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QUARTERLY STATEMENT

As of March 31, 2002

of the Condition and Affairs of the

PROGRESSIVE PREFERRED INSURANCE COMPANY

NAIC Group Code..... 155, 155 (Current Period) (Prior Period)	NAIC Company Code..... 37834	Employer's ID Number..... 34-1287020
Organized under the Laws of OHIO	Country of Domicile US	State of Domicile or Port of Entry OHIO
Incorporated..... September 24, 1979		Commenced Business..... April 15, 1980

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

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

OFFICERS

President ..... GLENN MORRIS RENWICK   Treasurer ..... STEPHEN DAVID PETERSON   Secretary ..... DANE ALLEN SHRALLOW

VICE PRESIDENTS

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

DIRECTORS OR TRUSTEES

ALAN REX BAUER
WILLIAM THOMAS FORRESTER, II
CHARLES ELWOOD JARRETT
THOMAS ALFRED KING
BRIAN JAMES PASSELL
GLENN MORRIS RENWICK
MICHAEL ROBERT UTH
RICHARD HENRY WATTS
ROBERT THOMAS WILLIAMS, JR.

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

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

(Signature)	(Signature)	(Signature)
GLENN MORRIS RENWICK	KATHLEEN MARY CERNY	JAMES LEE KUSMER
(Printed Name)	(Printed Name)	(Printed Name)
President	Assistant Secretary	VP/Assistant Treasurer

Subscribed and sworn to before me this

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

....

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31, Prior Year Net Admitted Assets
1. Bonds	328,107,712		328,107,712	333,241,661
2. Stocks:				
2.1 Preferred stocks	2,184,500		2,184,500	2,170,050
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $..........0 encumbrances)			0	
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....40,499,000) and short-term investments ($..........0)	40,499,000		40,499,000	99,000
6. Other invested assets			0	
7. Receivable for securities			0	
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8)	370,791,212	0	370,791,212	335,510,711
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	5,422,556	1,937,231	3,485,325	4,054,156
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	107,080,300		107,080,300	102,658,647
10.3 Accrued retrospective premiums			0	
11. Funds held by or deposited with reinsured companies			0	
12. Bills receivable, taken for premiums			0	
13. Amounts receivable under high deductible policies			0	
14. Reinsurance recoverables on loss and loss adjustment expense payments	75,586		75,586	108,682
15. Federal and foreign income tax recoverable and interest thereon (including $.....20,459,363 net deferred tax asset)	22,524,804	2,060,859	20,463,945	19,758,392
16. Guaranty funds receivable or on deposit			0	
17. Electronic data processing equipment and software			0	
18. Interest, dividends and real estate income due and accrued	3,769,136		3,769,136	4,303,422
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Receivable from parent, subsidiaries and affiliates	29,098,517		29,098,517	35,121,359
21. Amounts due from/to protected cells			0	
22. Equities and deposits in pools and associations			0	
23. Amounts receivable relating to uninsured accident and health plans			0	
24. Other assets nonadmitted			0	
25. Aggregate write-ins for other than invested assets	72,203	72,203	0	7,808
26. Total assets excluding protected cell assets (Lines 9 through 25)	538,834,314	4,070,293	534,764,021	501,523,177
27. Protected cell assets			0	
28. TOTALS (Lines 26 and 27)	538,834,314	4,070,293	534,764,021	501,523,177

DETAILS OF WRITE-INS

0801.			0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0
2501. PREPAID EXPENSES	59,810	59,810	0	
2502. MISCELLANEOUS OTHER ASSETS	12,393	12,393	0	7,808
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	72,203	72,203	0	7,808

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31, Prior Year
1.	Losses (current accident year $.....30,931,320)	141,883,440	139,591,755
2.	Reinsurance payable on paid losses and loss adjustment expenses		
3.	Loss adjustment expenses	32,262,109	31,418,645
4.	Commissions payable, contingent commissions and other similar charges	347,406	724,660
5.	Other expenses (excluding taxes, licenses and fees)	10,636,610	10,128,164
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	3,120,609	2,964,825
7.	Federal and foreign income taxes (including $.....(139,915) on realized capital gains (losses) (including $..........0 net deferred tax liability)	5,465,409	
8.	Borrowed money $..........0 and interest thereon $..........0		
9.	Unearned premiums (after deducting unearned premiums for ceded reinsurance of $.....183,066,701 and including warranty reserves of $..........0)	159,866,216	147,954,972
10.	Advance premium	5,673,840	3,646,941
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	22,056	23,082
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others	30,243	31,980
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	25,549,463	25,220,616
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	545,050	498,775
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	385,402,451	362,204,415
25.	Protected cell liabilities		
26.	Total liabilities (Lines 24 and 25)	385,402,451	362,204,415
27.	Aggregate write-ins for special surplus funds	0	0
28.	Common capital stock	3,003,300	3,003,300
29.	Preferred capital stock		
30.	Aggregate write-ins for other than special surplus funds	0	0
31.	Surplus notes		
32.	Gross paid in and contributed surplus	40,712,474	40,712,474
33.	Unassigned funds (surplus)	105,645,796	95,602,988
34.	Less treasury stock, at cost:		
	34.1 ....0.000 shares common (value included in Line 28 $..........0)		
	34.2 ....0.000 shares preferred (value included in Line 29 $..........0)		
35.	Surplus as regards policyholders (Lines 27 to 33, less 34)	149,361,570	139,318,762
36.	TOTALS	534,764,021	501,523,177

DETAILS OF WRITE-INS

2301.	STATE PLAN LIABILITY	252,566	210,996
2302.	ESCHEATABLE PROPERTY	155,937	155,823
2303.	UNEARNED FEE RESERVE	132,871	128,480
2398.	Summary of remaining write-ins for Line 23 from overflow page	3,676	3,476
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	545,050	498,775
2701.			
2702.			
2703.			
2798.	Summary of remaining write-ins for Line 27 from overflow page	0	0
2799.	Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
3001.			
3002.			
3003.			
3098.	Summary of remaining write-ins for Line 30 from overflow page	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $.....124,530,188)	116,756,678	130,009,985	514,702,725
1.2 Assumed (written $.....121,563,243)	109,651,999	93,671,607	399,927,844
1.3 Ceded (written $.....124,530,188)	116,756,678	130,009,985	514,702,725
1.4 Net (written $.....121,563,243)	109,651,999	93,671,607	399,927,844
DEDUCTIONS:			
2. Losses incurred (current accident year $.....59,665,758):			
2.1 Direct	62,971,814	79,067,624	314,913,988
2.2 Assumed	61,101,832	58,079,635	237,456,302
2.3 Ceded	62,971,814	79,067,624	314,913,988
2.4 Net	61,101,832	58,079,635	237,456,302
3. Loss expenses incurred	14,511,363	13,520,297	57,053,468
4. Other underwriting expenses incurred	26,081,725	20,808,826	91,335,845
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	101,694,920	92,408,758	385,845,615
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	7,957,079	1,262,849	14,082,229
INVESTMENT INCOME			
9. Net investment income earned	5,236,335	5,055,665	20,479,277
10. Net realized capital gains (losses)	(435,943)	1,619,102	5,172,848
11. Net investment gain (loss) (Lines 9 + 10)	4,800,392	6,674,767	25,652,125
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....104,289 amount charged off $.....1,031,823)	(927,534)	(1,190,158)	(5,115,795)
13. Finance and service charges not included in premiums	2,617,086	3,634,206	12,764,353
14. Aggregate write-ins for miscellaneous income	253,886	211,600	1,047,871
15. Total other income (Lines 12 through 14)	1,943,438	2,655,648	8,696,429
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	14,700,909	10,593,264	48,430,783
17. Dividends to policyholders			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	14,700,909	10,593,264	48,430,783
19. Federal and foreign income taxes incurred	5,738,085	3,276,990	15,419,390
20. Net income (Line 18 minus Line 19) (to Line 22)	8,962,824	7,316,274	33,011,393
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year	139,318,762	116,850,492	116,850,492
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	8,962,824	7,316,274	33,011,393
23. Net unrealized capital gains or losses	2,550	(44,177)	146,634
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income taxes	928,998	331,802	(240,672)
26. Change in nonadmitted assets	148,436	(187,977)	668,034
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		19,382,881	19,382,881
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			(30,500,000)
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36)	10,042,808	26,798,803	22,468,270
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	149,361,570	143,649,295	139,318,762

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0
1401. INTEREST INCOME ON INTERCOMPANY BALANCES	98,558	146,381	694,616
1402. SERVICE BUSINESS REVENUE	88,827	54,316	277,535
1403. MISCELLANEOUS INCOME	66,501	10,903	75,720
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	253,886	211,600	1,047,871
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)	0	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $.....124,530,188)	116,756,678	130,009,985	514,702,725
1.2 Assumed (written $.....121,563,243)	109,651,999	93,671,607	399,927,844
1.3 Ceded (written $.....124,530,188)	116,756,678	130,009,985	514,702,725
1.4 Net (written $.....121,563,243)	109,651,999	93,671,607	399,927,844
DEDUCTIONS:			
2. Losses incurred (current accident year $.....59,665,758):			
2.1 Direct	62,971,814	79,067,624	314,913,988
2.2 Assumed	61,101,832	58,079,635	237,456,302
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2.4 Net	61,101,832	58,079,635	237,456,302
3. Loss expenses incurred	14,511,363	13,520,297	57,053,468
4. Other underwriting expenses incurred	26,081,725	20,808,826	91,335,845
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	101,694,920	92,408,758	385,845,615
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	7,957,079	1,262,849	14,082,229
INVESTMENT INCOME			
9. Net investment income earned	5,236,335	5,055,665	20,479,277
10. Net realized capital gains (losses)	(435,943)	1,619,102	5,172,848
11. Net investment gain (loss) (Lines 9 + 10)	4,800,392	6,674,767	25,652,125
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....104,289 amount charged off $.....1,031,823)	(927,534)	(1,190,158)	(5,115,795)
13. Finance and service charges not included in premiums	2,617,086	3,634,206	12,764,353
14. Aggregate write-ins for miscellaneous income	253,886	211,600	1,047,871
15. Total other income (Lines 12 through 14)	1,943,438	2,655,648	8,696,429
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	14,700,909	10,593,264	48,430,783
17. Dividends to policyholders			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	14,700,909	10,593,264	48,430,783
19. Federal and foreign income taxes incurred	5,738,085	3,276,990	15,419,390
20. Net income (Line 18 minus Line 19) (to Line 22)	8,962,824	7,316,274	33,011,393
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year	139,318,762	116,850,492	116,850,492
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	8,962,824	7,316,274	33,011,393
23. Net unrealized capital gains or losses	2,550	(44,177)	146,634
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income taxes	928,998	331,802	(240,672)
26. Change in nonadmitted assets	148,436	(187,977)	668,034
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		19,382,881	19,382,881
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			(30,500,000)
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36)	10,042,808	26,798,803	22,468,270
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	149,361,570	143,649,295	139,318,762

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0
1401. INTEREST INCOME ON INTERCOMPANY BALANCES	98,558	146,381	694,616
1402. SERVICE BUSINESS REVENUE	88,827	54,316	277,535
1403. MISCELLANEOUS INCOME	66,501	10,903	75,720
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	253,886	211,600	1,047,871
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)	0	0	0

CASH FLOW

		1 Current Year to Date	2 Prior Year Ended December 31
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	120,378,611	424,210,697
2.	Loss and loss adjustment expenses paid (net of salvage and subrogation)	72,116,103	280,068,713
3.	Underwriting expenses paid	25,794,749	88,463,013
4.	Other underwriting income (expenses)		
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	22,467,759	55,678,971
6.	Net investment income	6,360,481	23,256,781
7.	Other income (expenses):		
	7.1 Agents' balances charged off	(1,252,706)	(5,389,239)
	7.2 Net funds held under reinsurance treaties		
	7.3 Net amount withheld or retained for account of others	(1,737)	30,507
	7.4 Aggregate write-ins for miscellaneous items	2,870,972	13,812,224
	7.5 Total other income (Lines 7.1 to 7.4)	1,616,529	8,453,492
8.	Dividends to policyholders on direct business, less $..............0 dividends on reinsurance assumed or ceded (net)		
9.	Federal and foreign income taxes (paid) recovered	(277,258)	(15,419,390)
10.	Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	30,167,511	71,969,854
	CASH FROM INVESTMENTS		
11.	Proceeds from investments sold, matured or repaid:		
	11.1 Bonds	60,097,917	277,537,864
	11.2 Stocks		7,838,030
	11.3 Mortgage loans		
	11.4 Real estate		
	11.5 Other invested assets		
	11.6 Net gains or (losses) on cash and short-term investments		
	11.7 Miscellaneous proceeds		
	11.8 Total investment proceeds (Lines 11.1 to 11.7)	60,097,917	285,375,894
12.	Cost of investments acquired (long-term only):		
	12.1 Bonds	55,989,770	293,705,080
	12.2 Stocks		
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Miscellaneous applications		
	12.7 Total investments acquired (Lines 12.1 to 12.6)	55,989,770	293,705,080
13.	Net cash from investments (Line 11.8 minus Line 12.7)	4,108,147	(8,329,186)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
14.	Cash provided:		
	14.1 Surplus notes, capital and surplus paid in		
	14.2 Capital notes $..........0 less amounts repaid $..........0		
	14.3 Net transfers from affiliates	6,022,842	
	14.4 Borrowed funds received		
	14.5 Other cash provided	101,500	198,233
	14.6 Total (Lines 14.1 to 14.5)	6,124,342	198,233
15.	Cash applied:		
	15.1 Dividends to stockholders paid		30,500,000
	15.2 Net transfers to affiliates		33,851,725
	15.3 Borrowed funds repaid		
	15.4 Other applications		50,924
	15.5 Total (Lines 15.1 to 15.4)	0	64,402,649
16.	Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	6,124,342	(64,204,416)
	RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17.	Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	40,400,000	(563,748)
18.	Cash and short-term investments:		
	18.1 Beginning of year	99,000	662,748
	18.2 End of period (Line 17 plus Line 18.1)	40,499,000	99,000

DETAILS OF WRITE-INS

07.401	FINANCE & SERVICE CHARGES NOT INCLUDED IN PREMIUMS	2,617,086	12,764,353
07.402	INTEREST INCOME ON INTERCOMPANY BALANCES	98,558	694,616
07.403	SERVICE BUSINESS REVENUE	88,827	277,535
07.498	Summary of remaining write-ins for Line 7.4 from overflow page	66,501	75,720
07.499	Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above)	2,870,972	13,812,224

9. Income Taxes

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

The amount of Federal income taxes incurred and available for recoupment by the Company in the event of future net losses is equal to approximately $5,738,085 for the current tax year and $15,464,273 for the first preceding year. The amounts that can be recouped may be subject to the alternative minimum tax rules, and therefore may be limited.

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

Description	March 31, 2002	December 31, 2001
Gross deferred tax assets	$ 23,487,912	$ 22,631,070
Gross deferred tax liabilities	967,689	1,027,946
Net deferred tax asset	22,520,223	21,603,124
Non-admitted deferred tax assets	2,060,859	1,844,734
Admitted deferred tax asset	$ 20,459,364	$ 19,758,390
Increase (decrease) in non-admitted deferred tax assets	$ 216,125	$ (638,165)

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

Description	2002	2001
Current Income Tax Expense	$ 5,738,085	$ 16,163,707
Audit adjustment : 1997-98 IRS examination	-	(149,705)
Prior year underaccrual (overaccrual)	-	(594,612)
Current income taxes incurred	$ 5,738,085	$ 15,419,390

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

DTAs Resulting from Book/Tax Differences in	March 31, 2002	December 31, 2001	Change
Unpaid losses and LAE	$ 7,987,234	$ 7,942,281	$ 44,953
Unearned premiums	11,482,257	10,523,587	958,670
Non-admitted assets	700,568	830,899	(130,331)
Nondeductible Reserves	3,307,435	3,327,516	(20,081)
Intercompany deferred losses	6,006	6,787	(781)
Other	4,412	-	4,412
Gross DTAs	$ 23,487,912	$ 22,631,070	$ 856,842
Non-admitted DTAs	$ 2,060,859	$ 1,844,734	$ 216,125

DTLs Resulting from Book/Tax Differences in	March 31, 2002	December 31, 2001	Change
Unrealized capital gains	67,184	55,284	11,900
Bond market discount	$ 123,822	$ 129,873	$ (6,051)
Salvage and subrogation	310,138	354,674	(44,536)
Intercompany deferred gains	445,603	471,434	(25,831)
Other	20,942	16,681	4,261
Gross DTLs	$ 967,689	$ 1,027,946	$ (60,257)

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

Description	March 31, 2002	December 31, 2001	Change
Total deferred tax assets	$ 23,487,912	$ 22,631,070	$ 856,842
Total deferred tax liabilities	967,689	1,027,946	(60,257)
Net deferred tax asset (liability)	$ 22,520,223	$ 21,603,124	917,099
Tax effect of unrealized gains (losses)			11,900
Change in net deferred income tax			$ 928,999

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

Description	Amount	Tax Effect at 35%
Provision computed at statutory rate	$ 5,145,318	35.0%
Exempt interest income	(363,001)	(2.5)
Other	9,464	0.1
Total	$ 4,791,781	32.6%
Federal and foreign income taxes incurred	$ 5,738,085	39.0%
Change in net deferred income taxes	(928,999)	(6.3)
Change in deferred from N/A assets and I/C gains/losses	(105,281)	(0.7)
Other miscellaneous adjustments	87,976	0.6
Total statutory income taxes	$ 4,791,781	32.6%

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

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfers and Servicing of Financial Assets

Not applicable

C. Wash Sales

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

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

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

1.2 If yes, explain:......................

2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

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

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

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

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

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

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

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]

If yes, attach an explanation.

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/1997.......................

7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....12/31/1997.......................

7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....01/06/2000.......................

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

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

8.2 If yes, give full information:

GENERAL INTERROGATORIES (continued)

INVESTMENT

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

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

9.2 If yes, explain:......................

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

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

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

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

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

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds	$0	$0
13.22 Preferred Stock	$0	$0
13.23 Common Stock	$0	$0
13.24 Short-Term Investments	$0	$0
13.25 Mortgages, Loans or Real Estate	$0	$0
13.26 All Other	$0	$0
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	$0	$0
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	$0	$0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	$0	$0

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

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

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

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

1 Name of Custodian(s)	2 Custodian Address
THE BANK OF NEW YORK	ONE WALL ST 14TH FLR NEW YORK, NY 10286

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation.

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

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

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

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

15.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

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

2. Has the reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [ ] No [X]
   If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation liabilities tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [ ] No [X]

4.2 If yes, complete the following schedule:

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

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	0	0	0	
2. Increase (decrease) by adjustment				
3. Cost of acquired				
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales				
6. Increase (decrease) by foreign exchange adjustment				
7. Amount received on sales				
8. Book/adjusted carrying value at end of current period	0	0	0	0
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	0	0	0	0
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	0	0	0	0

NONE

SCHEDULE B - VERIFICATION

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

NONE

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

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

NONE

SCHEDULE D - PART 1B

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

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS								
1. Class 1	279,719,585	49,122,460	59,025,398	(586,783)	269,229,864			279,719,585
2. Class 2	42,603,079	6,867,310	1,508,462	(6,843)	47,955,084			42,603,079
3. Class 3	10,918,997			3,767	10,922,764			10,918,997
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	333,241,661	55,989,770	60,533,860	(589,859)	328,107,712	0	0	333,241,661
PREFERRED STOCK								
8. Class 1	2,170,050			14,450	2,184,500			2,170,050
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	2,170,050	0	0	14,450	2,184,500	0	0	2,170,050
15. Total Bonds and Preferred Stock	335,411,711	55,989,770	60,533,860	(575,409)	330,292,212	0	0	335,411,711

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

NONE

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

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	0	0	0	
2. Cost of short-term investments acquired				507,103
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				507,103
7. Book/adjusted carrying value, current period	0	0	0	0
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	0	0	0	0
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	0	0	0	0
12. Income collected during period	(1,393)			2,284
13. Income earned during period	(1,393)			2,284

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. F
NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
States, Etc.	Is Insurer Licensed? (Yes or No)	2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama AL	NO						
2. Alaska AK	YES			(200)	10,000	144,151	135,236
3. Arizona AZ	YES			24,857	31,325	29,117	77,953
4. Arkansas AR	NO						
5. California CA	NO						
6. Colorado CO	YES	(8,172)	5,697,392	1,552,497	4,643,465	4,818,969	7,557,059
7. Connecticut CT	NO						
8. Delaware DE	YES						
9. District of Columbia DC	YES						
10. Florida FL	NO						
11. Georgia GA	YES	28,134,756	22,053,168	11,132,002	10,910,621	33,085,473	26,303,013
12. Hawaii HI	YES						
13. Idaho ID	YES						
14. Illinois IL	NO						
15. Indiana IN	YES	436,164	588,687	658,168	1,467,617	1,635,367	1,928,618
16. Iowa IA	YES						
17. Kansas KS	NO						
18. Kentucky KY	YES					17	
19. Louisiana LA	NO						
20. Maine ME	YES						
21. Maryland MD	YES						
22. Massachusetts MA	NO						
23. Michigan MI	YES						
24. Minnesota MN	YES						
25. Mississippi MS	YES						
26. Missouri MO	YES						
27. Montana MT	YES						
28. Nebraska NE	YES						
29. Nevada NV	YES	127,791	186,961	99,654	154,459	208,005	304,972
30. New Hampshire NH	NO						
31. New Jersey NJ	YES						
32. New Mexico NM	YES	4,221,248	3,186,254	1,883,981	1,786,307	4,275,786	2,915,140
33. New York NY	YES						
34. North Carolina NC	YES	253	(8,883)	134,095	363,220	182,437	776,357
35. North Dakota ND	NO						
36. Ohio OH	YES	71,495,915	86,573,751	41,455,013	52,010,018	111,532,850	105,811,351
37. Oklahoma OK	YES	2,748,705	4,679,243	1,726,942	2,610,742	3,071,683	2,415,579
38. Oregon OR	YES	3,424,892	2,958,407	1,695,917	1,854,450	3,632,300	3,732,968
39. Pennsylvania PA	NO						
40. Rhode Island RI	YES						
41. South Carolina SC	YES	1,314,847		9,270		64,097	
42. South Dakota SD	YES						
43. Tennessee TN	YES						
44. Texas TX	YES						
45. Utah UT	YES	(19,301)	1,862,368	344,736	615,811	975,272	1,017,738
46. Vermont VT	NO						
47. Virginia VA	YES	5,498,894		2,049,661	(750)	1,873,141	
48. Washington WA	YES	7,154,197	4,932,731	3,940,385	2,385,672	8,874,622	4,490,075
49. West Virginia WV	YES						
50. Wisconsin WI	NO						
51. Wyoming WY	NO						
52. American Samoa AS	NO						
53. Guam GU	NO						
54. Puerto Rico PR	NO						
55. US Virgin Islands VI	NO						
56. Canada CN	NO						
57. Aggregate Other Alien OT	XXX	0	0	0	0	0	0
58. Totals	(a) 36	124,530,189	132,710,079	66,706,978	78,842,957	174,403,287	157,466,059

DETAILS OF WRITE-INS

5701.	XXX						
5702.	XXX						
5703.	XXX						
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 above)	XXX	0	0	0	0	0	0

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

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

NONE

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date Direct Loss Percentage
1. Fire			0.0	
2. Allied lines			0.0	
3. Farmowners multiple peril			0.0	
4. Homeowners multiple peril			0.0	
5. Commercial multiple peril			0.0	
6. Mortgage guaranty			0.0	
8. Ocean marine			0.0	
9. Inland marine	1,020,778	170,344	16.7	39.2
10. Financial guaranty			0.0	
11.1. Medical malpractice-occurrence			0.0	
11.2. Medical malpractice-claims made			0.0	
12. Earthquake			0.0	
13. Group accident and health			0.0	
14. Credit accident and health			0.0	
15. Other accident and health			0.0	
16. Workers' compensation			0.0	
17.1 Other liability-occurrence	472,196	44,813	9.5	4.8
17.2 Other liability-claims made			0.0	
18.1 Products liability-occurrence			0.0	
18.2 Products liability-claims made			0.0	
19.1, 19.2 Private passenger auto liability	56,375,675	31,878,260	56.5	60.7
19.3, 19.4 Commercial auto liability	13,556,801	6,355,812	46.9	55.9
21. Auto physical damage	45,331,228	24,522,585	54.1	63.1
22. Aircraft (all perils)			0.0	
23. Fidelity			0.0	
24. Surety			0.0	
26. Burglary and theft			0.0	
27. Boiler and machinery			0.0	
28. Credit			0.0	
29. International			0.0	
30. Reinsurance-nonproportional assumed property	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	0.0	0.0
34. Totals	116,756,678	62,971,814	53.9	60.8
DETAILS OF WRITE-INS				
3301.			0.0	
3302.			0.0	
3303.			0.0	
3398. Sum. of remaining write-ins for Line 33 from overflow page	0	0	0.0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	720,068	720,068	606,613
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	251,855	251,855	217,952
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	58,340,233	58,340,233	69,010,913
19.3, 19.4 Commercial auto liability	17,878,059	17,878,059	11,187,523
21. Auto physical damage	47,339,973	47,339,973	51,687,078
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Reinsurance-nonproportional assumed property	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	0
34. Totals	124,530,188	124,530,188	132,710,079
DETAILS OF WRITE-INS			
3301.			
3302.			
3303.			
3398. Sum. of remaining write-ins for Line 33 from overflow page	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33)	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	4 2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2002 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End
1. 1999 + Prior	24,178	5,487	29,665	3,768	69	3,837	19,931
2. 2000	33,301	7,865	41,166	6,091	144	6,235	27,803
3. Subtotals 2000 + Prior	57,479	13,352	70,831	9,859	213	10,072	47,734
4. 2001	75,659	24,521	100,180	20,364	4,485	24,849	53,256
5. Subtotals 2001 + Prior	133,138	37,873	171,011	30,223	4,698	34,921	100,990
6. 2002	XXX	XXX	XXX	XXX	37,557	37,557	XXX
7. Totals	133,138	37,873	171,011	30,223	42,255	72,478	100,990
8. Prior Year-End's Surplus As Regards Policyholders	139,319						

Years in Which Losses Occurred	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (b) (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserves Developed (Savings)/Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior	472	5,829	26,232	(479)	883	404
2. 2000	814	6,211	34,828	593	(696)	(103)
3. Subtotals 2000 + Prior	1,286	12,040	61,060	114	187	301
4. 2001	5,606	15,942	74,804	(2,039)	1,512	(527)
5. Subtotals 2001 + Prior	6,892	27,982	135,864	(1,925)	1,699	(226)
6. 2002	26,513	11,769	38,282	XXX	XXX	XXX
7. Totals	33,405	39,751	174,146	(1,925)	1,699	(226)

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. (1.4)%	2. 4.5 %	3. (0.1)%

Col. 13, Line 7 Line 8
4. (0.2)%

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

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

EXPLANATIONS:

BAR CODE:

* 3 7 8 3 4 2 0 0 2 4 9 0 0 0 0 0 1 *

* 3 7 8 3 4 2 0 0 2 4 5 0 0 0 0 0 1 *

Overflow Page for Write-Ins

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31, Prior Year
2304. OTHER LIABILITIES	3,676	3,476
2397. Summary of remaining write-ins for Line 23 from Liabilities	3,676	3,476

Additional Write-ins for Cash Flow:

	1 Current Year to Date	2 Prior Year Ended December 31
07.404 MISCELLANEOUS INCOME	66,501	75,720
07.497 Summary of remaining write-ins for Line 7.4 from Cash Flow	66,501	75,720

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
Bonds - U.S. Government								
912827-7B-2	U.S. TREASURY NOTE 5.000 08 2011	01/22/2002	CREDIT SUISSE FIRST BOSTON		9,664,500	9,600,000	210,000	1
912827-7L-0	U.S. TREASURY NOTE 4.880 02 2012	02/21/2002	GOLDMAN SACHS		5,398,313	5,400,000	5,090	1
0399999.	Total - Bonds - U.S. Government				15,062,813	15,000,000	215,090	XXX
Bonds - States, Territories and Possessions								
Georgia								
373382-TP-5	GEORGIA G.O. 6.500 07 2007	03/06/2002	SALOMON SMITH BARNEY		4,206,297	3,670,000	46,385	1PE
	Georgia				4,206,297	3,670,000	46,385	XXX
	United States				4,206,297	3,670,000	46,385	XXX
1799999.	Total - Bonds - States, Territories & Possessions				4,206,297	3,670,000	46,385	XXX
Bonds - Industrial and Miscellaneous								
United States								
22540V-C6-7	CS FIRST BOSTON MRTG CRP 6.221P12A2035	03/13/2002	CREDIT SUISSE FIRST BOSTON		5,025,000	5,000,000	23,329	1PE
31359M-LZ-4	FANNIE MAE 5.000 01 2007	01/15/2002	GOLDMAN SACHS		8,128,000	8,000,000	24,444	1PE
62827G-AA-3	MUTUAL FUND FEE TRUST XI 6.44001212009	01/23/2002	BNY CAPITAL MARKETS		11,722,000	11,722,000		1PE
807066-AE-5	SCHOLASTIC CORP 5.750 01 2007	01/18/2002	CREDIT SUISSE FIRST BOSTON		4,978,550	5,000,000		2PE
884903-AP-0	THOMSON CORP 5.750 02 2008	01/16/2002	SALOMON SMITH BARNEY		4,978,350	5,000,000		1PE
902118-BC-1	TYCO INTERNATIONAL GROUP 6.375 10 2011	01/29/2002	BARCLAYS CAPITAL		1,888,760	2,000,000	33,646	2
	United States				36,720,660	36,722,000	81,419	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				36,720,660	36,722,000	81,419	XXX
6099997.	Total - Bonds - Part 3				55,989,770	55,392,000	342,894	XXX
6099999.	Total - Bonds				55,989,770	55,392,000	342,894	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				55,989,770	XXX	342,894	XXX

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

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value At Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designation (a)
Bonds - U.S. Government																
912827-6T-4	U.S. TREASURY NOTE 5.000 02 2011	02/06/2002	HSBC SECURITIES IN		503,605	500,000	483,359	484,273	137			19,332	19,332	11,956		1PE
0399999.	Total - Bonds - U.S. Government				503,605	500,000	483,359	484,273	137	0	0	19,332	19,332	11,956	0	XXX
Bonds - States, Territories and Possessions																
Utah																
917542-JQ-6	UTAH STATE G.O. 4.500 07 2004	03/08/2002	J.P. MORGAN		3,127,920	3,000,000	3,129,030	3,107,973	(9,059)			19,947	19,947	105,750		1PE
	Utah				3,127,920	3,000,000	3,129,030	3,107,973	(9,059)	0	0	19,947	19,947	105,750	0	XXX
	United States				3,127,920	3,000,000	3,129,030	3,107,973	(9,059)	0	0	19,947	19,947	105,750	0	XXX
1799999.	Total - Bonds - States, Territories & Possessions				3,127,920	3,000,000	3,129,030	3,107,973	(9,059)	0	0	19,947	19,947	105,750	0	XXX
Bonds - Special Revenue and Special Assessment																
Connecticut																
207757-U9-4	CONN ST SPL TAX OBLIG R 5.000 10 2006	01/15/2002	GOLDMAN SACHS		8,620,080	8,000,000	8,634,080	8,602,270	(5,595)			17,811	17,811	136,666		1PE
	Connecticut				8,620,080	8,000,000	8,634,080	8,602,270	(5,595)	0	0	17,811	17,811	136,666	0	XXX
Georgia																
190828-KQ-5	COBB CNTY GA WATER AND 7.500 01 2002	01/01/2002	MATURED		200,000	200,000	166,544	200,000					0	7,500		1
	Georgia				200,000	200,000	166,544	200,000	0	0	0	0	0	7,500	0	XXX
Nebraska																
63967C-GU-0	NEBRASKA HOUSING SERIES 5.300 09 2016	03/01/2002	CALLED AT 100		370,000	370,000	370,000	370,000					0	9,805		1PE
63967C-UX-8	NEBRASKA HOUSING SERIES 5.100 09 2025	03/01/2002	CALLED AT 100		265,000	265,000	265,000	265,000					0	6,757		1PE
	Nebraska				635,000	635,000	635,000	635,000	0	0	0	0	0	16,562	0	XXX
Utah																
91755N-UC-7	UTAH ST HSG FIN AGY SER 5.800 07 2030	01/01/2002	CALLED AT 100		140,000	140,000	140,000	140,000					0	4,060		1PE
	Utah				140,000	140,000	140,000	140,000	0	0	0	0	0	4,060	0	XXX
	United States				9,595,080	8,975,000	9,575,624	9,577,270	(5,595)	0	0	17,811	17,811	164,788	0	XXX
3199999.	Total - Bonds - Special Revenue & Assessment				9,595,080	8,975,000	9,575,624	9,577,270	(5,595)	0	0	17,811	17,811	164,788	0	XXX
Bonds - Industrial and Miscellaneous																
United States																
124833-AL-8	CBM FUNDING CORP 1996-1 6.880 06 2002	03/01/2002	SCHEDULED REPAYMEN		354,754	354,754	356,860	354,754	(78)				0	4,076		1
20046P-AG-3	COMM 2000-C1 X 0.775 01 2024	03/01/2002	SCHEDULED REPAYMEN				4,015		1,152				0	596		1
21724P-AH-8	COPELCO CAPITAL FUNDING 7.870 05 2006	03/18/2002	SCHEDULED REPAYMEN		895,820	895,820	895,724	895,820	(81)				0	11,733		2PE
31359M-LZ-4	FANNIE MAE 5.000 01 2007	03/22/2002	GOLDMAN SACHS		43,462,870	43,900,000	43,957,540	43,955,902	(1,763)			(493,032)	(493,032)	545,097		1PE
33641N-BM-6	FIRST SIERRA 2000-2 C 8.200 11 2006	03/18/2002	SCHEDULED REPAYMEN		525,942	525,942	525,932	525,942	1				0	6,479		2PE
339083-AE-7	FLEETWOOD 97-A A 6.640 09 2012	03/01/2002	SCHEDULED REPAYMEN		49,861	49,861	49,836	49,861	3				0	584		1PE
393505-QX-3	GREENTREE MHSG 1996-9 A 7.200 01 2028.	03/15/2002	SCHEDULED REPAYMEN		343,981	343,981	351,846	343,981	(992)				0	4,088		1PE
52108H-BZ-6	LB-UBS COMMERCIAL MRTG 0.993 06 2020	03/11/2002	SCHEDULED REPAYMEN				2,041		(267)				0	293		1PE
617445-EC-1	MSCI 1996-WF1 A-2 7.218 01 2006	03/01/2002	SCHEDULED REPAYMEN		757,583	757,583	768,151	757,583	(809)				0	12,818		1
62827G-AA-3	MUTUAL FUND FEE TRUST X 6.440 12 2009	03/30/2002	SCHEDULED REPAYMEN		261,192	261,192	261,192	261,192					0	1,385		1PE
63859C-AS-2	NLFC 1998-1 X2 1.422 03 2008	03/01/2002	SCHEDULED REPAYMEN				10,930		(2,139)				0	700		1
65535V-AA-6	NOMURA ASSET ACCEPTANCE 7.000 02 2030	03/01/2002	SCHEDULED REPAYMEN		132,610	132,610	132,917	132,610	35				0	1,545		1PE
69348H-CR-7	PNC MORTGAGE ACCEPT COR 1.171 10 2033	03/01/2002	SCHEDULED REPAYMEN				2,949		(479)				0	363		1
84603W-AA-2	SOVEREIGN BANK 10.200 06 2005	01/30/2002	SCHEDULED REPAYMEN		86,699	86,699	88,445	86,699	(132)				0	4,421		2
	United States				46,871,312	47,308,442	47,408,378	47,364,344	(5,549)	0	0	(493,032)	(493,032)	594,178	0	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				46,871,312	47,308,442	47,408,378	47,364,344	(5,549)	0	0	(493,032)	(493,032)	594,178	0	XXX
6099997.	Total - Bonds - Part 4				60,097,917	59,783,442	60,596,391	60,533,860	(20,066)	0	0	(435,942)	(435,942)	876,672	0	XXX
6099999.	Total - Bonds				60,097,917	59,783,442	60,596,391	60,533,860	(20,066)	0	0	(435,942)	(435,942)	876,672	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				60,097,917	XXX	60,596,391	60,533,860	(20,066)	0	0	(435,942)	(435,942)	876,672	0	XXX

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

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	Book Balance at End of Each Month During Current Quarter			8
					5	6	7	
Depository		Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
BRANCH BANK AND TRUST	WILSON, NC	3.590	1,792		99,000	99,000	99,000	
CASH EQUIVALENTS:								
ABN AMRO BK CHIC	CHICAGO, IL	VAR	1,765					
BANQ NAT PAR CI	NEW YORK, NY	VAR	10,845		38,285,000			
DRESDNER BANK CI	NEW YORK, NY	VAR	1,854					
SVENSKA HNDL CI	NEW YORK, NY	VAR	13,034			43,705,250		
CITICORP	NEW YORK, NY	VAR					22,500,000	
IBM CORP	NEW YORK, NY	VAR					17,900,000	
0199999. Total Open Depositories		XXX	29,289	0	38,384,000	43,804,250	40,499,000	XXX
0399999. Total Cash on Deposit		XXX	29,289	0	38,384,000	43,804,250	40,499,000	XXX
0599999. Total Cash		XXX	29,289	0	38,384,000	43,804,250	40,499,000	XXX

Supplement A to Sch. T
NONE

Supplement A to Sch. T
NONE

Supplement A to Sch. T
NONE

Supplement A to Sch. T
NONE

Supplement A to Sch. T
NONE

Overflow Page
NONE

Overflow Page for Write-Ins