



QUARTERLY STATEMENT  
AS OF MARCH 31, 2002  
OF THE CONDITION AND AFFAIRS OF THE

LIGHTNING ROD MUTUAL INSURANCE COMPANY

NAIC Group Code	0207 <small>(Current Period)</small>	0207 <small>(Prior Period)</small>	NAIC Company Code	26123	Employer's ID Number	34-0359380
Organized under the Laws of	Ohio			State of Domicile or Port of Entry	Ohio	
Country of Domicile	United States of America					
Incorporated	01/01/1906		Commenced Business	03/01/1906		
Statutory Home Office	1685 Cleveland Road <small>(Street and Number)</small>			Wooster, OH 44691-0036 <small>(City or Town, State and Zip Code)</small>		
Main Administrative Office	1685 Cleveland Road <small>(Street and Number)</small>			330-262-9060 <small>(Area Code) (Telephone Number) (Extension)</small>		
	Wooster, OH 44691-0036 <small>(City or Town, State and Zip Code)</small>					
Mail Address	1685 Cleveland Road <small>(Street and Number or P.O. Box)</small>			Wooster, OH 44691-0036 <small>(City or Town, State and Zip Code)</small>		
Primary Location of Books and Records	1685 Cleveland Road <small>(Street and Number)</small>			330-262-9060 <small>(Area Code) (Telephone Number)</small>		
	Wooster, OH 44691-0036 <small>(City or Town, State and Zip Code)</small>					
Internet Website Address	wrg-ins.com					
Statement Contact	Joseph E. Wilford <small>(Name)</small>			330-262-9060-2437 <small>(Area Code) (Telephone Number) (Extension)</small>		
	joe_wilford@wrg-ins.com <small>(E-mail Address)</small>			330-264-7822 <small>(FAX Number)</small>		
Policyowner Relations Contact	1685 Cleveland Road <small>(Street and Number)</small>			330-262-9060 <small>(Area Code) (Telephone Number) (Extension)</small>		
	Wooster, OH 44691-0036 <small>(City or Town, State and Zip Code)</small>					

OFFICERS

PRESIDENT	JOHN P. MURPHY	SECRETARY	JOHN P. MURPHY
VP			
FINANCE/CFO/TREASURER	KENNETH B. STOCKMAN		

VICE PRESIDENTS

KENNETH B. STOCKMAN	DUANE C. AGNEW	WILLIAM J. BLINCOE
KEVIN W. DAY	F. EMERSON LOGEE	TIMOTHY A. PADDOCK
DANIEL J. PITCHER		

DIRECTORS OR TRUSTEES

ROBERT P. BOGNER #	F. EMERSON LOGEE	BYRON F. MORRIS
JOHN P. MURPHY	C. MICHAEL REARDON	KENNETH G. RHODE

State of .....OHIO.....  
County of .....WAYNE.....  
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 reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

JOHN P. MURPHY PRESIDENT	JOHN P. MURPHY SECRETARY	KENNETH B. STOCKMAN VP FINANCE/CFO/TREASURER
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Subscribed and sworn to before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 2002

ADRIAN J. BESANCON  
NOTARY PUBLIC  
JANUARY 21, 2003

STATEMENT AS OF MARCH 31, 2002 OF THE LIGHTNING ROD MUTUAL 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 .....	.62,878,950		.62,878,950	.63,307,736
2. Stocks:				
2.1 Preferred stocks .....	.1,151,840		.1,151,840	.1,205,380
2.2 Common stocks .....	.65,595,794		.65,595,794	.71,418,530
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 \$ .....2,932,402 encumbrances) .....	.2,932,402		.2,932,402	.2,969,418
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ .....3,702,948 and short-term investments \$ .....17,004,811 ) .....	.20,707,759		.20,707,759	.13,644,510
6. Other invested assets .....	.158,250	.98,331	.59,919	.64,284
7. Receivable for securities .....				
8. Aggregate write-ins for invested assets .....	0		0	
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	.153,424,995	.98,331	.153,326,664	.152,609,858
10. Agents' balances or uncollected premiums				
10.1 Premiums and agents' balances in course of collection .....				
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	.13,597,106		.13,597,106	.12,827,017
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 .....	.397,124		.397,124	.253,675
15. Federal and foreign income tax recoverable and interest thereon (including \$ ..... net deferred tax asset) .....				
16. Guaranty funds receivable or on deposit .....				
17. Electronic data processing equipment and software .....	.311,733		.311,733	.266,070
18. Interest, dividends and real estate income due and accrued .....	.1,075,151		.1,075,151	.1,016,371
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 .....	.592,044	.592,044		
25. Aggregate write-ins for other than invested assets .....	.5,235		.5,235	.5,235
26. Total assets excluding protected cell assets (Lines 9 through 25) .....	.169,403,388	.690,375	.168,713,013	.166,978,226
27. Protected cell assets .....				
28. TOTALS (Lines 26 and 27)	.169,403,388	.690,375	.168,713,013	.166,978,226
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)	0		0	
2501. ASSUMED REINSURANCE RECEIVABLE .....	.5,235		.5,235	.5,235
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)	.5,235		.5,235	.5,235

STATEMENT AS OF MARCH 31, 2002 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ ..... ) .....	32,317,101	32,356,301
2. Reinsurance payable on paid losses and loss adjustment expenses .....		
3. Loss adjustment expenses .....	3,898,400	3,898,400
4. Commissions payable, contingent commissions and other similar charges .....	1,425,358	1,526,278
5. Other expenses (excluding taxes, licenses and fees) .....	198,594	663,044
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	1,330,947	987,197
7. Federal and foreign income taxes [including \$ .....431,460 on realized capital gains (losses)] (including \$ .....5,417,278 net deferred tax liability) .....	6,372,196	6,049,034
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... ) .....	28,226,294	26,363,367
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	373,024	809,919
13. Funds held by company under reinsurance treaties .....		
14. Amounts withheld or retained by company for account of others .....	1,925,099	2,483,042
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 .....		
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 .....	297,000	844,128
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	76,364,013	75,980,710
25. Protected cell liabilities .....		
26. Total liabilities (Lines 24 and 25) .....	76,364,013	75,980,710
27. Aggregate write-ins for special surplus funds .....		
28. Common capital stock .....		
29. Preferred capital stock .....		
30. Aggregate write-ins for other than special surplus funds .....		
31. Surplus notes .....		
32. Gross paid in and contributed surplus .....		
33. Unassigned funds (surplus) .....	92,349,000	90,997,516
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) .....	92,349,000	90,997,516
36. TOTALS .....	168,713,013	166,978,226
DETAILS OF WRITE-INS		
2301. EMPLOYEE DISTRIBUTION.....	297,000	844,128
2302. ....		
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page .....		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	297,000	844,128
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 OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 18,493,104 )	16,686,049	14,333,083	60,824,705
1.2 Assumed (written \$ 17,320,927 )	15,784,915	14,006,975	57,713,806
1.3 Ceded (written \$ 16,652,195 )	15,184,713	13,442,412	55,451,867
1.4 Net (written \$ 19,161,836 )	17,286,251	14,897,646	63,086,644
DEDUCTIONS:			
2. Losses incurred (current accident year \$ )::			
2.1 Direct	10,641,774	10,826,801	45,104,425
2.2 Assumed	4,631,189	5,724,903	47,008,969
2.3 Ceded	4,894,700	5,883,031	45,542,663
2.4 Net	10,378,263	10,668,673	46,570,731
3. Loss expenses incurred	367,773	1,207,207	3,752,127
4. Other underwriting expenses incurred	6,708,008	4,655,946	19,172,726
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2.4 thru 5)	17,454,044	16,531,826	69,495,584
7. Net income of protected cells	0		
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(167,793)	(1,634,180)	(6,408,940)
INVESTMENT INCOME			
9. Net investment income earned	1,352,717	1,282,462	4,812,497
10. Net realized capital gains or (losses)	1,268,618	547,645	810,739
11. Net investment gain (loss) (Lines 9 + 10)	2,621,335	1,830,107	5,623,236
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ (11,367) )	(11,367)	(11,805)	(44,791)
13. Finance and service charges not included in premiums	388,008	367,074	1,487,185
14. Aggregate write-ins for miscellaneous income	(257,046)	(388,677)	(717,297)
15. Total other income (Lines 12 through 14)	119,595	(33,408)	725,097
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	2,573,137	162,519	(60,607)
17. Dividends to policyholders	0		
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	2,573,137	162,519	(60,607)
19. Federal and foreign income taxes incurred	780,000	58,000	5,953
20. Net income (Line 18 minus Line 19)(to Line 22)	1,793,137	104,519	(66,560)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	90,997,516	112,586,803	112,586,803
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	1,793,137	104,519	(66,560)
23. Net unrealized capital gains or losses	(951,572)	(11,555,376)	(14,229,177)
24. Change in net unrealized foreign exchange capital gain (loss)	0		
25. Change in net deferred income tax	456,838	4,196,808	4,815,225
26. Change in nonadmitted assets	53,081	51,836	25,409
27. Change in provision for reinsurance	0		
28. Change in surplus notes	0		
29. Surplus (contributed to) withdrawn from protected cells	0	0	0
30. Cumulative effect of changes in accounting principles		(11,919,288)	(12,134,184)
31. Capital changes:			
31.1 Paid in	0		
31.2 Transferred from surplus (Stock Dividend)	0		
31.3 Transferred to surplus	0		
32. Surplus adjustments:			
32.1 Paid in	0		
32.2 Transferred to capital (Stock Dividend)	0		
32.3 Transferred from capital	0		
33. Net remittances from or (to) Home Office	0		
34. Dividends to stockholders	0		
35. Change in treasury stock	0		
36. Aggregate write-ins for gains and losses in surplus			
37. Change in surplus as regards policyholders (Lines 22 through 36)	1,351,484	(19,121,501)	(21,589,287)
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	92,349,000	93,465,302	90,997,516
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)			
1401. EMPLOYEE DISTRIBUTION	(247,500)	(387,750)	(721,814)
1402. OTHER	(9,546)	(927)	4,517
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(257,046)	(388,677)	(717,297)
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 LIGHTNING ROD MUTUAL 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 .....	18,063,840	65,239,748
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....	11,790,578	47,154,170
3. Underwriting expenses paid .....	6,235,457	18,645,704
4. Other underwriting income (expenses) .....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	37,805	(560,126)
6. Net investment income .....	1,204,534	5,094,124
7. Other income (expenses):		
7.1 Agents' balances charged off .....	(11,367)	(44,791)
7.2 Net funds held under reinsurance treaties .....		
7.3 Net amount withheld or retained for account of others .....	(557,943)	1,297,094
7.4 Aggregate write-ins for miscellaneous items .....	(157,922)	(635,594)
7.5 Total other income (Lines 7.1 to 7.4) .....	(727,232)	616,709
8. Dividends to policyholders on direct business , less \$ ..... dividends on reinsurance assumed or ceded (net) .....		
9. Federal and foreign income taxes (paid) recovered .....	(116)	(924,620)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	514,991	4,226,087
<b>Cash from Investments</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....	2,000,319	20,584,788
11.2 Stocks .....	23,338,228	70,179,514
11.3 Mortgage loans .....		
11.4 Real estate .....		
11.5 Other invested assets .....	12,080	92,861
11.6 Net gains or (losses) on cash and short-term investments .....		
11.7 Miscellaneous proceeds .....		
11.8 Total investment proceeds (Lines 11.1 to 11.7) .....	25,350,627	90,857,163
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....	1,612,943	17,306,810
12.2 Stocks .....	17,142,852	71,854,388
12.3 Mortgage loans .....		
12.4 Real estate .....	911	228,664
12.5 Other invested assets .....		
12.6 Miscellaneous applications .....		
12.7 Total investments acquired (Lines 12.1 to 12.6) .....	18,756,706	89,389,862
13. Net Cash from investments (Line 11.8 minus Line 12.7) .....	6,593,921	1,467,301
<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 .....		
14.4 Borrowed funds received .....		
14.5 Other cash provided .....	0	55,344
14.6 Total (Lines 14.1 to 14.5) .....	0	55,344
15. Cash applied:		
15.1 Dividends to stockholders paid .....		
15.2 Net transfers to affiliates .....		
15.3 Borrowed funds repaid .....		
15.4 Other applications .....	45,663	28,832
15.5 Total (Lines 15.1 to 15.4) .....	45,663	28,832
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	(45,663)	26,512
<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) .....	7,063,249	5,719,900
18. Cash and short-term investments:		
18.1 Beginning of year .....	13,644,510	7,924,610
18.2 End of year (Line 17 plus Line 18.1) .....	20,707,759	13,644,510
<b>DETAILS OF WRITE-INS</b>		
07.401 FINANCE AND SERVICE CHARGES NOT INCLUDED IN PREMIUMS.....	388,008	1,487,185
07.402 EMPLOYEE DISTRIBUTION.....	(555,586)	(2,127,186)
07.403 OTHER MISCELLANEOUS INCOME.....	9,656	4,407
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) .....	(157,922)	(635,594)

NOTES TO FINANCIAL STATEMENTS

01. Basis of Presentation.

The accompanying financial statement of the company has been prepared to conformity with accounting practices prescribed by the National Association of Insurance Commissioners' Codification Accounting Practices and Procedures and the state of Ohio.
02. Accounting Changes and Corrections of Errors.

Codification of statutory accounting principles resulted in adjustments to unassigned surplus on January 1, 2001 and December 31, 2001 as follows:

	December 31, 2001	March 31, 2002
Deferred tax on unrealized gains	\$(8,352,153)	\$(8,028,619)
Deferred tax benefit unearned premium reserve	1,792,709	1,666,013
Deferred tax benefit loss reserve discount	1,030,040	1,030,040
Deferred tax salvage and subrogation anticipated	(931,014)	(931,014)
Deferred tax benefit on deferred compensation	475,598	463,584
Deferred tax employee benefits	110,704	110,704
Postretirement health care benefits	(325,600)	(325,600)
Total	\$(6,199,716)	\$ (6,862,121)
03. Business Combinations and Goodwill

The company has no goodwill from business combinations.
04. Discontinued Operations

The company has no discontinued operations.
05. Investments

The company has no mortgage loans, debt restructuring loans, reverse mortgages, loan-backed securities, or stock repurchase agreements.
06. Joint Ventures, Partnerships and Limited Liability Companies

The company has no joint ventures, partnerships, or limited liability companies.
07. Investment Income

The company has no uncollectible accrued investment income.
08. Derivative Instruments

The company has no derivatives.
09. Federal Income Tax Allocation.

There would be available for recoupment, in the event of future loss, for income taxes incurred as follows:

Current year:	\$1,125,216		
First preceding year:	\$1,721,057		
Second preceding year:	\$1,878,703		

  

Deferred tax assets		Deferred tax liabilities	
Unearned premium reserve	\$1,792,709	Salvage and subrogation anticipated	\$931,014
Loss reserve discount	1,030,040	Total	\$931,014
Deferred compensation	475,598		
Employee Benefits	110,704		
Total	\$2,398,347		
10. Information Concerning Parent, Subsidiaries and Affiliates

The company participates in a pooling agreement with Western Reserve Mutual Casualty Company, ("Western") and Sonnenberg Mutual Insurance Company, ("Sonnenberg") whereby net premiums, losses, underwriting expenses and related balance sheet amounts are shared on a 55%/40%/5% basis, respectively. Lightning Rod assumes 100% of the business from Western and Sonnenberg and cedes 40% to Western and 5% to Sonnenberg.
11. Debt

The company has no loans outstanding or surplus notes..
12. Retirement Plans, Deferred Compensation, and Other Postretirement Plans.

Employee Retirement: The company has a 401(k) plan that is available to all employees on entry dates after the completion of one year of continuous service.  
Deferred Compensation: The company has a non-qualified Voluntary Deferred Compensation plan for senior executive officers. The plan allows for deferral of annual base salaries, payouts under the annual incentive plan, and payouts under the "Performance Share Plan for Key Executives."
13. Capital and Surplus and Shareholders' and Policyholders' Dividend Restrictions.

The company is a mutual company, thus no stock or surplus dividends are applicable.
14. Contingencies

The company has no material contingent liabilities, has committed no reserves to cover any contingent liabilities, and has no pending legal proceedings beyond the ordinary course of business.
15. Leases.

The company has no leases that would have a material financial effect.
16. Information about Financial Instruments With Off-Balance-Sheet Risk and Financial Instruments With Concentrations of Credit Risk.

The company has no off-balance-sheet risk or credit risk exposure.
17. Sale, Transfer, and Servicing of Financial Assets and Extinguishment of Liabilities

The company has no receivable transfer, financial asset servicing, or wash sale transactions.
18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

The company has a fully insured accident and health plan.
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The company has no managing general agents or third party administrators.
20. Other Items

The company has no extraordinary items or unusual items.
21. Events Subsequent.

There were no events occurring subsequent to the close of the books as of December 31, 2001 that would have a material effect on the financial condition of the company.
22. Reinsurance

There were no uncollectible reinsurance balances written off and no commutations of ceded reinsurance. The company has no retroactive reinsurance agreements.
23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

The company has no retrospectively rated contracts or contracts subject to redetermination.
24. Change in Incurred Losses and Loss Adjustment Expense

There were no changes to incurred losses or loss adjustment expenses expenses ascribed to insured events of prior years nor retrospective premiums.
25. Intercompany Pooling Agreements.

Lightning Rod, NAIC number 26123, 55%, Western Reserve, NAIC number 26131, 40%, and Sonnenberg, NAIC number 10271, 5%, participate in a pooling agreement for all lines of business. Lightning Rod is the lead company.
26. Structured Settlements.

The company has no structured settlements.
27. High Deductibles

The company has no reserve for high deductible credits.
28. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses.

The company does not discount any loss or adjustment expense reserves.
29. Asbestos/Environmental Reserves.

The company does not have asbestos or environmental reserves.
30. Subscriber Savings Accounts.

Not applicable.
31. Financial Guaranty Insurance Exposures.

The company does not write financial guaranty insurance.

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 of Domicile, as required by the Model Act? ..... Yes [ ] No [X]

2.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]

3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]

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

4. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]  
If yes, attach an organizational chart.

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

5.2 If yes, provide 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. .... 12/31/2001

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. .... 12/31/1996

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). .... 04/28/1998

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

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) ..... Yes [ ] No [X]

8.2 If yes, give full information: .....  
.....

GENERAL INTERROGATORIES

(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: .....\$ .....

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 [X] No [ ]

13.2 If yes, please complete the following:

	1	2
	Prior Year-End Statement Value	Current Quarter Statement Value
13.21 Bonds .....	\$ .....	\$ .....
13.22 Preferred Stock .....	\$ .....	\$ .....
13.23 Common Stock .....	\$ .....246,256	\$ .....246,256
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).....	\$ .....246,256	\$ .....246,256
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ]

If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [X] No [ ]

15.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address
Merrill Lynch.....	Columbus, Ohio.....

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	2	3
Name(s)	Location(s)	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	2	3	4
Old Custodian	New Custodian	Date of Change	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	2	3
Central Registration Depository	Name(s)	Address



GENERAL INTERROGATORIES  
(continued)

PART 2  
PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity' s participation change?..... Yes [ ] No [X] NA [ ]  
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:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
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 .....	2,969,768			2,865,217
2. Increase (decrease) by adjustment .....	(38,277)			(124,113)
3. Cost of acquired .....	911			
4. Cost of additions to and permanent improvements .....				228,664
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 .....	2,932,402			2,969,768
9. Total valuation allowance .....				
10. Subtotal (Lines 8 plus 9) .....	2,932,402			2,969,768
11. Total nonadmitted amounts .....				
12. Statement value, current period (Page 2, real estate lines, current period)	2,932,402			2,969,768

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 committment 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				

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 .....	170,330			263,191
2. Cost of acquisitions during period:				
2.1. Actual cost at time of acquisitions .....	0			
2.2. Additional investment made after acquisitions .....	0			
3. Accrual of discount .....	0			
4. Increase (decrease) by adjustment .....	0			
5. Total profit (loss) on sale .....	0			
6. Amounts paid on account or in full during the period .....	12,080			92,861
7. Amortization of premium .....	0			
8. Increase (decrease) by foreign exchange adjustment.....	0			
9. Book/adjusted carrying value of long-term invested assets at end of current period .....	158,250			170,330
10. Total valuation allowance .....	0			
11. Subtotal (Lines 9 plus 10) .....	158,250			170,330
12. Total nonadmitted amounts .....	98,331			106,046
13. Statement value of long-term invested assets at end of current period	59,919			64,284

STATEMENT AS OF MARCH 31, 2002 OF THE LIGHTNING ROD MUTUAL 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 .....	72,674,355	20,792,135	15,106,890	(41,778)	78,317,822			72,674,355
2. Class 2 .....	1,565,571			369	1,565,940			1,565,571
3. Class 3 .....								
4. Class 4 .....								
5. Class 5 .....								
6. Class 6 .....								
7. Total Bonds	74,239,926	20,792,135	15,106,890	(41,409)	79,883,762			74,239,926
<b>PREFERRED STOCK</b>								
8. Class 1 .....	904,640			(29,700)	874,940			904,640
9. Class 2 .....	300,740			(23,840)	276,900			300,740
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock	1,205,380			(53,540)	1,151,840			1,205,380
15. Total Bonds and Preferred Stock	75,445,306	20,792,135	15,106,890	(94,949)	81,035,602			75,445,306

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Amount of Interest Received Current Quarter	Paid for Accrued Interest
8099999 Totals	17,004,811	XXX	17,004,811	56,151	0

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned				
	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period .....	10,932,190			5,888,908
2. Cost of short-term investments acquired .....	19,179,192			39,918,042
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 .....	13,106,571			34,874,760
7. Book/adjusted carrying value, current period .....	17,004,811			10,932,190
8. Total valuation allowance .....				
9. Subtotal (Lines 7 plus 8) .....	17,004,811			10,932,190
10. Total nonadmitted amounts .....				
11. Statement value (Lines 9 minus 10) .....	17,004,811			10,932,190
12. Income collected during period .....	56,151			346,864
13. Income earned during period .....	56,151			346,864

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule F

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories								
		1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2	3	4	5	6	7
States, etc.			Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama	AL	No						
2. Alaska	AK	No						
3. Arizona	AZ	No						
4. Arkansas	AR	No						
5. California	CA	No						
6. Colorado	CO	No						
7. Connecticut	CT	No						
8. Delaware	DE	No						
9. District of Columbia	DC	No						
10. Florida	FL	No						
11. Georgia	GA	No						
12. Hawaii	HI	No						
13. Idaho	ID	No						
14. Illinois	IL	Yes						
15. Indiana	IN	Yes	3,508,296	2,900,498	2,181,748	1,774,953	5,994,861	3,833,205
16. Iowa	IA	No						
17. Kansas	KS	No						
18. Kentucky	KY	No						
19. Louisiana	LA	No						
20. Maine	ME	No						
21. Maryland	MD	No						
22. Massachusetts	MA	No						
23. Michigan	MI	No						
24. Minnesota	MN	No						
25. Mississippi	MS	No						
26. Missouri	MO	No						
27. Montana	MT	No						
28. Nebraska	NE	No						
29. Nevada	NV	No						
30. New Hampshire	NH	No						
31. New Jersey	NJ	No						
32. New Mexico	NM	No						
33. New York	NY	No						
34. North Carolina	NC	No						
35. North Dakota	ND	No						
36. Ohio	OH	Yes	14,984,808	12,965,468	7,462,357	9,206,989	30,292,375	28,886,380
37. Oklahoma	OK	No						
38. Oregon	OR	No						
39. Pennsylvania	PA	No						
40. Rhode Island	RI	No						
41. South Carolina	SC	No						
42. South Dakota	SD	No						
43. Tennessee	TN	Yes						
44. Texas	TX	No						
45. Utah	UT	No						
46. Vermont	VT	No						
47. Virginia	VA	No						
48. Washington	WA	No						
49. West Virginia	WV	No						
50. Wisconsin	WI	No						
51. Wyoming	WY	No						
52. American Samoa	AS	No						
53. Guam	GU	No						
54. Puerto Rico	PR	No						
55. U.S. Virgin Islands	VI	No						
56. Canada	CN	No						
57. Aggregate Other Aliens	OT	XXX						
58. Totals	(a) 4		18,493,104	15,865,966	9,644,105	10,981,942	36,287,236	32,719,585
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.

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

**NONE**

PART 1 - LOSS EXPERIENCE

Lines of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire .....	3,341	0		(3.4)
2.	Allied Lines .....	1,519	(587)	(38.6)	28.1
3.	Farmowners multiple peril .....	1,768,848	2,160,293	122.1	60.0
4.	Homeowners multiple peril .....	2,658,333	2,805,221	105.5	51.8
5.	Commercial multiple peril .....	935,918	142,650	15.2	100.7
6.	Mortgage guaranty .....				
8.	Ocean marine .....				
9.	Inland marine .....	96,637	(2,953)	(3.1)	45.0
10.	Financial guaranty .....				
11.1	Medical malpractice - occurrence .....				
11.2	Medical malpractice - claims-made .....				
12.	Earthquake .....	2,607			
13.	Group accident and health .....				
14.	Credit accident and health .....				
15.	Other accident and health .....				
16.	Workers' compensation .....				
17.1	Other liability - occurrence .....	86,315	109,998	127.4	1,656.6
17.2	Other liability - claims-made .....				
18.1	Products liability - occurrence .....	4,429	0		
18.2	Products liability - claims-made .....				
19.1,19.2	Private passenger auto liability .....	5,722,365	2,547,687	44.5	64.7
19.3,19.4	Commercial auto liability .....	551,003	285,742	51.9	41.5
21.	Auto physical damage .....	4,842,756	2,589,540	53.5	63.6
22.	Aircraft (all perils) .....				
23.	Fidelity .....				
24.	Surety .....				
26.	Burglary and theft .....	11,978	4,183	34.9	(7.6)
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 .....	16,686,049	10,641,774	63.8	75.5
DETAILS OF WRITE-INS					
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 .....	2,235	2,235	3,623
2.	Allied Lines .....	1,623	1,623	1,399
3.	Farmowners multiple peril .....	1,801,897	1,801,897	1,557,748
4.	Homeowners multiple peril .....	2,348,480	2,348,480	1,932,250
5.	Commercial multiple peril .....	995,928	995,928	850,932
6.	Mortgage guaranty .....			
8.	Ocean marine .....			
9.	Inland marine .....	92,745	92,745	92,933
10.	Financial guaranty .....			
11.1	Medical malpractice - occurrence .....			
11.2	Medical malpractice - claims-made .....			
12.	Earthquake .....	3,502	3,502	3,384
13.	Group accident and health .....			
14.	Credit accident and health .....			
15.	Other accident and health .....			
16.	Workers' compensation .....			
17.1	Other liability - occurrence .....	54,076	54,076	116,531
17.2	Other liability - claims-made .....			
18.1	Products liability - occurrence .....	2,462	2,462	3,202
18.2	Products liability - claims-made .....			
19.1,19.2	Private passenger auto liability .....	6,800,013	6,800,013	5,875,085
19.3,19.4	Commercial auto liability .....	610,539	610,539	542,021
21.	Auto physical damage .....	5,770,110	5,770,110	4,877,043
22.	Aircraft (all perils) .....			
23.	Fidelity .....			
24.	Surety .....			
26.	Burglary and theft .....	9,494	9,494	9,815
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 .....	18,493,104	18,493,104	15,865,966
DETAILS OF WRITE-INS				
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 LIGHTNING ROD MUTUAL INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2002 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (b) (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior	5,077	2,559	7,636	547	7	554	3,490	1	1,489	4,980	(1,040)	(1,062)	(2,102)
2. 2000	5,156	2,748	7,904	620	7	627	5,049	16	1,666	6,731	513	(1,059)	(546)
3. Subtotals 2000 + Prior	10,233	5,307	15,540	1,167	14	1,181	8,539	17	3,155	11,711	(527)	(2,121)	(2,648)
4. 2001	13,714	7,001	20,715	3,987	645	4,632	11,275	296	5,922	17,493	1,548	(138)	1,410
5. Subtotals 2001 + Prior	23,947	12,308	36,255	5,154	659	5,813	19,814	313	9,077	29,204	1,021	(2,259)	(1,238)
6. 2002	XXX	XXX	XXX	XXX	5,111	5,111	XXX	4,469	2,542	7,011	XXX	XXX	XXX
7. Totals	23,947	12,308	36,255	5,154	5,770	10,924	19,814	4,782	11,619	36,215	1,021	(2,259)	(1,238)
8. Prior Year-End's Surplus As Regards Policyholders	90,998										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. 4.3	2. (18.4)	3. (3.4)
											Col. 13, Line 7 As a % of Col. 1 Line 8		
											4. (1.4)		

(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

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:

Trusteed Surplus Statement (Document Identifier 490) here:



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



OVERFLOW PAGE FOR WRITE-INS

# STATEMENT AS OF MARCH 31, 2002 OF THE LIGHTNING ROD MUTUAL INSURANCE COMPANY

## SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED During the Current Quarter

[illegible]

## SCHEDULE A - PART 3

**Showing all Real Estate SOLD during the Current Quarter, including Payments during the Final Year on Sales under Contract'**

[illegible]

EO1

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 LIGHTNING ROD MUTUAL 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 <sup>(a)</sup>
INDUSTRIAL & MISCELLANEOUS - U.S.								
026609-AK-3	American Home Products	03/15/2002	Merrill Lynch		619,027	600,000	490	1PE
44181E-FH-6	Household Finance Corp.	03/04/2002	Merrill Lynch		500,000	500,000	0	1PE
931142-BQ-5	Wal-Mart Stores	03/15/2002	Merrill Lynch		493,916	500,000	519	1PE
COUNTRY TOTAL					1,612,943	1,600,000	1,008	XXX
4599999 - Total - Bonds - Industrial, Misc.					1,612,943	1,600,000	1,008	XXX
6099997 - Total - Bonds - Part 3					1,612,943	1,600,000	1,008	XXX
6099999 - Total - Bonds					1,612,943	1,600,000	1,008	XXX
6599999 - Total - Preferred Stocks						XXX		XXX
BANKS, TRUST AND INSURANCE COMPANIES - U								
799175-10-4	San Paolo-IMI SPS	01/30/2002	Merrill Lynch	625,000	12,210		0	L
COUNTRY TOTAL						XXX	0	XXX
6799999 - Total - Common Stocks - Banks, Trusts, Insurance						XXX	0	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.								
055262-50-5	BASF A G New	01/30/2002	Merrill Lynch	400,000	15,288		0	L
125670-10-9	CMA Money Fund	03/31/2002	Merrill Lynch	883,100,000	883,100		0	L
14149Y-10-8	Cardinal Health Inc.	01/08/2002	Merrill Lynch	4,400,000	276,076		0	L
204412-20-9	Companhia Vale Do Rio	03/25/2002	Merrill Lynch	1,850,000	48,132		0	LZ
263534-10-9	DuPont (EI) DeNemours	01/10/2002	Merrill Lynch	6,250,000	271,875		0	L
26874R-10-8	Eni S P A	01/30/2002	Merrill Lynch	100,000	6,480		0	L
337738-10-8	Fiserv Inc	01/07/2002	Merrill Lynch	6,500,000	274,521		0	L
369550-10-8	Genl Dynamics Corp.	03/11/2002	Merrill Lynch	1,800,000	161,820		0	L
37733W-10-5	Glaxo Smithkline	01/30/2002	Merrill Lynch	225,000	10,693		0	L
438128-30-8	Honda Motor	01/10/2002	Stock Split / Dividend	1,800,000	0		0	L
487836-10-8	Kellogg Company	02/07/2002	Merrill Lynch	17,700,000	549,585		0	L
50063P-10-3	Korea Telecom	01/30/2002	Merrill Lynch	325,000	6,255		0	L
501044-10-1	Kroger Co.	03/18/2002	Merrill Lynch	12,300,000	273,393		0	L
589331-10-7	Merck & Co.	03/18/2002	Merrill Lynch	1,900,000	113,240		0	L
590901-10-4	Merrill Lynch Inst'I Fd Inc.	03/31/2002	Merrill Lynch	2,578,540	2,579		0	L
71654V-40-8	Petrleo Bras	01/31/2002	Merrill Lynch	850,000	17,080		0	L
892331-30-7	Toyota Mtr Corp.	01/30/2002	Merrill Lynch	300,000	15,353		0	L
950590-10-9	Wendys Int'l Inc.	03/18/2002	Merrill Lynch	8,400,000	275,947		0	L
COUNTRY TOTAL					3,201,417	XXX	0	XXX
6899999 - Total - Common Stocks - Industrial, Misc.					3,201,417	XXX	0	XXX
7099997 - Total - Common Stocks - Part 3					3,213,627	XXX	0	XXX
7099998 - Total - Common Stock - Part 5					13,929,225	XXX	0	XXX
7099999 - Total - Common Stocks					17,142,852	XXX	0	XXX
7199999 - Total - Preferred and Common Stocks					17,142,852	XXX	0	XXX
7299999 - Totals					18,755,795	XXX	1,008	XXX

(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 LIGHTNING ROD MUTUAL 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	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identi- fication	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 Design- ation (a)
U.S. GOVERNMENT OBLIGATIONS - U.S.																
31364K-15-9	Federal Nat'l Mtg Assoc.	02/12/2002	CALLED@100.0000000		1,000,000	1,000,000	1,000,000	1,000,000	0	0	0	0	0	10,000		1PE
36217A-HM-5	GNMA P#187536	03/15/2002	PRIN RCPT		319	319	317	319	2	0	0	0	0	5		1
912827-26-6	U S Treasury Note	01/31/2002	MATURITY		500,000	500,000	499,783	500,000	4	0	0	0	0	15,625		1PE
COUNTRY TOTAL					1,500,319	1,500,319	1,500,100	1,500,319	7	0	0	0	0	25,630	XXX	XXX
0399999 - Bonds - U.S. Governments					1,500,319	1,500,319	1,500,100	1,500,319	7	0	0	0	0	25,630	XXX	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.																
37042W-WD-9	General Motors Accpt Corp.	02/19/2002	MATURITY		500,000	500,000	500,000	500,000	0	0	0	0	0	4,667		1PE
COUNTRY TOTAL					500,000	500,000	500,000	500,000	0	0	0	0	0	4,667	XXX	XXX
4599999 - Bonds - Industrial and Miscellaneous					500,000	500,000	500,000	500,000	0	0	0	0	0	4,667	XXX	XXX
6099997 - Bonds - Part 4					2,000,319	2,000,319	2,000,100	2,000,319	7	0	0	0	0	30,296	XXX	XXX
6099999 - Total - Bonds					2,000,319	2,000,319	2,000,100	2,000,319	7	0	0	0	0	30,296	XXX	XXX
6599999 - Total - Preferred Stocks						XXX								XXX		XXX
BANKS, TRUST AND INSURANCE COMPANIES - U																
944293-10-9	Wayne Bancorp.	01/07/2002	CASH IN LIEU - FRAC'L SHR	0.850	19		3	3	(16)	0	0	16	16		0	L
COUNTRY TOTAL					19	XXX	3	3	(16)	0	0	16	16	XXX	0	XXX
6799999 - Common Stocks - Banks, Trust and Insurance Companies					19	XXX	3	3	(16)	0	0	16	16	XXX	0	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.																
00184A-10-5	AOL Time Warner Inc.	02/21/2002	Merrill Lynch	20,750.000	483,468		818,540	818,540	152,465	0	0	(335,072)	(335,072)		0	L
023139-10-8	AMBAC Fincl Grp	03/05/2002	Merrill Lynch	7,200.000	440,489		360,288	360,288	(56,304)	0	0	80,202	80,202		648	L
038222-10-5	Applied Material Inc.	03/05/2002	Merrill Lynch	4,300.000	214,997		179,794	179,794	7,364	0	0	35,203	35,203		0	L
072730-30-2	Bayer AG	03/22/2002	Merrill Lynch	550.000	18,802		23,459	23,459	7,881	0	0	(4,657)	(4,657)		0	L
073325-10-2	BEA Systems	03/01/2002	Merrill Lynch	9,000.000	118,548		162,804	162,804	24,204	0	0	(44,257)	(44,257)		0	L
110122-10-8	Bristol-Myers Squibb	03/26/2002	Merrill Lynch	23,500.000	954,451		481,519	481,519	(716,981)	0	0	472,932	472,932		6,580	L
125670-10-9	CMA Money Fund	03/27/2002	Merrill Lynch	523,807.000	523,807		523,807	523,807	0	0	0	0	0		488	L
284131-20-8	Elan Corp Plc	01/31/2002	Merrill Lynch	18,200.000	511,412		850,447	850,447	30,355	0	0	(339,035)	(339,035)		0	L
294821-40-0	Ericsson L M Tel	01/08/2002	Merrill Lynch	23,350.000	127,489		272,903	272,903	151,016	0	0	(145,414)	(145,414)		0	L
369604-10-3	Genl Electric	03/26/2002	Merrill Lynch	24,000.000	905,986		30,482	30,482	(931,438)	0	0	875,504	875,504		4,320	L
452477-10-4	Imagistics International Inc.	03/08/2002	Merrill Lynch	1,120.000	16,688		12,301	12,301	(1,531)	0	0	4,387	4,387		0	L
458140-10-0	Intel Corp.	01/07/2002	Merrill Lynch	7,700.000	274,963		199,220	199,220	(42,945)	0	0	75,742	75,742		0	L
478160-10-4	Johnson & Johnson	03/08/2002	Merrill Lynch	4,300.000	274,551		183,669	183,669	(70,461)	0	0	90,882	90,882		0	L
500472-30-3	Koninklijke "New"	01/30/2002	Merrill Lynch	600.000	16,202		12,546	12,546	(4,920)	0	0	3,656	3,656		0	L
589978-10-5	Merrill Lynch Premier Inst'l Fund	01/31/2002	Merrill Lynch	29,402.480	29,402		29,402	29,402	0	0	0	0	0		0	LZ
590901-10-4	Merrill Lynch Inst'l Fd Inc.	01/31/2002	Merrill Lynch	700,475.000	700,475		700,475	700,475	0	0	0	0	0		0	L
604059-10-5	Minnesota Mng Mfg	03/12/2002	Merrill Lynch	4,800.000	572,871		545,914	545,914	(21,494)	0	0	26,957	26,957		2,976	L
681919-10-6	Omnicon Group	03/05/2002	Merrill Lynch	4,300.000	414,428		358,512	358,512	(25,692)	0	0	55,915	55,915		860	L
760267-20-5	Repsol S.A.	01/30/2002	Merrill Lynch	925.000	10,950		19,325	19,325	5,885	0	0	(8,375)	(8,375)		0	L
767202-10-4	Rio Tinto Ltd Spnsd Adr	03/12/2002	Merrill Lynch	325.000	26,674		20,902	20,902	(3,857)	0	0	5,772	5,772		0	L
87612E-10-6	Target Corp	03/18/2002	Merrill Lynch	14,700.000	654,875		548,009	548,009	(55,426)	0	0	106,866	106,866		882	L
89151E-10-9	Total Fina SA	01/30/2002	Merrill Lynch	325.000	22,322		12,550	12,550	(10,278)	0	0	9,772	9,772		0	L
900008-00-4	Merrill Lynch Institutional Fund	01/31/2002	Merrill Lynch	4,069.780	4,070		4,070	4,070	0	0	0	0	0		0	L
902124-10-6	Tyco International LTD "New"	01/22/2002	Merrill Lynch	37,348.000	1,747,758		1,443,978	1,443,978	(755,820)	0	0	303,780	303,780		467	L
969457-10-0	Williams Cos.	01/29/2002	Merrill Lynch	18,050.000	343,306		345,465	345,465	(115,171)	0	0	(2,159)	(2,159)		0	L
COUNTRY TOTAL					9,408,984	XXX	8,140,382	8,140,382	(2,433,147)	0	0	1,268,602	1,268,602	XXX	17,221	XXX
6899999 - Common Stocks - Industrial and Miscellaneous					9,408,984	XXX	8,140,382	8,140,382	(2,433,147)	0	0	1,268,602	1,268,602	XXX	17,221	XXX
7099997 - Common Stocks - Part 4					9,409,003	XXX	8,140,384	8,140,384	(2,433,164)	0	0	1,268,618	1,268,618	XXX	17,221	XXX
7099998 - Common Stocks - Part 5					13,929,225	XXX	13,929,225	13,929,225	0	0	0	0	0	XXX	7,146	XXX
7099999 - Total - Common Stocks					23,338,228	XXX	22,069,609	22,069,609	(2,433,164)	0	0	1,268,618	1,268,618	XXX	24,367	XXX
7199999 - Total - Preferred and Common Stocks					23,338,228	XXX	22,069,609	22,069,609	(2,433,164)	0	0	1,268,618	1,268,618	XXX	24,367	XXX
7299999 Totals					25,338,547	XXX	24,069,709	24,069,929	(2,433,157)	0	0	1,268,618	1,268,618	30,296	24,367	XXX

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

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



