



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2008 OF THE CONDITION AND AFFAIRS OF THE SENECA INSURANCE COMPANY, INC.

NAIC Group Code 0158, NAIC Company Code 10936, Employer's ID Number 13-2941133, Organized under the Laws of New York, State of Domicile or Port of Entry New York, Country of Domicile United States, Commenced Business 07/01/1978, Main Administrative Office New York, NY 10038-4922, 212-344-3000, Mail Address 160 Water Street, New York, NY 10038-4922, Primary Location of Books and Records 160 Water Street, New York, NY 10038-4922, Internet Website Address www.senecainsurance.com, Statutory Statement Contact Vincent I. Maida, 212-344-3000, vmaida@senecainsurance.com

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Includes Douglas M Libby (President, CEO), Vincent Isadore Maida (Vice President), Marc Todd Andrew Wolin (VP, CFO, Treasurer, Secretary).

OTHER OFFICERS

Table with 4 columns: Name, Title, Name, Title. Lists various other officers such as Gabriel John Abbinanti, Albert Joseph Caradonio, Frank Vincent Donahue Jr., etc.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Lists directors/trustees such as Paul William Bassaline #, Dennis James Hammer, Albert Benjamin Lewis, etc.

State of New York, County of New York

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 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 Marc Todd Andrew Wolin, Vincent Isadore Maida, and another officer.

Subscribed and sworn to before me this 16th day of February, 2009. 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

Lancelot L. Thomas Notary Public, State of New York, No. 24-4943150, Qualified in Kings County, Commission Expires October 17, 2010

**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE SENECA INSURANCE COMPANY, INC.**

**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).....	135,717,621		135,717,621	228,377,574
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			42,815,897	50,367,085
2.2 Common stocks.....	42,815,897			
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....				
3.2 Other than first liens.....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....				
4.2 Properties held for the production of income (less \$ ..... encumbrances).....				
4.3 Properties held for sale (less \$ ..... encumbrances).....				
5. Cash (\$ ..... (1,043,353) , Schedule E, Part 1), cash equivalents (\$ ..... 4,323,803 , Schedule E, Part 2) and short-term investments (\$ ..... 120,521,227 , Schedule DA).....	123,801,678		123,801,678	10,405,864
6. Contract loans, (including \$ ..... premium notes).....				
7. Other invested assets (Schedule BA).....				
8. Receivables for securities.....				
9. Aggregate write-ins for invested assets.....				
10. Subtotals, cash and invested assets (Lines 1 to 9).....	302,335,196		302,335,196	289,150,523
11. Title plants less \$ ..... charged off (for Title insurers only).....	2,322,481		2,322,481	3,383,219
12. Investment income due and accrued.....	2,322,481		2,322,481	3,383,219
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	2,559,318	70,880	2,488,438	3,357,646
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premium).....	13,600,081		13,600,081	14,683,294
13.3 Accrued retrospective premium.....				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	2,402,876		2,402,876	1,673,101
14.2 Funds held by or deposited with reinsured companies.....				
14.3 Other amounts receivable under reinsurance contracts.....				
15. Amounts receivable relating to uninsured plans.....				
16.1 Current federal and foreign income tax recoverable and interest thereon.....	11,725,761	3,900,427	7,825,334	5,183,924
16.2 Net deferred tax asset.....				
17. Guaranty funds receivable or on deposit.....				
18. Electronic data processing equipment and software.....	1,178,180	781,791	396,389	623,311
19. Furniture and equipment, including health care delivery assets (\$ ..... ).....	166,493	166,493		
20. Net adjustment in assets and liabilities due to foreign exchange rates.....				9,696
21. Receivables from parent, subsidiaries and affiliates.....				
22. Health care (\$ ..... ) and other amounts receivable.....				
23. Aggregate write-ins for other than invested assets.....	562,930	49,745	513,185	370,708
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	336,853,316	4,969,336	331,883,980	318,435,422
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....				
26. Total (Lines 24 and 25).....	336,853,316	4,969,336	331,883,980	318,435,422
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page.....				
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above).....				
2301. Equities and deposits in pools and associations.....	512,524		512,524	360,605
2302. Miscellaneous receivables.....	661		661	10,103
2303. Other assets nonadmitted.....	49,745	49,745		
2398. Summary of remaining write-ins for Line 23 from overflow page.....				
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above).....	562,930	49,745	513,185	370,708

**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE SENECA INSURANCE COMPANY, INC.**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	90,190,610	92,570,318
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	31,246,551	32,977,470
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	861,379	917,578
4. Commissions payable, contingent commissions and other similar charges .....	3,201,471	4,545,292
5. Other expenses (excluding taxes, licenses and fees) .....	1,938,180	2,039,596
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	4,846,459	3,522,118
7.1 Current federal and foreign income taxes (including \$ 6,879,806 on realized capital gains (losses)) .....		
7.2 Net deferred tax liability .....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 5,568,201 and including warranty reserves of \$ .....)	49,858,048	49,733,999
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	2,535,954	2,480,716
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....	139,604	137,529
14. Amounts withheld or retained by company for account of others .....	36,609	174,126
15. Remittances and items not allocated .....		
16. Provision for reinsurance (Schedule F, Part 7) .....	192,790	117,000
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....	19,681	
20. Payable for securities .....		
21. Liability for amounts held under uninsured plans .....		
22. Capital notes \$ ..... and interest thereon \$ .....		
23. Aggregate write-ins for liabilities .....	1,057,427	1,497,109
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	186,124,763	190,712,851
25. Protected cell liabilities .....		
26. Total liabilities (Lines 24 and 25) .....	186,124,763	190,712,851
27. Aggregate write-ins for special surplus funds .....		
28. Common capital stock .....	4,800,000	4,800,000
29. Preferred capital stock .....		
30. Aggregate write-ins for other than special surplus funds .....		
31. Surplus notes .....	26,275,566	26,275,566
32. Gross paid in and contributed surplus .....	114,683,651	96,647,005
33. Unassigned funds (surplus) .....		
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ .....)		
34.2 ..... shares preferred (value included in Line 29 \$ .....)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39) .....	145,759,217	127,722,571
36. Totals (Page 2, Line 26, Col. 3) .....	331,883,980	318,435,422
<b>DETAILS OF WRITE-INS</b>		
2301. Miscellaneous payables .....	1,057,427	1,497,109
2302. ....		
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page .....		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	1,057,427	1,497,109
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above) .....		
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page .....		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above) .....		

**ANNUAL STATEMENT FOR THE YEAR 2008 OF THE SENECA INSURANCE COMPANY, INC.**

**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>	98,006,198	103,478,859
1. Premiums earned (Part 1, Line 35, Column 4)		
<b>DEDUCTIONS:</b>		
2. Losses incurred (Part 2, Line 35, Column 7)	25,486,433	19,130,186
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	9,595,879	16,889,304
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	39,376,615	40,086,027
5. Aggregate write-ins for underwriting deductions	74,458,927	76,105,517
6. Total underwriting deductions (Lines 2 through 5)		
7. Net income of protected cells	23,547,271	27,373,342
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)		
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	9,635,475	10,704,928
10. Net realized capital gains (losses) less capital gains tax of \$ 7,196,013 (Exhibit of Capital Gains (Losses))	9,676,754	32,747
11. Net investment gain (loss) (Lines 9 + 10)	19,312,229	10,737,675
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ )		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income		
15. Total other income (Lines 12 through 14)		
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	42,859,500	38,111,017
17. Dividends to policyholders		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	42,859,500	38,111,017
19. Federal and foreign income taxes incurred	10,987,832	12,823,396
20. Net income (Line 18 minus Line 19) (to Line 22)	31,871,668	25,287,621
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	127,722,571	116,037,407
22. Net income (from Line 20)	31,871,668	25,287,621
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (1,400,612)	(2,467,759)	(6,087)
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	1,033,767	(202,647)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	189,523	(731,790)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(75,790)	66,716
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1. Paid in		
32.2. Transferred from surplus (Stock Dividend)		
32.3. Transferred to surplus		
33. Surplus adjustments:		
33.1. Paid in		
33.2. Transferred to capital (Stock Dividend)		
33.3. Transferred from capital		
34. Net remittances from or (to) Home Office	(12,514,763)	(12,728,649)
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	18,036,646	11,685,164
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	145,759,217	127,722,571
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)		
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)		
1401. ....		
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)		
3701. ....		
3702. ....		
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)		