



QUARTERLY STATEMENT
AS OF JUNE 30, 2010
OF THE CONDITION AND AFFAIRS OF THE
CINCINNATI INDEMNITY COMPANY

NAIC Group Code 0244, NAIC Company Code 23280, Employer's ID Number 31-1241230
Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio
Country of Domicile United States
Incorporated/Organized 05/19/1988, Commenced Business 01/01/1989
Statutory Home Office 6200 SOUTH GILMORE ROAD, FAIRFIELD, OH 45014-5141
Main Administrative Office 6200 SOUTH GILMORE ROAD, FAIRFIELD, OH 45014-5141, 513-870-2000
Mail Address P.O. BOX 145496, CINCINNATI, OH 45250-5496
Primary Location of Books and Records 6200 SOUTH GILMORE ROAD, FAIRFIELD, OH 45014-5141, 513-870-2000-4912
Internet Web Site Address www.cinfin.com
Statutory Statement Contact Jason M Hardesty, 513-870-2000-4912
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OFFICERS

Table with 4 columns: Name, Title, Name, Title. Officers include Kenneth William Stecher (President), Theresa Ann Hoffer (Treasurer), Steven Justus Johnston (Secretary), and Richard Ward Cumming (Senior Vice President).

OTHER OFFICERS

Table with 4 columns: Name, Title, Name, Title. Officers include Craig William Forrester, Thomas Anthony Joseph, Eric Neil Mathews, Jacob Ferdinand Scherer, Joan O'Connor Shevchik, Timothy Lee Timmel, Donald Joseph Doyle Jr, Martin Francis Hollenbeck, John Scott Kellington, Martin Joseph Mullen, John Jefferson Schiff Jr, Charles Philip Stoneburner II.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Directors include William Forrest Bahl, James Eugene Benoski, Gregory Thomas Bier, Martin Francis Hollenbeck, Steven Justus Johnston, Thomas Anthony Joseph, John Jefferson Schiff Jr, Charles Philip Stoneburner II, Martin Joseph Mullen, John Frederick Steele Jr, Earnest Anthony Woods, Kenneth William Stecher, Larry Russell Webb, Donald Joseph Doyle Jr, William Rodney McMullen, Thomas Reid Schiff, Timothy Lee Timmel.

State of OHIO

ss

County of BUTLER

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.

ERIC N. MATHEWS
SENIOR VICE PRESIDENT

THERESA A. HOFFER
TREASURER

BETH A. ADKINS
ASSISTANT VICE PRESIDENT

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

Subscribed and sworn to before me this
11 day of August, 2010

STATEMENT AS OF JUNE 30, 2010 OF THE CINCINNATI INDEMNITY 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 .....	57,367,088		57,367,088	59,089,101
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....	8,690,222		8,690,222	2,179,650
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
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 (\$ .....1,054,382 ), cash equivalents (\$ ..... ) and short-term investments (\$ ..... ) .....	1,054,382		1,054,382	6,226,351
6. Contract loans (including \$ ..... premium notes)				
7. Derivatives .....				
8. Other invested assets .....				
9. Receivables for securities .....				
10. Aggregate write-ins for invested assets .....				
11. Subtotals, cash and invested assets (Lines 1 to 10) .....	67,111,692		67,111,692	67,495,102
12. Title plants less \$ ..... charged off (for Title insurers only)				
13. Investment income due and accrued .....	879,086		879,086	909,182
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection .....				
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
14.3 Accrued retrospective premiums .....				
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers .....	4,306,557		4,306,557	3,959,375
15.2 Funds held by or deposited with reinsured companies .....				
15.3 Other amounts receivable under reinsurance contracts .....				742,767
16. Amounts receivable relating to uninsured plans .....				
17.1 Current federal and foreign income tax recoverable and interest thereon .....	107,135		107,135	
17.2 Net deferred tax asset .....				
18. Guaranty funds receivable or on deposit .....				
19. Electronic data processing equipment and software .....				
20. Furniture and equipment, including health care delivery assets (\$ ..... ) .....				
21. Net adjustment in assets and liabilities due to foreign exchange rates .....				
22. Receivables from parent, subsidiaries and affiliates .....	1,988,209		1,988,209	
23. Health care (\$ ..... ) and other amounts receivable .....				
24. Aggregate write-ins for other than invested assets .....				
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	74,392,679		74,392,679	73,106,425
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
27. Total (Lines 25 and 26)	74,392,679		74,392,679	73,106,425
<b>DETAILS OF WRITE-INS</b>				
1001. ....				
1002. ....				
1003. ....				
1098. Summary of remaining write-ins for Line 10 from overflow page .....				
1099. Totals (Lines 1001 through 1003 plus 1098)(Line 10 above)				
2401. ....				
2402. ....				
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....				
2499. Totals (Lines 2401 through 2403 plus 2498)(Line 24 above)				

STATEMENT AS OF JUNE 30, 2010 OF THE CINCINNATI INDEMNITY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ ..... )		
2. Reinsurance payable on paid losses and loss adjustment expenses	13,787	
3. Loss adjustment expenses		
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	3,032	2,590
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses))		923,391
7.2 Net deferred tax liability		143,442
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....35,729,216 and including warranty reserves of \$ ..... )		
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	6,025,546	4,397,579
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	562,356	385,882
15. Remittances and items not allocated		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		123,591
20. Derivatives		
21. Payable for securities		
22. Liability for amounts held under uninsured plans		
23. Capital notes \$ ..... and interest thereon \$ .....		
24. Aggregate write-ins for liabilities		173,168
25. Total liabilities excluding protected cell liabilities (Lines 1 through 24)	6,604,721	6,149,643
26. Protected cell liabilities		
27. Total liabilities (Lines 25 and 26)	6,604,721	6,149,643
28. Aggregate write-ins for special surplus funds		
29. Common capital stock	3,600,000	3,600,000
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes		
33. Gross paid in and contributed surplus	21,600,000	21,600,000
34. Unassigned funds (surplus)	42,587,958	41,756,782
35. Less treasury stock, at cost:		
35.1 ..... shares common (value included in Line 29 \$ ..... )		
35.2 ..... shares preferred (value included in Line 30 \$ ..... )		
36. Surplus as regards policyholders (Lines 28 to 34, less 35)	67,787,958	66,956,782
37. Totals	74,392,679	73,106,425
<b>DETAILS OF WRITE-INS</b>		
2401. Accounts Payable Other		173,168
2402. ....		
2403. ....		
2498. Summary of remaining write-ins for Line 24 from overflow page		
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)		173,168
2801. ....		
2802. ....		
2803. ....		
2898. Summary of remaining write-ins for Line 28 from overflow page		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)		
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)		

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 38,024,014 )	31,591,644	37,193,529	69,697,950
1.2 Assumed (written \$ 0 )	0	(6)	8
1.3 Ceded (written \$ 38,024,014 )	31,591,645	37,193,524	69,697,958
1.4 Net (written \$ )		0	(0)
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ ):			
2.1 Direct	18,647,117	34,306,282	54,877,395
2.2 Assumed	(16,828)		(20,692)
2.3 Ceded	18,630,289	34,306,282	54,856,703
2.4 Net			
3. Loss adjustment expenses incurred			
4. Other underwriting expenses incurred			
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)			
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)		0	(0)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	1,457,390	1,254,686	2,695,205
10. Net realized capital gains (losses) less capital gains tax of \$ 10,987	20,405	2,950,177	5,613,083
11. Net investment gain (loss) (Lines 9 + 10)	1,477,795	4,204,863	8,308,287
<b>OTHER INCOME</b>			
12. Net gain or (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)	1,477,795	4,204,863	8,308,287
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)	1,477,795	4,204,863	8,308,287
19. Federal and foreign income taxes incurred	244,100	152,779	400,962
20. Net income (Line 18 minus Line 19)(to Line 22)	1,233,694	4,052,084	7,907,326
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	66,956,782	65,533,692	65,533,692
22. Net income (from Line 20)	1,233,694	4,052,084	7,907,326
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (213,000)	(395,573)	(4,592,382)	(6,484,481)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(6,946)	410	246
27. Change in nonadmitted assets			
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	831,176	(539,888)	1,423,090
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	67,787,958	64,993,804	66,956,782
<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)			

STATEMENT AS OF JUNE 30, 2010 OF THE CINCINNATI INDEMNITY COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	1,627,966	(1,194,877)	(1,177,680)
2. Net investment income .....	1,565,337	1,221,696	2,644,491
3. Miscellaneous income .....			
4. Total (Lines 1 to 3) .....	3,193,303	26,819	1,466,812
5. Benefit and loss related payments .....	(409,371)	(1,979,048)	(885,979)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions .....			
8. Dividends paid to policyholders .....			
9. Federal and foreign income taxes paid (recovered) net of \$ ..... 10,987 tax on capital gains (losses).....	1,223,000	500,000	3,002,658
10. Total (Lines 5 through 9) .....	813,629	(1,479,048)	2,116,680
11. Net cash from operations (Line 4 minus Line 10) .....	2,379,674	1,505,867	(649,868)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	1,747,672	3,101,522	6,185,805
12.2 Stocks .....		7,512,109	13,176,068
12.3 Mortgage loans .....			
12.4 Real estate .....			
12.5 Other invested assets .....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....			
12.7 Miscellaneous proceeds .....			
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	1,747,672	10,613,631	19,361,874
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....		8,039,705	16,986,850
13.2 Stocks .....	7,190,821		
13.3 Mortgage loans .....			
13.4 Real estate .....			
13.5 Other invested assets .....			
13.6 Miscellaneous applications .....			
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	7,190,821	8,039,705	16,986,850
14. Net increase (or decrease) in contract loans and premium notes .....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(5,443,149)	2,573,926	2,375,024
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....			
16.2 Capital and paid in surplus, less treasury stock .....			
16.3 Borrowed funds .....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....			
16.5 Dividends to stockholders .....			
16.6 Other cash provided (applied).....	(2,108,494)	(1,054,897)	330,061
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	(2,108,494)	(1,054,897)	330,061
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(5,171,969)	3,024,896	2,055,218
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	6,226,351	4,171,133	4,171,133
19.2 End of period (Line 18 plus Line 19.1) .....	1,054,382	7,196,029	6,226,351

## NOTES TO FINANCIAL STATEMENTS

CINCINNATI INDEMNITY COMPANY  
6/30/2010

## 1. Summary of Significant Accounting Policies

## A. Accounting Practices

The financial statements of the Cincinnati Indemnity Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio.

## B. No Change

## C. No Change

## 2. No Change.

## 3. No Change

## 4. No Change.

## 5. Investments

## A. Mortgage Loans - No Change

## B. Debt Restructuring - No Change

## C. Reverse Mortgages - No Change

## D. Loan-Backed Securities - Not Applicable

## E. Repurchase Agreements - No Change

## F. Real Estate - No Change

## G. Low-income Housing Tax Credit (LIHTC) - No Change

## 6. No Change.

## 7. No Change.

## 8. No Change.

## 9. Income Taxes

## A. Components of the Deferred Tax Asset(DTAs) and Deferred Tax Liabilities(DTLs) at June 30, as follows:

(1)

Description	2010			2009		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	-	85,139	85,139	-	-	-
Statutory valuation allowance	-	-	-	-	-	-
Adjusted gross deferred tax assets	-	85,139	85,139	-	-	-
Gross deferred tax liabilities	(5,803)	(16,724)	(22,527)	(850)	(142,592)	(143,442)
Net deferred tax asset/(liability) before admissibility test	(5,803)	68,415	62,612	(850)	(142,592)	(143,442)
¶10.a Federal Income Taxes recoverable through loss carryback	-	85,139	85,139	-	-	-
¶10.b.i. Adjusted Gross DTA expected to be realized in one year	-	-	-	-	-	-
¶10.b.ii. 10% adjusted statutory capital and surplus limit	6,785,184	6,785,184	6,785,184	6,553,369	6,553,369	6,553,369
Admitted pursuant to ¶10.b. (lesser of i. or ii.)	-	-	-	-	-	-
Admitted pursuant to ¶10.c.	5,803	(5,803)	-	-	-	-
Additional admitted pursuant to ¶10.e.i.	-	-	-	-	-	-
¶10.e.ii.a. Adjusted gross DTA expected to be realized in three years	-	-	-	-	-	-
¶10.e.ii.b. 15% statutory capital and surplus limit	10,177,777	10,177,777	10,177,777	9,830,054	9,830,054	9,830,054
Additional admitted pursuant to ¶10.e.ii. (lesser of a. or b.)	-	-	-	-	-	-
Additional admitted pursuant to ¶10.e.iii.	-	-	-	-	-	-
Admitted deferred tax asset	5,803	79,337	85,139	-	-	-
Deferred tax liability	(5,803)	(16,724)	(22,527)	(850)	(142,592)	(143,442)
Net Admitted DTA or (DTL)	-	62,612	62,612	(850)	(142,592)	(143,442)
Nonadmitted DTA	(5,803)	5,803	-	-	-	-

(2) The Company has elected to admit DTAs pursuant to paragraph 10.e.

(3) The Company recorded no change in admitted DTAs as the result of its election to employ the provisions of paragraph 10.e. as follows:

Description	Change During 2010		
	Ordinary	Capital	Total
Total of gross deferred tax assets	-	85,139	85,139
Statutory valuation allowance	-	-	-
Adjusted gross deferred tax assets	-	85,139	85,139
Gross deferred tax liabilities	(4,953)	125,868	120,915
Net deferred tax asset/(liability) before admissibility test	(4,953)	211,007	206,054
¶10.a Federal Income Taxes recoverable through loss carryback	-	85,139	85,139
¶10.b.i. Adjusted Gross DTA expected to be realized in one year	-	-	-
¶10.b.ii. 10% adjusted statutory capital and surplus limit	231,815	231,815	231,815
Admitted pursuant to ¶10.b. (lesser of i. or ii.)	-	-	-
Admitted pursuant to ¶10.c.	5,803	(5,803)	-
Additional admitted pursuant to ¶10.e.i.	-	-	-
¶10.e.ii.a. Adjusted gross DTA expected to be realized in three years	-	-	-
¶10.e.ii.b. 15% statutory capital and surplus limit	347,723	347,723	347,723
Additional admitted pursuant to ¶10.e.ii. (lesser of a. or b.)	-	-	-
Additional admitted pursuant to ¶10.e.iii.	-	-	-

## NOTES TO FINANCIAL STATEMENTS

Admitted deferred tax asset	5,803	79,337	85,139
Deferred tax liability	(4,953)	125,868	120,915
Change in net admitted DTA or (DTL)	850	205,204	206,054
Increase (decrease) in nonadmitted DTA from prior year	(5,803)	5,803	-

- (4) The following table provides the Company's assets, capital and surplus and RBC information with the DTA calculated under SSAP No. 10R paragraphs 10(a) to (c) and the additional DTA determined under SSAP No. 10R paragraph 10(e) as of June 30, 2010:

Description	With paragraph's 10.a. - c.	With paragraph's 10.e.	Difference
Admitted DTAs	85,139	85,139	-
Admitted assets	74,392,678	74,392,678	-
Statutory surplus	67,787,958	67,787,958	-
Total adjusted capital	67,787,958	67,787,958	-
Authorized control level used in 10.d.	506,853	506,853	-

- B. Deferred tax liabilities are not recognized for the following amounts:  
There are no temporary differences for which deferred tax liabilities are not recognized

C. Current Tax and Change in Deferred Tax

Current income taxes incurred consist of the following major components:

Description	2010	2009
Current income tax expense	244,100	400,962
Tax on capital gains/(losses)	10,987	3,022,429
Federal income taxes incurred	255,087	3,423,391

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

DTAs Resulting From Book/Tax Differences in	June 30, 2010	December 31, 2009	Change	Character
Unrealized (gain)/loss on Investments	85,139	-	85,139	Capital
Other deferred tax assets	-	-	-	Ordinary
Gross DTAs	85,139	-	85,139	
Nonadmitted DTAs	-	-	-	

DTLs Resulting From Book/Tax Differences in	June 30, 2010	December 31, 2009	Change	Character
Unrealized (gain)/loss on investments	-	(127,861)	(127,861)	Capital
Other, net	(16,724)	(14,731)	(1,993)	Capital
Other, net	(5,803)	(850)	(4,953)	Ordinary
Gross DTLs	(22,527)	(143,442)	120,915	

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	June 30, 2010	December 31, 2009	Change
Total deferred tax assets	85,139	-	85,139
Total deferred tax liabilities	(22,527)	(143,442)	120,915
Net deferred tax asset(liability)	62,612	(143,442)	206,054
Tax effect of unrealized (gains)/losses			(213,000)
Change in net deferred income tax (charge)/benefit			(6,946)
	December 31, 2009	December 31, 2008	Change
Total deferred tax assets	-	-	-
Total deferred tax liabilities	(143,442)	(3,635,332)	3,491,890
Net deferred tax asset(liability)	(143,442)	(3,635,332)	3,491,890
Tax effect of unrealized (gains)/losses			(3,491,644)
Change in net deferred income tax (charge)/benefit			246

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

The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

As of June 30, 2010

Description	Pre-Tax Amount	Tax Effect	Effective Tax Rate
Income before taxes	1,488,782	521,074	35.00%

## NOTES TO FINANCIAL STATEMENTS

Net tax exempt interest	(658,354)	(230,424)	-15.48%
Net dividends received deduction	(60,975)	(21,341)	-1.43%
DRD on Accrued	(20,787)	(7,275)	-4.9%
Total	<u>748,666</u>	<u>262,033</u>	<u>17.60%</u>
Federal income taxes incurred expense/(benefit)	697,428	244,100	16.40%
Tax on capital gains/(losses)	31,392	10,987	.74%
Change in net deferred income tax excluding unrealized	19,846	6,946	.47%
Total statutory income taxes incurred	<u>748,666</u>	<u>262,033</u>	<u>17.60%</u>

As of December 31, 2009

Description	Pre-Tax Amount	Tax Effect	Effective Tax Rate
Income before taxes	11,330,717	3,965,751	35.00%
Net tax exempt interest	(1,379,551)	(482,843)	-4.26%
Net dividends received deduction	(179,886)	(62,960)	-0.56%
DRD on Accrued	9,134	3,197	0.03%
Total	<u>9,780,414</u>	<u>3,423,145</u>	<u>30.21%</u>
Federal income taxes incurred expense/(benefit)	1,145,606	400,962	3.54%
Tax on capital gains/(losses)	8,635,511	3,022,429	26.67%
Change in net deferred income tax excluding unrealized	(703)	(246)	0.00%
Total statutory income taxes incurred	<u>9,780,414</u>	<u>3,423,145</u>	<u>30.21%</u>

E. At June 30, 2010, the Company had net operating loss carryforwards of:	<u>0</u>
At June 30, 2010, the Company had capital loss carryforwards of:	<u>0</u>

The following is income tax expense for the current and prior years that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2010	245,700	9,387	255,087
2009	400,962	3,022,429	3,423,391
Total	<u>646,663</u>	<u>3,031,816</u>	<u>3,678,478</u>

Deposits admitted under Internal Revenue Code Section 6603:	<u>0</u>
---	----------

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

Cincinnati Financial Corporation (Parent)  
The Cincinnati Insurance Company  
The Cincinnati Casualty Company  
The Cincinnati Specialty Underwriters Insurance Company  
The Cincinnati Life Insurance company  
CFC Investment Company  
CSU Producer Resources, Inc.

The method of allocation between the companies is subject to written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with a current credit for net losses.

10. Parent, Subsidiaries, Affiliates - No Change
11. Debt - No Change
12. Retirement Plans - No Change
13. Capital and Surplus - No Change
14. Contingencies - No Change
15. Leases - No Change
16. Information About Financial Instruments - No Change
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
  - A. No Change
  - B. No Change
  - C. Not Applicable
18. Gain or Loss from Uninsured A&H Plans... - No Change
19. Direct Premium Written/Produced by managing General Agents... - No Change
20. Other Items - No Change
21. Events Subsequent - No Change
22. Reinsurance - No Change
23. Retrospectively Rated Contracts - No Change
24. Change in Incurred Losses - None
25. Intercompany Pooling Arrangements - No Change
26. Structured Settlements - No Change
27. Health Care Receivables - No Change
28. Participating Policies - No Change
29. Premium Deficiency Reserves - No Change
30. High Deductibles - No Change
31. Discounting of Liabilities for Unpaid Losses - No Change
32. Asbestos/Environmental Reserves - No Change
33. Subscriber Savings Accounts - No Change
34. Multiple Peril Crop Insurance - No Change
35. Other - No Change

# 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 [ ] No [X]  
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 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	2	3
Name of Entity	NAIC Company Code	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 [X] NA [ ]  
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. .... 12/31/2009
- 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. .... 12/31/2003
- 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). .... 09/26/2005
- 6.4 By what department or departments?  
Ohio, Nevada.....
- 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 [ ] NA [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] No [X] NA [ ]
- 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 [ ] No [X]
- 7.2 If yes, give full information:  
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

## 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:.....\$ .....1,988,209

### 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: .....\$ .....

13. Amount of real estate and mortgages held in short-term investments: .....\$ .....

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 .....	\$	.....	\$	.....
14.22 Preferred Stock .....	\$	.....	\$	.....
14.23 Common Stock .....	\$	.....	\$	.....
14.24 Short-Term Investments .....	\$	.....	\$	.....
14.25 Mortgage Loans on Real Estate .....	\$	.....	\$	.....
14.26 All Other .....	\$	.....	\$	.....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$	.....	\$	.....
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above ..	\$	.....	\$	.....

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.

## 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  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
Fifth Third Bank.....	Fifth Third Center, Cincinnati, OH 45263.....

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

16.4 If yes, give full and complete 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

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? .....

Yes  No

17.2 If no, list exceptions:

.....

**GENERAL INTERROGATORIES**

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

**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 [X] NA [ ]

If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on 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:

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

5. Operating Percentages:

5.1 A&H loss percent ..... %

5.2 A&H cost containment percent ..... %

5.3 A&H expense percent excluding cost containment expenses ..... %

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. \$.....

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

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

Schedule F  
**NONE**

STATEMENT AS OF JUNE 30, 2010 OF THE CINCINNATI INDEMNITY 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	171,298	72,500	44,655	52,601	824,839	1,309,984
2. Alaska	AK L						
3. Arizona	AZ L	421,523	691,774	95,271	108,365	646,916	541,477
4. Arkansas	AR L	869,420	1,333,000	350,134	410,335	536,079	1,302,371
5. California	CA N						
6. Colorado	CO L	107,297				(11)	
7. Connecticut	CT L						
8. Delaware	DE L	89,276	1,755	21,675	38,162	221,143	88,978
9. District of Columbia	DC L						
10. Florida	FL L	71,508	117,501	5,728	178,493	610,040	706,341
11. Georgia	GA L	2,060,373	1,963,296	657,729	746,213	1,895,522	2,400,236
12. Hawaii	HI L						
13. Idaho	ID L						
14. Illinois	IL L	3,379,560	2,730,873	1,715,445	2,556,888	8,070,298	11,955,612
15. Indiana	IN L	1,705,959	2,487,186	1,362,155	1,481,474	2,299,976	3,096,046
16. Iowa	IA L	3,017,495	2,881,084	1,733,056	2,420,927	5,494,763	5,761,834
17. Kansas	KS L	1,060,103	1,114,831	510,745	584,549	1,566,937	1,586,956
18. Kentucky	KY L	874,505	970,379	268,298	336,438	2,607,014	2,584,254
19. Louisiana	LA L						
20. Maine	ME L						
21. Maryland	MD L	934,248	1,074,346	859,394	835,166	3,602,879	3,247,102
22. Massachusetts	MA N						
23. Michigan	MI L	1,442,533	1,473,067	1,339,933	982,719	2,103,286	3,185,606
24. Minnesota	MN L	521,852		34,704		68,242	(26)
25. Mississippi	MS L						
26. Missouri	MO L	1,680,598	1,254,676	1,154,021	690,262	4,361,758	3,385,767
27. Montana	MT L	844					
28. Nebraska	NE L	1,237,612	1,367,501	884,116	689,079	4,504,705	3,451,092
29. Nevada	NV L						
30. New Hampshire	NH N	133,058				(272)	
31. New Jersey	NJ N						
32. New Mexico	NM L	121,183	183,443	57,513	6,760	172,977	77,882
33. New York	NY L	167,825	288,432	125,591	113,774	420,817	682,734
34. North Carolina	NC L	2,725,207	3,540,140	908,016	2,025,173	4,771,671	4,396,177
35. North Dakota	ND L						
36. Ohio	OH L	2,311	(5,703)	(350)	(567)	(812)	(1,306)
37. Oklahoma	OK L						
38. Oregon	OR L						
39. Pennsylvania	PA L	4,808,640	5,459,330	2,446,069	2,912,473	10,724,781	10,628,947
40. Rhode Island	RI L	3,266				(33)	
41. South Carolina	SC L	536,049	861,564	329,654	435,157	589,135	623,492
42. South Dakota	SD L	521,795	753,904	203,455	258,274	590,320	677,750
43. Tennessee	TN L	2,513,912	1,845,194	661,862	787,249	2,574,465	3,268,263
44. Texas	TX L	2,298,121	281,831	306,378		174,890	
45. Utah	UT L	660					
46. Vermont	VT L	517,960	16,269	1,076		(1,570)	(391)
47. Virginia	VA L	2,745,319	2,834,250	1,099,068	1,376,446	3,424,311	3,053,692
48. Washington	WA L	665					
49. West Virginia	WV L	141,455	21,369	35,118	6,284	77,847	66,678
50. Wisconsin	WI L	1,140,585	1,567,224	580,601	701,180	4,885,808	5,546,934
51. Wyoming	WY L						
52. American Samoa	AS N						
53. Guam	GU N						
54. Puerto Rico	PR N						
55. U.S. Virgin Islands	VI N						
56. Northern Mariana Islands	MP N						
57. Canada	CN N						
58. Aggregate Other Alien	OT XXX						
59. Totals	(a) 47	38,024,014	37,181,016	17,791,109	20,733,873	67,818,720	73,624,480
<b>DETAILS OF WRITE-INS</b>							
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX						
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX						

(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.

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

**NONE**

STATEMENT AS OF JUNE 30, 2010 OF THE CINCINNATI INDEMNITY 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	49,245	(6,794)	(13.8)	18.1
2. Allied lines	81,003	11,402	14.1	
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril	536,650	210,804	39.3	(11.5)
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	58,120	52,082	89.6	9.9
10. Financial guaranty				
11.1 Medical professional liability - occurrence	127			
11.2 Medical professional liability - claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation	30,005,812	18,100,560	60.3	94.3
17.1 Other liability occurrence	529,236	205,256	38.8	3.1
17.2 Other liability - claims made	931			
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence	39,795	(7,500)	(18.8)	46.8
18.2 Products liability - claims made				
19.1,19.2 Private passenger auto liability		602		
19.3,19.4 Commercial auto liability	222,073	61,995	27.9	
21. Auto physical damage	57,682	18,709	32.4	(91.2)
22. Aircraft (all perils)				
23. Fidelity	3,397			
24. Surety				
26. Burglary and theft	2,901			
27. Boiler and machinery	4,672			
28. Credit				
29. International				
30. Warranty				
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				
35. TOTALS	31,591,644	18,647,117	59.0	92.2
<b>DETAILS OF WRITE-INS</b>				
3401.				
3402.				
3403.				
3498. Sum. of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)				

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	49,918	67,453	34,337
2. Allied Lines	96,561	130,976	61,889
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril	775,836	987,216	139,331
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	39,804	59,724	52,392
10. Financial guaranty			
11.1 Medical professional liability - occurrence			
11.2 Medical professional liability - claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation	16,544,289	35,338,800	36,230,377
17.1 Other liability occurrence	450,267	586,346	609,343
17.2 Other liability - claims made	(373)	1,768	
17.3 Excess Workers' Compensation			
18.1 Products liability - occurrence	31,416	56,384	35,747
18.2 Products liability - claims made			
19.1,19.2 Private passenger auto liability			
19.3,19.4 Commercial auto liability	456,337	624,867	10,402
21. Auto physical damage	118,575	152,945	2,824
22. Aircraft (all perils)			
23. Fidelity	3,853	4,131	1,421
24. Surety			
26. Burglary and theft	2,519	4,608	
27. Boiler and machinery	6,283	8,796	2,953
28. Credit			
29. International			
30. Warranty			
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			
35. TOTALS	18,575,285	38,024,014	37,181,016
<b>DETAILS OF WRITE-INS</b>			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

STATEMENT AS OF JUNE 30, 2010 OF THE CINCINNATI INDEMNITY 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)	2010 Loss and LAE Payments on Claims Reported as of Prior Year-End	2010 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2010 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. 2007 + Prior .....													
2. 2008 .....													
3. Subtotals 2008 + Prior .....													
4. 2009.....													
5. Subtotals 2009 + Prior .....													
6. 2010 .....	XXX	XXX	XXX	XXX			XXX				XXX	XXX	XXX
7. Totals .....													
8. Prior Year-End's Surplus As Regards Policyholders	66,957										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.

## 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 on "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 question.

- |   | <u>RESPONSE</u> |
|---|-----------------|
| 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?          | .....NO.....    |
| 3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | .....NO.....    |

**Explanation:**

- 1.
- 2.
- 3.

**Bar Code:**

1.   
2 3 2 8 0 2 0 1 0 4 9 0 0 0 0 0 2
2.   
2 3 2 8 0 2 0 1 0 4 5 5 0 0 0 0 2
3.   
2 3 2 8 0 2 0 1 0 3 6 5 0 0 0 0 2

**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
<b>NONE</b>		
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)		

**SCHEDULE B – VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
<b>NONE</b>		
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)		

**SCHEDULE BA – VERIFICATION**

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
<b>NONE</b>		
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)		

**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	61,268,751	65,046,943
2. Cost of bonds and stocks acquired	7,190,821	16,986,850
3. Accrual of discount	5,696	11,091
4. Unrealized valuation increase (decrease)	(608,574)	(9,976,125)
5. Total gain (loss) on disposals	31,392	8,633,227
6. Deduct consideration for bonds and stocks disposed of	1,747,672	19,359,588
7. Deduct amortization of premium	83,105	73,647
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	66,057,309	61,268,751
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	66,057,309	61,268,751

STATEMENT AS OF JUNE 30, 2010 OF THE CINCINNATI INDEMNITY 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
<b>BONDS</b>								
1. Class 1 (a).....	46,335,436			(8,374)	46,335,436	46,327,062		47,914,355
2. Class 2 (a).....	8,699,759			(28,274)	8,699,759	8,671,485		8,727,710
3. Class 3 (a).....	2,336,018			(1,484,429)	2,336,018	851,589		2,447,036
4. Class 4 (a).....				1,516,951		1,516,951		
5. Class 5 (a).....								
6. Class 6 (a).....								
7. Total Bonds	57,371,213			(4,125)	57,371,213	57,367,088		59,089,101
<b>PREFERRED STOCK</b>								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	57,371,213			(4,125)	57,371,213	57,367,088		59,089,101

(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 \$.....; NAIC 2 \$.....; NAIC 3 \$.....; NAIC 4 \$.....; NAIC 5 \$.....; NAIC 6 \$.....

S102

Schedule DA - Part 1

**NONE**

Schedule DA - Verification

**NONE**

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B- Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

Schedule E Verification

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**





STATEMENT AS OF JUNE 30, 2010 OF THE CINCINNATI INDEMNITY COMPANY

**SCHEDULE DB - PART A - SECTION 1**

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Items Hedged or Used For Income Generation	Schedule/ Exhibit Identifier	Type(s) of Risk(s)	Exchange or Counterparty	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Prior Year Initial Cost of Premium Received (Paid)	Current Year Initial Cost of Premium Received (Paid)	Current Year Income	Book/ Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase/ (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization)/ Accretion	Adjustment To Carry Value of Hedged Item	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Quarter-end (a)
<b>NONE</b>																						
1399999	Subtotal - Hedging Effective													XXX							XXX	XXX
1409999	Subtotal - Hedging Other													XXX							XXX	XXX
1419999	Subtotal - Replication													XXX							XXX	XXX
1429999	Subtotal - Income Generation													XXX							XXX	XXX
1439999	Subtotal - Other													XXX							XXX	XXX
1449999	Total													XXX							XXX	XXX

(a)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period

STATEMENT AS OF JUNE 30, 2010 OF THE CINCINNATI INDEMNITY COMPANY

**SCHEDULE DB - PART B - SECTION 1**

Future Contracts Open as of the Current Statement Date

1 Ticker Symbol	2 Number of Contracts	3 Notional Amount	4 Description	5 Description of Hedged Item(s)	6 Schedule/ Exhibit Identifier	7 Type(s) of Risk(s)	8 Date of Maturity or Expiration	9 Exchange	10 Trade Date	11 Transaction Price	12 Reporting Date Price	13 Book/ Adjusted Carrying Value	Change in Valuation Margin				18 Potential Exposure	19 Hedge Effectiveness at Inception and at Quarter-end (a)								
													14 Cumulative	15 Gain (Loss) Recognized in Current Year	16 Gain (Loss) Used to Adjust Basis of Hedged Item	17 Deferred										
<b>NONE</b>																										
1399999 - Subtotal - Hedging Effective																									XXX	
1409999 - Subtotal - Hedging Other																										XXX
1419999 - Subtotal - Replication																										XXX
1429999 - Subtotal - Income Generation																										XXX
1439999 - Subtotal - Other																										XXX
1449999 - Total																										XXX

E07

Broker Name	Net Cash Deposits
9999999	

(a)	Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period





**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 & Accrued	8 Amount Received During Year
<b>NONE</b>							
8699999 Totals							

E10