



## QUARTERLY STATEMENT

AS OF MARCH 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

### American Family Insurance Company

NAIC Group Code 0473 0473 NAIC Company Code 10386 Employer's ID Number 39-1835307  
 (Current Period) (Prior Period)

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated November 21, 1995 Commenced Business January 1, 1996

Statutory Home Office 8415 Pulsar Place, Suite 400, Columbus, Ohio 43240-2028  
 (Street and Number. City or Town. State and Zip Code)

Main Administrative Office 6000 American Parkway, Madison, Wisconsin 53783-0001 608-249-2111  
 (Street and Number. City or Town. State and Zip Code) (Area Code) (Telephone Number)

Mail Address 6000 American Parkway, Madison, Wisconsin 53783-0001  
 (Street and Number. City or Town. State and Zip Code)

Primary Location of Books and Records 6000 American Parkway, Madison, Wisconsin 53783-0001  
 (Street and Number. City or Town. State and Zip Code)  
608-249-2111  
 (Area Code) (Telephone Number)

Internet Website Address www.amfam.com

Statement Contact Ann M. Demerath 608-249-2111 -30665  
 (Name) (Area Code) (Telephone Number) (Extension)  
ademerat@amfam.com 608-243-4920  
 (E-Mail Address) (Fax Number)

Policyowner Relations Contact 6000 American Parkway, Madison, Wisconsin 53783-0001  
608-249-2111 -30281  
 (Street and Number. City or Town. State and Zip Code)  
 (Area Code) (Telephone Number) (Extension)

### OFFICERS

Chairman and C.E.O. ....	Harvey Randall Pierce
President and C.O.O. ....	David Ralph Anderson
Exec. V.P., Legal; S. ....	James Francis Eldridge
Exec. V.P., Fin; Trea .....	John Brent Johnson
Assistant Treasurer .....	William Joseph Smith
	James Walter Behrens

### VICE PRESIDENTS

#Michael Jeffrey Bosco	Thomas Syme King	Daniel Robert Schultz
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### DIRECTORS OR TRUSTEES

David Ralph Anderson	James Francis Eldridge	John Brent Johnson
#Michael Jeffrey Bosco	Harvey Randall Pierce	

State of Wisconsin

SS

County of Dane

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.

\_\_\_\_\_  
 David R. Anderson  
 President and C.O.O.

\_\_\_\_\_  
 James F. Eldridge  
 Executive Vice President, Legal; Secretary

\_\_\_\_\_  
 J. Brent Johnson  
 Executive Vice President, Finance; Treasurer

Subscribed and sworn to before me this  
 day of February 2002

**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 .....	8,866,234		8,866,234	8,871,890
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
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 (\$ 412,059 ) and short-term investments (\$ 6,275,000 ) .....	6,687,059		6,687,059	5,742,279
6. Other invested assets .....				
7. Receivable for securities .....	8,355		8,355	
8. Aggregate write-ins for invested assets .....				
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	15,561,647		15,561,647	14,614,169
10. Agents' balances or uncollected premiums :				
10.1 Premiums and agents' balances in course of collection .....	112,306		112,306	45,231
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums) .....	597,886		597,886	86,181
10.3 Accrued retrospective premiums .....				
11. Funds held by or deposited with reinsured companies .....				
12. Bills receivable, taken for premiums .....				
13. Amounts billed and receivable under high deductible policies .....				
14. Reinsurance recoverables on loss and loss adjustment expense payments .....				
15. Federal and foreign income tax recoverable and interest thereon (including \$ .net deferred tax asset) .....				
16. Guaranty funds receivable or on deposit .....				
17. Electronic data processing equipment and software .....				
18. Interest, dividends and real estate income due and accrued .....	79,933		79,933	105,688
19. Net adjustments in assets and liabilities due to foreign exchange rates .....				
20. Receivable from parent, subsidiaries and affiliates .....	18,703,608		18,703,608	44,798,438
21. Amounts due from/to protected cells .....				
22. Equities and deposits in pools and associations .....				
23. Amounts receivable relating to uninsured accident and health plans .....				
24. Other assets nonadmitted .....				
25. Aggregate write-ins for other than invested assets .....	(13,949)		(13,949)	
26. Total assets excluding protected cell assets (Lines 9 through 25) .....	35,041,430		(13,949)	35,055,380
27. Protected cell assets .....				59,649,707
28. TOTALS (Lines 26 and 27) .....	35,041,430		(13,949)	35,055,380
DETAILS OF WRITE-INS				
0801. ....				
0802. ....				
0803. ....				
0898. Summary of remaining write-ins for Line 8 from overflow page .....				
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above) .....				
2501. Cash Items .....		(13,949)	(13,949)	
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....		(13,949)	(13,949)	

**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		
3. Loss adjustment expenses		
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)		
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7. Federal and foreign income taxes, including \$ ..... on realized capital gains (losses) (including \$ ..... net deferred tax liability)		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... 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)		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	28,630	37,133
15. Remittances and items not allocated	947,821	657,874
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding	10,647,579	8,034,041
19. Payable to parent, subsidiaries and affiliates	16,096,858	43,178,556
20. Payable for securities		
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$ ..... and interest thereon \$ .....		
23. Aggregate write-ins for liabilities	(487,653)	42,557
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	27,233,235	51,950,161
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	27,233,235	51,950,161
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	100	100
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	5,241,233	5,241,233
33. Unassigned funds (surplus)	2,580,812	2,458,213
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)	7,822,145	7,699,546
36. TOTALS	35,055,380	59,649,707
DETAILS OF WRITE-INS		
2301. Suspense, Validations, and Clearing Accounts	(536,296)	(5,743)
2302. Ap to Vendors	3	3
2303. Liability for Checks and Drafts	47,593	47,593
2398. Summary of remaining write-ins for Line 23 from overflow page	1,050	704
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	(487,653)	42,557
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)		

## 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 \$ 22,583,887 )	19,641,277	12,638,055	60,039,061
1.2 Assumed (written \$ )	19,641,277	12,638,055	60,039,061
1.3 Ceded (written \$ 22,583,887 )			
1.4 Net (written \$ )			
DEDUCTIONS:			
2. Losses incurred (current accident year \$ ):			
2.1 Direct	19,570,929	13,709,064	61,382,737
2.2 Assumed	19,570,929	13,709,064	61,382,737
2.3 Ceded			
2.4 Net			
3. Loss 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 (loss) (Line 1 minus Line 6 plus Line 7)			
INVESTMENT INCOME			
9. Net investment income earned	116,201	232,801	620,998
10. Net realized capital gains (losses)		137,236	137,236
11. Net investment gain (loss) (Lines 9 plus 10)	116,201	370,037	758,234
OTHER INCOME			
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 and before federal and foreign income taxes (Lines 8 plus 11 plus 15)	116,201	370,037	758,234
17. Dividends to policyholders			
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	116,201	370,037	758,234
19. Federal and foreign income taxes incurred	7,554	85,724	124,894
20. Net income (Line 18 minus Line 19) (to Line 22)	108,647	284,313	633,340
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	7,699,546	6,937,095	6,937,095
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	108,647	284,313	633,340
23. Net unrealized capital gains or losses			
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax			
26. Change in nonadmitted assets	13,949	3,034	(1,889)
27. Change in provision for reinsurance			
28. Change in surplus notes			
29. Surplus (contributed to) withdrawn from protected cells			
30. Cumulative effect of changes in accounting principles			
31. Capital changes:			
31.1 Paid in			
31.2 Transferred from surplus (Stock Dividend)			
31.3 Transferred to surplus			
32. Surplus adjustments:			
32.1 Paid in			
32.2 Transferred to capital (Stock Dividend)			
32.3 Transferred from capital			
33. Net remittances from or (to) Home Office			
34. Dividends to stockholders			
35. Change in treasury stock		131,000	131,000
36. Aggregate write-ins for gains and losses in surplus			
37. Change in surplus as regards policyholders (Lines 22 through 36)	122,596	418,347	762,451
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	7,822,142	7,355,442	7,699,546
DETAILS OF WRITE-INS			
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. Overpayments and Underpayments			
1402. Other income			
1403. Other Balances Charged Off			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
3601. Prior Period Adjustment		131,000	131,000
3602. Aggregate write-ins for gains and losses in surplus			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page			
3699. TOTALS (Lines 3601 through 3603 plus 3698) (Line 36 above)		131,000	131,000

## CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	(288,834)	669,475
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	(2,613,538)	(2,681,112)
3. Underwriting expenses paid		
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	2,324,704	3,350,587
6. Net investment income	147,613	659,240
7. Other income (expenses):		
7.1 Agents' balances charged off		
7.2 Net funds held under reinsurance treaties		
7.3 Net amount withheld or retained for account of others	(8,502)	21,180
7.4 Aggregate write-ins for miscellaneous items		
7.5 Total other income (Lines 7.1 to 7.4)	(8,502)	21,180
8. Dividends to policyholders on direct business, less \$ dividends on reinsurance assumed or ceded (net)		
9. Federal and foreign income taxes (paid) recovered	(74,000)	(131,000)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	2,389,815	3,900,007
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds		4,097,840
11.2 Stocks		
11.3 Mortgage loans		
11.4 Real estate		
11.5 Other invested assets		
11.6 Net gains or (losses) on cash and short-term investments		
11.7 Miscellaneous proceeds		
11.8 Total investment proceeds (Lines 11.1 to 11.7)		4,097,840
12. Cost of investments acquired (long-term only):		
12.1 Bonds		
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Miscellaneous applications		
12.7 Total investments acquired (Lines 12.1 to 12.6)		
13. Net cash from investments (Line 11.8 minus Line 12.7)		4,097,840
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in		
14.2 Capital notes \$ less amounts repaid \$		
14.3 Net transfers from affiliates		
14.4 Borrowed funds received		
14.5 Other cash provided		237,440
14.6 Total (Lines 14.1 to 14.5)		237,440
15. Cash applied:		
15.1 Dividends to stockholders paid		
15.2 Net transfers to affiliates	920,422	10,217,129
15.3 Borrowed funds repaid	524,615	
15.4 Other applications		
15.5 Total (Lines 15.1 to 15.4)	1,445,037	10,217,129
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(1,445,037)	(9,979,689)
RECONCILATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	944,778	(1,981,842)
18. Cash and short-term investments:		
18.1 Beginning of year	5,742,279	7,724,118
18.2 End of period (Line 17 plus Line 18.1)	6,687,057	5,742,276
DETAILS OF WRITE-INS		
7.401 Overpayments and Underpayments		
7.402 Other Income		
7.403 Other Balances Charged Off		
7.498 Summary of remaining write-ins for Line 7.4 from overflow page		
7.499 Totals (Lines 7.401 through 7.403 plus 7.498) (Line 7.4 above)		

**NOTES TO FINANCIAL STATEMENTS****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. The Company has completed this statement in accordance with the NAIC Accounting Practices and Procedures manual, subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner. The Company does not employ accounting practices that depart from the NAIC Accounting Practices and Procedures manual.

**9. INCOME TAXES**

A. Components of Deferred Tax Assets and Deferred Tax Liabilities  
n/a

B. Unrecognized DTLs  
n/a

C. Current Tax and Change in Deferred Tax

*Current Income Taxes Incurred*

	3/31/2002	12/31/2001
Current Income Tax Expense	8,242	124,734
Taxes Incurred for Audit	0	0
Prior Year Underaccrual (Overaccrual)	(688)	160
 Current Income Taxes Incurred	 7,554	 124,894

*DTAs*

n/a

*DTLs*

n/a

*DTAs Resulting from Book/Tax Differences in:*  
n/a*DTLs Resulting from Book/Tax Differences in:*  
n/a

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

Description	Amount	Tax Effect at 35%
Income Before Taxes	116,201	40,671
Tax Exempt Interest	(108,921)	(38,122)
T.E. Interest Proration	16,338	5,718
Differences Affecting Basis of Assets Owned	0	0
Other	(70)	(24)
Alternative Minimum Tax		0
 Taxable Income	 23,549	 8,242

E. Operating Loss and Tax Credit Carryforwards

(1) At March 31, 2002, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

(2) The following is income tax expense for 2002 and 2001 that is available for recoupment in the event of future net losses:

Year	Amount
2002	6,382
2001	111,589

**F. CONSOLIDATED FEDERAL INCOME TAX RETURN**

(1) The Company's federal income tax return is consolidated with the following entities:  
American Family Mutual Insurance Company (Parent Company)  
American Family Life Insurance Company  
American Family Financial Services, Inc.  
AmFam, Inc.

## **NOTES TO FINANCIAL STATEMENTS**

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American Family Brokerage, Inc.  
American Center Owner's Association, Inc.  
American Family Insurance Company  
American Standard Insurance Company of Ohio

(2) The consolidated federal income tax is allocated to each member company in the following manner:

- a. Companies having tax profits on a separate return basis will incur federal tax expense based on their separate return taxable incomes.
- b. Companies with tax losses on a separate return basis will be compensated (at the current federal tax rate) for the reduction in the consolidated tax liability resulting from their losses. Such compensation shall come directly from profitable companies that utilize those tax losses to reduce their taxable incomes. A loss company may have to repay this current year compensation back to the profitable company if the profitable company later incurs losses that, on a separate return basis, may be carried back to offset its current year income.
- c. The reduction of the consolidated tax liability due to tax credits shall be allocated to the individual corporations producing such credits. Special additional taxes are similarly allocated to each member company.

### **17C. WASH SALES - NONE**

## GENERAL INTERROGATORIES

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

### PART 1 - COMMON INTERROGATORIES

#### GENERAL

1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes ( ) No (X)

1.2 If yes, explain:

.....

.....

2.1 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)

2.2 If yes, has the report been filed with the domiciliary state? Yes ( ) No ( )

3.1 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)

3.2 If yes, date of change:  
If not previously filed, furnish herewith a certified copy of the instrument as amended. .....

4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes ( ) No (X)

If yes, attach an organizational chart.

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ( ) No (X)

5.2 If yes, provide 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 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....
.....	.....	.....
.....	.....	.....

6. 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.

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

7.2 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. .....

7.3 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). .....

7.4 By what department or departments?

.....

.....

8.1 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? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes ( ) No (X)

8.2 If yes, give full information

.....

.....

**GENERAL INTERROGATORIES (continued)**

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

**INVESTMENT**

9.1 Has there been any change in the reporting entity's own preferred or common stock? Yes ( ) No (X)

9.2 If yes, explain

.....  
 .....

10.1 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 (X)

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

.....  
 .....

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ .....

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

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes ( ) No (X)

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds .....	\$ .....	\$ .....
13.22 Preferred Stock .....	\$ .....	\$ .....
13.23 Common Stock .....	\$ .....	\$ .....
13.24 Short-Term Investments .....	\$ .....	\$ .....
13.25 Mortgages, Loans or Real Estate .....	\$ .....	\$ .....
13.26 All Other .....	\$ .....	\$ .....
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26) .....	\$ .....	\$ .....
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....

14.1 Does the reporting entity have any hedging transactions reported on schedule DB? Yes ( ) No (X)

14.2 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.

15. Excluding items in Schedule E, 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 Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes (X) No ( )

15.1 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
Firstar Bank .....	Milwaukee WI .....
.....	.....
.....	.....

15.2 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)
.....	.....	.....
.....	.....	.....
.....	.....	.....

15.3 Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year? Yes ( ) No (X)

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

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

15.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/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
.....	.....	.....
.....	.....	.....
.....	.....	.....

## **GENERAL INTERROGATORIES**

(continued)

### **PART 2 PROPERTY AND 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 cancelled? 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 liabilities 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 Discount Schedule.

**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 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 .....	14,196,890	6,050,000	5,100,000	(5,656)	15,141,234			14,196,890
2. Class 2 .....								
3. Class 3 .....								
4. Class 4 .....								
5. Class 5 .....								
6. Class 6 .....								
7. Total Bonds .....	14,196,890	6,050,000	5,100,000	(5,656)	15,141,234			14,196,890
<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 and Preferred Stock .....	14,196,890	6,050,000	5,100,000	(5,656)	15,141,234			14,196,890

**SCHEDULE DA - PART 1**

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
80999999 Totals .....	6,275,000	X X X	6,275,000	22,682	

**SCHEDULE DA - PART 2 - VERIFICATION**

Short-Term Investments Owned

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book / adjusted carrying value, beginning of period .....	5,325,000			7,589,287
2. Cost of short-term investments acquired .....	6,050,000			152,303,089
3. Increase (decrease) by adjustment .....				207,624
4. Increase (decrease) by foreign exchange adjustment .....				
5. Total profit (loss) on disposal of short-term investments .....				
6. Consideration received on disposal of short-term investments .....	5,100,000			154,775,000
7. Book / adjusted carrying value, current period .....	6,275,000			5,325,000
8. Total valuation allowance .....				
9. Subtotal (Line 7 plus Line 8) .....	6,275,000			5,325,000
10. Total nonadmitted amounts .....				
11. Statement value (Line 9 minus Line 10) .....	6,275,000			5,325,000
12. Income collected during period .....	30,496			212,644
13. Income earned during period .....	21,343			222,117

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	No					
2. Alaska	AK	No					
3. Arizona	AZ	No					
4. Arkansas	AR	No					
5. California	CA	No					
6. Colorado	CO	No					
7. Connecticut	CT	No					
8. Delaware	DE	No					
9. District of Columbia	DC	No					
10. Florida	FL	No					
11. Georgia	GA	No					
12. Hawaii	HI	No					
13. Idaho	ID	No					
14. Illinois	IL	No					
15. Indiana	IN	No					
16. Iowa	IA	No					
17. Kansas	KS	No					
18. Kentucky	KY	No					
19. Louisiana	LA	No					
20. Maine	ME	No					
21. Maryland	MD	No					
22. Massachusetts	MA	No					
23. Michigan	MI	No					
24. Minnesota	MN	No					
25. Mississippi	MS	No					
26. Missouri	MO	No					
27. Montana	MT	No					
28. Nebraska	NE	No					
29. Nevada	NV	No					
30. New Hampshire	NH	No					
31. New Jersey	NJ	No					
32. New Mexico	NM	No					
33. New York	NY	No					
34. North Carolina	NC	No					
35. North Dakota	ND	No					
36. Ohio	OH	Yes	22,583,887	14,263,759	17,524,243	11,410,892	29,353,129
37. Oklahoma	OK	No					
38. Oregon	OR	No					
39. Pennsylvania	PA	No					
40. Rhode Island	RI	No					
41. South Carolina	SC	No					
42. South Dakota	SD	No					
43. Tennessee	TN	No					
44. Texas	TX	No					
45. Utah	UT	No					
46. Vermont	VT	No					
47. Virginia	VA	No					
48. Washington	WA	No					
49. West Virginia	WV	No					
50. Wisconsin	WI	No					
51. Wyoming	WY	No					
52. American Samoa	AS	No					
53. Guam	GU	No					
54. Puerto Rico	PR	No					
55. U.S. Virgin Islands	VI	No					
56. Canada	CN	No					
57. Aggregate Other Alien	OT	X X X	(a) 1	22,583,887	14,263,759	17,524,243	11,410,892
58. Totals		X X X					29,353,129
		X X X					20,358,657
<b>DETAILS OF WRITE-INS</b>							
5701.		X X X					
5702.		X X X					
5703.		X X X					
5798. Summary of remaining write-ins for Line 57 from overflow page		X X X					
5799. TOTALS (Lines 5701 through 5703 plus Line 5798)(Line 57 above)		X X X					

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

**PART 1 - LOSS EXPERIENCE**

Lines 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 .....	57,622	26,225	45.5	22.0
2. Allied lines .....	24,535	27,262	111.1	68.2
3. Farmowners multiple peril .....				
4. Homeowners multiple peril .....	4,131,525	5,490,677	132.9	126.6
5. Commercial multiple peril .....	1,100,795	941,995	85.6	104.0
6. Mortgage guaranty .....				
8. Ocean marine .....				
9. Inland marine .....	9,461	2,030	21.5	(7.7)
10. Financial guaranty .....				
11.1 Medical malpractice-occurrence .....				
11.2 Medical malpractice-claims made .....				
12. Earthquake .....	14,754			
13. Group accident and health .....				
14. Credit accident and health .....				
15. Other accident and health .....	580,000	1,870,629	322.5	477.9
16. Workers' compensation .....				
17.1 Other liability-occurrence .....	166,842	109,793	65.8	71.7
17.2 Other liability-claims made .....				
18.1 Products liability-occurrence .....	339			
18.2 Products liability-claims made .....				
19.1, 19.2 Private passenger auto liability .....	7,277,242	6,068,401	83.4	78.0
19.3, 19.4 Commercial auto liability .....	197,207	200,050	101.4	147.3
21. Auto physical damage .....	6,080,527	4,833,867	79.5	94.0
22. Aircraft (all perils) .....				
23. Fidelity .....	415			
24. Surety .....				
26. Burglary and theft .....	13			
27. Boiler and machinery .....				
28. Credit .....				
29. International .....				
30. Reinsurance-Nonproportional Assumed Property .....	X X X	X X X	X X X	X X X
31. Reinsurance-Nonproportional Assumed Liability .....	X X X	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Financial Lines .....	X X X	X X X	X X X	X X X
33. Aggregate write-ins for other lines of business .....				
34. TOTALS .....	19,641,277	19,570,929	99.6	108.5
DETAILS OF WRITE-INS				
3301. ....				
3302. ....				
3303. ....				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Lines 3301 through 3303 plus Line 3398) (Line 33) .....				

**PART 2 - DIRECT PREMIUMS WRITTEN**

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire .....	87,574	87,574	24,349
2. Allied lines .....	36,945	36,945	9,765
3. Farmowners multiple peril .....			
4. Homeowners multiple peril .....	4,679,630	4,679,630	3,004,023
5. Commercial multiple peril .....	1,312,177	1,312,177	920,379
6. Mortgage guaranty .....			
8. Ocean marine .....	14,426	14,426	2,400
9. Inland marine .....			
10. Financial guaranty .....			
11.1 Medical malpractice-occurrence .....			
11.2 Medical malpractice-claims made .....			
12. Earthquake .....	17,514	17,514	11,859
13. Group accident and health .....			
14. Credit accident and health .....			
15. Other accident and health .....	635,459	635,459	373,672
16. Workers' compensation .....			
17.1 Other liability-occurrence .....	216,415	216,415	119,437
17.2 Other liability-claims made .....			
18.1 Products liability-occurrence .....	604	604	(259)
18.2 Products liability-claims made .....			
19.1, 19.2 Private passenger auto liability .....	8,292,167	8,292,167	5,182,285
19.3, 19.4 Commercial auto liability .....	282,612	282,612	141,022
21. Auto physical damage .....	7,007,783	7,007,783	4,474,549
22. Aircraft (all perils) .....			
23. Fidelity .....	530	530	226
24. Surety .....			
26. Burglary and theft .....	51	51	53
27. Boiler and machinery .....			
28. Credit .....			
29. International .....			
30. Reinsurance-Nonproportional Assumed Property .....	X X X	X X X	X X X
31. Reinsurance-Nonproportional Assumed Liability .....	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Financial Lines .....	X X X	X X X	X X X
33. Aggregate write-ins for other lines of business .....			
34. TOTALS .....	22,583,887	22,583,887	14,263,760
DETAILS OF WRITE-INS			
3301. ....			
3302. ....			
3303. ....			
3398. Summary of remaining write-ins for Line 33 from overflow page			
3399. Totals (Lines 3301 through 3303 plus Line 3398) (Line 33) .....			

## 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.

	RESPONSES
1. Will the SVO Compliance Certification be filed with this statement?	Yes
EXPLANATION:	.....
BARCODE:	
Document Identifier 470:	
2. Will the Trusted Surplus Statement be filed with the state of domicile and the NAIC with this statement?	No
EXPLANATION:	.....
BARCODE:	
2. Document Identifier 490:	 1 0 3 8 6 2 0 0 2 4 9 0 0 0 0 0 0 1
3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?	No
EXPLANATION:	.....
BARCODE:	
3. Document Identifier 450:	 1 0 3 8 6 2 0 0 2 4 5 0 0 0 0 0 0 1

**OVERFLOW PAGE FOR WRITE-INS**

OVERFLOW WRITE-INS FOR Page 3, Liabilities

	1 Current Statement Date	2 December 31, Prior Year
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AGGREGATED AT Line 23, Liabilities

2398 Line 23, Liabilities .....	1,050 .....	704 .....
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**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository	2 Rate of Interest	3 Amount of Interest Received During Current Quarter	4 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			8 * 
				5 First Month	6 Second Month	7 Third Month	
Name	Location and Supplemental Information						
<b>Open Depositories</b>							
Firststar Bank .....	Madison WI .....			(6,223) .....	221,734 .....	412,059 ..	
0199999 TOTAL - Open Depositories .....				(6,223) .....	221,734 .....	412,059 ..	
0399999 TOTAL Cash on Deposit .....				(6,223) .....	221,734 .....	412,059 ..	
0599999 TOTALS .....				(6,223) .....	221,734 .....	412,059 ..	