

**QUARTERLY STATEMENT**

OF THE

**DEALERS ASSURANCE**

**COMPANY**

of

**UPPER ARLINGTON**

in the state of

**OH**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**FOR THE QUARTER ENDED**  
**March 31, 2002**

PROPERTY AND CASUALTY

**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	17,075,439		17,075,439	16,822,779
2. Stocks:				
2.1 Preferred stocks	137,990		137,990	138,705
2.2 Common stocks	3,301,193		3,301,193	3,273,177
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 \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 67,148 ) and short-term investments ( \$ 1,910,411 )	1,977,559		1,977,559	2,445,321
6. Other invested assets				
7. Receivable for securities				
8. Aggregate write-ins for invested assets				
9. Subtotals, cash and invested assets (Lines 1 to 8)	22,492,181		22,492,181	22,679,982
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	1,053,053		1,053,053	846,884
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums )	25,380		25,380	49,892
10.3 Accrued retrospective premiums				
11. Funds held by or deposited with reinsured companies				
12. Bills receivable, taken for premiums				
13. Amounts 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 \$ 145,323 net deferred tax asset)	145,323		145,323	105,623
16. Guaranty funds receivable or on deposit				
17. Electronic data processing equipment and software				
18. Interest, dividends and real estate income due and accrued	279,423		279,423	256,832
19. Net adjustments in assets and liabilities due in foreign exchange rates				
20. Receivable from parent, subsidiaries and affiliates				
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	15,126		15,126	3,588
26. Total assets excluding protected cell assets (Lines 9 through 25)	24,010,486		15,126	23,995,360
27. Protected cell assets				
28. TOTALS (Lines 26 and 27)	24,010,486		15,126	23,995,360
				23,942,801

DETAILS OF WRITE-INS				
0801.				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)				
2501. Accounts Receivable				3,588
2502. Prepaid Expenses	15,126		15,126	
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	15,126		15,126	3,588

	1 Current Statement Date	2 December 31, Prior Year	
1. Losses (current accident year \$ 156,788 )	166,710	128,665	
2. Reinsurance payable on paid losses and loss adjustment expenses			
3. Loss adjustment expenses	17,756	13,066	
4. Commissions payable, contingent commissions and other similar charges	965,342	1,101,313	
5. Other expenses (excluding taxes, licenses and fees)	105,392	101,942	
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,971	39,831	
7. Federal and foreign income taxes (including \$ (11,076) on realized capital gains (losses) (including \$ 0 net deferred tax liability)	25,537	36,941	
8. Borrowed money \$ 0 and interest thereon \$ 0			
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 349,160 and including warranty reserves of \$ 11,501,508 )	11,501,508	11,534,480	
10. Advance premium			
11. Dividends declared and unpaid:			
11.1 Stockholders			
11.2 Policyholders			
12. Ceded reinsurance premiums payable (net of ceding commissions)	91,895	(1,733)	
13. Funds held by company under reinsurance treaties			
14. Amounts withheld or retained by company for account of others	14,308	14,308	
15. Remittances and items not allocated			
16. Provision for reinsurance	93,345	104,000	
17. Net adjustments in assets and liabilities due to foreign exchange rates			
18. Drafts outstanding			
19. Payable to parent, subsidiaries and affiliates			
20. Payable for securities			47,981
21. Liability for amounts held under uninsured accident and health plans			
22. Capital notes \$ 0 and interest thereon \$ 0			
23. Aggregate write-ins for liabilities			
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	12,984,764	13,120,794	
25. Protected cell liabilities			
26. Total liabilities (Lines 24 and 25)	12,984,764	13,120,794	
27. Aggregate write-ins for special surplus funds			
28. Common capital stock	3,035,500	3,035,500	
29. Preferred capital stock			
30. Aggregate write-ins for other than special surplus funds			
31. Surplus notes			
32. Gross paid in and contributed surplus	2,081,950	2,081,950	
33. Unassigned funds (surplus)	5,893,146	5,704,557	
34. Less treasury stock, at cost:			
34.1 0 shares common (value included in Line 28 \$ 0 )			
34.2 0 shares preferred (value included in Line 29 \$ 0 )			
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	11,010,596	10,822,007	
36. TOTALS	23,995,360	23,942,801	

DETAILS OF WRITE-INS		
2301.		
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)		
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)		

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>STATEMENT OF INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 1,430,323 )	1,370,076	1,568,802	5,540,432
1.2 Assumed (written \$ 435,436 )	331,756	156,080	854,501
1.3 Ceded (written \$ 254,878 )	57,979	35,771	(342,284)
1.4 Net (written \$ 1,610,881 )	1,643,853	1,689,111	6,737,217
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 592,225 ):			
2.1 Direct	654,412	555,813	3,108,001
2.2 Assumed	41,005	16,764	103,254
2.3 Ceded	(29,339)	(337,409)	28,645
2.4 Net	724,756	909,986	3,182,610
3. Loss expenses incurred	121,668	105,909	328,599
4. Other underwriting expenses incurred	858,899	711,323	3,323,273
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	1,705,323	1,727,218	6,834,482
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(61,470)	(38,107)	(97,265)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	245,904	226,683	816,911
10. Net realized capital gains (losses)	(32,576)	(9,438)	(37,954)
11. Net investment gain (loss) (Lines 9 + 10)	213,328	217,245	778,957
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0 )			
13. Finance and service charges not included in premiums	983	4,826	
14. Aggregate write-ins for miscellaneous income	390	480	65,341
15. Total other income (Lines 12 through 14)	1,373	5,306	65,341
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	153,231	184,444	747,033
17. Dividends to policyholders			
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	153,231	184,444	747,033
19. Federal and foreign income taxes incurred	25,537	20,208	208,674
20. Net income (Line 18 minus Line 19) (to Line 22)	127,694	164,236	538,359
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	10,822,007	10,078,186	10,078,186
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20)	127,694	164,236	538,359
23. Net unrealized capital gains or losses	(1,440)	(468,843)	(378,630)
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax	39,700	(59,771)	105,623
26. Change in nonadmitted assets	11,980	6,270	(20,835)
27. Change in provision for reinsurance	10,655	373,178	458,000
28. Change in surplus notes			
29. Surplus (contributed to) withdrawn from protected cells			
30. Cumulative effect of changes in accounting principles			41,304
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			
36. Aggregate write-ins for gains and losses in surplus			
37. Change in surplus as regards policyholders (Lines 22 through 36)	188,589	15,070	743,821
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	11,010,596	10,093,256	10,822,007
<b>DETAILS OF WRITE-INS</b>			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)			
1401. Misc. Income			63,486
1402. Transfer Fee Income	390	480	1,610
1403. Admin. Fee			245
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	390	480	65,341
3601. Prior Year FIT Recoverable			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page			
3699. TOTALS (Lines 3601 through 3603 plus 3698) (Line 36 above)			

## CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	1,429,224	8,445,015
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	803,689	3,649,475
3. Underwriting expenses paid	1,028,280	3,077,901
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(402,745)	1,717,639
6. Net investment income	228,501	803,091
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		(79,188)
7.4 Aggregate write-ins for miscellaneous items	1,373	65,341
7.5 Total other income (Lines 7.1 to 7.4)	1,373	(13,847)
8. Dividends to policyholders on direct business, less \$ 0 dividends on reinsurance assumed or ceded (net)		
9. Federal and foreign income taxes (paid) recovered	(36,941)	(243,923)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	(209,812)	2,262,960
<b>Cash from Investments</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds		2,500,000
11.2 Stocks	663,825	2,463,321
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		(1,246)
11.7 Miscellaneous proceeds		
11.8 Total investment proceeds (Lines 11.1 to 11.7)	663,825	4,962,075
12. Cost of investments acquired (long-term only):		
12.1 Bonds	257,847	4,343,895
12.2 Stocks	725,140	3,505,733
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)	982,987	7,849,628
13. Net cash from investments (Line 11.8 minus Line 12.7)	(319,162)	(2,887,553)
<b>Cash from Financing and Miscellaneous Sources</b>		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in		
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	61,212	65,542
14.6 Total (Lines 14.1 to 14.5)	61,212	65,542
15. Cash applied:		
15.1 Dividends to stockholders paid		
15.2 Net transfers to affiliates		
15.3 Borrowed funds repaid		
15.4 Other applications		
15.5 Total (Lines 15.1 to 15.4)		
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	61,212	65,542
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	(467,762)	(559,051)
18. Cash and short-term investments:		
18.1 Beginning of year	2,445,321	3,004,372
18.2 End of period (Line 17 plus Line 18.1)	1,977,559	2,445,321

DETAILS OF WRITE-INS		
7.401 Misc. Income		63,486
7.402 Transfer Fee Income	390	1,610
7.403 Admin. Fees		245
7.498 Summary of remaining write-ins for Line 7.4 from overflow page	983	
7.499 Totals (Lines 07.401 through 07.403 + 07.498) (Line 07.4 above)	1,373	65,341

## NOTES TO FINANCIAL STATEMENTS

### 1– 8. No material changes.

#### 9. Income Taxes

	03/31/02	12/31/01
1. Total of all deferred tax assets (admitted & nonadmitted)	\$797,385	\$799,627
2. Total of all deferred tax liabilities	87,293	35,241
3. Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	652,062	658,763
4. Increase (decrease) in deferred tax assets nonadmitted	(6,701)	658,763

#### B. Deferred tax liabilities are not recognized for the following amounts:

The Company did not have any deferred tax liabilities that were not recognized.

#### C. Current income taxes incurred consist of the following major components:

Current year expense	\$ 25,537
Tax credits	
Current year equity tax	
Prior year overaccrual of tax reserves	
0199. Current income taxes incurred	\$ 25,537

The main components of the 2001 deferred tax amounts are as follows:

	Statutory	Tax	Difference	Tax Effect
DTA's				
Reserves	11,501,508	2,300,302	9,201,206	625,682
Reserve Discount	24,405	24,405	0	8,298
Acc'd Vacation	20,543	20,543	0	6,985
0299. Total DTA's	145,323	797,385		797,385
0399. DTA's nonadmitted				652,062
DTL's				
Unrealized Capital Gains	116,010	129,148	(13,138)	76,567
Disc't Bonds	31,546	31,546	0	10,726
0499. Total DTL's				35,241

The changes in main components of DTA's and DTL's are as follows:

	2002	2001	Change
DTA's resulting from book/tax differences in			
Reserves	782,103	784,345	(2,242)
Reserve Disc't	8,298	8,298	0
Accd Vacation	6,985	6,985	0
0599. Total DTA's	797,385	799,627	(2,242)
0699. DTA's nonadmitted	652,062	658,763	(6,701)
DTL's resulting from book/tax differences in			
Unrealized Capital Gains	76,567	24,515	52,052
Disc't on Bonds	10,726	10,726	0
0799. Total DTL's	87,293	35,241	52,052

#### D. Among the more significant book to tax adjustments were the following:

	Amount	Tax Effect
01. Income Before Taxes	153,231	52,099
02. Book over tax reserves	(6,594)	(2,242)
03. Tax exempt interest	(50,414)	(17,141)
04. Dividends Received Deduction	(6,790)	( 2,309)
05. Accd vacation	0	0
06. Other	(14,324)	( 4,870)
0399. Total Adjustments	( 78,122)	(26,562)
0499. Taxable Income	75,109	25,537

#### E. At December 31, 2001, the company had \$0 of operating loss carry forwards.

#### F. Dealers Assurance Company's federal income tax return is consolidated with Dealers Alliance Corporation and DAC Insurance Agency, Inc.

A written agreement exists setting forth the manner in which the federal income tax is to be allocated to each entity. The federal income tax allocated to this company is based on its portion of the net consolidated income.

### 10. – 31. No material changes.

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**NOTES TO FINANCIAL STATEMENTS**

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**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

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

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

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  
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

5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 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

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.  12/31/1998

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.  12/31/1998

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).  01/28/2000

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

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 [X]

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
Key Bank National Association	Columbus, OH
Wachovia Bank	Wachovia, GA
Sun Trust	Richmond, VA
Arkansas Bankers' Bank	Little Rock, AR
Bank of Oklahoma , NA	Tulsa, Oklahoma

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
	Key Bank National Association	Columbus, OH

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

**NONE** **Schedule A, B, and BA Verification**

**Statement as of March 31, 2002 of the**

## Dealers Assurance Company

## **SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 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	17,750,840	1,387,681	1,532,101	(5,521)	17,600,899			17,750,840
2. Class 2	1,384,617			333	1,384,950			1,384,617
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	19,135,457	1,387,681	1,532,101	(5,187)	18,985,849			19,135,457
<b>PREFERRED STOCK</b>								
8. Class 1	63,910			(1,650)	62,260			63,910
9. Class 2								
10. Class 3	74,795			935	75,730			74,795
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	138,705			(715)	137,990			138,705
15. Total Bonds & Preferred Stock	19,274,162	1,387,681	1,532,101	(5,902)	19,123,839			19,274,162

**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
8099999	Totals	1,910,411	XXX	1,910,411	6,457

**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	2,312,680			2,484,086
2. Cost of short-term investments acquired	1,129,833			5,099,143
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	1,532,101			5,270,550
7. Book/adjusted carrying value, current period	1,910,411			2,312,679
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	1,910,411			2,312,679
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	1,910,411			2,312,679
12. Income collected during period	6,457			85,313
13. Income earned during period	3,654			76,476

**NONE** **Schedule DB Part F Section 1**

**NONE** **Schedule DB Part F Section 2**

## **SCHEDULE F - CEDED REINSURANCE**

## 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	YES					
2. Alaska	AK	NO					
3. Arizona	AZ	YES	1,785				
4. Arkansas	AR	YES					
5. California	CA	NO					
6. Colorado	CO	YES					
7. Connecticut	CT	YES					
8. Delaware	DE	YES	300	2,737	776	490	262
9. Dist. Columbia	DC	YES	25				
10. Florida	FL	YES	115,967	184,672	65,981	67,124	2,866
11. Georgia	GA	YES	(269)	(412)		2,585	(1,344)
12. Hawaii	HI	NO					
13. Idaho	ID	YES					
14. Illinois	IL	YES	174,774	86,642	45,635	71,815	(52,383)
15. Indiana	IN	YES	231,206	485,884	157,735	112,320	(54,227)
16. Iowa	IA	YES					
17. Kansas	KS	YES					
18. Kentucky	KY	YES	727				(365)
19. Louisiana	LA	YES					
20. Maine	ME	NO					
21. Maryland	MD	YES	(187)	(98)	2,987	4,156	
22. Massachusetts	MA	NO					
23. Michigan	MI	YES	197,146	1,948	7,391	19,148	250,381
24. Minnesota	MN	YES					
25. Mississippi	MS	YES					
26. Missouri	MO	YES	426	(3,375)	6,615	14,928	1,282
27. Montana	MT	YES					
28. Nebraska	NE	YES					
29. Nevada	NV	YES					
30. New Hampshire	NH	NO					
31. New Jersey	NJ	NO					
32. New Mexico	NM	NO					
33. New York	NY	NO					
34. No. Carolina	NC	YES	21,819				
35. N. Dakota	ND	YES					
36. Ohio	OH	YES	632,603	629,047	342,657	604,736	12,525
37. Oklahoma	OK	YES					251,832
38. Oregon	OR	YES					
39. Pennsylvania	PA	YES	47,349	43,261	6,900	2,901	9,144
40. Rhode Island	RI	NO					
41. So. Carolina	SC	YES	750				
42. So. Dakota	SD	YES					
43. Tennessee	TN	YES	(327)	(859)	2,280	2,632	(63)
44. Texas	TX	YES	795				
45. Utah	UT	YES					
46. Vermont	VT	NO					
47. Virginia	VA	YES	3,790	(15,000)	905		(1,414)
48. Washington	WA	YES					
49. West Virginia	WV	YES	(82)	(1,476)		1,760	324
50. Wisconsin	WI	YES	1,726	(2,721)	5,734	2,777	(278)
51. Wyoming	WY	YES					
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	XXX					
58. Totals		(a) 40	1,430,323	1,410,250	645,596	907,372	166,710
							251,832

DETAILS OF WRITE-INS							
5701.		XXX					
5702.		XXX					
5703.		XXX					
5798. Summary of remaining write-ins for Line 57 from overflow page		XXX					
5799. TOTALS (Lines 5701 thru 5703 plus 5798) (Line 57 above)		XXX					

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

Statement as of March 31, 2002 of the **Dealers Assurance Company**

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

0173

Dealers Assurance Company

16705

OH

34-6513705

Dealers Assurance Company

**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				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril	29,327	(29,228)	(99.7)	
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	15,842			
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				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
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	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	1,324,907	683,640	51.6	57.6
34. TOTALS	1,370,076	654,412	47.8	35.4

DETAILS OF WRITE-INS				
3301. Extended Warranties	1,324,907	683,640	51.6	57.6
3302.				
3303.				
3398. Sum. of remaining write-ins for Line 33 from overflow page				57.6
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33)	1,324,907	683,640	51.6	57.6

**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		184,717	184,717
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	71,713	71,713	
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			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
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	1,173,893	1,173,893	1,410,250
34. TOTALS	1,430,323	1,430,323	1,410,250

DETAILS OF WRITE-INS			
3301. Extended Warranties	1,173,893	1,173,893	1,410,250
3302.			
3303.			
3398. Sum. of remaining write-ins for Line 33 from overflow page			
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33)	1,173,893	1,173,893	1,410,250

**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													
2. 2000													
3. Subtotals 2000 + prior													
4. 2001	112	30	142	108	38	146	8		2	10	4	10	14
5. Subtotals 2001 + prior	112	30	142	108	38	146	8		2	10	4	10	14
6. 2002	XXX	XXX	XXX	XXX		XXX		137	37	174	XXX	XXX	XXX
7. Totals	112	30	142	108	38	146	8	137	39	184	4	10	14

8. Prior Year-End's Surplus As  
Regards Policyholders 10,822

Col. 11, Line 7  
As % of Col. 1  
Line 7

Col. 12, Line 7  
As % of Col. 2  
Line 7

Col. 13, Line 7  
As % of Col. 3  
Line 7

(a) Should Equal Prior Year-End Annual Statement; Page 3, Col. 1, Lines 1 + 3

1. 3.571 2. 33.333 3. 9.859

(b) Should Equal Q.S. Page 3, Col. 1, Lines 1 and 3

Col. 13, Line 7

(c) Should Also Equal Cols. 6 + 10 less Col. 3 for Lines A through E only.

Line 8

4. 0.129

**SUPPLEMENTAL EXHIBITS AND SCHEDULES  
INTERROGATORIES**

RESPONSES

1. Will the SVO Compliance Certification be filed with this statement?	YES .....
2. Will the Trusted 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:



1670520024900001



1670520024500001

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**OVERFLOW PAGE FOR WRITE-INS**

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**OVERFLOW PAGE FOR WRITE-INS****Page 5 - Continuation  
CASH FLOW**

	1 Current Year to Date	2 Prior Year Ended December 31

**REMAINING WRITE-INS AGGREGATED AT LINE 7.4 FOR MISCELLANEOUS ITEMS**

7.404 Service Fees		983
7.405		
7.406		
7.407		
7.408		
7.409		
7.410		
7.411		
7.412		
7.413		
7.414		
7.415		
7.416		
7.417		
7.418		
7.419		
7.420		
7.421		
7.422		
7.423		
7.424		
7.425		
7.497 Totals (Lines 7.404 through 7.425) (Page 5, Line 7.498)	983	

**NONE** **Schedule A Part 2 and 3**

**NONE** **Schedule B Part 1 and 2**

**NONE** **Schedule BA Part 1 and 2**

Statement as of March 31, 2002 of the **Dealers Assurance Company**

**SCHEDULE D - PART 3**

Showing 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)
742718-BK-4	Proctor & Gamble Co Nt	01/02/2002	KeyBank National Assoc.		257,848	250,000.00	4,083	1PE
4599999	Total Bonds Industrial and Miscellaneous			XXX	257,848	250,000.00	4,083	XXX
6099997	Total Bonds Part 3			XXX	257,848	250,000.00	4,083	XXX
6099999	Total Bonds			XXX	257,848	250,000.00	4,083	XXX
872375-10-0	TECO Energy Inc	02/05/2002	KeyBank National Assoc	200,000	4,824			L
6699999	Total Common Stock Public Utilities			XXX	4,824	XXX		XXX
026874-10-7	American Intl Group Inc Com	02/05/2002	KeyBank National Assoc	732,000	55,877			L
172967-10-1	Citigroup Inc Com	02/05/2002	KeyBank National Assoc	200,000	8,832			L
949746-10-1	Wells Fargo Co	01/08/2002	KeyBank National Assoc	200,000	8,680			L
6799999	Total Common Stock Banks, Trust and Insurance Companies			XXX	73,389	XXX		XXX
013817-10-1	Alcoa Inc	02/05/2002	KeyBank National Assoc	200,000	6,922			L
032511-10-7	Anadarko Pete Corp	02/13/2002	KeyBank National Assoc	400,000	19,146			L
055921-10-0	BMC Software Inc	02/27/2002	KeyBank National Assoc	1,000,000	17,560			L
090613-10-0	Biomet Inc	01/17/2002	KeyBank National Assoc	1,000,000	30,050			L
14149Y-10-8	Cardinal Health Inc	01/08/2002	KeyBank National Assoc	200,000	12,504			L
17275R-10-2	Cisco Sys Inc	02/27/2002	KeyBank National Assoc	1,500,000	25,470			L
264399-10-6	Duke Energy Corp	02/05/2002	KeyBank National Assoc	200,000	6,630			L
291011-10-4	Emerson Electric Co	01/08/2002	KeyBank National Assoc	200,000	11,474			L
30231G-10-2	Exxon Mobil Corp	03/05/2002	KeyBank National Assoc	600,000	24,462			L
339030-10-8	FleetBoston Financial Corp	02/05/2002	KeyBank National Assoc	200,000	6,404			L
369604-10-3	General Electric Co	03/05/2002	KeyBank National Assoc	300,000	12,000			L
428236-10-3	Hewlett Packard Co	03/20/2002	KeyBank National Assoc	1,000,000	18,620			L
458140-10-0	Intel Corp	02/05/2002	KeyBank National Assoc	1,000,000	34,150			L
459200-10-1	IBM Corp	02/27/2002	KeyBank National Assoc	400,000	44,268			L
46625H-10-0	JP Morgan Chase & Co	02/05/2002	KeyBank National Assoc	200,000	5,900			L
534187-10-9	Lincoln Natl Corp Ind	02/05/2002	KeyBank National Assoc	1,500,000	73,471			L
548661-10-7	Lowes Cos Inc	02/05/2002	KeyBank National Assoc	1,000,000	45,481			L
594918-10-4	Microsoft Corp	02/27/2002	KeyBank National Assoc	700,000	43,257			L
693475-10-5	PNC Financial Services Group	01/14/2002	KeyBank National Assoc	1,000,000	57,943			L
71713U-10-2	Pharmacia Corp	02/05/2002	KeyBank National Assoc	200,000	7,860			LZ
87612E-10-6	Target Corp	03/05/2002	KeyBank National Assoc	800,000	33,661			L
92343V-10-4	Verizon Communications	02/05/2002	KeyBank National Assoc	300,000	13,931			L
925524-10-0	Viacom Inc	02/13/2002	KeyBank National Assoc	400,000	16,148			L

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

Statement as of March 31, 2002 of the **Dealers Assurance Company**

## **SCHEDULE D - PART 3**

## Showing all Long-term Bonds and Stock Acquired by the Company During the Current Quarter

72999999 Totals

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

• 0 .

Statement as of March 31, 2002 of the **Dealers Assurance Company**

## **SCHEDULE D - PART 4**

#### Show All Long-term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
00184A-10-5	AOL Time Warner Inc	01/08/2002	KeyBank National Assoc	1,600,000	51,497		51,360	51,360				137	137			L
002824-10-0	Abbott Labs	01/02/2002	KeyBank National Assoc	1,000,000	55,059		51,801	51,801	(3,949)			3,258	3,258			L
020039-10-3	Alltel Corp	02/13/2002	KeyBank National Assoc	1,000,000	57,117		59,423	59,423	(2,307)			(2,306)	(2,306)			340 L
032511-10-7	Anadarko Pete Corp	03/01/2002	KeyBank National Assoc	500,000	25,650		27,005	27,005	(1,420)			(1,355)	(1,355)			L
053015-10-3	Automatic Data Processing	02/13/2002	KeyBank National Assoc	400,000	21,600		19,092	19,092	(4,468)			2,508	2,508			46 L
117043-10-9	Brunswick Corp	01/02/2002	KeyBank National Assoc	1,000,000	21,600		20,502	20,502	(1,258)			1,098	1,098			L
17275R-10-2	Cisco Sys Inc	01/08/2002	KeyBank National Assoc	500,000	10,370		9,405	9,405	350			965	965			L
268648-10-2	EMC Corp Mass	01/02/2002	KeyBank National Assoc	700,000	9,534		9,408	9,408				126	126			L
285661-10-4	EDS Corp	02/12/2002	KeyBank National Assoc	1,000,000	62,405		51,914	51,914	(16,636)			10,491	10,491			L
313586-10-9	FNMA	01/02/2002	KeyBank National Assoc	1,000,000	79,649		79,742	79,742	242			(93)	(93)			L
339030-10-8	FleetBoston Financial Corp	03/05/2002	KeyBank National Assoc	500,000	17,475		20,366	20,366	2,116			(2,891)	(2,891)			175 L
459200-10-1	IBM Corp	01/17/2002	KeyBank National Assoc	200,000	24,060		18,088	18,088	(6,104)			5,972	5,972			L
654902-20-4	Nokia Corp Spons ADR	01/14/2002	KeyBank National Assoc	700,000	15,384		11,715	11,715	(5,456)			3,669	3,669			L
792860-10-8	St Paul Cos	01/08/2002	KeyBank National Assoc	2,500,000	109,083		114,946	114,946	5,021			(5,863)	(5,863)			700 L
902124-10-6	Tyco Intl Ltd	02/05/2002	KeyBank National Assoc	2,000,000	56,639		102,444	102,444	(15,356)			(45,805)	(45,805)			25 L
6899999	Subtotal - Common Stock - Industrial and Miscellaneous			XXX	617,122	XXX	647,211	647,211	(49,225)			(30,089)	(30,089)	XXX	1,286	XXX
7099997	Subtotal - Common Stock - Part 4			XXX	617,122	XXX	647,211	647,211	(49,225)			(30,089)	(30,089)	XXX	1,286	XXX
7099998	Summary Item for Common Stock Bought and Sold this Quarter			XXX	46,705	XXX	49,190	49,190				(2,485)	(2,485)	XXX		XXX
7099999	Total Common Stock			XXX	663,827	XXX	696,401	696,401	(49,225)			(32,574)	(32,574)	XXX	1,286	XXX
7199999	Total Preferred and Common Stock			XXX	663,827	XXX	696,401	696,401	(49,225)			(32,574)	(32,574)	XXX	1,286	XXX
7299999	Totals				663,827	XXX	696,401	696,401	(49,225)			(32,574)	(32,574)		1,286	XXX

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

**NONE** **Schedule DB Part A and B Section 1**

**NONE** **Schedule DB Part C and D Section 1**

## 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	
Open Depositories							
Key Bank	Columbus, OH			138,638	143,786	74,501	
Key Bank	Columbus, OH			910	594	(7,394)	
Wachovia Trust Cash	Wachovia, GA			40	40	40	
0199998 Deposits in ( 0 ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX						XXX
0199999 Total - Open Depositories	XXX			139,588	144,420	67,148	XXX
Suspended Depositories							
0299998 Deposits in ( 0 ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	XXX						XXX
0299999 Total Suspended Depositories	XXX						XXX
0399999 Total Cash on Deposit	XXX			139,588	144,420	67,148	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX				XXX
0599999 Total	XXX			139,588	144,420	67,148	XXX