



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

## QUARTERLY STATEMENT

**AS OF MARCH 31, 2002**  
OF THE CONDITION AND AFFAIRS OF THE

# AMERICAN COMMERCE INSURANCE COMPANY

NAIC Group Code	0816 (Current Period)	0816 (Prior Period)	NAIC Company Code	19441	Employer's ID Number	31-4361173
Organized under the Laws of		Ohio	State of Domicile or Port of Entry			
Country of Domicile		United States of America				
Incorporated	09/18/1946		Commenced Business	03/19/1947		
Statutory Home Office	3590 Twin Creeks Drive (Street and Number)			Columbus, OH 43218-2579 (City or Town, State and Zip Code)		
Main Administrative Office	211 Main Street (Street and Number)			Webster, Massachusetts 01570-0758 (City or Town, State and Zip Code)		
				508-949-4310 (Area Code) (Telephone Number)		
Mail Address	211 Main Street (Street and Number or P.O. Box)			Webster, Massachusetts 01570-0758 (City or Town, State and Zip Code)		
Primary Location of Books and Records	211 Main Street (Street and Number)			Webster, Massachusetts 01570-0758 (City or Town, State and Zip Code)		
				508-949-4310 (Area Code) (Telephone Number)		
Internet Website Address	www.commerceinsurance.com					
Statement Contact	Brian Keith Germain (Name)			508-949-4310 (Area Code) (Telephone Number) (Extension)		
	bgermai@commerceinsurance.com (E-mail Address)			508-949-4246 (FAX Number)		

## OFFICERS

President and Chief  
Executive Officer \_\_\_\_\_ Regan Paul Remillard  
Treasurer \_\_\_\_\_ Richard Brian O'Hara  
Secretary \_\_\_\_\_ James Anthony Ermilio

## VICE PRESIDENTS

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Gregory Scott Clark Joseph Brian Phillips Jr Michael Vrban

## **DIRECTORS OR TRUSTEES**

Patrick William Doherty Terry Robert Farias Gerald Fels  
Richard Sidney Hamilton Charles Borromeo Liekweg Donald James McDowell  
Peter Carl Ohlheiser Regan Paul Remillard Henry Thomas Rowles  
Mark Allen Shaw Otto Tillman Wright

State of ....., Ohio..... }  
County of ....., Franklin. } ss

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 thirty-first of March 2002, 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 insurer as of the thirty-first day of March 2002, and of its income and deductions therefrom for the three months ended on that date, 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.

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Regan Paul Remillard  
President and Chief Executive Officer      James Anthony Ermilio  
Secretary      Richard Brian O'Hara  
Treasurer

Subscribed and sworn to before me this  
\_\_\_\_\_day of May, 2002  
\_\_\_\_\_  
\_\_\_\_\_

James Anthony Ermilio  
Secretary

Richard Brian O'Hara  
Treasurer

a. Is this an original filing? Yes  No       b. If no,  
1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

**STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY**

**ASSETS**

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	96,284,444		96,284,444	86,702,827
2. Stocks:				
2.1 Preferred stocks .....	28,059,557		28,059,557	24,207,198
2.2 Common stocks .....	25,566,045		25,566,045	24,915,733
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	1,776,186		1,776,186	1,796,432
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... 1,539,046 and short-term investments \$ ..... 248,656 ) .....	1,787,702		1,787,702	7,558,167
6. Other invested assets .....				
7. Receivable for securities .....	118,938		118,938	
8. Aggregate write-ins for invested assets .....				
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	153,592,872		153,592,872	145,180,357
10. Agents' balances or uncollected premiums				
10.1 Premiums and agents' balances in course of collection .....	14,272,375		14,272,375	12,103,295
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
10.3 Accrued retrospective premiums .....				
11. Funds held by or deposited with reinsured companies .....				
12. Bills receivable, taken for premiums .....				
13. Amounts billed and receivable under high deductible policies .....				
14. Reinsurance recoverables on loss and loss adjustment expense payments .....	2,880,741		2,880,741	2,044,938
15. Federal and foreign income tax recoverable and interest thereon (including \$ ..... 2,614,163 net deferred tax asset) .....	3,741,619		3,741,619	5,679,438
16. Guaranty funds receivable or on deposit .....				
17. Electronic data processing equipment and software .....	872,770		872,770	1,009,641
18. Interest, dividends and real estate income due and accrued .....	1,842,956		1,842,956	1,767,806
19. Net adjustments in assets and liabilities due to 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 .....	674,935		674,935	
25. Aggregate write-ins for other than invested assets .....	.5,200		.5,200	.85,713
26. Total assets excluding protected cell assets (Lines 9 through 25) .....	177,883,468		680,135	177,203,333
27. Protected cell assets .....				
28. TOTALS (Lines 26 and 27) .....	177,883,468		680,135	177,203,333
<b>DETAILS OF WRITE-INS</b>				
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. PREPAID EXPENSES.....	.5,200		.5,200	.0
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) .....	5,200		5,200	.85,713

**STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 7,505,430 )	38,741,544	36,457,677
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	10,163,633	10,163,633
4. Commissions payable, contingent commissions and other similar charges	2,824,330	1,144,418
5. Other expenses (excluding taxes, licenses and fees)	2,022,659	2,153,857
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	401,313	724,444
7. Federal and foreign income taxes [including \$ on realized capital gains (losses)] (including \$ net deferred tax liability)		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 8,195,502 and including warranty reserves of \$ ).	29,148,691	26,042,723
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	2,563,224	4,314,353
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	13,145	305,195
15. Remittances and items not allocated		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	8,716,686	2,370,410
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	431,627	823
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	95,026,852	83,677,533
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	95,026,852	83,677,533
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	2,688,450	2,688,450
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	26,725,837	26,725,837
33. Unassigned funds (surplus)	52,762,194	54,779,368
34. Less treasury stock, at cost		
34.1 shares common (value included in Line 28 \$ )		
34.2 shares preferred (value included in Line 29 \$ )		
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	82,176,481	84,193,655
36. TOTALS	177,203,333	167,871,188
<b>DETAILS OF WRITE-INS</b>		
2301. PREMIUMS AND SUBROGATION COLLECTION IN PROCESS		823
2302. MISC LIABILITIES	431,627	0
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	431,627	823
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 thru 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 thru 3003 plus 3098) (Line 30 above)		

**STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY**

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 30,864,028 )	27,373,063	23,961,334	99,679,583
1.2 Assumed (written \$ 4,139,229 )	3,754,232	3,207,367	13,661,276
1.3 Ceded (written \$ 26,724,799 )	23,618,831	20,753,967	86,018,307
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ 14,723,614 ):			
2.1 Direct	20,374,243	15,843,539	66,231,481
2.2 Assumed			
2.3 Ceded	2,889,699	2,169,209	9,162,173
2.4 Net	17,484,544	13,674,330	57,069,308
3. Loss expenses incurred	4,716,451	3,267,992	15,563,735
4. Other underwriting expenses incurred	7,992,050	6,315,019	29,254,707
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2.4 thru 5)	30,193,045	23,257,341	101,887,750
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(6,574,214)	(2,503,374)	(15,869,443)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	2,323,259	2,537,524	9,534,387
10. Net realized capital gains or (losses)	(23,149)	(175,035)	(27,026)
11. Net investment gain (loss) (Lines 9 + 10)	2,300,110	2,362,489	9,507,361
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ _____ amount charged off \$ _____ )			
13. Finance and service charges not included in premiums	220,980	162,854	735,137
14. Aggregate write-ins for miscellaneous income	(1,131)	31,914	(7,635)
15. Total other income (Lines 12 through 14)	219,849	194,768	727,502
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	(4,054,255)	53,883	(5,634,580)
17. Dividends to policyholders			
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	(4,054,255)	53,883	(5,634,580)
19. Federal and foreign income taxes incurred	(1,122,578)	(325,369)	(3,136,897)
20. Net income (Line 18 minus Line 19)(to Line 22)	(2,931,677)	379,252	(2,497,683)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	84,193,655	92,806,898	92,806,898
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20)	(2,931,677)	379,252	(2,497,683)
23. Net unrealized capital gains or losses	(542,389)	224,045	857,281
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax	253,043	(37,474)	(5,961)
26. Change in nonadmitted assets	1,203,849	202,211	223,148
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		2,090,501	2,090,501
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		(9,280,529)	(9,280,529)
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)	(2,017,174)	(6,421,994)	(8,613,243)
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	82,176,481	86,384,904	84,193,655
<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 thru 0503 plus 0598) (Line 5 above)			
1401. Miscellaneous income (expense)	(1,131)	31,914	(7,635)
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(1,131)	31,914	(7,635)
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page			
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)			

**STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY**

**CASH FLOW**

	1 Current Year to Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	22,804,590	89,719,741
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....	20,752,931	72,637,052
3. Underwriting expenses paid .....	6,766,467	27,401,884
4. Other underwriting income (expenses) .....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	(4,714,808)	(10,319,195)
6. Net investment income .....	2,214,909	9,537,702
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 .....	(292,050)	(78,343)
7.4 Aggregate write-ins for miscellaneous items .....	736,366	675,575
7.5 Total other income (Lines 7.1 to 7.4) .....	444,316	597,232
8. Dividends to policyholders on direct business , less \$ dividends on reinsurance assumed or ceded (net) .....		
9. Federal and foreign income taxes (paid) recovered .....	2,115,433	2,582,792
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	59,850	2,398,531
<b>Cash from Investments</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....	4,329,373	27,996,834
11.2 Stocks .....		7,064,549
11.3 Mortgage loans .....	0	
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 .....	(118,938)	
11.8 Total investment proceeds (Lines 11.1 to 11.7) .....	4,210,435	35,061,383
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....	13,767,367	14,732,888
12.2 Stocks .....	3,960,379	7,725,674
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) .....	17,727,746	22,458,562
13. Net Cash from investments (Line 11.8 minus Line 12.7) .....	(13,517,311)	12,602,821
<b>Cash from Financing and Miscellaneous Sources</b>		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in .....		
14.2 Capital notes \$ less amounts repaid \$ .....		
14.3 Net transfers from affiliates .....	6,346,276	1,444,153
14.4 Borrowed funds received .....		
14.5 Other cash provided .....	1,340,720	638,178
14.6 Total (Lines 14.1 to 14.5) .....	7,686,996	2,082,331
15. Cash applied:		
15.1 Dividends to stockholders paid .....		9,280,529
15.2 Net transfers to affiliates .....	0	
15.3 Borrowed funds repaid .....		
15.4 Other applications .....		11,410
15.5 Total (Lines 15.1 to 15.4) .....	0	9,291,939
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	7,686,996	(7,209,608)
<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) .....	(5,770,465)	7,791,744
18. Cash and short-term investments:		
18.1 Beginning of year .....	7,558,167	(233,577)
18.2 End of year (Line 17 plus Line 18.1) .....	1,787,702	7,558,167
<b>DETAILS OF WRITE-INS</b>		
07.401 Miscellaneous Assets .....	84,582	(59,562)
07.402 Misc Liabilities .....	430,804	0
07.403 Service fee income .....	220,980	735,137
07.498 Summary of remaining write-ins for Line 7.4 from overflow page .....		
07.499 Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above) .....	736,366	675,575

**STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY**

**NOTES TO FINANCIAL STATEMENTS**

1.) Summary of Significant Accounting Policies:

The accompanying financial statements of the American Commerce Insurance Company (“Company”) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the laws of the State of Ohio. The NAIC Accounting Practices and procedures manual version effective January 1, 2001 (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio.

2.) The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the State prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual – Version effective January 1, 2001.

9. Income Taxes:

The components of the net deferred income tax asset recognized in the Company’s assets were as follows:

	<u>March 31, 2002</u>	<u>Dec. 31, 2001</u>
Total of gross deferred tax assets	\$ 3,952,110	\$ 3,999,118
Total of deferred tax liabilities	<u>(1,337,947)</u>	<u>(439,989)</u>
Net deferred tax assets	2,614,163	3,559,129
Deferred tax asset not admitted	<u>-</u>	<u>(1,131,380)</u>
Net admitted deferred tax asset	<u>\$ 2,614,163</u>	<u>\$ 2,427,749</u>
Decrease in deferred tax assets non-admitted	<u>\$ 1,131,380</u>	

The provision for incurred tax benefits on losses for the three months ended March 31, 2002 and the year ended December 31, 2001 were:

	<u>March 31, 2002</u>	<u>Dec. 31, 2001</u>
Federal	\$ (1,127,456)	\$ (3,155,263)
Foreign	4,878	18,366
Total	<u>\$ (1,122,578)</u>	<u>\$ (3,136,897)</u>

The main components of the 2002 deferred tax assets/liabilities were as follows:

	<u>Statutory</u>	<u>Tax</u>	<u>Difference</u>	<u>Tax Effect</u>
Deferred tax assets:				
Unearned premiums	\$ 29,148,691	\$ 23,318,953	\$ 5,829,738	\$ 2,040,409
Unpaid losses & LAE	53,105,177	49,168,809	3,936,368	1,377,729
OPEB liability	1,525,632	<u>-</u>	1,525,632	533,972
Deferred tax liabilities				
Book/tax depreciation difference	5,112,319	5,719,131	(606,812)	(212,384)
Salvage & subrogation	4,200,000	3,865,522	(334,478)	(117,067)
Unrealized gains	2,580,357	<u>-</u>	(2,580,357)	(903,125)

Statutory deferred tax assets and liabilities at March 31, 2002 and December 31, 2001 and the change in those amounts were comprised of the following:

	<u>March 31, 2002</u>	<u>Dec. 31, 2001</u>	<u>Change</u>
Deferred tax assets:			
Unearned premiums	\$ 2,040,409	\$ 1,822,991	\$ 217,418
Discounting of loss reserves	1,377,729	1,209,515	168,214
Unrealized losses	<u>-</u>	366,301	(366,301)
OPEB liability	533,972	592,173	(58,201)
Other	<u>-</u>	8,138	(8,138)
Total deferred tax assets	3,952,110	3,999,118	(47,008)
Non-admitted deferred tax assets	<u>-</u>	<u>(1,131,380)</u>	<u>1,131,380</u>
Admitted deferred tax assets	<u>3,952,110</u>	<u>2,867,738</u>	<u>1,084,372</u>
Deferred tax liabilities:			
Book/tax depreciation difference	212,384	225,198	(12,814)
Salvage & subrogation discount	117,067	<u>-</u>	117,067
Investment related deferred items	105,371	143,371	(38,000)
Unrealized gains	903,125	71,420	831,705
Deferred tax liabilities	<u>1,337,947</u>	<u>439,989</u>	<u>897,958</u>
Net deferred tax assets	<u>\$ 2,614,163</u>	<u>\$ 2,427,749</u>	<u>\$ 186,414</u>

**STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY****NOTES TO FINANCIAL STATEMENTS**

The major 2002 book to tax adjustments were as follows:

	<u>Amount</u>	<u>Tax Effect</u>
Net loss before federal and foreign taxes	\$ (4,054,255)	\$ (1,418,989)
Book to tax adjustments:		
Tax exempt interest	(701,921)	(245,672)
Dividends received deduction	(326,138)	(114,148)
15% haircut on investment income received	70,422	24,648
20% of change in unearned premiums	621,193	217,418
Discounting of loss reserves	189,512	66,329
Other	<u>979,880</u>	<u>342,958</u>
Total adjustments	832,948	291,533
Taxable income	<u>\$ (3,221,307)</u>	<u>\$ (1,127,456)</u>

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

As a member of a consolidated group for tax purposes, Commerce Holdings, Inc., The Commerce Insurance Company, Citation Insurance Company, Commerce West Insurance Company, ACIC Holding Co., Inc., American Commerce Insurance Company and The Commerce Group, Inc. and its subsidiaries (said parties constituting an "Affiliated Group" as defined in and for purposes of the Internal Revenue Code) are jointly and severally liable for federal income taxes of the Affiliated Group and have entered into an agreement establishing an allocation of tax liability and for compensation of the respective members of the Affiliated Group for use of their tax losses and credits.

The Company is included in the consolidated federal tax return of The Commerce Group, Inc. Current taxes are allocated among all affiliated companies based on a written tax-sharing agreement. Under this agreement, allocation is made primarily on a separate return basis with current payment for losses and other tax items utilized in the consolidated return. However, to the extent that a payor member of the group has future net operating losses which cannot be absorbed in the year incurred, other members within the group will refund payments to the payor.

**STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY****GENERAL INTERROGATORIES**

(Responses to these interrogatories should be based on changes that have occurred since the 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 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 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 [X]  NA [ ]

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). ..... 04/15/1999

7.4 By what department or departments?

OH|0.....

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:

.....

**STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY**

**GENERAL INTERROGATORIES**

(Responses to these interrogatories should be based on changes that have occurred since the 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: ..... \$ ..... 0

12. Amount of real estate and mortgages held in short-term investments: ..... \$ ..... 0

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [X] No [ ]

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds .....	\$ ..... 3,368,562	\$ ..... 3,396,273
13.22 Preferred Stock .....	\$ ..... 23,855,783	\$ ..... 24,422,284
13.23 Common Stock .....	\$ ..... 3,368,562	\$ ..... 3,396,273
13.24 Short-term Investments .....	\$ ..... 23,855,783	\$ ..... 24,422,284
13.25 Mortgages, Loans or Real Estate .....	\$ ..... 3,368,562	\$ ..... 3,396,273
13.26 All Other .....	\$ ..... 3,368,562	\$ ..... 3,396,273
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26) .....	\$ ..... 27,224,345	\$ ..... 27,818,557
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above .....	\$ ..... 27,224,345	\$ ..... 27,818,557
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above .....	\$ ..... 27,224,345	\$ ..... 27,818,557

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
THE BANK OF NEW YORK.....	1 WALL STREET 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
.....	.....	.....

**STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY**

**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 [ ] NA [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 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
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
TOTAL			.....	.....	.....	.....	.....	.....	.....

**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 .....	1,796,432			1,886,806
2. Increase (decrease) by adjustment .....	(20,246)			(90,374)
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 .....	1,776,186			1,796,432
9. Total valuation allowance .....				
10. Subtotal (Lines 8 plus 9) .....	1,776,186			1,796,432
11. Total nonadmitted amounts .....				
12. Statement value, current period (Page 2, real estate lines, current period)	1,776,186			1,796,432

**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 .....				
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 .....				
10. Total valuation allowance .....				
11. Subtotal (Lines 9 plus 10) .....				
12. Total nonadmitted amounts .....				
13. Statement value of mortgages owned at end of current period				

**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 .....				
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 .....				
10. Total valuation allowance .....				
11. Subtotal (Lines 9 plus 10) .....				
12. Total nonadmitted amounts .....				
13. Statement value of long-term invested assets at end of current period				

**NONE**

STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE 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	82,320,557	11,969,607	14,731,035	50,399	79,609,528			82,320,557
2. Class 2	12,581,994	1,797,760		2,831	14,382,585			12,581,994
3. Class 3	2,178,680			113,651	2,292,331			2,178,680
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	97,081,231	13,767,367	14,731,035	166,881	96,284,444			97,081,231
<b>PREFERRED STOCK</b>								
8. Class 1	8,198,490	3,960,379		(245,109)	11,913,760			8,198,490
9. Class 2	12,508,708			2,689	12,511,397			12,508,708
10. Class 3	2,846,000			125,100	2,971,100			2,846,000
11. Class 4	654,000			9,300	663,300			654,000
12. Class 5								
13. Class 6								
14. Total Preferred Stock	24,207,198	3,960,379		(108,020)	28,059,557			24,207,198
15. Total Bonds and Preferred Stock	121,288,429	17,727,746	14,731,035	58,861	124,344,001			121,288,429

STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

**SCHEDULE DA - PART 1**

Short-Term Investments Owned End of Current Quarter					
	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
80999999 Totals	248,656	XXX	248,656	1,498	

**SCHEDULE DA - PART 2- 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 .....	10,378,404			4,075,833
2. Cost of short-term investments acquired .....				33,209,771
3. Increase (decrease) by adjustment .....	(10,129,748)			
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 .....				26,907,200
7. Book/adjusted carrying value, current period .....	248,656			10,378,404
8. Total valuation allowance .....				
9. Subtotal (Lines 7 plus 8) .....	248,656			10,378,404
10. Total nonadmitted amounts .....				
11. Statement value (Lines 9 minus 10) .....	248,656			10,378,404
12. Income collected during period .....	1,498			369,460
13. Income earned during period	1,759			369,460

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

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

Schedule F  
**NONE**

STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

**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	307,311	284,859	171,173	263,411	468,390
2. Alaska	AK	No					.472,740
3. Arizona	AZ	Yes	6,219,483	5,383,229	3,235,213	3,111,743	7,230,493
4. Arkansas	AR	Yes					6,409,912
5. California	CA	No					
6. Colorado	CO	Yes					
7. Connecticut	CT	Yes	.59,726		4,794		.3,882
8. Delaware	DE	Yes					
9. District of Columbia	DC	Yes					
10. Florida	FL	Yes	419,199	515,886	.400,967	.415,788	792,933
11. Georgia	GA	Yes			(160)		(173)
12. Hawaii	HI	Yes					
13. Idaho	ID	Yes	694,064	631,188	.364,433	.281,153	976,259
14. Illinois	IL	No					
15. Indiana	IN	Yes	1,443,511	1,213,314	.668,030	.1,030,279	962,501
16. Iowa	IA	Yes					.874,339
17. Kansas	KS	Yes					
18. Kentucky	KY	Yes	1,930,809	1,491,003	1,299,656	.1,198,161	3,188,493
19. Louisiana	LA	Yes					2,438,423
20. Maine	ME	Yes	2,941	.3,846	.25,000	.680	.187,402
21. Maryland	MD	Yes	32,033	.37,644	.12,967	.15,650	.76,041
22. Massachusetts	MA	Yes	.1,059	.377			.49
23. Michigan	MI	No					
24. Minnesota	MN	Yes			(250)		.209
25. Mississippi	MS	Yes					
26. Missouri	MO	No					
27. Montana	MT	Yes	310,527	276,506	.244,438	.202,892	363,364
28. Nebraska	NE	Yes					
29. Nevada	NV	No					
30. New Hampshire	NH	No					
31. New Jersey	NJ	Yes					
32. New Mexico	NM	Yes	.444	(58)	(4,997)	.120,323	.380,684
33. New York	NY	Yes					.828,045
34. North Carolina	NC	Yes					
35. North Dakota	ND	Yes					
36. Ohio	OH	Yes	3,843,704	3,006,715	2,737,791	2,133,572	5,358,463
37. Oklahoma	OK	Yes	2,730,923	1,806,160	1,558,192	1,405,290	2,632,618
38. Oregon	OR	Yes	2,922,163	2,592,334	1,423,784	1,807,832	4,408,192
39. Pennsylvania	PA	Yes	.76,764	.60,279	.48,440	.57,650	.88,447
40. Rhode Island	RI	Yes	4,066,024	3,412,408	2,568,232	.1,714,651	8,263,756
41. South Carolina	SC	Yes					5,647,590
42. South Dakota	SD	Yes	231,707	252,275	.150,280	.249,932	312,264
43. Tennessee	TN	Yes	.671,634	.606,133	.712,939	.327,812	.924,202
44. Texas	TX	Yes	.4,149	.47,362	.58,088	.335,534	.93,481
45. Utah	UT	Yes	(93)	1,158,536	.188,109	.923,703	2,063,483
46. Vermont	VT	Yes			.192,000	.60,607	.183,263
47. Virginia	VA	Yes	.296,764	.255,886	.169,353	.105,495	.230,624
48. Washington	WA	Yes	3,820,417	1,964,512	.1,102,851	.1,353,990	2,871,352
49. West Virginia	WV	Yes	.644,228	.657,766	.474,579	.571,498	.1,294,437
50. Wisconsin	WI	Yes	.820		.656	.59,799	.225,039
51. Wyoming	WY	Yes	133,717	.126,364	.47,734	.51,985	.40,796
52. American Samoa	AS	No					.54,123
53. Guam	GU	No					
54. Puerto Rico	PR	No					
55. U.S. Virgin Islands	VI	No					
56. Canada	CN	No					
57. Aggregate Other Aliens	OT	XXX					
58. Totals	(a)	44	30,864,028	25,784,524	17,854,292	17,799,430	43,620,895
<b>DETAILS OF WRITE-INS</b>							39,291,292
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 AMERICAN COMMERCE INSURANCE COMPANY

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



**STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE 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	107,770	103,756	96.3	53.5
2. Allied Lines	96,873			
3. Farmowners multiple peril				
4. Homeowners multiple peril	4,720,300	4,158,386	88.1	68.1
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	13,151,775	10,052,183	76.4	62.8
19.3,19.4 Commercial auto liability				
21. Auto physical damage	9,296,345	6,059,918	65.2	70.5
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				
34. Totals	27,373,063	20,374,243	74.4	66.1
<b>DETAILS OF WRITE-INS</b>				
3301.				
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)				

**PART 2 - DIRECT PREMIUMS WRITTEN**

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	130,873	130,873	78,261
2. Allied Lines	97,261	97,261	62,144
3. Farmowners multiple peril			
4. Homeowners multiple peril	5,200,515	5,200,515	3,995,433
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	14,827,443	14,827,443	12,790,791
19.3,19.4 Commercial auto liability			
21. Auto physical damage	10,607,936	10,607,936	8,857,895
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			
34. Totals	30,864,028	30,864,028	25,784,524
<b>DETAILS OF WRITE-INS</b>			
3301.			
3302.			
3303.			
3398. Summary of remaining write-ins for Line 33 from overflow page			
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)			

STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

**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 or reopened 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 Reserve Developed (Savings)/ Deficiency (c) (Cols. 11 + 12)		
1. 1999 + Prior	11,143	1,258	12,401	971	0	971	9,321	0	0	9,321	(851)	(1,258)	(2,109)		
2. 2000	7,587	2,421	10,008	1,353	1	1,354	7,369	19	2,459	9,847	1,136	.58	1,193		
3. Subtotals 2000 + Prior	18,730	3,679	22,409	2,324	1	2,325	16,690	19	2,459	19,168	284	(1,200)	(916)		
4. 2001	19,465	4,747	24,212	7,121	11	7,132	15,086	67	5,110	20,263	2,742	441	3,183		
5. Subtotals 2001 + Prior	38,195	8,426	46,621	9,445	12	9,457	31,776	86	7,568	39,431	3,027	(760)	2,267		
6. 2002	XXX	XXX	XXX	XXX	10,460	10,460	XXX	6,953	2,521	9,474	XXX	XXX	XXX		
7. Totals	38,195	8,426	46,621	9,445	10,472	19,918	31,776	7,039	10,090	48,905	3,027	(760)	2,267		
8. Prior Year-End's Surplus As Regards Policyholders		84,194									Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7		
											1.	7.9	2.	(9.0)	
														Col. 13, Line 7 As a % of Col. 1 Line 8	
														4.	2.7

(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

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RESPONSES

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 Codes:**

Trusted Surplus Statement (Document Identifier 490) here:



Supplement A to Schedule T (Document Identifier 450) here:



**OVERFLOW PAGE FOR WRITE-INS**

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Schedule A - Part 2  
**NONE**

Schedule A - Part 3  
**NONE**

Schedule B - Part 1  
**NONE**

Schedule B - Part 2  
**NONE**

Schedule BA - Part 1  
**NONE**

Schedule BA - Part 2  
**NONE**

## STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

## 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)
US GOVERNMENT OBLIGATIONS - U.S.								
36201C-4H-4	GMMA POOL#0579624	03/04/2002	BEAR STEARNS		10,310,519	9,992,023	38,858	1
912827-7F-3	U.S. TREASURY NOTE	01/17/2002	BEAR STEARNS		116,700	120,000	743	1
COUNTRY TOTAL - U.S.					10,427,219	10,112,023	39,600	XXX
0399999 - Total - Bonds - U.S. Government					10,427,219	10,112,023	39,600	XXX
STATES, TERRITORIES, POSSESSIONS (D&G) - U.S.								
TEXAS								
597851-MM-3	MIDLOTHIAN TEX INDPT SCH DIST	02/19/2002	FIRST ALBANY		423,789	1,925,000	0	1
STATE TOTAL					423,789	1,925,000	0	XXX
COUNTRY TOTAL - U.S.					423,789	1,925,000	0	XXX
1799999 - Total - Bonds - States, Territories and Possessions					423,789	1,925,000	0	XXX
POLITICAL SUBDIVISIONS (D&G) - U.S.								
DISTRICT OF COLUMBIA								
254839-ZW-6	DISTRICT COLUMBIA REV	03/07/2002	FIRST ALBANY		1,118,600	10,000,000	0	1PE
STATE TOTAL					1,118,600	10,000,000	0	XXX
COUNTRY TOTAL - U.S.					1,118,600	10,000,000	0	XXX
2499999 - Total - Bonds - Political Subdivisions					1,118,600	10,000,000	0	XXX
INDUSTRIAL & MISCELLANEOUS (UNAFFILIATED) - U.S.								
803032-AF-8	SANWA BK LTD N Y BRH	03/04/2002	SALOMON SMITH BARNEY INC.		1,797,760	2,000,000	33,711	2
COUNTRY TOTAL - U.S.					1,797,760	2,000,000	33,711	XXX
4599999 - Total - Bonds - Industrial, Misc.					1,797,760	2,000,000	33,711	XXX
6099997 - Total - Bonds - Part 3					13,767,367	24,037,023	73,312	XXX
6099999 - Total - Bonds					13,767,367	24,037,023	73,312	XXX
BANKS, TRUST, & INSURANCE (UNAFFILIATED) - U.S.								
.003714-85-4	ABN AMRO NORTH AMERICA 144A	03/11/2002	SALOMON SMITH BARNEY INC.	1,000,000	972,779	1,000,00	0	P1L
172967-50-7	CITIGROUP INC. 6.213% SER. G	03/04/2002	SALOMON SMITH BARNEY INC.	20,000,000	948,000	50.00	0	P1L
780097-60-6	ROYAL BANK OF SCOTLAND SER D	03/06/2002	FIRST ALBANY	28,000,000	754,600	25.00	0	P1L
COUNTRY TOTAL - U.S.					2,675,379	XXX	0	XXX
6299999 - Total - Preferred Stocks - Banks, Trusts, Insurance					2,675,379	XXX	0	XXX
INDUSTRIAL & MISCELLANEOUS (UNAFFILIATED) - U.S.								
.002920-20-5	ABBEY NATL PLC CUM PFD 8.75% SER A	03/19/2002	FIRST ALBANY	50,000,000	1,285,000		0	P1L
COUNTRY TOTAL - U.S.					1,285,000	XXX	0	XXX
6399999 - Total - Preferred Stocks - Industrial, Misc.					1,285,000	XXX	0	XXX
6599997 - Total - Preferred Stocks - Part 3					3,960,379	XXX	0	XXX
6599999 - Total - Preferred Stocks					3,960,379	XXX	0	XXX
7099999 - Total - Common Stocks					0	XXX	0	XXX
7199999 - Total - Preferred and Common Stocks					3,960,379	XXX	0	XXX
7299999 - Totals					17,727,746	XXX	73,312	XXX

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

**STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE 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 CUSIP Identifi- cation	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 Designa- tion (a)
<b>US GOVERNMENT OBLIGATIONS - U.S.</b>																
36204K-TW-3...	GNMA POOL #372365	03/15/2002	PRINCIPAL PAYDOWN			22,243	22,243	22,920	22,243	(631)	0	0	0	0	156	1
36206A-KN-2...	GNMA POOL #405401	03/15/2002	PRINCIPAL PAYDOWN			11,444	11,444	12,010	11,444	(519)	0	0	0	0	158	
36206A-LB-7...	GNMA POOL #405422	03/15/2002	PRINCIPAL PAYDOWN			654	654	686	654	(30)	0	0	0	0	14	1
36206A-LK-7...	GNMA POOL #405430	03/15/2002	PRINCIPAL PAYDOWN			371	371	389	371	(17)	0	0	0	0	6	
36207E-A6-8...	GNMA GTB PASS THRU CERT #45029	03/15/2002	PRINCIPAL PAYDOWN			88	88	94	88	(3)	0	0	0	0	2	1
36207A-BD-3...	GNMA POOL #425836	03/15/2002	PRINCIPAL PAYDOWN			26,298	26,298	27,301	26,298	(954)	0	0	0	0	359	1
362090-GZ-3...	GNMA POOL #478888	03/15/2002	PRINCIPAL PAYDOWN			431,324	431,324	440,625	431,324	(9,023)	0	0	0	0	7,091	
36211U-BH-4...	GNMA POOL#523040	03/15/2002	PRINCIPAL PAYDOWN			499,916	499,916	521,162	499,916	(20,768)	0	0	0	0	7,231	1
36218B-LY-1...	GNMA GTB PASS THRU CERT #217343	03/15/2002	PRINCIPAL PAYDOWN			332	332	340	332	0	0	0	0	5		
36219P-TC-3...	GNMA GTB PASS THRU CERT #255691	03/15/2002	PRINCIPAL PAYDOWN			42	42	41	42	0	0	0	0	1		
36225B-GW-2...	GNMA POOL #0781113	03/15/2002	PRINCIPAL PAYDOWN			722,555	722,555	748,974	748,745	(106)	0	0	(26,189)	(26,189)	7,924	1
<b>COUNTRY TOTAL - U.S.</b>						1,715,266	1,715,266	1,774,543	1,741,455	(32,049)	0	0	(26,189)	(26,189)	22,946	XXX
039999 - Bonds - U.S. Governments						1,715,266	1,715,266	1,774,543	1,741,455	(32,049)	0	0	(26,189)	(26,189)	22,946	XXX
<b>STATES, TERRITORIES, POSSESSIONS (D&amp;G) - U.S.</b>																
<b>CALIFORNIA</b>																
13033K-JE-0...	CALIFORNIA HSG FIN AGY REV.	02/01/2002	CALLED			803,944	4,790,000	.697,089	805,932	4,177	0	0	(1,988)	(1,988)	0	1PE
<b>STATE TOTAL</b>						803,944	4,790,000	697,089	805,932	4,177	0	0	(1,988)	(1,988)	0	XXX
<b>FLORIDA</b>																
34073M-2T-8...	FLORIDA HSG FIN CORP REV	01/01/2002	CALLED			6,039	35,000	5,286	6,077	0	0	0	(39)	(39)	0	1PE
<b>STATE TOTAL</b>						6,039	35,000	5,286	6,077	0	0	0	(39)	(39)	0	XXX
<b>COUNTRY TOTAL - U.S.</b>						809,983	4,825,000	702,374	812,009	4,177	0	0	(2,026)	(2,026)	0	XXX
1799999 - Bonds - States, Territories and Possessions						809,983	4,825,000	702,374	812,009	4,177	0	0	(2,026)	(2,026)	0	XXX
<b>POLITICAL SUBDIVISIONS (D&amp;G) - U.S.</b>																
<b>CALIFORNIA</b>																
130330-FS-7...	CALIFORNIA HSG FIN AGY SINGLE FAM	02/01/2002	CALLED			30,166	80,000	25,658	29,694	.146	0	0	472	472	0	1PE
13033K-ML-0...	CALIFORNIA HSG FIN AGY REV	02/01/2002	CALLED			429,126	2,935,000	381,110	430,302	2,287	0	0	(1,176)	(1,176)	0	
<b>STATE TOTAL</b>						459,293	3,015,000	406,767	459,996	2,433	0	0	(704)	(704)	0	XXX
<b>COUNTRY TOTAL - U.S.</b>						459,293	3,015,000	406,767	459,996	2,433	0	0	(704)	(704)	0	XXX
2499999 - Bonds - Political Subdivisions						459,293	3,015,000	406,767	459,996	2,433	0	0	(704)	(704)	0	XXX
<b>SPECIAL REVENUE &amp; ASSESSMENT OBLIGATIONS - U.S.</b>																
<b>ARIZONA</b>																
040588-LD-5...	ARIZONA ST CTFS PARTN	03/01/2002	CALLED			1,193,400	1,170,000	1,264,127	1,187,630	(1,959)	0	0	5,770	5,770	38,756	1PE
<b>STATE TOTAL</b>						1,193,400	1,170,000	1,264,127	1,187,630	(1,959)	0	0	5,770	5,770	38,756	XXX
<b>IDAHO</b>																
45129T-HW-0...	IDAHO HOUSING & FINANCE ASSN	01/01/2002	CALLED			20,000	20,000	20,000	20,000	0	0	0	0	0	565	1PE
<b>STATE TOTAL</b>						20,000	20,000	20,000	20,000	0	0	0	0	0	565	XXX
<b>UTAH</b>																
91755N-BU-8...	UTAH STATE HOUSING FIN AGENCY	01/01/2002	CALLED			30,000	30,000	30,000	30,000	0	0	0	0	0	878	1PE
91755N-DB-8...	UTAH HOUSING FIN AGENCY	01/01/2002	CALLED			70,000	70,000	70,000	70,000	0	0	0	0	0	2,013	1PE
<b>STATE TOTAL</b>						100,000	100,000	100,000	100,000	0	0	0	0	0	2,890	XXX
<b>U.S. GOVERNMENT</b>																
313401-4E-8...	FHLB POOL #170247	03/14/2002	PRINCIPAL PAYDOWNS			25,861	25,861	29,708	25,861	(3,136)	0	0	0	0	.596	1
31342D-AY-9...	FHLB CORP POOL #220023	03/14/2002	PRINCIPAL PAYDOWNS			5,012	5,012	5,375	5,012	(18)	0	0	0	0	.66	1
31354B-SS-2...	FHLB CORP POOL #454029	03/14/2002	PRINCIPAL PAYDOWNS			.669	.669	.682	.669	(11)	0	0	0	0	.11	1
<b>STATE TOTAL</b>						31,542	31,542	35,765	31,542	(3,165)	0	0	0	0	673	XXX
<b>COUNTRY TOTAL - U.S.</b>						1,344,942	1,321,542	1,419,892	1,339,171	(5,124)	0	0	5,770	5,770	42,884	XXX
3199999 - Bonds - Special Revenues						1,344,942	1,321,542	1,419,892	1,339,171	(5,124)	0	0	5,770	5,770	42,884	XXX
6099997 - Bonds - Part 4						4,329,483	10,876,808	4,303,576	4,352,632	(30,563)	0	0	(23,149)	(23,149)	65,831	XXX
6099999 - Total - Bonds						4,329,483	10,876,808	4,303,576	4,352,632	(30,563)	0	0	(23,149)	(23,149)	65,831	XXX
6599999 - Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0
7099999 - Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0
7199999 - Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0
7299999 Totals						4,329,483	XXX	4,303,576	4,352,632	(30,563)	0	0	(23,149)	(23,149)	65,831	0

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

Schedule DB - Part A - Section 1  
**NONE**

Schedule DB - Part B - Section 1  
**NONE**

Schedule DB - Part C - Section 1  
**NONE**

Schedule DB - Part D - Section 1  
**NONE**

STATEMENT AS OF MARCH 31, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

**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	
BANK ONE.....	1.240	7,698	2,120	(3,289,261)	(1,490,563)	(4,293,503)	
WELLS FARGO.....	0.000	0		4,994	4,978	4,972	
WELLS FARGO.....	0.900	0		24,129	23,173	22,275	
WELLS FARGO.....	0.000	0		9,959	9,908	9,843	
FIRST PEOPLES.....	0.000	0		5,000	5,000	5,000	
CITIZENS.....	0.000	0		1,941	2,000	2,000	
FEDERATED INVESTORS.....	1.810	.768		121,638	121,808	121,994	
HUNTINGTON.....	0.900	.499		488,936	527,558	602,525	
FIDELITY.....	1.800	36,336		7,115,468	10,980,324	392,296	
PROVIDENT.....	1.800	22,588	7,162	5,081,217	4,664,660	4,671,644	
0199998 Deposits in ..... depositories which do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX						XXX
0199999 Totals - Open Depositories	XXX	67,889	9,282	9,564,021	14,848,846	1,539,046	XXX
0399999 Total Cash on Deposit	XXX	67,889	9,282	9,564,021	14,848,846	1,539,046	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX				XXX
0599999 Total Cash	XXX	67,889	9,282	9,564,021	14,848,846	1,539,046	XXX