



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2010
OF THE CONDITION AND AFFAIRS OF THE

Seneca Insurance Company, Inc.

NAIC Group Code 0158 (Current) 0158 (Prior) NAIC Company Code 10936 Employer's ID Number 13-2941133

Organized under the Laws of New York, State of Domicile or Port of Entry NY
Country of Domicile United States of America

Incorporated/Organized 03/29/1978 Commenced Business 07/01/1978

Statutory Home Office 160 Water Street (Street and Number) New York, NY 10038-4922 (City or Town, State and Zip Code)

Main Administrative Office 160 Water Street (Street and Number) New York, NY 10038-4922 (City or Town, State and Zip Code) 212-344-3000 (Area Code) (Telephone Number)

Mail Address 160 Water Street (Street and Number or P.O. Box) New York, NY 10038-4922 (City or Town, State and Zip Code)

Primary Location of Books and Records 160 Water Street (Street and Number) New York, NY 10038-4922 (City or Town, State and Zip Code) 212-344-3000 (Area Code) (Telephone Number)

Internet Website Address www.SenecaInsurance.com

Statutory Statement Contact Vincent Isadore Maida (Name) 212-344-3000 (Area Code) (Telephone Number) vmaida@senecainsurance.com (E-mail Address) 212-344-4567 (FAX Number)

OFFICERS

President, CEO Marc James Adee Vice President Vincent Isadore Maida
SrVP, COO, Treasurer, Secretary Marc Todd Andrew Wolin

OTHER

Gabriel John Abbinanti Vice President David Wiles Bishop Vice President John Christopher Brennan Vice President
Albert Joseph Caradonio Vice President Thomas Alan Diaczynsky Vice President Frank Vincent Donahue Jr. Vice President
Melvin George Funk Vice President Dennis James Hammer Vice President David Alan Hansen Vice President
Michael Stanley Kotte Jr. Vice President James Kramer Vice President Matthew William Kunish Vice President
Kent Alan Kuwitzky Vice President Robert Carol LeBrun Vice President Keith McCarthy Senior Vice President
Kathleen Ann McNamara Vice President Ellen Caramore O'Connor Senior Vice President Michael Joseph Skadra Vice President
Joseph Edward Stanton Vice President Chris Ivan Stormo Senior Vice President Ahmed Kamal Yaknour VP & Chief Information Officer

DIRECTORS OR TRUSTEES

Paul William Bassaline Harvey Childs Stephen Arthur Eisenmann
Donald Ross Fischer David John Ghezzi Dennis James Hammer
Gabriel Milton Krausman Matthew William Kunish Albert Benjamin Lewis
Douglas Mendel Libby Mary Jane Robertson Chris Ivan Stormo
Marc Todd Andrew Wolin

State of New York SS:
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 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 Marc Todd Andrew Wolin, Vincent Isadore Maida, and another officer with their titles: SrVP, COO, Treasurer, Secretary; Vice President.

Subscribed and sworn to before me this 15th day of February, 2011

- 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, 2014

ANNUAL STATEMENT FOR THE YEAR 2010 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)	265,631,299		265,631,299	241,992,277
2. Stocks (Schedule D):				
2.1 Preferred stocks	10,172,600		10,172,600	
2.2 Common stocks	48,031,548		48,031,548	49,020,911
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 (\$243,064 , Schedule E - Part 1), cash equivalents				
(\$25,837,320 , Schedule E - Part 2) and short-term				
investments (\$3,524,156 , Schedule DA)	29,604,540		29,604,540	22,797,411
6. Contract loans (including \$ premium notes)				
7. Derivatives				
8. Other invested assets (Schedule BA)				
9. Receivable for securities	1,000,000		1,000,000	
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	354,439,987		354,439,987	313,810,599
13. Title plants less \$ charged off (for Title insurers				
only)				
14. Investment income due and accrued	4,399,569		4,399,569	4,971,901
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,607,884	73,661	2,534,223	2,930,993
15.2 Deferred premiums, agents' balances and installments booked but				
deferred and not yet due (including \$				
earned but unbilled premiums)	13,534,914		13,534,914	13,603,149
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,616,580		1,616,580	1,781,647
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	9,824,973	3,044,752	6,780,221	6,040,458
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	983,865	879,785	104,080	179,042
21. Furniture and equipment, including health care delivery assets				
(\$)	207,630	207,630		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	424,524		424,524	57,120
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	1,300,208	487,416	812,792	605,400
26. Total assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25)	389,340,134	4,693,244	384,646,890	343,980,309
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts				
28. Total (Lines 26 and 27)	389,340,134	4,693,244	384,646,890	343,980,309
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. Equities and deposits in pools and associations	699,216		699,216	604,868
2502. Miscellaneous receivables	113,576		113,576	532
2503. Other assets nonadmitted	487,416	487,416		
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,300,208	487,416	812,792	605,400

ANNUAL STATEMENT FOR THE YEAR 2010 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)	92,620,967	81,610,737
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	34,092,016	28,401,780
4. Commissions payable, contingent commissions and other similar charges	794,897	850,083
5. Other expenses (excluding taxes, licenses and fees)	3,530,573	2,905,924
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	3,024,383	2,883,427
7.1 Current federal and foreign income taxes (including \$ (1) on realized capital gains (losses))	2,976,129	2,978,398
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 \$3,044,775 and including warranty reserves of \$)	62,677,708	54,316,474
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,530,627	1,636,949
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	145,593	136,479
14. Amounts withheld or retained by company for account of others	57,144	50,022
15. Remittances and items not allocated		
16. Provision for reinsurance (Schedule F, Part 7)		139,636
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	1,112,429	1,000,000
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	202,562,466	176,909,909
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	202,562,466	176,909,909
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	4,800,000	4,800,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	26,275,566	26,275,566
35. Unassigned funds (surplus)	151,008,858	135,994,834
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	182,084,424	167,070,400
38. TOTALS (Page 2, Line 28, Col. 3)	384,646,890	343,980,309
DETAILS OF WRITE-INS		
2501. Miscellaneous payables	1,112,429	1,000,000
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,112,429	1,000,000
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	116,751,402	100,613,760
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	39,422,164	23,453,879
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	17,001,351	8,944,214
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	47,833,918	44,068,947
5. Aggregate write-ins for underwriting deductions.....		
6. Total underwriting deductions (Lines 2 through 5).....	104,257,433	76,467,040
7. Net income of protected cells.....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....	12,493,969	24,146,720
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	14,769,366	13,479,072
10. Net realized capital gains or (losses) less capital gains tax of \$ 3,275,221 (Exhibit of Capital Gains (Losses)).....	6,082,554	121,659
11. Net investment gain (loss) (Lines 9 + 10).....	20,851,920	13,600,731
OTHER INCOME		
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).....	33,345,889	37,747,451
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).....	33,345,889	37,747,451
19. Federal and foreign income taxes incurred.....	6,731,574	9,392,285
20. Net income (Line 18 minus Line 19)(to Line 22).....	26,614,315	28,355,166
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	167,070,400	145,759,217
22. Net income (from Line 20).....	26,614,315	28,355,166
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 90,598.....	1,398,049	4,771,505
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	1,081,978	(832,630)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....	(740,882)	1,016,974
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	139,636	53,154
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.....	(13,479,072)	(12,052,986)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	15,014,024	21,311,183
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	182,084,424	167,070,400
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....		
0599. Totals (Lines 0501 thru 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 thru 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 thru 3703 plus 3798)(Line 37 above).....		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	125,461,685	103,734,411
2. Net investment income	14,295,714	10,437,196
3. Miscellaneous income		
4. Total (Lines 1 through 3)	139,757,399	114,171,607
5. Benefit and loss related payments	28,246,867	31,412,523
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	57,940,531	54,657,343
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 2,648,528 tax on capital gains (losses)	10,009,064	10,633,651
10. Total (Lines 5 through 9)	96,196,462	96,703,517
11. Net cash from operations (Line 4 minus Line 10)	43,560,937	17,468,090
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	33,142,895	35,980,936
12.2 Stocks	3,230,987	8,122,769
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	484	
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	36,374,366	44,103,705
13. Cost of investments acquired (long-term only):		
13.1 Bonds	46,339,047	139,795,505
13.2 Stocks	10,965,174	10,069,408
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	1,000,000	
13.7 Total investments acquired (Lines 13.1 to 13.6)	58,304,221	149,864,913
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(21,929,855)	(105,761,208)
Cash from Financing and Miscellaneous Sources		
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	13,479,072	12,052,986
16.6 Other cash provided (applied)	(1,344,881)	(658,163)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(14,823,953)	(12,711,149)
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)	6,807,129	(101,004,267)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	22,797,411	123,801,678
19.2 End of period (Line 18 plus Line 19.1)	29,604,540	22,797,411

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

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