



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2011
OF THE CONDITION AND AFFAIRS OF THE

NOVA Casualty Company

NAIC Group Code 0088 (Current) 0088 (Prior) NAIC Company Code 42552 Employer's ID Number 16-1140177

Organized under the Laws of New York, State of Domicile or Port of Entry NY

Country of Domicile United States of America

Incorporated/Organized 09/13/1979 Commenced Business 07/18/1980

Statutory Home Office 726 Exchange Street, Suite 1020 Buffalo, NY 14210-1466

Main Administrative Office 726 Exchange Street, Suite 1020 Buffalo, NY 14210-1466 716-856-3722

Mail Address 726 Exchange Street, Suite 1020 Buffalo, NY 14210-1466

Primary Location of Books and Records 726 Exchange Street, Suite 1020 Buffalo, NY 14210-1466 716-856-3722

Internet Web Site Address WWW.NOVACASUALTY.COM

Statutory Statement Contact Kathleen B. Turgeon 508-853-7200-4476
KTURGEON@HANOVER.COM 508-855-6417

OFFICERS

President Marita Zuraitis Vice President & Treasurer Ann Kirkpatrick Tripp
Secretary Charles Frederick Cronin

OTHER

Bryan David Allen # Senior Vice President David Bruce Greenfield # Executive Vice President & CFO J. Kendall Huber # Executive Vice President & GC

DIRECTORS OR TRUSTEES

Table listing directors/trustees: Bryan David Allen, Joseph David Freitas, Craig Michael Rappaport, Robert Dean Schultz, Marita Zuraitis, Antonio Zaragoza de Padua, David Bruce Greenfield, Andrew Scott Robinson, Gregory Davison Tranter, Frederick Henry Eppinger, J. Kendall Huber, John Conner Roche, Ann Kirkpatrick Tripp.

State of Massachusetts SS:
County of Worcester

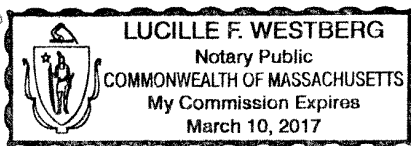
The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any 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.

Signatures of Marita Zuraitis (President), Charles Frederick Cronin (Secretary), and Ann Kirkpatrick Tripp (Vice President & Treasurer).

Subscribed and sworn to before me this 4th day of November, 2011

Signature of Lucille F. Westberg, Notary Public, Commission Expires March 10, 2017.

- 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



STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	27,179,179	0	27,179,179	23,254,404
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	48,060,067	0	48,060,067	47,676,846
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$0 encumbrances)	0	0	0	0
5. Cash (\$9,968,367), cash equivalents (\$0) and short-term investments (\$1,514,783)	11,483,150	0	11,483,150	6,778,834
6. Contract loans (including \$0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	0	0	0	0
9. Receivables for securities	9,837	0	9,837	0
10. Securities lending reinvested collateral assets	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	86,732,233	0	86,732,233	77,710,084
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	218,682	0	218,682	254,254
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	653,591	0	653,591	100,352
18.2 Net deferred tax asset	2,060,914	1,514	2,059,400	2,100,311
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	1,177,492	677,781	499,711	599,704
21. Furniture and equipment, including health care delivery assets (\$0)	196,021	196,021	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	11,546,838	0	11,546,838	19,842,457
24. Health care (\$0) and other amounts receivable	0	0	0	0
25. Aggregate write-ins for other than invested assets	5,774,424	5,774,424	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	108,360,195	6,649,740	101,710,455	100,607,162
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	108,360,195	6,649,740	101,710,455	100,607,162
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 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Other Non-admitted Assets	5,774,424	5,774,424	0	0
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	5,774,424	5,774,424	0	0

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$0)	0	0
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	0	0
4. Commissions payable, contingent commissions and other similar charges	0	0
5. Other expenses (excluding taxes, licenses and fees)	0	0
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	0	0
7.1 Current federal and foreign income taxes (including \$0 on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	0	0
8. Borrowed money \$0 and interest thereon \$0	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$106,386,025 and including warranty reserves of \$0)	0	0
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	11,041,378	11,783,938
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	270,931	422,449
20. Derivatives	0	0
21. Payable for securities	800,000	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$0 and interest thereon \$0	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	12,112,309	12,206,387
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	12,112,309	12,206,387
29. Aggregate write-ins for special surplus funds	0	129,002
30. Common capital stock	4,200,000	4,200,000
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	4,000,000
34. Gross paid in and contributed surplus	82,871,445	78,871,445
35. Unassigned funds (surplus)	2,526,701	1,200,328
36. Less treasury stock, at cost:		
36.10 shares common (value included in Line 30 \$0)	0	0
36.20 shares preferred (value included in Line 31 \$0)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	89,598,146	88,400,775
38. Totals (Page 2, Line 28, Col. 3)	101,710,455	100,607,162
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	0	0
2901. Increase in Admitted Deferred Tax Asset	0	129,002
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	129,002
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298)(Line 32 above)	0	0

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 163,109,428)	151,840,877	125,393,606	168,789,121
1.2 Assumed (written \$ 314,355)	284,776	124,969	205,009
1.3 Ceded (written \$ 163,423,783)	152,125,653	125,518,575	168,994,130
1.4 Net (written \$ 0)	0	0	0
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 0):			
2.1 Direct	71,766,358	61,045,120	79,426,156
2.2 Assumed	204,236	64,605	152,876
2.3 Ceded	71,970,594	61,109,725	79,579,032
2.4 Net	0	0	0
3. Loss adjustment expenses incurred	0	0	0
4. Other underwriting expenses incurred	0	0	0
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	0	0	0
7. Net income of protected cells	0	0	0
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	0	0	0
INVESTMENT INCOME			
9. Net investment income earned	581,928	572,413	758,441
10. Net realized capital gains (losses) less capital gains tax of \$ (714,059)	714,609	213,207	212,505
11. Net investment gain (loss) (Lines 9 + 10)	1,296,537	785,620	970,946
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)	0	0	0
13. Finance and service charges not included in premiums	0	0	0
14. Aggregate write-ins for miscellaneous income	0	0	0
15. Total other income (Lines 12 through 14)	0	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,296,537	785,620	970,946
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	1,296,537	785,620	970,946
19. Federal and foreign income taxes incurred	265,468	340,643	320,996
20. Net income (Line 18 minus Line 19)(to Line 22)	1,031,069	444,977	649,950
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	88,400,775	87,246,206	87,246,206
22. Net income (from Line 20)	1,031,069	444,977	649,950
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	383,221	763,423	1,642,497
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(576,026)	128,252	721,586
27. Change in nonadmitted assets	488,109	27,112	(1,875,027)
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	(4,000,000)	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	4,000,000	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	(129,002)	(15,943)	15,563
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,197,371	1,347,821	1,154,569
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	89,598,146	88,594,027	88,400,775
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598)(Line 5 above)	0	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0
3701. Increase in Admitted Deferred Tax Assets	(129,002)	(15,943)	15,563
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 through 3703 plus 3798)(Line 37 above)	(129,002)	(15,943)	15,563

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	7,498,973	(5,523,710)	2,056,390
2. Net investment income	662,388	784,503	844,879
3. Miscellaneous income	0	0	0
4. Total (Lines 1 to 3)	8,161,361	(4,739,207)	2,901,269
5. Benefit and loss related payments	0	0	0
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	0	0	0
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ (714,059) tax on capital gains (losses)	104,648	(266,546)	102,462
10. Total (Lines 5 through 9)	104,648	(266,546)	102,462
11. Net cash from operations (Line 4 minus Line 10)	8,056,713	(4,472,661)	2,798,807
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	4,655,650	9,994,655	10,279,655
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	790,162	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	5,445,812	9,994,655	10,279,655
13. Cost of investments acquired (long-term only):			
13.1 Bonds	8,624,763	4,222,044	7,445,260
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	6,400	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	8,624,763	4,228,444	7,445,260
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(3,178,951)	5,766,211	2,834,395
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	(4,000,000)	0	0
16.2 Capital and paid in surplus, less treasury stock	4,000,000	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied)	(173,446)	12,264,140	(1,588,106)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(173,446)	12,264,140	(1,588,106)
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) ..	4,704,316	13,557,690	4,045,096
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	6,778,834	2,733,738	2,733,738
19.2 End of period (Line 18 plus Line 19.1)	11,483,150	16,291,428	6,778,834

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

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NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of NOVA Casualty Company (“the Company”) are presented on the basis of accounting practices prescribed or permitted by the State of New York Insurance Department.

The State of New York Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of New York for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the New York 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 York. 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 York is shown below:

Description	<u>9/30/2011</u>	<u>12/31/2010</u>
Net income, state basis	\$1,031,069	\$649,950
Effect of state prescribed or permitted practices	0	0
Net income, NAIC SAP basis	<u>\$1,031,069</u>	<u>\$649,950</u>
Policyholders’ surplus, state basis	\$89,598,146	\$88,400,775
Effect of state prescribed or permitted practices	0	0
Policyholders’ surplus, NAIC SAP basis	<u>\$89,598,146</u>	<u>\$88,400,775</u>

B. Use of Estimates in the Preparation of the Financial Statements

No change

C. Accounting Policies

No change

2. Accounting Changes and Corrections of Errors

No change

3. Business Combinations and Goodwill

No change

4. Discontinued Operations

No change

5. Investments

A. Mortgage Loans

No change

B. Restructured Debt

No change

C. Reverse Mortgages

No change

D. Loan-backed Securities

1. Prepayment assumptions for loan-backed and structured securities were obtained from broker dealer survey values. 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. The Company had no securities with unrealized loss (fair value is less than amortized cost).
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.

NOTES TO FINANCIAL STATEMENTS

E. Repurchase Agreements and/or Securities Lending Transactions

No change

F. Real Estate

No change

G. Low income Housing Tax Credits

No change

6. Joint Ventures, Partnerships and Limited Liability Companies

No change

7. Investment Income

No change

8. Derivative Instruments

No change

9. Income Taxes

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

1.	9/30/2011			12/31/2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	\$ 2,266,276	\$ 1,514	\$2,267,790	\$1,974,469	\$ 716,845	\$2,691,314	\$ 291,807	\$(715,331)	\$(423,524)
(b) Statutory valuation allowance adjustment	0	1,514	1,514	0	2,593	2,593	0	(1,079)	(1,079)
(c) Adjusted gross deferred tax assets	2,266,276	0	2,266,276	1,974,469	714,252	2,688,721	291,807	(714,252)	(422,445)
(d) Deferred tax liabilities	206,876	0	206,876	54,374	0	54,374	152,502	0	152,502
(e) Subtotal (Net deferred tax assets)	2,059,400	0	2,059,400	1,920,095	714,252	2,634,347	139,305	(714,252)	(574,947)
(f) Deferred tax assets nonadmitted	0	0	0	534,036	0	534,036	(534,036)	0	(534,036)
(g) Net admitted deferred tax assets	\$ 2,059,400	\$ 0	\$2,059,400	\$1,386,059	\$ 714,252	\$2,100,311	\$673,341	\$(714,252)	\$(40,911)

2. The Company has elected to admit deferred tax assets (DTAs) pursuant to SSAP 10 Par. 10 e. The election was made effective 12/31/2009.

3. The increased amounts of admitted adjusted gross DTAs as a result of the application of paragraph 10.e. of SSAP No. 10R, Income Taxes – Revised, A Temporary Replacement of SSAP No. 10 are as follows:

	9/30/2011			12/31/2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Increase/ (decrease)	\$ 0	\$ 0	\$ 0	\$129,002	\$ 0	\$129,002	\$(129,002)	\$ 0	\$(129,002)

NOTES TO FINANCIAL STATEMENTS

4. The net admitted deferred tax asset admission calculation components are computed as follows:

SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:	9/30/2011			12/31/2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) SSAP No. 10R, Paragraph 10.a.	\$ 211,414	\$ 0	\$ 211,414	\$ 223,776	\$ 0	\$ 223,776	\$ (12,362)	\$ 0	\$ (12,362)
(b) SSAP No. 10R, Paragraph 10.b.	\$1,847,986	\$ 0	\$1,847,986	\$1,747,533	\$ 0	\$1,747,533	\$ 100,453	\$ 0	\$ 100,453
(c) SSAP No. 10R, Paragraph 10.b.i.	\$1,847,986	\$ 0	\$1,847,986	\$1,747,533	\$ 0	\$1,747,533	\$ 100,453	\$ 0	\$ 100,453
(d) SSAP No. 10R, Paragraph 10.b.ii.	\$8,517,024	\$ 0	\$8,517,024	\$8,646,467	\$ 0	\$8,646,467	\$ (129,443)	\$ 0	\$ (129,443)
(e) SSAP No. 10R, Paragraph 10.c.	\$ 206,876	\$ 0	\$ 206,876	\$ 54,374	\$ 0	\$ 54,374	\$ 152,502	\$ 0	\$ 152,502
(f) Total (4a+4b+4e)	\$2,266,276	\$ 0	\$2,266,276	\$2,025,683	\$ 0	\$2,025,683	\$ 240,593	\$ 0	\$ 240,593

SSAP No. 10R, Paragraph 10.e:	9/30/2011			12/31/2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(g) SSAP No. 10R, Paragraph 10.e.i.	\$ 211,414	\$ 0	\$ 211,414	\$ 223,776	\$ 0	\$ 223,776	\$ (12,362)	\$ 0	\$ (12,362)
(h) SSAP No. 10R, Paragraph 10.e.ii.	\$ 1,847,986	\$ 0	\$ 1,847,986	\$ 1,876,535	\$ 0	\$ 1,876,535	\$ (28,549)	\$ 0	\$ (28,549)
(i) SSAP No. 10R, Paragraph 10.e.ii.a.	\$ 1,847,986	\$ 0	\$ 1,847,986	\$ 1,876,535	\$ 0	\$ 1,876,535	\$ (28,549)	\$ 0	\$ (28,549)
(j) SSAP No. 10R, Paragraph 10.e.ii.b.	\$ 12,775,536	\$ 0	\$ 12,775,536	\$ 12,969,701	\$ 0	\$ 12,969,701	\$ (194,165)	\$ 0	\$ (194,165)
(k) SSAP No. 10R, Paragraph 10.e.iii.	\$ 206,876	\$ 0	\$ 206,876	\$ 54,374	\$ 0	\$ 54,374	\$ 152,502	\$ 0	\$ 152,502
(l) Total (4g+4h+4k)	\$ 2,266,276	\$ 0	\$ 2,266,276	\$ 2,154,685	\$ 0	\$ 2,154,685	\$ 111,591	\$ 0	\$ 111,591

Risk based capital information is as follows:

	9/30/2011			12/31/2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(m) Total adjusted capital	\$89,598,146	\$ 0	\$89,598,146	\$88,271,773	\$ 0	\$88,271,773	\$1,326,373	\$ 0	\$1,326,373
(n) Authorized control level (12/31/2010)	\$ 853,885	\$ 0	\$ 853,885	\$ 853,885	\$ 0	\$ 853,885	\$ 0	\$ 0	\$ 0

5. The amount of admitted DTAs, admitted assets, statutory surplus and total adjusted capital in the risk-based capital calculation resulting from the calculation in SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c. are as follows:

	9/30/2011			12/31/2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Admitted deferred tax assets	\$ 2,059,400	\$ 0	\$ 2,059,400	\$ 1,971,309	\$ 0	\$ 1,971,309	\$ 88,091	\$ 0	\$ 88,091
(b) Admitted assets	\$ 101,710,455	\$ 0	\$ 101,710,455	\$ 100,478,160	\$ 0	\$ 100,478,160	\$ 1,232,295	\$ 0	\$ 1,232,295
(c) Adjusted statutory surplus	\$ 89,598,146	\$ 0	\$ 89,598,146	\$ 88,271,773	\$ 0	\$ 88,271,773	\$ 1,326,373	\$ 0	\$ 1,326,373
(d) Total adjusted capital from DTAs	\$ 89,598,146	\$ 0	\$ 89,598,146	\$ 88,271,773	\$ 0	\$ 88,271,773	\$ 1,326,373	\$ 0	\$ 1,326,373

The increases due to SSAP No.10R, Paragraph 10.e. are as follows:

	9/30/2011			12/31/2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(e) Admitted deferred tax assets	\$ 0	\$ 0	\$ 0	\$ 129,002	\$ 0	\$ 129,002	\$ (129,002)	\$ 0	\$ (129,002)
(f) Admitted assets	\$ 0	\$ 0	\$ 0	\$ 129,002	\$ 0	\$ 129,002	\$ (129,002)	\$ 0	\$ (129,002)
(g) Statutory Surplus	\$ 0	\$ 0	\$ 0	\$ 129,002	\$ 0	\$ 129,002	\$ (129,002)	\$ 0	\$ (129,002)

6. The impact of tax planning strategies at September 30, 2011 is as follows:

	Ordinary Percent	Capital Percent	Total Percent
(a) Adjusted gross DTAs (% of total adjusted gross DTAs)	0.0%	0.0%	0.0%
(b) Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	0.0%	0.0%	0.0%

NOTES TO FINANCIAL STATEMENTS

B. Unrecognized deferred tax liabilities

Not applicable

C. Current Tax and Change in Deferred Tax

The provisions for income taxes incurred on earnings for the periods ended:

	9/30/2011	12/31/2010	Change
Federal	\$ 265,468	\$ 320,996	\$ (55,528)
Foreign	0	0	0
Subtotal	265,468	320,996	(55,528)
Federal income tax on net capital gains	(714,059)	172,661	(886,720)
Utilization of capital loss carry-forwards	0	0	0
Other	0	0	0
Federal and foreign income taxes incurred	\$ (448,591)	\$ 493,657	\$ (942,248)

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	9/30/2011	12/31/2010	Change
Deferred tax assets:			
Ordinary:			
DTAs resulting from book/tax differences in:			
Investments	\$ 0	\$ 0	\$ 0
Reserves	0	0	0
Employee benefits	0	0	0
Assets	2,266,276	1,974,469	291,807
Other	0	0	0
Operating loss carryforward	0	0	0
AMT credit	0	0	0
Subtotal	2,266,276	1,974,469	291,807
Statutory valuation allowance	0	0	0
DTAs nonadmitted	0	534,036	(534,036)
Admitted ordinary DTAs	\$ 2,266,276	\$1,440,433	\$ 825,843
Capital:			
DTAs resulting from book/tax differences in:			
Investments	\$ 1,514	\$ 2,593	\$ (1,079)
Assets	0	0	0
Other	0	0	0
Capital loss carryforward	0	714,252	(714,252)
AMT credit	0	0	0
Subtotal	1,514	716,845	(715,331)
Valuation allowance	1,514	2,593	(1,079)
DTAs nonadmitted	0	0	0
Admitted capital DTAs	\$ 0	\$ 714,252	\$ (714,252)
Admitted deferred tax assets	\$ 2,266,276	\$2,154,685	\$ 111,591
Deferred tax liabilities:			
Ordinary:			
DTLs resulting from book/tax differences in:			
Depreciation	\$ 0	\$ 0	\$ 0
Software capitalization	206,876	54,374	152,502
Subtotal	\$ 206,876	\$ 54,374	\$ 152,502
Capital:			
DTLs resulting from book/tax differences in:			
Investments	\$ 0	\$ 0	\$ 0
Subtotal	\$ 0	\$ 0	\$ 0
Total deferred tax liabilities	\$ 206,876	\$ 54,374	\$ 152,502
Net deferred tax assets/liabilities	\$ 2,059,400	\$2,100,311	\$ (40,911)

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:

	9/30/2011	
	Tax	Rate
Provision computed at statutory rate	\$ 203,867	35.0%
Tax exempt income deduction	(14,842)	-2.5%
Non-admitted Assets	(61,603)	-10.6%
Other	13	0.0%
Total	\$ 127,435	21.9%

	9/30/2011	
	Tax	Rate
Federal income taxes incurred	\$ 265,468	45.6%
Realized capital gains tax	(714,059)	-122.6%
Change in net deferred income taxes	576,026	98.9%
Total statutory income taxes	\$ 127,435	21.9%

E. Operating Loss and Tax Credit Carryforwards

1. At September 30, 2011, 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 2010: \$211,414

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	Hanover Specialty Insurance Brokers, Inc.
AIX Holdings, Inc.	Hanover Texas Insurance Management Company, Inc.
AIX, Inc.	Health Facilities Insurance Corporation, Inc.
AIX Insurance Services of California, Inc.	Massachusetts Bay Insurance Company
AIX Specialty Insurance Company	NOVA American Group, Inc.
Allmerica Financial Alliance Insurance Company	NOVA Insurance Group, Inc.
Allmerica Financial Benefit Insurance Company	Opus Investment Management, Inc.
Allmerica Plus Insurance Agency, Inc.	Professionals Direct, Inc.
Benchmark Professional Insurance Services, Inc.	Professionals Direct Finance, Inc.
Campania Holding Company, Inc.	Professionals Direct Insurance Company
Campania Insurance Agency, Inc.	Professionals Direct Insurance Services, Inc.
Campania Management Company, Inc.	Professional Underwriters Agency, Inc.
Campania Shared Services Co. Inc.	The Hanover American Insurance Company
Camped Casualty & Indemnity Co. Inc. of Maryland	The Hanover Insurance Company
Citizens Insurance Company of America	The Hanover Insurance Group, Inc.
Citizens Insurance Company of Illinois	The Hanover National Insurance Company
Citizens Insurance Company of Ohio	The Hanover New Jersey Insurance Company
Citizens Insurance Company of the Midwest	VeraVest Investments, Inc.
Citizens Management, Inc.	Verlan Fire Insurance Company
Educators Insurance Agency, Inc.	Verlan Holdings, Inc.
Hanover Lloyd's Insurance Company	

2. The Board of Directors has delegated to The Hanover Insurance Group, Inc. ("THG") 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 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.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. Nature of Relationships

No change

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

The Company recognized \$4,000,000 in a capital contribution in August 2011. The contribution was settled with cash on August 23, 2011.

C. Change in Terms of Intercompany Arrangements

No change

NOTES TO FINANCIAL STATEMENTS

D. Amounts Due to or from Related Parties

At September 30, 2011, the Company reported \$11,546,838 as amounts due from subsidiary, controlled and affiliated companies and \$270,931 as amounts due to subsidiary, controlled and affiliated companies. Intercompany balances related to Nova American Group, Inc. agreements must be settled within 45 days and balances related to Hanover agreements must be settled within 30 days.

E. Guarantees or Contingencies for Related Parties

No change

F. Management, Service Contracts, Cost Sharing Arrangements

No change

G. Nature of Relationships that Could Affect Operations

No change

H. Amount Deducted for Investment in Upstream Company

No change

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

No change

J. Writedown for Impairment of Investments in Subsidiary, Controlled or Affiliated Companies

No change

K. Foreign Insurance Subsidiary Valued Using CARVM

No change

L. Detail of Investments in Downstream Noninsurance Holding Companies

No change

11. Debt

No change

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

No change

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

A. Outstanding Shares

No change

B. Dividend Rate of Preferred Stock

No change

C., D., E. Dividend Restrictions

No change

F. Mutual Surplus Advances

No change

G. Company Stock Held for Special Purposes

No change

H. Changes in Special Surplus Funds

No change

I. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized gains is as follows:

<u>Description</u>	<u>Cumulative Increase (Decrease) in Surplus</u>
Unrealized gains	\$ 2,733,186

There are no taxes attributed to these unrealized gains.

NOTES TO FINANCIAL STATEMENTS

J. Surplus Notes

The Company redeemed the \$4,000,000 balance of surplus notes in August 2011.

K., L. Quasi Reorganizations

No change

14. Contingencies

A. Contingent Commitments

No change

B. Guaranty Fund and Other Assessments

No change

C. Gain Contingencies

No change

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming From Lawsuits

No change

E. All Other Contingencies

No change

15. Leases

No change

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risk

No change

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

A. Transfers of Receivables Reported as Sales

No change

B. Transfers and Servicing of Financial Assets

No change

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.

18. Gain or Loss from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

No change

B. Administrative Services Contract (ASC) Plans

No change

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

No change

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

No change

20. Fair Value Measurements

The Company did not have any assets or liabilities measured at fair value at September 30, 2011.

21. Other Items

A. Extraordinary Items

No change

B. Troubled Debt Restructuring: Debtors

No change

NOTES TO FINANCIAL STATEMENTS

C. Other Disclosures

Assets in the amount of \$12,600,748 and \$11,904,896 at September 30, 2011 and December 31, 2010, respectively, were on deposit with government authorities or trustees as required by law.

Certificates of deposit valued at \$210,134 and \$209,426 at September 30, 2011 and December 31, 2010, respectively, have been pledged as collateral for letters of credit for assumed reinsurance.

D. Accounts Receivable for Uninsured Plans and Amounts Due from Agents

No change

E. Business Interruption Insurance Recoveries

No change

F. State Transferable Tax Credits

No change

G. Subprime-Mortgage-Related Risk Exposure

No change

22. Events Subsequent

No change

23. Reinsurance

A. Unsecured Reinsurance Recoverables

No change

B. Reinsurance Recoverables in Dispute

No change

C. Reinsurance Assumed and Ceded

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at September 30, 2011

	ASSUMED REINSURANCE		CEDED REINSURANCE		NET	
	(1) Premium Reserve	(2) Commission Equity	(3) Premium Reserve	(4) Commission Equity	(5) Premium Reserve	(6) Commission Equity
a. Affiliates	\$ 0	\$ 0	\$ 106,386,025	\$ 0	\$ (106,386,025)	\$ 0
b. All Other	127,578	38,274	0	0	127,578	38,274
c. Total	\$ 127,578	\$ 38,274	\$ 106,386,025	\$ 0	\$ (106,258,447)	\$ 38,274
d. Direct Unearned Premium Reserve	\$106,258,447					

Line (c) of Column 5 plus Line (d) must equal Page 3, Line 9, first inside amount.

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:

No change

D. Uncollectible Reinsurance

No change

E. Commutation of Ceded Reinsurance

No change

F. Retroactive Reinsurance

No change

G. Reinsurance Accounted for as a Deposit

No change

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

No change

25. Change in Incurred Loss and Loss Adjustment Expenses

Not applicable

NOTES TO FINANCIAL STATEMENTS

26. Intercompany Pooling Arrangements

No change

27. Structured Settlements

A. Reserves Released due to Purchase of Annuities

No change

B. Annuity Insurers with Balances due Greater than 1% of Policyholders' Surplus

No change

28. Health Care Receivables

No change

29. Participating Policies

No change

30. Premium Deficiency Reserves

1) Liability carried for premium deficiency reserves: \$0

2) Date of the most recent evaluation of this liability: 9/30/2011

3) Was anticipated investment income utilized in the calculation? Yes

31. High Deductibles

No change

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

A. Tabular Discounts

No change

B. Non-Tabular Discounts

No change

C. Changes in Discount Assumptions

No change

33. Asbestos/Environmental Reserves

No change

34. Subscriber Savings Accounts

No change

35. Multiple Peril Crop Insurance

No change

36. Financial Guaranty Insurance

Not applicable

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] No []
 If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] N/A [X]
 If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007
- 6.2 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. 12/31/2007
- 6.3 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). 07/29/2009
- 6.4 By what department or departments?
 Insurance Department of New York
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 7.1 Has this 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 [X] No []
- 7.2 If yes, give full information:
 The Company had its license revoked by the State of Vermont for failure to file its Annual Report. The revocation was issued on July 25, 2011 and the company was reinstated on August 9, 2011.
- 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 Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
Opus Investment Management, Inc.	Worcester, MA					YES

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY

GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [] No []
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes [] No []
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No []
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No []
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 8,292,659

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No []
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0
13. Amount of real estate and mortgages held in short-term investments: \$0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No []
- 14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$0	\$0
14.22 Preferred Stock	\$0	\$0
14.23 Common Stock	\$ 47,676,846	\$ 48,060,067
14.24 Short-Term Investments	\$0	\$0
14.25 Mortgage Loans on Real Estate	\$0	\$0
14.26 All Other	\$0	\$0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 47,676,846	\$ 48,060,067
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$0	\$0

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No []
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
 If no, attach a description with this statement.

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY
GENERAL INTERROGATORIES

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

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

1 Name of Custodian(s)	2 Custodian Address
Bank of New York Mellon	One Wall Street, 14th Floor, New York, NY 10286

16.2 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)
.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]

16.4 If yes, give full information relating thereto:

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

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

1 Central Registration Depository	2 Name(s)	3 Address
107569	Opus Investment Management, Inc.	440 Lincoln Street, Worcester, MA 01653

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []

17.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?..... Yes [] No [] N/A [X]
If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto.

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
	0.0	0.000	0	0	0	0	0	0	0	0
		TOTAL	0	0	0	0	0	0	0	0

5. Operating Percentages:

5.1 A&H loss percent0.000 %

5.2 A&H cost containment percent0.000 %

5.3 A&H expense percent excluding cost containment expenses0.000 %

6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date\$.....0

6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

6.4 If yes, please provide the balance of the funds administered as of the reporting date\$.....0

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (Yes or No)
NONE				

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

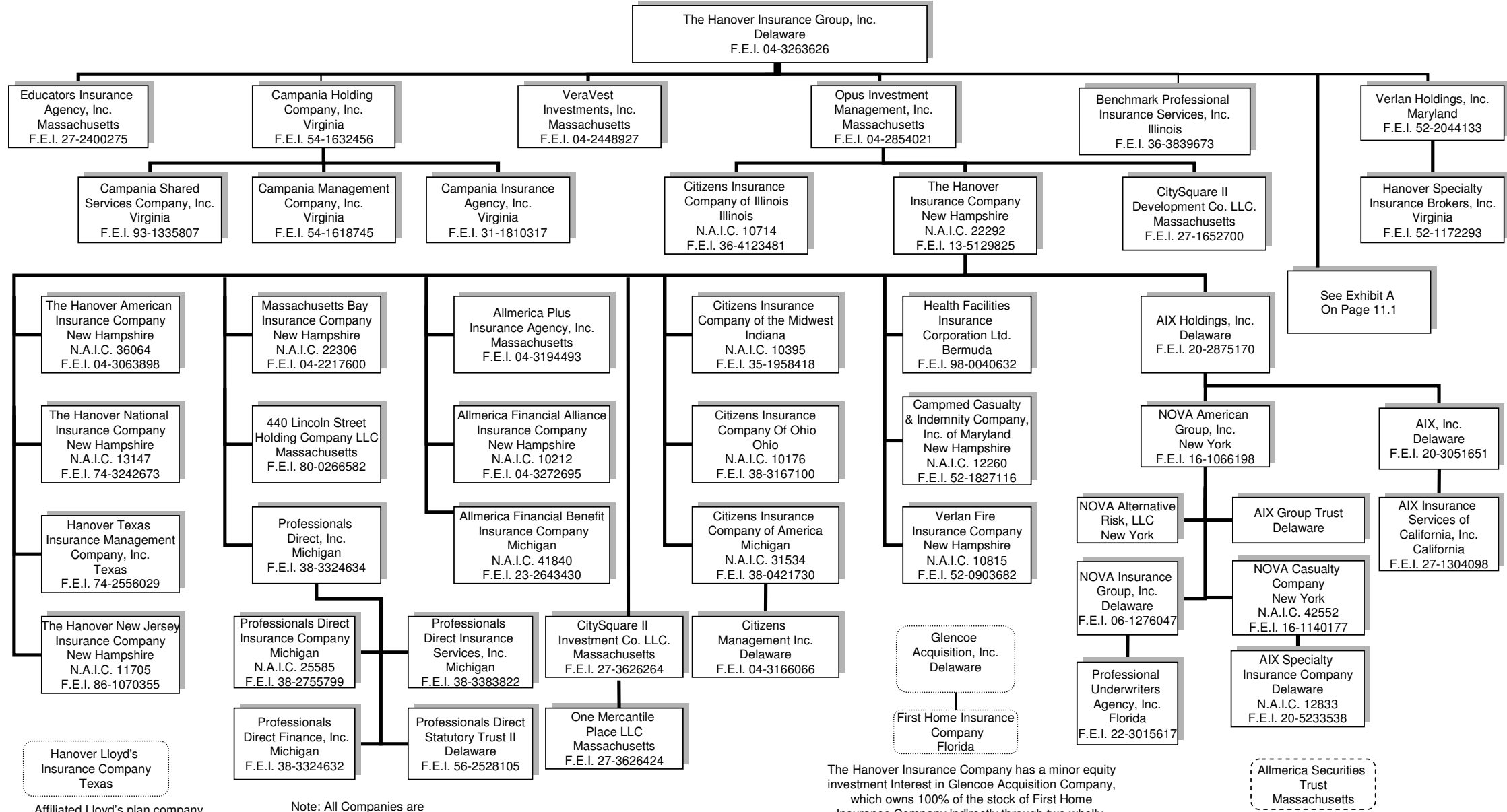
	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2	3	4	5	6	7	
States, etc.	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	
1. Alabama	AL	L	1,614,313	1,258,066	472,557	167,885	617,919	519,935
2. Alaska	AK	L	631,449	597,298	77,101	104,601	192,355	80,718
3. Arizona	AZ	L	2,590,507	2,900,146	2,635,284	788,796	3,102,576	2,725,449
4. Arkansas	AR	L	950,375	481,459	155,792	67,089	314,385	165,311
5. California	CA	L	52,904,719	29,345,889	9,604,504	5,117,999	31,427,055	24,153,696
6. Colorado	CO	L	1,643,009	1,256,655	669,215	212,400	2,859,279	602,869
7. Connecticut	CT	L	1,928,285	2,151,629	1,685,740	667,325	3,071,222	2,556,225
8. Delaware	DE	L	439,490	642,741	206,358	126,018	453,688	676,698
9. District of Columbia	DC	L	263,814	376,009	199,028	78,763	670,839	457,652
10. Florida	FL	L	17,942,006	19,373,055	9,598,570	5,386,916	17,946,663	35,815,734
11. Georgia	GA	L	4,644,136	4,171,375	1,811,735	881,110	3,757,701	4,453,457
12. Hawaii	HI	L	87,470	1,059,502	297,325	435,536	1,453,425	419,759
13. Idaho	ID	L	496,111	360,585	5,926	345	249,125	271,072
14. Illinois	IL	L	4,474,423	3,043,854	1,067,805	401,411	2,326,406	1,364,234
15. Indiana	IN	L	1,809,011	1,177,307	498,243	705,025	786,205	470,690
16. Iowa	IA	L	303,295	290,928	109,684	18,071	230,949	95,165
17. Kansas	KS	L	897,495	471,357	463,288	119,897	490,328	77,085
18. Kentucky	KY	L	815,660	582,796	75,969	78,927	201,731	145,693
19. Louisiana	LA	L	3,373,731	1,454,213	393,914	155,230	1,279,996	928,911
20. Maine	ME	L	510,706	318,115	68,636	28,806	268,239	181,440
21. Maryland	MD	L	988,273	962,991	380,055	263,564	987,551	346,173
22. Massachusetts	MA	L	1,732,916	8,825,578	2,624,837	6,634,130	7,489,735	6,543,867
23. Michigan	MI	L	1,559,946	1,401,747	243,959	44,117	1,123,209	545,755
24. Minnesota	MN	L	1,012,943	1,074,220	219,655	114,086	929,026	220,260
25. Mississippi	MS	L	1,801,924	797,972	242,172	485,445	952,485	733,434
26. Missouri	MO	L	1,754,681	2,672,111	4,073,254	542,538	6,025,211	614,759
27. Montana	MT	L	1,479,374	500,178	78,810	42,260	658,823	409,716
28. Nebraska	NE	L	353,230	184,098	42,636	146,553	109,011	88,763
29. Nevada	NV	L	1,129,225	823,588	313,241	288,984	1,254,082	696,446
30. New Hampshire	NH	L	704,185	581,053	266,737	242,460	596,796	200,987
31. New Jersey	NJ	L	7,466,522	7,896,581	2,705,230	3,090,216	10,981,558	7,938,076
32. New Mexico	NM	L	535,356	250,022	92,973	75,445	452,016	221,199
33. New York	NY	L	16,389,646	15,912,004	9,293,348	12,242,041	27,423,719	38,382,252
34. North Carolina	NC	L	1,994,575	1,289,236	515,570	46,068	728,384	624,625
35. North Dakota	ND	L	114,930	97,191	34,879	0	37,044	38,196
36. Ohio	OH	L	1,339,097	1,321,412	561,653	60,254	771,894	517,819
37. Oklahoma	OK	L	979,672	864,890	342,840	173,697	1,141,343	2,449
38. Oregon	OR	L	1,143,463	774,665	122,600	4,486	965,579	311,634
39. Pennsylvania	PA	L	5,145,806	5,380,411	4,922,361	3,301,289	7,605,654	6,568,600
40. Rhode Island	RI	L	141,850	1,227,021	1,389,256	1,268,834	1,660,653	1,421,569
41. South Carolina	SC	L	2,106,985	1,960,664	437,011	397,504	2,012,034	796,648
42. South Dakota	SD	L	483,870	274,976	44,460	9,219	146,094	104,567
43. Tennessee	TN	L	2,872,274	2,282,219	1,339,246	1,324,571	2,113,771	1,431,545
44. Texas	TX	L	6,388,593	3,647,766	2,214,718	530,944	3,055,070	2,122,902
45. Utah	UT	L	1,018,992	760,842	1,028,118	671,024	2,312,664	2,756,298
46. Vermont	VT	L	98,559	414,563	79,923	226,171	486,690	361,845
47. Virginia	VA	L	1,407,979	1,643,822	616,935	475,009	1,490,719	1,175,126
48. Washington	WA	L	1,030,329	901,424	1,087,623	179,496	957,453	179,888
49. West Virginia	WV	L	598,321	639,708	157,348	18,112	516,344	347,345
50. Wisconsin	WI	L	836,769	696,542	224,615	16,205	1,225,880	202,846
51. Wyoming	WY	L	179,138	86,987	19,246	6,967	46,767	28,670
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CN	N	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	(a) 51		163,109,428	137,459,461	65,811,983	48,463,839	157,957,345	152,096,055
DETAILS OF WRITE-INS								
5801. Alien: 001	XXX		0	0	0	0	0	0
5802.	XXX							
5803.	XXX							
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	XXX		0	0	0	0	0	0

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

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

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY

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



Affiliated Lloyd's plan company, controlled by Underwriters for the benefit of The Hanover Insurance Company

Note: All Companies are wholly-owned, unless indicated otherwise.

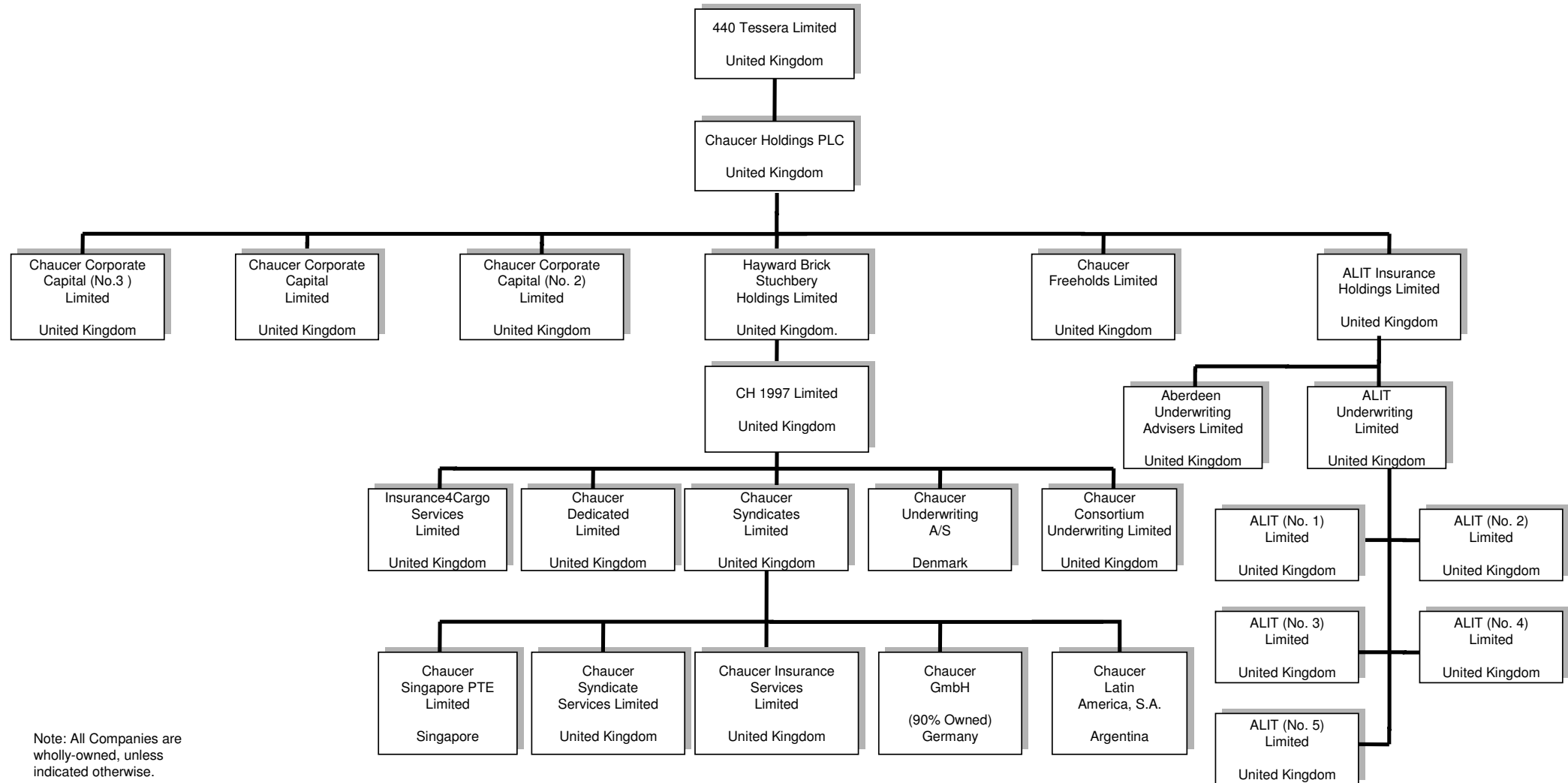
The Hanover Insurance Company has a minor equity investment interest in Glencoe Acquisition Company, which owns 100% of the stock of First Home Insurance Company indirectly through two wholly-owned subsidiaries.

Allmerica Securities Trust
Massachusetts

Affiliated Investment Management Company

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

Exhibit A



11.1

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	2,255,506	922,730	40.9	26.8
2. Allied Lines	878,210	6,136	0.7	63.6
3. Farmowners multiple peril	0	0	0.0	0.0
4. Homeowners multiple peril	0	0	0.0	0.0
5. Commercial multiple peril	56,611,789	30,052,018	53.1	69.4
6. Mortgage guaranty	0	0	0.0	0.0
8. Ocean marine	0	0	0.0	0.0
9. Inland marine	2,104,349	1,111,839	52.8	43.0
10. Financial guaranty	0	0	0.0	0.0
11.1 Medical professional liability - occurrence	0	44,764	0.0	13.6
11.2 Medical professional liability - claims-made	0	0	0.0	0.0
12. Earthquake	3,310	11,390	344.1	15.0
13. Group accident and health	91,924	552,795	601.4	30.7
14. Credit accident and health	0	0	0.0	0.0
15. Other accident and health	0	0	0.0	0.0
16. Workers' compensation	36,024,928	20,541,865	57.0	35.3
17.1 Other liability - occurrence	19,523,756	3,644,778	18.7	40.3
17.2 Other liability - claims-made	0	0	0.0	0.0
17.3 Excess workers' compensation	0	(59,446)	0.0	13.6
18.1 Products liability - occurrence	0	0	0.0	0.0
18.2 Products liability - claims-made	0	0	0.0	0.0
19.1,19.2 Private passenger auto liability	1,240	(30,325)	(2,445.6)	1,894.7
19.3,19.4 Commercial auto liability	25,931,972	13,504,036	52.1	44.4
21. Auto physical damage	5,708,088	2,847,736	49.9	48.9
22. Aircraft (all perils)	0	0	0.0	0.0
23. Fidelity	0	0	0.0	0.0
24. Surety	2,543,231	(1,661,248)	(65.3)	53.6
26. Burglary and theft	123,739	43,612	35.2	39.8
27. Boiler and machinery	38,835	233,678	601.7	58.3
28. Credit	0	0	0.0	0.0
29. International	0	0	0.0	0.0
30. Warranty	0	0	0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. Totals	151,840,877	71,766,358	47.3	48.7
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 through 3403 plus 3498)(Line 34 above)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	278,130	959,977	7,129,950
2. Allied Lines	253,408	652,320	1,323,071
3. Farmowners multiple peril	0	0	0
4. Homeowners multiple peril	0	0	0
5. Commercial multiple peril	19,439,866	59,430,713	54,318,966
6. Mortgage guaranty	0	0	0
8. Ocean marine	0	0	0
9. Inland marine	1,549,351	3,537,442	640,556
10. Financial guaranty	0	0	0
11.1 Medical professional liability - occurrence	0	0	0
11.2 Medical professional liability - claims-made	0	0	0
12. Earthquake	3,310	11,950	2,433
13. Group accident and health	25,828	91,924	467,675
14. Credit accident and health	0	0	0
15. Other accident and health	0	0	0
16. Workers' compensation	11,986,939	38,590,163	26,706,599
17.1 Other liability - occurrence	4,257,977	16,095,396	17,798,883
17.2 Other liability - claims-made	0	0	0
17.3 Excess workers' compensation	0	0	17,034
18.1 Products liability - occurrence	0	0	0
18.2 Products liability - claims-made	0	0	0
19.1,19.2 Private passenger auto liability	0	(53)	3,457
19.3,19.4 Commercial auto liability	10,967,351	34,121,203	19,423,689
21. Auto physical damage	2,615,675	7,864,985	4,090,562
22. Aircraft (all perils)	0	0	0
23. Fidelity	0	0	0
24. Surety	22,937	1,040,095	5,491,585
26. Burglary and theft	59,404	596,101	3,300
27. Boiler and machinery	95,419	117,212	41,701
28. Credit	0	0	0
29. International	0	0	0
30. Warranty	0	0	0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. Totals	51,555,595	163,109,428	137,459,461
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1+2)	2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2011 Loss and LAE Payments (Cols. 4+5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7+8+9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols.4+7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5+8+9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11+12)
1. 2008 + Prior													
2. 2009													
3. Subtotals 2009 + Prior													
4. 2010													
5. Subtotals 2010 + Prior													
6. 2011	XXX	XXX	XXX	XXX			XXX				XXX	XXX	XXX
7. Totals													
8. Prior Year-End Surplus As Regards Policyholders											Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
											1.	2.	3.
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4.

NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

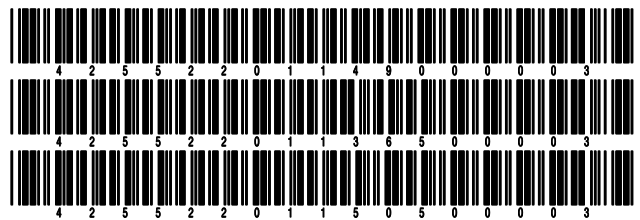
	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	YES
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanations:

- 1.
- 3.
- 4.

Bar Codes:

1. Trusteed Surplus Statement [Document Identifier 490]
3. Medicare Part D Coverage Supplement [Document Identifier 365]
4. Director and Officer Supplement [Document Identifier 505]



NONE

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	70,931,250	71,782,490
2. Cost of bonds and stocks acquired	8,624,763	7,445,260
3. Accrual of discount	3,897	6,465
4. Unrealized valuation increase (decrease)	383,221	1,642,496
5. Total gain (loss) on disposals	550	385,166
6. Deduct consideration for bonds and stocks disposed of	4,655,650	10,279,655
7. Deduct amortization of premium	48,785	50,972
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	75,239,246	70,931,250
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	75,239,246	70,931,250

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	27,113,841	10,874,107	10,277,516	(19,943)	26,820,733	27,113,841	27,690,489	26,709,993
2. Class 2 (a)	504,814	498,727	0	(68)	505,133	504,814	1,003,473	505,230
3. Class 3 (a)	0	0	0	0	0	0	0	0
4. Class 4 (a)	0	0	0	0	0	0	0	0
5. Class 5 (a)	0	0	0	0	0	0	0	0
6. Class 6 (a)	0	0	0	0	0	0	0	0
7. Total Bonds	27,618,655	11,372,834	10,277,516	(20,011)	27,325,866	27,618,655	28,693,962	27,215,223
PREFERRED STOCK								
8. Class 1	0	0	0	0	0	0	0	0
9. Class 2	0	0	0	0	0	0	0	0
10. Class 3	0	0	0	0	0	0	0	0
11. Class 4	0	0	0	0	0	0	0	0
12. Class 5	0	0	0	0	0	0	0	0
13. Class 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	27,618,655	11,372,834	10,277,516	(20,011)	27,325,866	27,618,655	28,693,962	27,215,223

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$0 ; NAIC 2 \$0 ; NAIC 3 \$0 ; NAIC 4 \$0 ; NAIC 5 \$0 ; NAIC 6 \$0

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STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year-to-Date	5 Paid for Accrued Interest Year-to-Date
9199999 Totals	1,514,783	XXX	1,514,783	336	0

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	3,960,819	186,223
2. Cost of short-term investments acquired	3,735,774	10,638,449
3. Accrual of discount	0	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration received on disposals	6,181,810	6,863,853
7. Deduct amortization of premium	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	1,514,783	3,960,819
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	1,514,783	3,960,819

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

N O N E

Schedule DB - Part B - Verification - Futures Contracts

N O N E

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

N O N E

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

N O N E

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of
Derivatives

N O N E

Schedule E - Verification - Cash Equivalents

N O N E

Schedule A - Part 2 - Real Estate Acquired and Additions Made

N O N E

Schedule A - Part 3 - Real Estate Disposed

N O N E

Schedule B - Part 2 - Mortgage Loans Acquired

N O N E

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

N O N E

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired

N O N E

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

N O N E

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
313375-07-5	Federal Home Loan Bank Agency Notes 1.500% 10/04/16		09/20/2011	RBC Dain Rauscher		500,000	500,000	0	1FE
313560-CM-3	Federal National Mortgage Asso Agency Notes 1.250% 09/28/16		08/24/2011	Salomon Brothers		498,149	500,000	104	1FE
0599999. Bonds - U.S. Governments									
13063B-F0-0	California State of Taxable - GO [BAB] 5.750% 03/01/17		09/08/2011	Merrill Lynch		998,149	1,000,000	104	XXX
644682-MS-2	New Hampshire, State Of Taxable - GO (BAB) 3.625% 06/01/23		08/16/2011	Robert W. Baird		400,316	350,000	671	1FE
646039-PL-5	State of New Jersey Taxable - GO 4.750% 06/01/14		08/04/2011	Ramirez & Co.		354,179	350,000	2,749	1FE
882722-J4-4	Texas State G.O. - Taxable 2.503% 10/01/17		07/26/2011	Depfa First Albany		989,586	900,000	8,075	1FE
						250,000	250,000	0	1FE
1799999. Bonds - U.S. States, Territories and Possessions									
083763-GE-6	Bergen County NJ Taxable - GO 3.400% 11/01/19		07/14/2011	Robert W. Baird		1,994,081	1,850,000	11,495	XXX
121637-4P-4	Burlington Cnty NJ Taxable - GO 5.300% 12/15/22		07/19/2011	Ramirez & Co.		1,020,630	1,000,000	7,367	1FE
						378,210	350,000	1,906	1FE
2499999. Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
017350-X3-8	Allegheny Cnty PA Housing Tax-ex Rev 4.750% 11/01/24		09/27/2011	Raymond James		1,398,840	1,350,000	9,273	XXX
56045R-AM-1	Maine Muni Bond Bank Other Revenue 5.324% 09/01/22		07/26/2011	Morgan Keegan		261,875	250,000	4,915	1FE
587845-FJ-2	Mercer County NJ Imp. Auth. Taxable - Rev [BAB CNTY GTD] 3.890% 02/01/14		08/11/2011	Ramirez & Co.		460,655	430,000	9,348	1FE
678535-X9-1	Oklahoma City Airport Taxable - Revenue 5.200% 10/01/12		09/21/2011	Robert W. Baird		313,794	295,000	478	1FE
83755N-EW-8	S. Dakota Housing Dev. Authori Revenue Bonds - Tax-Exempt 4.000% 05/01/26		09/30/2011	RBC Dain Rauscher		104,223	100,000	2,528	1FE
906351-AL-5	Union Cnty NJ Imp Auth Taxable - Rev [Cnty Gtd] 4.670% 10/15/22		08/11/2011	Ramirez & Co.		300,000	300,000	0	1FE
906351-AP-6	Union Cnty NJ Imp Auth Taxable - Rev [Cnty Gtd] 5.070% 10/15/25		07/26/2011	Ramirez & Co.		541,110	500,000	5,707	1FE
95662M-F7-0	West VA Hsg Revenue Bond - Taxable 2.559% 05/01/17		08/31/2011	Raymond James		549,713	535,000	5,350	1FE
						250,000	250,000	0	1FE
3199999. Bonds - U.S. Special Revenues									
233851-AH-7	Daimler Finance of N. America Notes 2.625% 09/15/16		09/09/2011	Morgan, J.P.		2,781,370	2,660,000	28,326	XXX
29265N-AS-7	Energen Corporation Senior Notes 4.625% 09/01/21		08/02/2011	B.A. Securities Inc.		248,758	250,000	0	2FE
69371R-K3-9	Paccar Financial Senior Note 1.550% 09/29/14		09/26/2011	Morgan, J.P.		249,970	250,000	0	2FE
						199,777	200,000	0	1FE
3899999. Bonds - Industrial and Miscellaneous (Unaffiliated)									
						698,505	700,000	0	XXX
8399997. Total - Bonds - Part 3						7,870,945	7,560,000	49,198	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						7,870,945	7,560,000	49,198	XXX
8999997. Total - Preferred Stocks - Part 3						0	XXX	0	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						0	XXX	0	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						0	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						0	XXX	0	XXX
9999999 - Totals						7,870,945	XXX	49,198	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22		
										11	12	13	14	15									
CUSIP Identification	Description	For-foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)		
.912827-7B-2	U.S. Treasury Notes 5.000% 08/15/11		08/15/2011	Maturity		4,150,000	4,150,000	4,168,967	4,152,516	0	(2,516)	0	(2,516)	0	4,150,000	0	0	0	207,500	08/15/2011	1		
0599999	Bonds - U.S. Governments					4,150,000	4,150,000	4,168,967	4,152,516	0	(2,516)	0	(2,516)	0	4,150,000	0	0	0	207,500		XXX	XXX	
8399997	Total - Bonds - Part 4					4,150,000	4,150,000	4,168,967	4,152,516	0	(2,516)	0	(2,516)	0	4,150,000	0	0	0	207,500		XXX	XXX	
8399998	Total - Bonds - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
8399999	Total - Bonds					4,150,000	4,150,000	4,168,967	4,152,516	0	(2,516)	0	(2,516)	0	4,150,000	0	0	0	207,500		XXX	XXX	
8999997	Total - Preferred Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0		XXX	XXX
8999998	Total - Preferred Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
8999999	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0		XXX	XXX
9799997	Total - Common Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0		XXX	XXX
9799998	Total - Common Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
9799999	Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0		XXX	XXX
9899999	Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0		XXX	XXX
9999999	Totals					4,150,000	XXX	4,168,967	4,152,516	0	(2,516)	0	(2,516)	0	4,150,000	0	0	0	207,500		XXX	XXX	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues.....0

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open

N O N E

Schedule DB - Part B - Section 1 - Futures Contracts Open

N O N E

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made

N O N E

Schedule DB - Part D - Counterparty Exposure for Derivative Instruments Open

N O N E

Schedule DL - Part 1 - Reinvested Collateral Assets Owned

N O N E

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

N O N E

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due and Accrued	8 Amount Received During Year
NONE							
8699999 - Total Cash Equivalents							



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2011 OF THE NOVA CASUALTY COMPANY

Designate the type of health care providers reported on this page:
Other health care professionals, including dentists

**SUPPLEMENT A TO SCHEDULE T
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

States, etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 No. of Claims		6 Amount Reported	7 No. of Claims	
1. Alabama	0	0	0	0	0	0	0	0
2. Alaska	0	0	0	0	0	0	0	0
3. Arizona	0	0	0	0	0	0	0	0
4. Arkansas	0	0	0	0	0	0	0	0
5. California	0	0	0	0	2,260	0	0	14,586
6. Colorado	0	0	0	0	0	0	0	0
7. Connecticut	0	0	0	0	0	0	0	0
8. Delaware	0	0	0	0	0	0	0	0
9. District of Columbia	0	0	0	0	0	0	0	0
10. Florida	0	0	0	0	31,015	0	0	39,462
11. Georgia	0	0	0	0	0	0	0	0
12. Hawaii	0	0	0	0	0	0	0	0
13. Idaho	0	0	0	0	0	0	0	0
14. Illinois	0	0	0	0	0	0	0	0
15. Indiana	0	0	0	0	0	0	0	0
16. Iowa	0	0	0	0	0	0	0	0
17. Kansas	0	0	0	0	0	0	0	0
18. Kentucky	0	0	0	0	0	0	0	0
19. Louisiana	0	0	0	0	0	0	0	0
20. Maine	0	0	0	0	0	0	0	0
21. Maryland	0	0	0	0	0	0	0	0
22. Massachusetts	0	0	0	0	0	0	0	0
23. Michigan	0	0	0	0	0	0	0	0
24. Minnesota	0	0	0	0	0	0	0	0
25. Mississippi	0	0	0	0	0	0	0	0
26. Missouri	0	0	0	0	0	0	0	0
27. Montana	0	0	0	0	0	0	0	0
28. Nebraska	0	0	0	0	0	0	0	0
29. Nevada	0	0	0	0	0	0	0	0
30. New Hampshire	0	0	0	0	0	0	0	0
31. New Jersey	0	0	0	0	0	0	0	0
32. New Mexico	0	0	0	0	14,124	0	0	15,962
33. New York	0	0	0	0	(17,044)	0	0	0
34. North Carolina	0	0	0	0	0	0	0	0
35. North Dakota	0	0	0	0	0	0	0	0
36. Ohio	0	0	0	0	0	0	0	0
37. Oklahoma	0	0	0	0	2,811	0	0	3,137
38. Oregon	0	0	0	0	(5,607)	0	0	1,445
39. Pennsylvania	0	0	0	0	4,021	0	0	8,844
40. Rhode Island	0	0	0	0	1,042	0	0	1,581
41. South Carolina	0	0	0	0	0	0	0	0
42. South Dakota	0	0	0	0	0	0	0	0
43. Tennessee	0	0	0	0	9,466	0	0	16,377
44. Texas	0	0	0	0	2,108	0	0	2,532
45. Utah	0	0	0	0	0	0	0	0
46. Vermont	0	0	0	0	0	0	0	0
47. Virginia	0	0	0	0	0	0	0	0
48. Washington	0	0	0	0	568	0	0	862
49. West Virginia	0	0	0	0	0	0	0	0
50. Wisconsin	0	0	0	0	0	0	0	0
51. Wyoming	0	0	0	0	0	0	0	0
52. American Samoa	0	0	0	0	0	0	0	0
53. Guam	0	0	0	0	0	0	0	0
54. Puerto Rico	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands	0	0	0	0	0	0	0	0
56. Northern Mariana Islands	0	0	0	0	0	0	0	0
57. Canada	0	0	0	0	0	0	0	0
58. Aggregate Other Aliens	0	0	0	0	0	0	0	0
59. Totals	0	0	0	0	44,764	0	0	104,788
DETAILS OF WRITE-INS								
5801.								
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	0	0	0	0	0	0	0	0