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QUARTERLY STATEMENT

As of March 31, 2002

of the Condition and Affairs of the

PROGRESSIVE HALCYON INSURANCE COMPANY

NAIC Group Code..... 155, 155 (Current Period) (Prior Period)   NAIC Company Code..... 16322   Employer's ID Number..... 34-1524319

Organized under the Laws of OHIO   State of Domicile or Port of Entry OHIO

Country of Domicile US

Incorporated..... September 29, 1986   Commenced Business..... January 14, 1987

Statutory Home Office	6300 WILSON MILLS ROAD, W33….. MAYFIELD VILLAGE ..... OH ..... 44143-2182 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	6300 WILSON MILLS ROAD, W33….. MAYFIELD VILLAGE ..... OH ..... 44143-2182 *(Street and Number) (City or Town, State and Zip Code)*	440-461-5000 *(Area Code) (Telephone Number)*
Mail Address	6300 WILSON MILLS ROAD, W33….. MAYFIELD VILLAGE ..... OH ..... 44143-2182 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33….. MAYFIELD VILLAGE ..... OH ..... 44143-2182 *(Street and Number) (City or Town, State and Zip Code)*	440-461-5000 *(Area Code) (Telephone Number)*
Internet Website Address	PROGRESSIVE.COM	
Statement Contact	ROBERT WILLIAM HEIN *(Name)*	440-395-4460 *(Area Code) (Telephone Number) (Extension)*
	Financial_Reporting@Progressive.com *(E-Mail Address)*	440-446-7168 *(Fax Number)*
Policyowner Relations Contact	6300 WILSON MILLS ROAD, E61….. MAYFIELD VILLAGE ..... OH ..... 44143-2182 *(Street and Number) (City or Town, State and Zip Code)*	

POLICYHOLDER SERVICES AND CLAIMS REPORTING -- 1-800 PROGRESSIVE (1-800-776-4737)

OFFICERS

President ..... CHARLES CLIFFORD BOUCHERLE   Treasurer..... DIANE MARIE BOICH   Secretary ..... DANE ALLEN SHRALLOW

VICE PRESIDENTS

JEFFREY WAYNE BASCH (VICE PRESIDENT)
KATHLEEN MARY CERNY (ASST.SECRETARY)
WILLIAM THOMAS FORRESTER, II (VICE PRESIDENT)
CHARLES ELWOOD JARRETT (VICE PRESIDENT)
TIMOTHY FRANCIS KASELONIS (ASST. VICE PRESIDENT)
THOMAS ALFRED KING (VICE PRESIDENT)
JAMES LEE KUSMER (VP/ASST. TREASURER)
STEPHEN DAVID PETERSON (ASST. TREASURER)
DANE ALLEN SHRALLOW (VICE PRESIDENT)

DIRECTORS OR TRUSTEES

CHARLES CLIFFORD BOUCHERLE   TODD WILLIAM EVANS   PATRICIA JO HARRIS   THOMAS ALFRED KING
JOHN NELSON WELLS

State of........ OHIO
County of..... CUYAHOGA

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.

(Signature)	(Signature)	(Signature)
CHARLES CLIFFORD BOUCHERLE	KATHLEEN MARY CERNY	DIANE MARIE BOICH
(Printed Name)	(Printed Name)	(Printed Name)
President	Assistant Secretary	Treasurer

Subscribed and sworn to before me this

..............day of May, 2002

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31, Prior Year Net Admitted Assets
1. Bonds	75,692,461		75,692,461	65,167,256
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $..........0 encumbrances)			0	
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....210,674) and short-term investments ($..........0)	210,674		210,674	3,510,674
6. Other invested assets			0	
7. Receivable for securities			0	
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8)	75,903,135	0	75,903,135	68,677,930
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	9,021,756	4,380,216	4,641,540	5,421,191
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	113,476,916		113,476,916	101,220,197
10.3 Accrued retrospective premiums			0	
11. Funds held by or deposited with reinsured companies			0	
12. Bills receivable, taken for premiums			0	
13. Amounts receivable under high deductible policies			0	
14. Reinsurance recoverables on loss and loss adjustment expense payments	76,212,350		76,212,350	66,130,741
15. Federal and foreign income tax recoverable and interest thereon (including $.....4,271,239 net deferred tax asset)	4,413,786	142,547	4,271,239	2,918,028
16. Guaranty funds receivable or on deposit			0	
17. Electronic data processing equipment and software			0	
18. Interest, dividends and real estate income due and accrued	941,426		941,426	345,123
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Receivable from parent, subsidiaries and affiliates	23,775,474		23,775,474	7,295,678
21. Amounts due from/to protected cells			0	
22. Equities and deposits in pools and associations			0	
23. Amounts receivable relating to uninsured accident and health plans			0	
24. Other assets nonadmitted			0	
25. Aggregate write-ins for other than invested assets	56,676	56,676	0	0
26. Total assets excluding protected cell assets (Lines 9 through 25)	303,801,519	4,579,439	299,222,080	252,008,888
27. Protected cell assets			0	
28. TOTALS (Lines 26 and 27)	303,801,519	4,579,439	299,222,080	252,008,888

DETAILS OF WRITE-INS

	1	2	3	4
0801.			0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0
2501. PREPAID EXPENSE	53,260	53,260	0	
2502. MISCELLANEOUS OTHER ASSETS	3,416	3,416	0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	56,676	56,676	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31, Prior Year
1.	Losses (current accident year $.....3,944,500)	10,304,699	8,928,876
2.	Reinsurance payable on paid losses and loss adjustment expenses		
3.	Loss adjustment expenses	2,169,911	1,851,832
4.	Commissions payable, contingent commissions and other similar charges	31,414	49,337
5.	Other expenses (excluding taxes, licenses and fees)	337,886	319,587
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	8,116,991	7,796,581
7.	Federal and foreign income taxes (including $.....(360) on realized capital gains (losses) (including $..........0 net deferred tax liability)	1,202,630	
8.	Borrowed money $..........0 and interest thereon $..........0		
9.	Unearned premiums (after deducting unearned premiums for ceded reinsurance of $.....177,625,705 and including warranty reserves of $..........0)	19,735,798	17,073,147
10.	Advance premium	7,330,631	5,006,515
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	178,275,782	142,348,880
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others		
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	17,822,426	16,911,984
19.	Payable to parent, subsidiaries and affiliates		
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	168,422	134,780
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	245,496,590	200,421,519
25.	Protected cell liabilities		
26.	Total liabilities (Lines 24 and 25)	245,496,590	200,421,519
27.	Aggregate write-ins for special surplus funds	0	0
28.	Common capital stock	2,500,400	2,500,400
29.	Preferred capital stock		
30.	Aggregate write-ins for other than special surplus funds	0	0
31.	Surplus notes		
32.	Gross paid in and contributed surplus	47,249,600	47,249,600
33.	Unassigned funds (surplus)	3,975,490	1,837,369
34.	Less treasury stock, at cost:		
	34.1 ....0.000 shares common (value included in Line 28 $..........0)		
	34.2 ....0.000 shares preferred (value included in Line 29 $..........0)		
35.	Surplus as regards policyholders (Lines 27 to 33, less 34)	53,725,490	51,587,369
36.	TOTALS	299,222,080	252,008,888

DETAILS OF WRITE-INS

2301.	OTHER LIABILITIES	168,422	134,780
2302.			
2303.			
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	168,422	134,780
2701.			
2702.			
2703.			
2798.	Summary of remaining write-ins for Line 27 from overflow page	0	0
2799.	Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
3001.			
3002.			
3003.			
3098.	Summary of remaining write-ins for Line 30 from overflow page	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $.....179,528,483)	152,901,581	62,257,158	382,673,966
1.2 Assumed (written $..........0)			
1.3 Ceded (written $.....161,576,699)	137,612,448	56,031,454	344,406,829
1.4 Net (written $.....17,951,784)	15,289,133	6,225,704	38,267,137
DEDUCTIONS:			
2. Losses incurred (current accident year $.....8,349,700):			
2.1 Direct	83,451,247	35,971,121	221,973,706
2.2 Assumed			
2.3 Ceded	75,106,139	32,380,108	199,782,843
2.4 Net	8,345,108	3,591,013	22,190,863
3. Loss expenses incurred	1,816,827	722,108	4,965,608
4. Other underwriting expenses incurred	3,412,210	2,115,206	10,778,014
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	13,574,145	6,428,327	37,934,485
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	1,714,988	(202,623)	332,652
INVESTMENT INCOME			
9. Net investment income earned	918,801	88,326	857,692
10. Net realized capital gains (losses)	(5,030)		(6,904)
11. Net investment gain (loss) (Lines 9 + 10)	913,771	88,326	850,788
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....9,304 amount charged off $.....169,372)	(160,068)	(90,342)	(531,179)
13. Finance and service charges not included in premiums	2,993,333	1,737,389	8,906,208
14. Aggregate write-ins for miscellaneous income	(2,697,721)	(1,748,887)	(8,196,790)
15. Total other income (Lines 12 through 14)	135,544	(101,840)	178,239
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	2,764,303	(216,137)	1,361,679
17. Dividends to policyholders			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	2,764,303	(216,137)	1,361,679
19. Federal and foreign income taxes incurred	1,202,631	286,841	1,640,088
20. Net income (Line 18 minus Line 19) (to Line 22)	1,561,672	(502,978)	(278,409)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year	51,587,369	14,794,944	14,794,944
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	1,561,672	(502,978)	(278,409)
23. Net unrealized capital gains or losses		3,700	(3,955)
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income taxes	549,204	302,030	1,757,486
26. Change in nonadmitted assets	27,245	419,922	(2,369,196)
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		1,686,502	1,686,499
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			36,000,000
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			
36. Aggregate write-ins for gains and losses in surplus	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36)	2,138,121	1,909,176	36,792,425
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	53,725,490	16,704,120	51,587,369

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0
1401. INTEREST EXPENSE ON INTERCOMPANY BALANCES	(3,721)	(121,810)	(117,776)
1402. FINANCE & SERVICE CHARGE REVENUE CEDED	(2,694,000)	(1,563,651)	(8,015,588)
1403. LOSS ON RECEIVABLE FACTORING		(63,426)	(63,426)
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(2,697,721)	(1,748,887)	(8,196,790)
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)	0	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $.....179,528,483)	152,901,581	62,257,158	382,673,966
1.2 Assumed (written $.........0)			
1.3 Ceded (written $.....161,576,699)	137,612,448	56,031,454	344,406,829
1.4 Net (written $.....17,951,784)	15,289,133	6,225,704	38,267,137
DEDUCTIONS:			
2. Losses incurred (current accident year $.....8,349,700):			
2.1 Direct	83,451,247	35,971,121	221,973,706
2.2 Assumed			
2.3 Ceded	75,106,139	32,380,108	199,782,843
2.4 Net	8,345,108	3,591,013	22,190,863
3. Loss expenses incurred	1,816,827	722,108	4,965,608
4. Other underwriting expenses incurred	3,412,210	2,115,206	10,778,014
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	13,574,145	6,428,327	37,934,485
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	1,714,988	(202,623)	332,652
INVESTMENT INCOME			
9. Net investment income earned	918,801	88,326	857,692
10. Net realized capital gains (losses)	(5,030)		(6,904)
11. Net investment gain (loss) (Lines 9 + 10)	913,771	88,326	850,788
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....9,304 amount charged off $.....169,372)	(160,068)	(90,342)	(531,179)
13. Finance and service charges not included in premiums	2,993,333	1,737,389	8,906,208
14. Aggregate write-ins for miscellaneous income	(2,697,721)	(1,748,887)	(8,196,790)
15. Total other income (Lines 12 through 14)	135,544	(101,840)	178,239
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	2,764,303	(216,137)	1,361,679
17. Dividends to policyholders			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	2,764,303	(216,137)	1,361,679
19. Federal and foreign income taxes incurred	1,202,631	286,841	1,640,088
20. Net income (Line 18 minus Line 19) (to Line 22)	1,561,672	(502,978)	(278,409)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year	51,587,369	14,794,944	14,794,944
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	1,561,672	(502,978)	(278,409)
23. Net unrealized capital gains or losses		3,700	(3,955)
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income taxes	549,204	302,030	1,757,486
26. Change in nonadmitted assets	27,245	419,922	(2,369,196)
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		1,686,502	1,686,499
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			36,000,000
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			
36. Aggregate write-ins for gains and losses in surplus	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36)	2,138,121	1,909,176	36,792,425
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	53,725,490	16,704,120	51,587,369

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0
1401. INTEREST EXPENSE ON INTERCOMPANY BALANCES	(3,721)	(121,810)	(117,776)
1402. FINANCE & SERVICE CHARGE REVENUE CEDED	(2,694,000)	(1,563,651)	(8,015,588)
1403. LOSS ON RECEIVABLE FACTORING		(63,426)	(63,426)
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(2,697,721)	(1,748,887)	(8,196,790)
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)	0	0	0

CASH FLOW

		1 Current Year to Date	2 Prior Year Ended December 31
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	43,494,196	97,434,134
2.	Loss and loss adjustment expenses paid (net of salvage and subrogation)	17,639,200	50,593,291
3.	Underwriting expenses paid	3,091,424	7,188,090
4.	Other underwriting income (expenses)		
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	22,763,572	39,652,753
6.	Net investment income	334,174	637,239
7.	Other income (expenses):		
	7.1 Agents' balances charged off	(183,617)	(408,515)
	7.2 Net funds held under reinsurance treaties		
	7.3 Net amount withheld or retained for account of others		
	7.4 Aggregate write-ins for miscellaneous items	295,612	709,418
	7.5 Total other income (Lines 7.1 to 7.4)	111,995	300,903
8.	Dividends to policyholders on direct business, less $..............0 dividends on reinsurance assumed or ceded (net)		
9.	Federal and foreign income taxes (paid) recovered		(1,640,088)
10.	Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	23,209,741	38,950,807
	CASH FROM INVESTMENTS		
11.	Proceeds from investments sold, matured or repaid:		
	11.1 Bonds	22,400,923	7,362,618
	11.2 Stocks		200,000
	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)	22,400,923	7,562,618
12.	Cost of investments acquired (long-term only):		
	12.1 Bonds	32,942,836	67,441,295
	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)	32,942,836	67,441,295
13.	Net cash from investments (Line 11.8 minus Line 12.7)	(10,541,913)	(59,878,677)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
14.	Cash provided:		
	14.1 Surplus notes, capital and surplus paid in		36,000,000
	14.2 Capital notes $..........0 less amounts repaid $..........0		
	14.3 Net transfers from affiliates		
	14.4 Borrowed funds received		
	14.5 Other cash provided	83,486	3,380,552
	14.6 Total (Lines 14.1 to 14.5)	83,486	39,380,552
15.	Cash applied:		
	15.1 Dividends to stockholders paid		
	15.2 Net transfers to affiliates	16,051,314	13,509,574
	15.3 Borrowed funds repaid		
	15.4 Other applications		1,643,108
	15.5 Total (Lines 15.1 to 15.4)	16,051,314	15,152,682
16.	Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(15,967,828)	24,227,870
	RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17.	Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	(3,300,000)	3,300,000
18.	Cash and short-term investments:		
	18.1 Beginning of year	3,510,674	210,674
	18.2 End of period (Line 17 plus Line 18.1)	210,674	3,510,674

DETAILS OF WRITE-INS

07.401	NET FINANCE AND SERVICE CHARGE REVENUE	299,333	890,620
07.402	INTEREST EXPENSE ON INTERCOMPANY BALANCES	(3,721)	(117,776)
07.403	LOSS ON RECEIVABLE FACTORING		(63,426)
07.498	Summary of remaining write-ins for Line 7.4 from overflow page	0	0
07.499	Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above)	295,612	709,418

9. Income Taxes

The Company's Federal income tax return is consolidated with TPC and all its wholly-owned United States subsidiaries (the "Group"). The method of allocation between the companies is subject to written agreement and is jointly approved by an officer of TPC and the Company. The allocation is based upon separate tax return calculations with current credit for net losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled monthly.

The amount of Federal income taxes incurred and available for recoupment by the Company in the event of future net losses is equal to approximately $1,202,631 for the current tax year and $1,799,484 for the first preceding year. The amounts that can be recouped may be subject to the alternative minimum tax rules, and therefore may be limited.

The components of the net deferred tax asset ("DTA") are as follows:

Description	March 31, 2002	December 31, 2001
Gross DTA	$ 4,472,751	$ 3,904,197
Gross deferred tax liabilities	58,965	39,615
Net DTA	4,413,786	3,864,582
Non-admitted DTA	142,547	946,554
Net admitted DTA	$ 4,271,239	$ 2,918,028
Increase (decrease) in non-admitted DTA	$ (804,007)	$ 393,689

The significant components of the provision for Federal income tax are as follows:

Description	2002	2001
Current income tax expense	$ 1,202,631	$ 1,789,680
Prior year underaccrual (overaccrual)	--	(149,592)
Current income taxes incurred	$ 1,202,631	$ 1,640,088

The significant components of the 2002 DTAs and deferred tax liabilities ("DTLs") are as follows:

DTAs Resulting from Statutory/Tax Difference in	March 31, 2002	December 31, 2001	Change
Unpaid losses and LAE	$ 424,330	$ 357,377	$ 66,953
Unearned premiums	1,701,674	1,398,301	303,373
Non-admitted assets	1,551,717	1,281,044	270,673
Non-deductible reserves	789,715	861,601	(71,866)
Intercompany deferred losses	5,315	5,874	(559)
Gross DTAs	$ 4,472,751	$ 3,904,197	$ 568,554
Non-admitted DTAs	$ 142,547	$ 946,554	$ (804,007)

DTLs Resulting from Statutory/Tax Difference in	March 31, 2002	December 31, 2001	Change
Bond market discount	$ 20,935	$ 15,068	$ 5,867
Salvage and subrogation	32,414	18,678	13,736
Intercompany Deferred Gains	5,571	5,684	(113)
Other	45	185	(140)
Gross DTLs	$ 58,965	$ 39,615	$ 19,350

The change in net deferred income taxes is comprised of the following (this analysis excludes non-admitted assets; the change in non-admitted assets is reported separately from the change in net deferred income taxes in the Underwriting and Investment Exhibit):

Description	March 31, 2002	December 31, 2001	Change
Total DTA	$ 4,472,751	$ 3,904,197	$ 568,554
Total DTL	58,965	39,615	19,350
Net DTA (DTL)	$ 4,413,786	$ 3,864,582	549,204
Tax effect of unrealized gains (losses)			--
Change in net deferred income tax			$ 549,204

The provision for Federal income tax in the accompanying statutory-basis statements of income differs from the statutory rate. The significant statutory to tax adjustments are as follows:

Description	Amount	Tax Effect at 35%
Provision computed at statutory rate	$ 967,507	35 %
Exempt interest income	(21,538)	(1)
Other	350	--
Total	$ 946,319	34%
Federal income taxes incurred	$ 1,202,631	44 %
Change in net deferred income taxes	(549,204)	(20)
Change in deferred from non-admitted assets and intercompany gains (losses)	270,227	10
Other miscellaneous adjustments	22,665	1
Total statutory income taxes	$ 946,319	34 %

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

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfers and Servicing of Financial Assets

Not applicable

C. Wash Sales

The Company had no wash sales of securities with a NAIC rating of 3 or below during the year.

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 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 [X] N/A [ ]

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. ....12/31/1997.......................

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. ....12/31/1997.......................

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). ....09/14/1999.......................

7.4 By what department or departments?.................................... OHIO

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)

INVESTMENT

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

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	$.................................0	$...0
13.22 Preferred Stock	$.................................0	$...0
13.23 Common Stock	$.................................0	$...0
13.24 Short-Term Investments	$.................................0	$...0
13.25 Mortgages, Loans or Real Estate	$.................................0	$...0
13.26 All Other	$.................................0	$...0
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	$.................................0	$...0
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	$.................................0	$...0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	$.................................0	$...0

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
THE BANK OF NEW YORK	ONE WALL ST 14TH FLR NEW YORK, NY 10286

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 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

GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

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

2. Has the reporting entity reinsured any risk with any other 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 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 following schedule:

1	2	3	Total Discount				Discount Taken During Period			
			4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Disc. Rate	Unpaid Losses	Unpaid LAE	IBNR	Total	Unpaid Losses	Unpaid LAE	IBNR	Total
						0				0
Total	XXX	XXX	0	0	0	0	0	0	0	0

SCHEDULE A - VERIFICATION

	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	0	0	0	
2. Increase (decrease) by adjustment				
3. Cost of acquired				
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales				
6. Increase (decrease) by foreign exchange adjustment				
7. Amount received on sales				
8. Book/adjusted carrying value at end of current period	0	0	0	0
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	0	0	0	0
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	0	0	0	0

NONE

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period	0	0	0	
2. Amount loaned during period:				
2.1 Actual cost at time of acquisitions				
2.2 Additional investment made after acquisitions				
3. Accrual of discount and mortgage interest points and commitment fees				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0	0	0
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	0	0	0	0
12. Total nonadmitted amounts				
13. Statement value of mortgages owned at end of current period	0	0	0	0

NONE

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	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 of long-term invested assets owned, beginning of period	0	0	0	
2. Cost of acquisitions during period:				
2.1 Actual cost at time of acquisitions				
2.2 Additional investment made after acquisitions				
3. Accrual of discount				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book/adjusted carrying value of long-term invested assets at end of current period	0	0	0	0
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	0	0	0	0
12. Total nonadmitted amounts				
13. Statement value of long-term invested assets at end of current period	0	0	0	0

NONE

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
BONDS								
1. Class 1	60,689,056	32,942,836	22,405,954	(2,508)	71,223,430			60,689,056
2. Class 2	4,478,201			(9,168)	4,469,033			4,478,201
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	65,167,257	32,942,836	22,405,954	(11,676)	75,692,463	0	0	65,167,256
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	65,167,257	32,942,836	22,405,954	(11,676)	75,692,463	0	0	65,167,256

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

NONE

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. Totals		XXX			

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	0	0	0	
2. Cost of short-term investments acquired				12,328
3. Increase (decrease) by adjustment				
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				12,328
7. Book/adjusted carrying value, current period	0	0	0	0
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	0	0	0	0
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	0	0	0	0
12. Income collected during period	9			181
13. Income earned during period	9			181

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. F
NONE

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 2 Current Year to Date	Direct Premiums Written 3 Prior Year to Date	Direct Losses Paid (Deducting Salvage) 4 Current Year to Date	Direct Losses Paid (Deducting Salvage) 5 Prior Year to Date	Direct Losses Unpaid 6 Current Year to Date	Direct Losses Unpaid 7 Prior Year to Date
1.	Alabama AL	NO						
2.	Alaska AK	YES						
3.	Arizona AZ	NO						
4.	Arkansas AR	YES	2,108,762	1,727,428	901,877	1,190,853	1,409,571	1,203,763
5.	California CA	YES						
6.	Colorado CO	YES	12,967,825	3,364,694	5,560,808	73,617	8,944,038	91,919
7.	Connecticut CT	YES	3,367,488		621,472		1,052,165	
8.	Delaware DE	YES						
9.	District of Columbia DC	YES	638,124		122,213		154,486	
10.	Florida FL	NO						
11.	Georgia GA	YES	28,679,564	24,143,711	12,882,542	7,975,571	15,336,289	7,357,580
12.	Hawaii HI	YES						
13.	Idaho ID	YES	1,351,237	977,171	441,023	442,848	1,264,929	557,133
14.	Illinois IL	YES	6,902,570	3,253,012	1,840,399	1,099,221	2,777,144	1,292,551
15.	Indiana IN	YES	8,723,149	122,203	3,220,491	241	3,168,773	261
16.	Iowa IA	YES	3,642,628	1,866,814	1,233,217	301,800	1,332,475	251,824
17.	Kansas KS	YES	3,999,120	2,456,266	1,645,073	1,131,195	1,816,190	706,205
18.	Kentucky KY	YES	7,416,304	5,604,431	3,339,400	2,500,421	6,682,844	4,378,908
19.	Louisiana LA	YES						
20.	Maine ME	NO						
21.	Maryland MD	YES	11,986,759	6,008,948	4,744,099	1,240,120	5,884,490	1,209,398
22.	Massachusetts MA	NO						
23.	Michigan MI	NO						
24.	Minnesota MN	NO						
25.	Mississippi MS	NO						
26.	Missouri MO	YES	9,036,649	7,296,154	4,173,473	3,309,105	5,626,935	3,970,470
27.	Montana MT	YES	323,934		46,534		23,440	
28.	Nebraska NE	YES	781,145		119,610		53,129	
29.	Nevada NV	YES	7,078,344	5,044,702	3,265,887	2,260,453	6,447,904	4,528,415
30.	New Hampshire NH	NO						
31.	New Jersey NJ	NO						
32.	New Mexico NM	NO						
33.	New York NY	YES						
34.	North Carolina NC	NO						
35.	North Dakota ND	YES	282,992		71,988		35,410	
36.	Ohio OH	YES	23,950,899	9,188,257	9,935,764	5,314,469	17,826,489	12,207,870
37.	Oklahoma OK	YES	3,265,747		1,020,073		886,438	
38.	Oregon OR	YES	9,161,516	5,902,811	4,391,909	2,810,227	7,108,484	4,350,586
39.	Pennsylvania PA	YES	14,999,976	1,098	3,555,021		5,564,118	62
40.	Rhode Island RI	NO						
41.	South Carolina SC	YES	2,711,224		832,980		719,537	
42.	South Dakota SD	YES	1,680,379	1,352,877	677,496	786,936	1,359,559	860,620
43.	Tennessee TN	YES		(352)	42,613	72,407	56,868	323,166
44.	Texas TX	NO						
45.	Utah UT	YES	3,384,163		1,009,113		1,159,676	
46.	Vermont VT	YES	358,429		13,171		37,448	
47.	Virginia VA	YES	2,193,808		791,875		591,328	
48.	Washington WA	YES	1,516,085	1,513,006	1,047,015	1,133,590	2,523,878	1,975,563
49.	West Virginia WV	YES						
50.	Wisconsin WI	YES	6,224,418		1,877,483		2,619,633	
51.	Wyoming WY	YES	795,245	386,324	268,267	94,794	584,063	42,629
52.	American Samoa AS	NO						
53.	Guam GU	NO						
54.	Puerto Rico PR	NO						
55.	US Virgin Islands VI	NO						
56.	Canada CN	NO						
57.	Aggregate Other Alien OT	XXX	0	0	0	0	0	0
58.	Totals	(a) 37	179,528,483	80,209,555	69,692,886	31,737,868	103,047,731	45,308,923

DETAILS OF WRITE-INS

		1	2	3	4	5	6	7
5701.		XXX						
5702.		XXX						
5703.		XXX						
5798.	Summary of remaining write-ins for Line 57 from overflow page	XXX	0	0	0	0	0	0
5799.	Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 above)	XXX	0	0	0	0	0	0

(a) Insert the number of yes 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

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date Direct Loss Percentage
1. Fire			0.0	
2. Allied lines			0.0	
3. Farmowners multiple peril			0.0	
4. Homeowners multiple peril			0.0	
5. Commercial multiple peril			0.0	
6. Mortgage guaranty			0.0	
8. Ocean marine			0.0	
9. Inland marine			0.0	
10. Financial guaranty			0.0	
11.1. Medical malpractice-occurrence			0.0	
11.2. Medical malpractice-claims made			0.0	
12. Earthquake			0.0	
13. Group accident and health			0.0	
14. Credit accident and health			0.0	
15. Other accident and health			0.0	
16. Workers' compensation			0.0	
17.1 Other liability-occurrence			0.0	
17.2 Other liability-claims made			0.0	
18.1 Products liability-occurrence			0.0	
18.2 Products liability-claims made			0.0	
19.1, 19.2 Private passenger auto liability	96,680,240	48,469,262	50.1	54.6
19.3, 19.4 Commercial auto liability			0.0	
21. Auto physical damage	56,221,341	34,981,985	62.2	62.9
22. Aircraft (all perils)			0.0	
23. Fidelity			0.0	
24. Surety			0.0	
26. Burglary and theft			0.0	
27. Boiler and machinery			0.0	
28. Credit			0.0	
29. International			0.0	
30. Reinsurance-nonproportional assumed property	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	0.0	0.0
34. Totals	152,901,581	83,451,247	54.6	57.8
DETAILS OF WRITE-INS				
3301.			0.0	
3302.			0.0	
3303.			0.0	
3398. Sum. of remaining write-ins for Line 33 from overflow page	0	0	0.0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1. Medical malpractice-occurrence			
11.2. Medical malpractice-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1. Other liability-occurrence			
17.2. Other liability-claims made			
18.1. Products liability-occurrence			
18.2. Products liability-claims made			
19.1, 19.2 Private passenger auto liability	114,537,606	114,537,606	50,120,532
19.3, 19.4 Commercial auto liability			
21. Auto physical damage	64,990,877	64,990,877	30,089,023
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Reinsurance-nonproportional assumed property	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	0
34. Totals	179,528,483	179,528,483	80,209,555
DETAILS OF WRITE-INS			
3301.			
3302.			
3303.			
3398. Sum. of remaining write-ins for Line 33 from overflow page	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33)	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	4 2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2002 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (b) (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserves Developed (Savings)/Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior	262	39	301	72		72	180	3	35	218	(10)	(1)	(11)
2. 2000	1,360	217	1,577	216	3	219	1,116	47	180	1,343	(28)	13	(15)
3. Subtotals 2000 + Prior	1,622	256	1,878	288	3	291	1,296	50	215	1,561	(38)	12	(26)
4. 2001	6,848	2,056	8,904	2,109	508	2,617	4,304	533	1,323	6,160	(435)	308	(127)
5. Subtotals 2001 + Prior	8,470	2,312	10,782	2,397	511	2,908	5,600	583	1,538	7,721	(473)	320	(153)
6. 2002	XXX	XXX	XXX	XXX	5,560	5,560	XXX	3,331	1,423	4,754	XXX	XXX	XXX
7. Totals	8,470	2,312	10,782	2,397	6,071	8,468	5,600	3,914	2,961	12,475	(473)	320	(153)
8. Prior Year-End's Surplus As Regards Policyholders	51,587										Col. 11, Line 7 As % of Col. 1, Line 7 1. (5.6)%	Col. 12, Line 7 As % of Col. 2, Line 7 2. 13.8 %	Col. 13, Line 7 As % of Col. 3, Line 7 3. (1.4)%
													Col. 13, Line 7 Line 8 4. (0.3)%

(a) Should equal prior year-end Annual Statement; Page 3, Col. 1, Lines 1 + 3.
(b) Should equal Q.S. Page 3, Col.1, Lines 1 and 3.
(c) Should also equal Cols. 6 + 10 less Col. 3 for Lines 1 through 5 only.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	RESPONSE
1. Will the SVO Compliance Certification be filed with this statement?	YES
2. Will the Trusteed Surplus Statement be filed with the State of Domicile and the NAIC with this statement?	NO
3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?	NO

EXPLANATIONS:

BAR CODE:

* 1 6 3 2 2 2 0 0 2 4 9 0 0 0 0 0 1 *

* 1 6 3 2 2 2 0 0 2 4 5 0 0 0 0 0 1 *

Overflow Page
NONE

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
Bonds - U.S. Government								
912827-5F-5	U.S. TREASURY NOTE 5.250 05 2004	03/08/2002	HSBC SECURITIES INC		310,031	300,000	5,047	1
912827-7F-3	U.S. TREASURY NOTE 3.500 11 2006	03/27/2002	VARIOUS		18,718,055	19,700,000	243,298	1
0399999.	Total - Bonds - U.S. Government				19,028,086	20,000,000	248,345	XXX
Bonds - Industrial and Miscellaneous								
United States								
17303C-AY-7	CITIBANK CREDIT CARD MST 6.050901-2010	03/20/2002	DEUTSCHE BANK		2,254,914	2,200,000	25,881	1PE
31392C-MS-0	FANNIE MAE WHOLE LOAN 20 7.500 02 2042	03/07/2002	NOMURA SECURITIES INTRN'L INC		1,576,406	1,500,000	8,125	1PE
31392B-NN-2	FANNIE MAE 2001-81 PC 6.000 03 2025	01/07/2002	GOLDMAN SACHS		2,023,672	2,000,000	3,000	1PE
31339L-FV-7	FREDDIE MAC FHR 2394 GB 6.000 02 2025	01/07/2002	GOLDMAN SACHS		2,025,938	2,000,000	3,000	1PE
750438-AB-9	RADIOSHACK CORPORATION 7.375 05 2011	01/08/2002	GOLDMAN SACHS		2,033,820	2,000,000	22,944	1
	United States				9,914,750	9,700,000	62,950	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				9,914,750	9,700,000	62,950	XXX
6099997.	Total - Bonds - Part 3				28,942,836	29,700,000	311,295	XXX
6099998.	Total - Bonds - Summary Item for Bonds Bought and Sold This Quarter				4,000,000	4,000,000		XXX
6099999.	Total - Bonds				32,942,836	33,700,000	311,295	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				32,942,836	XXX	311,295	XXX

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

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value At Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designation (a)
Bonds - U.S. Government																
912827-6X-5	U.S. TREASURY NOTE 4.625 05 2006	03/13/2002	BEAR STEARNS		1,906,234	1,900,000	1,907,570	1,906,685	(286)			(450)	(450)	28,887		1
0399999.	Total - Bonds - U.S. Government				1,906,234	1,900,000	1,907,570	1,906,685	(286)	0	0	(450)	(450)	28,887	0	XXX
Bonds - Special Revenue and Special Assessment																
Kentucky																
491308-4R-0	KENTUCKY HSG REV 4.850 07 2022	01/01/2002	CALLED AT 100		115,000	115,000	115,000	115,000					0	2,788		1PE
	Kentucky				115,000	115,000	115,000	115,000	0	0	0	0	0	2,788	0	XXX
	United States				115,000	115,000	115,000	115,000	0	0	0	0	0	2,788	0	XXX
3199999.	Total - Bonds - Special Revenue & Assessment				115,000	115,000	115,000	115,000	0	0	0	0	0	2,788	0	XXX
Bonds - Industrial and Miscellaneous																
United States																
05947U-DP-0	BANK OF AMERICA-FIRST U 5.464 04 2037	01/04/2002	FIRST UNION		943,867	1,000,000	1,005,044	1,005,026	(3)			(61,158)	(61,158)	5,767		1
12669B-T3-6	COUNTRYWIDE ALTERNATIVE 6.500 06 2031	03/01/2002	SCHEDULED REPAYMEN		71,539	71,539	71,823	71,539	(250)				0	773		1PE
31359M-LZ-4	FANNIE MAE 5.000 01 2007	03/20/2002	GOLDMAN SACHS		15,196,266	15,300,000	15,200,807	15,204,808	3,852			(8,542)	(8,542)	184,875		1PE
313921-6F-0	FANNIE MAE WHOLE LOAN 2 7.000 09 2041	03/01/2002	SCHEDULED REPAYMEN		27,908	27,908	28,030	27,908	(103)				0	305		1PE
32051D-GH-9	FIRST HORIZON ASSET SEC 6.750 08 2031	03/01/2002	SCHEDULED REPAYMEN		74,989	74,989	75,245	74,989	(233)				0	748		1PE
	United States				16,314,569	16,474,436	16,380,949	16,384,270	3,263	0	0	(69,700)	(69,700)	192,468	0	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				16,314,569	16,474,436	16,380,949	16,384,270	3,263	0	0	(69,700)	(69,700)	192,468	0	XXX
6099997.	Total - Bonds - Part 4				18,335,803	18,489,436	18,403,519	18,405,955	2,977	0	0	(70,150)	(70,150)	224,143	0	XXX
6099998.	Total - Bonds - Summary Item for Bonds Bought and Sold This Quarter				4,065,120	4,000,000	4,000,000	4,000,000				65,120	65,120	33,733		XXX
6099999.	Total - Bonds				22,400,923	22,489,436	22,403,519	22,405,955	2,977	0	0	(5,030)	(5,030)	257,876	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				22,400,923	XXX	22,403,519	22,405,955	2,977	0	0	(5,030)	(5,030)	257,876	0	XXX

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

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	Book Balance at End of Each Month During Current Quarter			8
					5	6	7	
Depository		Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
NATIONAL CITY BANK	CLEVELAND, OH	1.440	2,320		210,674	210,674	210,674	
CASH EQUIVALENTS:								
AMERICAN EXPRESS CRD C/P	WILIMINGTON, DE	VAR	67					
CITIGROUP INC CPP	NEW YORK, NY	VAR	324					
CITICORP	NEW YORK, NY	VAR	54					
RABOBANK EDTD	NEW YORK, NY	VAR	155					
ROYALBANK EDTD	TORONTO, ONTARIO CANADA	VAR	4,601					
0199999. Total Open Depositories		XXX	7,521	0	210,674	210,674	210,674	XXX
0399999. Total Cash on Deposit		XXX	7,521	0	210,674	210,674	210,674	XXX
0599999. Total Cash		XXX	7,521	0	210,674	210,674	210,674	XXX

Supplement A to Sch. T
NONE

Supplement A to Sch. T
NONE

Supplement A to Sch. T
NONE

Supplement A to Sch. T
NONE

Supplement A to Sch. T
NONE

Overflow Page
NONE

Overflow Page for Write-Ins