,676	1,413,245	114,388	177,158	16,690	188,970	63	81,586	1,648,232	XXX
7. 2015.....	3,293,283	314,247	2,979,036	1,462,109	121,950	163,258	11,957	199,286	24	78,673	1,690,722	XXX
8. 2016.....	3,428,664	323,833	3,104,831	1,341,361	115,045	138,642	7,143	206,897	43	75,112	1,564,668	XXX
9. 2017.....	3,607,968	373,602	3,234,365	1,471,426	184,952	105,792	6,578	203,628	42	84,290	1,589,275	XXX
10. 2018.....	3,829,617	371,473	3,458,145	1,222,051	62,049	67,930	3,091	195,755	57	86,788	1,420,539	XXX
11. 2019.....	4,025,190	409,538	3,615,652	847,287	53,214	19,949	1,096	175,203	63	34,213	988,066	XXX
12. Totals	XXX	XXX	XXX	14,048,067	1,155,793	1,365,990	108,409	1,859,720	2,282	759,860	16,007,292	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded				Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior.....	203,919	43,973	119,481	24,354	4,983	105	23,137	8,482	1,879	12	145	276,471	XXX
2. 2010.....	14,902	5,522	12,396	4,699	3,074	197	4,796	1,092	462	0	179	24,122	XXX
3. 2011.....	17,207	499	18,831	5,839	2,305	209	6,153	1,316	697	5	328	37,325	XXX
4. 2012.....	23,040	2,879	23,968	5,532	4,000	460	8,064	1,232	667	8	319	49,629	XXX
5. 2013.....	47,884	327	26,321	8,564	4,402	390	12,837	2,322	951	11	482	80,781	XXX
6. 2014.....	62,214	9,493	45,046	12,874	7,581	192	20,646	3,704	1,365	9	849	110,579	XXX
7. 2015.....	122,663	11,774	64,242	18,074	12,434	966	29,972	5,811	2,602	17	2,226	195,270	XXX
8. 2016.....	187,241	11,952	94,447	24,404	22,258	1,222	44,852	8,638	3,986	20	3,193	306,547	XXX
9. 2017.....	304,874	15,018	150,585	30,474	33,227	1,174	84,301	12,736	7,699	52	6,956	521,233	XXX
10. 2018.....	417,530	34,650	300,579	53,935	34,572	1,865	136,913	18,811	13,546	86	15,983	793,793	XXX
11. 2019.....	573,375	56,255	642,111	92,689	33,530	1,720	207,291	29,787	45,643	312	62,157	1,321,186	XXX
12. Totals	1,974,847	192,344	1,498,008	281,437	162,365	8,502	578,963	93,930	79,496	532	92,817	3,716,935	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
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	2,374	0	XXX	252,698	21,399
2. 2010.....	1,683,654	128,506	1,555,148	70.5	57.9	71.7	0	0	0.0	17,077	7,044
3. 2011.....	2,179,465	166,124	2,013,341	81.9	68.7	83.2	0	0	0.0	29,699	7,625
4. 2012.....	2,133,055	197,916	1,935,140	74.5	68.3	75.2	0	0	0.0	38,597	11,032
5. 2013.....	1,882,181	111,758	1,770,423	62.3	37.6	65.0	0	0	0.0	65,314	15,467
6. 2014.....	1,916,225	157,414	1,758,811	61.5	53.5	62.3	0	0	0.0	84,892	25,686
7. 2015.....	2,056,566	170,574	1,885,992	62.4	54.3	63.3	0	0	0.0	157,056	38,214
8. 2016.....	2,039,682	168,466	1,871,215	59.5	52.0	60.3	0	0	0.0	245,332	61,215
9. 2017.....	2,361,532	251,025	2,110,507	65.5	67.2	65.3	0	0	0.0	409,968	111,265
10. 2018.....	2,388,877	174,545	2,214,332	62.4	47.0	64.0	0	0	0.0	629,524	164,269
11. 2019.....	2,544,388	235,136	2,309,253	63.2	57.4	63.9	0	0	0.0	1,066,542	254,644
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	2,374	0	XXX	2,996,700	717,861

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 2019 OF THE HANOVER 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 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019	11 One Year	12 Two Year
1. Prior.....	1,124,272	1,072,026	1,071,016	1,107,494	1,122,576	1,137,220	1,170,806	1,264,400	1,245,485	1,253,364	7,879	(11,036)
2. 2010.....	1,316,946	1,342,833	1,351,586	1,362,565	1,376,761	1,391,292	1,391,389	1,395,000	1,401,410	1,405,562	4,152	10,563
3. 2011.....	XXX	1,627,539	1,687,902	1,722,705	1,759,934	1,807,959	1,842,807	1,838,198	1,837,678	1,837,807	129	(390)
4. 2012.....	XXX	XXX	1,700,685	1,654,762	1,665,220	1,702,189	1,752,584	1,759,433	1,759,387	1,758,456	(930)	(977)
5. 2013.....	XXX	XXX	XXX	1,539,157	1,477,978	1,515,098	1,590,139	1,584,511	1,585,302	1,583,148	(2,154)	(1,363)
6. 2014.....	XXX	XXX	XXX	XXX	1,563,382	1,502,834	1,571,202	1,580,862	1,573,780	1,568,549	(5,230)	(12,312)
7. 2015.....	XXX	XXX	XXX	XXX	XXX	1,687,184	1,698,030	1,703,045	1,689,893	1,684,145	(5,748)	(18,900)
8. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	1,680,016	1,673,091	1,662,621	1,660,396	(2,226)	(12,696)
9. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,888,835	1,895,730	1,899,274	3,545	10,439
10. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,027,921	2,005,174	(22,747)	XXX
11. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,088,782	XXX	XXX
12. Totals											(23,330)	(36,673)

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	2	3	4	5	6	7	8	9	10		
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
1. Prior.....	.000	314,873	514,718	636,380	730,397	808,618	847,202	878,487	900,949	922,875	XXX	XXX
2. 2010.....	634,129	971,285	1,136,116	1,246,498	1,316,133	1,344,738	1,354,263	1,364,319	1,374,619	1,381,903	XXX	XXX
3. 2011.....	XXX	854,859	1,280,410	1,477,502	1,611,320	1,710,282	1,761,522	1,779,297	1,793,943	1,801,174	XXX	XXX
4. 2012.....	XXX	XXX	709,635	1,159,375	1,361,202	1,512,261	1,610,799	1,660,083	1,695,556	1,709,487	XXX	XXX
5. 2013.....	XXX	XXX	XXX	624,713	975,548	1,176,367	1,324,446	1,416,909	1,474,340	1,503,308	XXX	XXX
6. 2014.....	XXX	XXX	XXX	XXX	633,908	959,022	1,147,235	1,298,332	1,409,237	1,459,326	XXX	XXX
7. 2015.....	XXX	XXX	XXX	XXX	XXX	697,638	1,066,258	1,246,283	1,398,654	1,491,460	XXX	XXX
8. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	635,836	998,879	1,197,319	1,357,814	XXX	XXX
9. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	732,380	1,157,237	1,385,688	XXX	XXX
10. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	788,117	1,224,841	XXX	XXX
11. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	812,926	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1. Prior.....	434,882	258,124	162,615	145,848	130,501	102,764	115,134	137,799	135,693	127,682
2. 2010.....	350,894	162,590	77,667	28,954	17,790	15,514	15,650	9,774	9,817	11,403
3. 2011.....	XXX	382,681	128,998	54,133	20,376	26,088	34,978	24,826	20,713	17,829
4. 2012.....	XXX	XXX	528,659	201,858	99,783	46,408	52,485	32,713	26,239	25,269
5. 2013.....	XXX	XXX	XXX	539,945	198,649	103,172	97,543	55,301	33,225	28,272
6. 2014.....	XXX	XXX	XXX	XXX	574,133	247,773	173,003	102,672	62,746	49,114
7. 2015.....	XXX	XXX	XXX	XXX	XXX	602,104	314,680	184,592	106,596	70,329
8. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	615,827	329,312	173,584	106,257
9. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	670,516	336,829	191,676
10. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	700,470	364,746
11. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	726,926

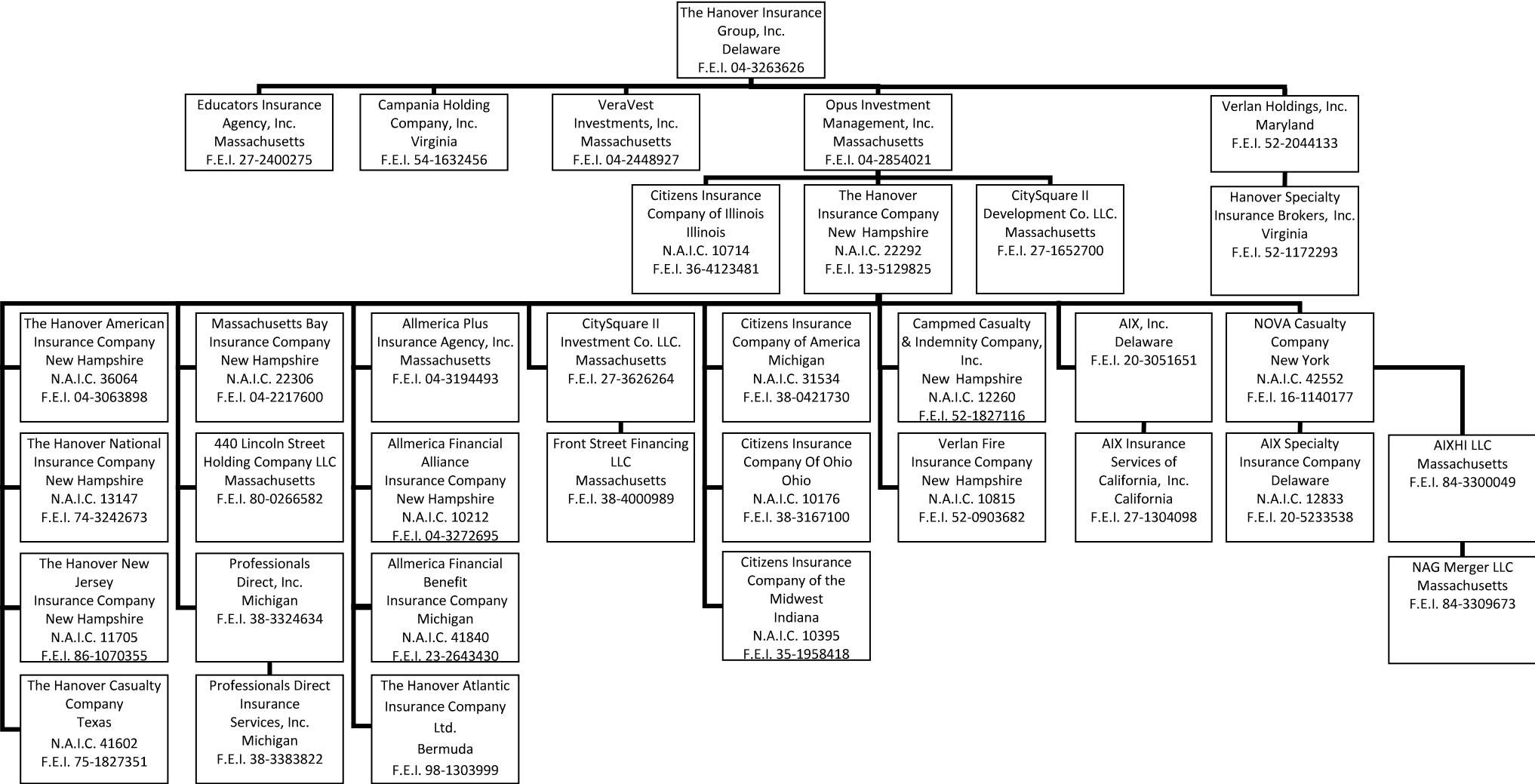
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories										
States, Etc.	1	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9	
		2	3							
	Active Status (a)	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)	
1. Alabama	AL	L	5,356,150	5,390,194	0	1,176,423	733,362	6,464,500	8,694	0
2. Alaska	AK	L	513,606	607,160	0	139,069	(30,396)	652,185	326	0
3. Arizona	AZ	L	17,432,804	16,791,908	0	4,905,651	9,319,160	15,797,872	31,288	0
4. Arkansas	AR	L	11,360,321	11,810,700	277	6,855,896	9,396,097	7,882,570	19,055	0
5. California	CA	L	112,251,016	111,598,507	0	35,723,878	40,192,549	75,515,703	100,606	0
6. Colorado	CO	L	27,331,723	26,783,875	0	16,756,434	13,109,585	11,823,624	44,768	0
7. Connecticut	CT	L	35,465,600	30,346,720	3,326	9,594,139	10,996,744	27,520,062	104,304	0
8. Delaware	DE	L	2,786,169	2,638,863	0	488,888	675,098	866,073	5,918	0
9. District of Columbia	DC	L	12,133,353	11,571,910	0	2,444,809	3,332,992	14,380,985	14,045	0
10. Florida	FL	L	37,992,714	36,895,419	285	11,476,232	15,902,179	34,920,611	17,439	0
11. Georgia	GA	L	46,071,395	47,491,173	4,045	23,783,871	21,100,877	27,071,858	108,199	0
12. Hawaii	HI	L	1,010,667	813,144	0	211,567	173,429	275,816	410	0
13. Idaho	ID	L	1,792,398	1,725,287	0	880,470	430,948	1,369,892	3,952	0
14. Illinois	IL	L	49,184,331	47,965,754	0	8,453,086	17,904,156	35,642,969	87,893	0
15. Indiana	IN	L	37,184,642	36,109,491	0	20,747,050	23,835,363	19,696,243	157,992	0
16. Iowa	IA	L	2,702,923	2,730,563	0	855,807	1,056,880	386,989	2,674	0
17. Kansas	KS	L	3,611,921	3,877,387	0	6,891,684	(17,493)	7,339,760	5,472	0
18. Kentucky	KY	L	6,994,710	7,007,434	41	1,225,293	(110,269)	5,070,595	6,181	0
19. Louisiana	LA	L	15,151,395	15,123,880	0	3,307,988	7,775,118	13,766,342	15,906	0
20. Maine	ME	L	33,553,626	32,032,242	240	12,698,992	11,517,083	32,603,630	134,279	0
21. Maryland	MD	L	22,198,403	21,535,249	0	7,831,879	6,358,481	10,327,007	25,051	0
22. Massachusetts	MA	L	129,946,900	115,391,638	35,374	33,559,404	34,509,225	72,855,509	537,380	0
23. Michigan	MI	L	53,439,770	52,048,395	0	14,198,110	20,870,874	31,121,133	113,281	0
24. Minnesota	MN	L	29,092,264	28,003,061	11,946	6,169,180	14,601,250	21,171,501	36,644	0
25. Mississippi	MS	L	3,040,609	3,290,886	0	3,577,279	2,491,202	3,488,416	5,054	0
26. Missouri	MO	L	8,735,351	8,914,355	0	6,799,712	6,191,831	3,919,801	14,562	0
27. Montana	MT	L	1,644,056	1,696,151	0	3,237,503	3,181,682	814,829	2,080	0
28. Nebraska	NE	L	1,798,442	1,554,302	0	162,969	42,359	822,875	1,293	0
29. Nevada	NV	L	6,529,958	6,469,202	0	1,903,663	1,485,454	3,491,691	11,565	0
30. New Hampshire	NH	L	18,214,245	17,392,315	4,420	4,112,051	2,178,180	14,356,437	49,468	0
31. New Jersey	NJ	L	109,617,797	105,114,428	422	40,961,054	39,084,842	96,220,406	307,494	0
32. New Mexico	NM	L	3,299,398	3,132,267	0	8,638,502	8,580,034	1,612,768	3,397	0
33. New York	NY	L	143,673,058	144,913,889	0	67,183,590	62,642,466	144,835,073	449,482	0
34. North Carolina	NC	L	31,123,227	29,726,227	264	14,000,704	11,145,424	13,592,730	66,111	0
35. North Dakota	ND	L	2,407,101	2,143,558	0	680,423	1,324,526	876,768	0	0
36. Ohio	OH	L	31,405,788	30,744,808	0	18,231,090	20,166,525	18,803,411	148,967	0
37. Oklahoma	OK	L	18,955,674	19,023,385	651	13,202,900	12,626,133	6,759,441	26,495	0
38. Oregon	OR	L	11,470,947	11,401,558	0	6,508,212	11,722,758	19,155,161	17,808	0
39. Pennsylvania	PA	L	33,706,497	29,816,582	134	14,520,646	15,740,014	16,833,416	99,899	0
40. Rhode Island	RI	L	6,611,713	6,747,202	248	1,036,515	1,680,912	3,890,336	12,738	0
41. South Carolina	SC	L	13,352,843	12,766,114	0	5,054,172	7,089,762	7,311,020	22,095	0
42. South Dakota	SD	L	1,441,168	1,301,671	0	69,334	68,625	(1,278,512)	1,558	0
43. Tennessee	TN	L	28,784,974	27,203,846	353	10,999,500	12,372,547	18,912,045	42,820	0
44. Texas	TX	L	104,786,559	104,783,439	1,562,628	58,213,472	60,818,715	53,601,330	143,670	0
45. Utah	UT	L	8,580,969	8,162,168	0	1,495,959	2,814,209	5,606,797	12,427	0
46. Vermont	VT	L	6,353,328	6,034,427	0	1,564,341	2,127,534	5,210,435	9,346	0
47. Virginia	VA	L	43,839,274	44,490,208	47	13,939,385	6,584,090	20,453,528	79,411	0
48. Washington	WA	L	21,799,428	20,701,344	0	4,132,437	9,103,197	12,751,370	30,119	0
49. West Virginia	WV	L	2,992,561	2,921,357	0	509,820	1,021,348	1,863,977	4,181	0
50. Wisconsin	WI	L	23,418,446	20,277,940	32,227	4,184,496	4,293,526	10,203,608	34,674	0
51. Wyoming	WY	L	1,635,788	1,665,189	0	357,966	866,840	991,600	1,567	0
52. American Samoa	AS	N	0	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	8,228	10,161	0	0	(353,426)	(299)	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0	0
57. Canada	CAN	N	295,961	229,500	0	24,858	71,382	48,322	0	0
58. Aggregate other alien	OT	XXX	1,709,182	1,451,921	0	68,761	493,286	424,525	0	0
59. Totals	XXX	1,385,791,371	1,340,370,354	1,656,928	535,747,114	571,289,269	960,096,734	3,180,038	0	0
DETAILS OF WRITE-INS										
58001. AFG Afghanistan	XXX	(14)	12	0	0	0	0	0	0	0
58002. AGO Angola	XXX	36	36	0	0	0	0	0	0	0
58003. AND Andorra	XXX	2,650	602	0	0	176	176	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	1,706,510	1,451,271	0	68,761	493,110	424,349	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	1,709,182	1,451,921	0	68,761	493,286	424,525	0	0	0

(a) Active Status Counts:
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....51 R - Registered - Non-domiciled RRGs.....0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI).....0 Q - Qualified - Qualified or accredited reinsurer.....0
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile.....0 N - None of the above - Not allowed to write business in the state.....6

(b) Explanation of basis of allocation of premiums by states, etc.
Fire, Allied Lines, Homeowners, Commercial multiple peril, Earthquake, Glass, Burglary, Boiler and Machinery - location of property insured. Ocean Marine - state contract was negotiated. Inland Marine - location of insured. Liability other than auto - location of insured plant. Auto liability and physical damage - place of principal garage. Workers' Compensation - state in which work is performed. Fidelity: forgery bonds - location of insured; of employer; All Other - location of employer. Surety: Judicial bonds - location of court; License bonds - location of obligee; Contracts - location of work; Supply bonds - location of contractors; All other - location of principal.

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



Note: All Companies are wholly-owned.

Allmerica Securities Trust
Massachusetts

Affiliated Investment Management Company

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504.	Miscellaneous non-admitted assets	40,042,548	40,042,548	0	0
2597.	Summary of remaining write-ins for Line 25 from overflow page	40,042,548	40,042,548	0	0

Additional Write-ins for Statement of Income Line 14

		1	2
		Current Year	Prior Year
1404.	Prepayment Penalty on FHLB Loan	0	(26,132,155)
1497.	Summary of remaining write-ins for Line 14 from overflow page	0	(26,132,155)

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 24

		1	2	3	4
		Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
2404.	Temporary Help	2,986,762	3,604,636	3,030	6,594,427
2405.	Outside Data Processing Costs	7,419,772	10,835,615	1,139,703	19,395,091
2406.	Technology Outsourcing Costs	5,622,570	28,847,795	1,135	34,471,500
2407.	Interest Expenses	0	176,671	0	176,671
2408.	Remaining Misc Exp	2,075,010	5,360,584	347,847	7,783,441
2409.	Amortization of Goodwill	0	2,550,863	0	2,550,863
2497.	Summary of remaining write-ins for Line 24 from overflow page	18,104,114	51,376,164	1,491,715	70,971,992

Additional Write-ins for Schedule T Line 58

	1	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
States, Etc.	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
58004. ARE United Arab Emirates	XXX	7,921	6,223	0	0	1,822	1,822	0	0
58005. ARG Argentina	XXX	5,327	5,917	0	0	1,733	1,733	0	0
58006. ARM Armenia	XXX	263	263	0	0	0	0	0	0
58007. AUS Australia	XXX	38,797	36,263	0	1,909	12,527	10,618	0	0
58008. AUT Austria	XXX	11,559	8,222	0	0	2,408	2,408	0	0
58009. BEL Belgium	XXX	15,449	11,724	0	0	3,433	3,433	0	0
58010. BGD Bangladesh	XXX	709	207	0	0	0	0	0	0
58011. BGR Bulgaria	XXX	86	86	0	0	0	0	0	0
58012. BHR Bahrain	XXX	1,192	212	0	0	0	0	0	0
58013. BHS Bahamas	XXX	7,376	8,324	0	0	2,437	2,437	0	0
58014. BLZ Belize	XXX	1,387	1,393	0	0	408	408	0	0
58015. BRA Brazil	XXX	17,444	14,556	0	0	4,262	4,262	0	0
58016. BRN Brunei Darussalam	XXX	0	32	0	0	0	0	0	0
58017. BTN Bhutan	XXX	72	71	0	0	0	0	0	0
58018. CHE Switzerland	XXX	6,818	7,050	0	0	2,064	2,064	0	0
58019. CHL Chile	XXX	20,345	5,391	0	0	1,579	1,579	0	0
58020. CHN China	XXX	383,212	364,545	0	0	106,744	106,744	0	0
58021. COK Cook Islands	XXX	44	11	0	0	0	0	0	0
58022. COL Colombia	XXX	6,304	8,856	0	0	2,593	2,593	0	0
58023. CRI Costa Rica	XXX	11,181	14,229	0	0	4,166	4,166	0	0
58024. CYM Cayman Islands	XXX	2,639	1,838	0	0	538	538	0	0
58025. CZE Czech Republic	XXX	3,718	2,851	0	0	835	835	0	0
58026. DEU Germany	XXX	112,706	96,893	0	3,445	31,817	28,372	0	0
58027. DMA Dominica	XXX	0	16	0	0	0	0	0	0
58028. DNK Denmark	XXX	9,705	9,391	0	0	2,750	2,750	0	0
58029. DOM Dominican Republic	XXX	9,248	12,444	0	0	3,644	3,644	0	0
58030. DZA Algeria	XXX	24	24	0	0	0	0	0	0
58031. ECU Ecuador	XXX	5,745	5,167	0	0	1,513	1,513	0	0
58032. EGY Egypt	XXX	442	474	0	0	0	0	0	0
58033. ESP Spain	XXX	35,169	30,847	0	0	9,033	9,033	0	0
58034. ETH Ethiopia	XXX	2,500	1,222	0	0	358	358	0	0
58035. FIN Finland	XXX	346	262	0	0	0	0	0	0
58036. FRA France	XXX	88,040	67,962	0	0	19,900	19,900	0	0
58037. FSM Micronesia, Federated States of	XXX	3,426	851	0	0	249	249	0	0
58038. GBR United Kingdom	XXX	273,338	211,122	0	61,236	124,056	62,820	0	0
58039. GRC Greece	XXX	3,639	2,526	0	0	740	740	0	0
58040. GTM Guatemala	XXX	9,196	9,802	0	0	2,870	2,870	0	0
58041. HKG Hong Kong	XXX	20,608	19,950	0	0	5,842	5,842	0	0
58042. HND Honduras	XXX	820	851	0	0	249	249	0	0
58043. HRV Croatia	XXX	362	208	0	0	0	0	0	0
58044. HTI Haiti	XXX	48	47	0	0	0	0	0	0
58045. HUN Hungary	XXX	1,864	1,537	0	0	450	450	0	0
58046. IDN Indonesia	XXX	892	929	0	0	272	272	0	0
58047. IND India	XXX	61,065	47,086	0	2,171	15,959	13,788	0	0
58048. IRL Ireland	XXX	31,798	25,639	0	0	7,508	7,508	0	0
58049. ISL Iceland	XXX	0	211	0	0	0	0	0	0
58050. ISR Israel	XXX	8,614	9,743	0	0	2,853	2,853	0	0
58051. ITA Italy	XXX	57,502	45,896	0	0	13,439	13,439	0	0
58052. JAM Jamaica	XXX	1,172	995	0	0	291	291	0	0
58053. JPN Japan	XXX	58,847	53,883	0	0	15,778	15,778	0	0
58054. KEN Kenya	XXX	854	297	0	0	0	0	0	0
58055. KHM Cambodia	XXX	1,557	1,446	0	0	423	423	0	0
58056. KNA Saint Kitts and Nevis	XXX	53	8	0	0	0	0	0	0
58057. KOR Korea, Republic of	XXX	26,155	24,053	0	0	7,043	7,043	0	0
58058. KWT Kuwait	XXX	82	4	0	0	0	0	0	0
58059. LBN Lebanon	XXX	7,804	7,788	0	0	2,280	2,280	0	0
58060. LKA Sri Lanka	XXX	48	45	0	0	0	0	0	0

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Schedule T Line 58

	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						
States, Etc.									
58061. MAR Morocco	XXX	166	195	0	0	0	0	0	0
58062. MCO Monaco	XXX	117	10	0	0	0	0	0	0
58063. MEX Mexico	XXX	197,259	116,003	0	0	33,968	33,968	0	0
58064. MHL Marshall Islands	XXX	(5,623)	10,978	0	0	3,215	3,215	0	0
58065. MMR Myanmar	XXX	72	71	0	0	0	0	0	0
58066. MNG Mongolia	XXX	182	179	0	0	0	0	0	0
58067. MYS Malaysia	XXX	7,435	4,248	0	0	1,244	1,244	0	0
58068. NAM Namibia	XXX	36	36	0	0	0	0	0	0
58069. NIC Nicaragua	XXX	10,080	5,860	0	0	1,716	1,716	0	0
58070. NLD Netherlands	XXX	30,846	27,673	0	0	8,103	8,103	0	0
58071. NOR Norway	XXX	47	186	0	0	0	0	0	0
58072. NZL New Zealand	XXX	872	475	0	0	0	0	0	0
58073. OMN Oman	XXX	70	17	0	0	0	0	0	0
58074. PAN Panama	XXX	328	423	0	0	0	0	0	0
58075. PER Peru	XXX	5,406	6,740	0	0	1,974	1,974	0	0
58076. PHL Philippines	XXX	6,544	5,512	0	0	1,614	1,614	0	0
58077. PLW Palau	XXX	44	11	0	0	0	0	0	0
58078. POL Poland	XXX	13,691	11,929	0	0	3,493	3,493	0	0
58079. PRT Portugal	XXX	4,126	1,170	0	0	343	343	0	0
58080. PRY Paraguay	XXX	51	51	0	0	0	0	0	0
58081. QAT Qatar	XXX	179	103	0	0	0	0	0	0
58082. ROU Romania	XXX	2,657	3,965	0	0	1,161	1,161	0	0
58083. RUS Russian Federation	XXX	1,702	436	0	0	0	0	0	0
58084. RWA Rwanda	XXX	72	71	0	0	0	0	0	0
58085. SAU Saudi Arabia	XXX	965	829	0	0	243	243	0	0
58086. SGP Singapore	XXX	13,545	13,436	0	0	3,934	3,934	0	0
58087. SLV El Salvador	XXX	162	162	0	0	0	0	0	0
58088. SRB Serbia	XXX	185	128	0	0	0	0	0	0
58089. SVK Slovakia	XXX	10	13	0	0	0	0	0	0
58090. SWE Sweden	XXX	1,351	8,733	0	0	2,557	2,557	0	0
58091. TCA Turks and Caicos Islands	XXX	425	366	0	0	0	0	0	0
58092. TGO Togo	XXX	44	11	0	0	0	0	0	0
58093. THA Thailand	XXX	2,742	2,703	0	0	791	791	0	0
58094. TUN Tunisia	XXX	0	32	0	0	0	0	0	0
58095. TUR Turkey	XXX	5,916	5,262	0	0	1,541	1,541	0	0
58096. TWN Taiwan, Province of China	XXX	14,943	17,988	0	0	5,267	5,267	0	0
58097. TZA United Republic of Tanzania	XXX	0	2,033	0	0	599	599	0	0
58098. TZA United Republic of Tanzania	XXX	4,093	2,045	0	0	595	595	0	0
58099. UGA Uganda	XXX	202	1,365	0	0	400	400	0	0
58100. UKR Ukraine	XXX	0	38	0	0	0	0	0	0
58101. VGB British Virgin Islands	XXX	0	1,945	0	0	570	570	0	0
58102. VNM Viet Nam	XXX	9,251	8,971	0	0	2,627	2,627	0	0
58103. ZAF South Africa	XXX	805	986	0	0	289	289	0	0
58997. Summary of remaining write-ins for Line 58 from overflow page	XXX	1,706,510	1,451,271	0	68,761	493,110	424,349	0	0

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