



**QUARTERLY STATEMENT**

AS OF JUNE 30, 2002

OF THE CONDITION AND AFFAIRS OF THE

**Excess Share Insurance Corporation**

NAIC Group Code 0359 0359 NAIC Company Code 10003 Employer's ID Number 31-1383517  
(Current Period) (Prior Period)

Organized under the Laws of OH, State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated August 17, 1993 Commenced Business December 22, 1993

Statutory Home Office 5656 Frantz Road, Dublin, Ohio 43017  
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 5656 Frantz Road, Dublin, Ohio 43017 614-764-1900  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 5656 Frantz Road, Dublin, Ohio 43017  
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 5656 Frantz Road, Dublin, Ohio 43017  
(Street and Number, City or Town, State and Zip Code)  
614-764-1900  
(Area Code) (Telephone Number)

Internet Website Address www.excessshare.com

Statement Contact Curtis Lee Robson 614-764-1900 -133  
(Name) (Area Code) (Telephone Number) (Extension)  
crobson@americanshare.com 614-764-1493  
(E-Mail Address) (Fax Number)

Policyowner Relations Contact \_\_\_\_\_  
(Street and Number, City or Town, State and Zip Code)  
(Area Code) (Telephone Number) (Extension)

**OFFICERS**

President ..... Dennis Roy Adams  
 Secretary ..... Gerald Duane Welsh  
 Treasurer ..... Curtis Lee Robson

**VICE PRESIDENTS**

**DIRECTORS OR TRUSTEES**

Dennis Roy Adams  
 Gerald Duane Welsh

Bruce Allen Ingraham  
 Marjorie Ann Harden

Paul Gregory Simons

State of Ohio SS  
 County of Franklin

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.

\_\_\_\_\_  
 Dennis Roy Adams  
 President

\_\_\_\_\_  
 Gerald Duane Welsh  
 Secretary

\_\_\_\_\_  
 Curtis Lee Robson  
 Treasurer

Subscribed and sworn to before me this  
 day of July, 2002

**ASSETS**

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2 )	
1. Bonds .....	19,957,998		19,957,998	18,724,303
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ .....				
encumbrances) .....				
4.2 Properties held for the production of income (less \$ .....				
encumbrances) .....				
4.3 Properties held for sale (less \$ .....				
encumbrances) .....				
5. Cash (\$ ..... 5,708,119 ) and short-term investments (\$ ..... 1,597,404 ) .....	7,305,523		7,305,523	6,164,957
6. Other invested assets .....				
7. Receivable for securities .....				
8. Aggregate write-ins for invested assets .....				
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	27,263,521		27,263,521	24,889,260
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) .....				
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 .....				
15. Federal and foreign income tax recoverable and interest thereon (including \$ ..... 244,000 net deferred tax asset) .....	244,000	244,000		
16. Guaranty funds receivable or on deposit .....				
17. Electronic data processing equipment and software .....				
18. Interest, dividends and real estate income due and accrued .....	251,627		251,627	226,147
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 .....				
25. Aggregate write-ins for other than invested assets .....	368,960		368,960	347,469
26. Total assets excluding protected cell assets (Lines 9 through 25) .....	28,128,108	244,000	27,884,108	25,462,876
27. Protected cell assets .....				
28. TOTALS (Lines 26 and 27) .....	28,128,108	244,000	27,884,108	25,462,876
DETAILS OF WRITE-INS				
0801. ....				
0802. ....				
0803. ....				
0898. Summary of remaining write-ins for Line 8 from overflow page .....				
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above) .....				
2501. Insurance Premiums Receivable .....	368,960		368,960	319,745
2502. Reinsurance Premium Refund Receivable .....				27,724
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	368,960		368,960	347,469

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....)	718,000	703,000
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses		
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	7,053	11,477
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7. Federal and foreign income taxes, including \$ ..... on realized capital gains (losses) (including \$ ..... net deferred tax liability)	1,858	22,900
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ .....) .....		
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	418,359	82,957
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	17,847,500	16,185,000
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	18,992,770	17,005,334
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	18,992,770	17,005,334
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	2,500,000	2,500,000
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	4,200,000	4,200,000
33. Unassigned funds (surplus)	2,191,338	1,757,542
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)	8,891,338	8,457,542
36. TOTALS	27,884,108	25,462,876
DETAILS OF WRITE-INS		
2301. Premium Deposits Payable	17,812,500	16,165,000
2302. Premium Deposit Refunds Due	35,000	20,000
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	17,847,500	16,185,000
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)		

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 814,049 )	814,049	591,429	1,307,133
1.2 Assumed (written \$ )			
1.3 Ceded (written \$ 149,079 )	149,079	137,006	249,515
1.4 Net (written \$ 664,970 )	664,970	454,423	1,057,618
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ ):			
2.1 Direct	15,000	15,000	30,000
2.2 Assumed			
2.3 Ceded			
2.4 Net	15,000	15,000	30,000
3. Loss expenses incurred			
4. Other underwriting expenses incurred	616,630	485,225	949,729
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	631,630	500,225	979,729
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	33,340	(45,802)	77,889
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	629,364	574,423	1,181,839
10. Net realized capital gains (losses)			
11. Net investment gain (loss) (Lines 9 plus 10)	629,364	574,423	1,181,839
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ )			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	2,092	6,383	11,413
15. Total other income (Lines 12 through 14)	2,092	6,383	11,413
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 plus 11 plus 15)	664,796	535,004	1,271,141
17. Dividends to policyholders			
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	664,796	535,004	1,271,141
19. Federal and foreign income taxes incurred	226,000	181,900	432,200
20. Net income (Line 18 minus Line 19) (to Line 22)	438,796	353,104	838,941
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	8,457,542	6,128,657	6,128,657
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20)	438,796	353,104	838,941
23. Net unrealized capital gains or losses			
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax		228,800	228,800
26. Change in nonadmitted assets	(5,000)	(232,884)	(238,856)
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			
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		1,500,000	1,500,000
32.2 Transferred to capital (Stock Dividend)			
32.3 Transferred from capital			
33. Net remittances from or (to) Home Office			
34. Dividends to stockholders			
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus			
37. Change in surplus as regards policyholders (Lines 22 through 36)	433,796	1,849,020	2,328,885
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	8,891,338	7,977,677	8,457,542
<b>DETAILS OF WRITE-INS</b>			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)			
1401. Miscellaneous Income	2,092	6,383	11,413
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	2,092	6,383	11,413
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page			
3699. TOTALS (Lines 3601 through 3603 plus 3698) (Line 36 above)			

**CASH FLOW**

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance .....	615,755	892,961
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....		
3. Underwriting expenses paid .....	621,054	960,650
4. Other underwriting income (expenses) .....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	(5,299)	(67,689)
6. Net investment income .....	608,158	1,173,503
7. Other income (expenses):		
7.1 Agents' balances charged off .....		
7.2 Net funds held under reinsurance treaties .....		
7.3 Net amount withheld or retained for account of others .....		
7.4 Aggregate write-ins for miscellaneous items .....	2,092	11,413
7.5 Total other income (Lines 7.1 to 7.4) .....	2,092	11,413
8. Dividends to policyholders on direct business, less \$ ..... dividends on reinsurance assumed or ceded (net) .....		
9. Federal and foreign income taxes (paid) recovered .....	(252,042)	(420,000)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	352,909	697,227
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....	1,750,000	5,650,000
11.2 Stocks .....		
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) .....	1,750,000	5,650,000
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....	2,987,969	9,554,551
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) .....	2,987,969	9,554,551
13. Net cash from investments (Line 11.8 minus Line 12.7) .....	(1,237,969)	(3,904,551)
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in .....		1,500,000
14.2 Capital notes \$ ..... less amounts repaid \$ .....		
14.3 Net transfers from affiliates .....	335,402	124,463
14.4 Borrowed funds received .....		
14.5 Other cash provided .....	1,690,224	3,922,644
14.6 Total (Lines 14.1 to 14.5) .....	2,025,626	5,547,107
15. Cash applied:		
15.1 Dividends to stockholders paid .....		
15.2 Net transfers to affiliates .....		
15.3 Borrowed funds repaid .....		
15.4 Other applications .....		40,372
15.5 Total (Lines 15.1 to 15.4) .....		40,372
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	2,025,626	5,506,735
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16) .....	1,140,566	2,299,411
18. Cash and short-term investments:		
18.1 Beginning of year .....	6,164,957	3,865,546
18.2 End of period (Line 17 plus Line 18.1) .....	7,305,523	6,164,957
DETAILS OF WRITE-INS		
7.401 Miscellaneous Income .....	2,092	11,413
7.402 .....		
7.403 .....		
7.498 Summary of remaining write-ins for Line 7.4 from overflow page .....		
7.499 Totals (Lines 7.401 through 7.403 plus 7.498) (Line 7.4 above) .....	2,092	11,413

**NOTES TO FINANCIAL STATEMENTS**

## 1. Income Taxes

- A. The components of the net deferred tax asset/(liability) at June 30, 2002 and December 31, 2001 are as follows:

	<u>06/30/02</u>	<u>12/31/01</u>
1. Total of all deferred tax assets	\$244,000	\$239,000
2. Total of all deferred tax liabilities	0	0
3. Total deferred tax assets non-admitted	\$244,000	\$239,000
4. Increase (decrease) in deferred tax assets non-admitted	\$ 5,000	\$ 10,200

- B. Does not apply.

- C. Federal income taxes incurred consist of the following major components:

	<u>06/30/02</u>	<u>12/31/01</u>
Current Federal Income Taxes	\$226,000	\$442,400
Deferred Federal Income Taxes	0	(10,200)
Federal Income Taxes Incurred	<u>\$226,000</u>	<u>\$432,200</u>

- D. The company's effective Federal income tax rate in 2002 and 2001 approximates the 34% statutory rate in effect.
- E. Federal income taxes incurred and available for recoupment in the event of future operating losses were \$226,000 for 2002, \$442,400 for 2001 and \$180,100 for 2000.
- F. The Company files a federal income tax return separate from that of its parent, American Mutual Share Insurance Corporation.

2. There have been no events subsequent to year-end 2001 which have a material impact on the financial statements as of June 30, 2002.

### 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 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) 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). 04/15/1999
- 7.4 By what department or departments?  
 Ohio Department of Insurance  
 .....
- 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)**

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

INVESTMENT

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

9.2 If yes, explain

.....  
 .....

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

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

.....  
 .....

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

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

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

13.2 If yes, please complete the following:

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

14.1 Does the reporting entity have any hedging transactions reported on schedule DB? Yes ( ) No (X)

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

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
Bank One Trust .....	100 E. Broad St., Columbus, OH 43271-8192 .....
National City Trust .....	155 E. Broad St., Columbus, OH 43251 .....
.....	.....

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)
NONE .....	.....	.....
.....	.....	.....
.....	.....	.....

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
N/A .....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

15.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/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
NONE .....	.....	.....
.....	.....	.....
.....	.....	.....

**GENERAL INTERROGATORIES**

(continued)

**PART 2  
PROPERTY AND CASUALTY INTERROGATORIES**

- 1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes ( ) No ( ) N/A (X)  
If yes, attach an explanation.
  
- 2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes ( ) No (X)  
If yes, attach an explanation.
  
- 3.1 Have any of the reporting entity's primary reinsurance contracts been cancelled? 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 Discount Schedule.

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Schedule A, Verification  
**NONE**

Schedule B, Verification  
**NONE**

Schedule BA, Verification  
**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	2	3	4	5	6	7	8
	Statement Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Statement Value End of First Quarter	Statement Value End of Second Quarter	Statement Value End of Third Quarter	Statement Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 .....	20,460,309	500,000	1,000,000	(2,311)	20,460,309	19,957,998		18,724,303
2. Class 2 .....								
3. Class 3 .....								
4. Class 4 .....								
5. Class 5 .....								
6. Class 6 .....								
7. Total Bonds .....	20,460,309	500,000	1,000,000	(2,311)	20,460,309	19,957,998		18,724,303
<b>PREFERRED STOCK</b>								
8. Class 1 .....								
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds and Preferred Stock .....	20,460,309	500,000	1,000,000	(2,311)	20,460,309	19,957,998		18,724,303

**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 .....	1,597,404	X X X	1,597,404	3,886	

**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 .....	2,237,366	707,818		640,874
2. Cost of short-term investments acquired .....	959,368	1,389,586		12,170,671
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 .....	2,488,917	500,000		10,574,179
7. Book / adjusted carrying value, current period .....	707,817	1,597,404		2,237,366
8. Total valuation allowance .....				
9. Subtotal (Line 7 plus Line 8) .....	707,817	1,597,404		2,237,366
10. Total nonadmitted amounts .....				
11. Statement value (Line 9 minus Line 10) .....	707,817	1,597,404		2,237,366
12. Income collected during period .....	9,427	3,886		56,858
13. Income earned during period .....	8,204	3,894		57,033

**Page 13**

Sch. DB, Pt. F, Sn. 1, Summary Replicated (Syn.) Assets Open  
**NONE**

**Page 14**

Sch. DB, Pt. F, Sn. 2, Reconciliation Replicated (Syn.) Assets  
**NONE**

**Page 15**

Schedule F - Ceded Reinsurance  
**NONE**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

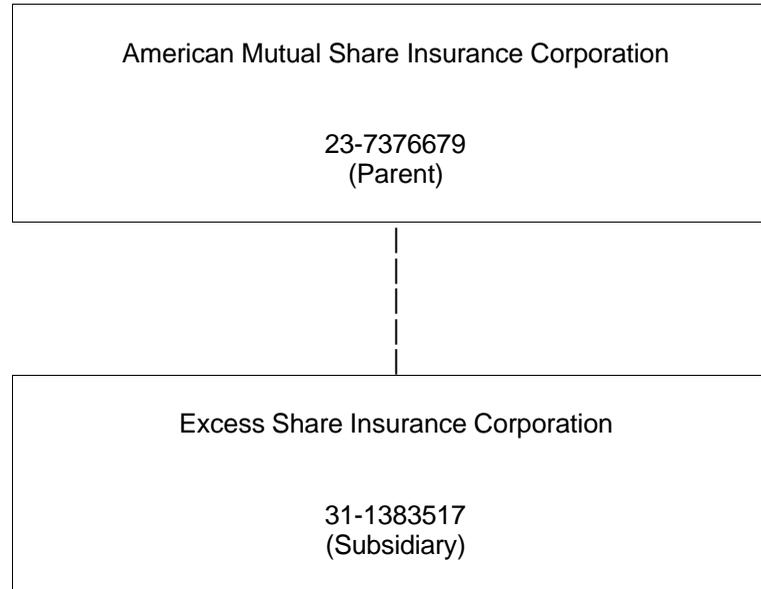
States, etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	No					
2. Alaska	AK	No					
3. Arizona	AZ	No					
4. Arkansas	AR	Yes	4,157	3,657			
5. California	CA	No					
6. Colorado	CO	Yes					
7. Connecticut	CT	No					
8. Delaware	DE	Yes	6,060				
9. District of Columbia	DC	Yes	4,936	2,877			
10. Florida	FL	Yes	34,760	26,347			
11. Georgia	GA	Yes	3,501	408			
12. Hawaii	HI	Yes					
13. Idaho	ID	Yes	10,921	9,939			
14. Illinois	IL	Yes	67,970	50,295			
15. Indiana	IN	Yes	122,923	102,889			
16. Iowa	IA	No					
17. Kansas	KS	No					
18. Kentucky	KY	Yes	13,989	11,068			
19. Louisiana	LA	No					
20. Maine	ME	Yes	3,895				
21. Maryland	MD	Yes	61,958	43,007			
22. Massachusetts	MA	No					
23. Michigan	MI	Yes					
24. Minnesota	MN	Yes	41,743	27,912			
25. Mississippi	MS	No					
26. Missouri	MO	Yes	44,113	35,848			
27. Montana	MT	No					
28. Nebraska	NE	No					
29. Nevada	NV	Yes	73,811	44,218			
30. New Hampshire	NH	No					
31. New Jersey	NJ	Yes	1,070				
32. New Mexico	NM	No					
33. New York	NY	No					
34. North Carolina	NC	Yes					
35. North Dakota	ND	No					
36. Ohio	OH	Yes	100,641	80,211			
37. Oklahoma	OK	Yes	36,581				
38. Oregon	OR	Yes	9,146	9,824			
39. Pennsylvania	PA	Yes	16,723	20,530			
40. Rhode Island	RI	No					
41. South Carolina	SC	Yes					
42. South Dakota	SD	No					
43. Tennessee	TN	Yes	3,108	540			
44. Texas	TX	Yes	84,832	65,998			
45. Utah	UT	Yes	1,238	903			
46. Vermont	VT	No					
47. Virginia	VA	No					
48. Washington	WA	Yes	65,973	54,958			
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 Alien	OT	X X X				718,000	688,000
58. Totals	(a) 28		814,049	591,429		718,000	688,000
<b>DETAILS OF WRITE-INS</b>							
5701. Unassigned	X X X					718,000	688,000
5702.	X X X						
5703.	X X X						
5798. Summary of remaining write-ins for Line 57 from overflow page	X X X						
5799. TOTALS (Lines 5701 through 5703 plus Line 5798)(Line 57 above)	X X X					718,000	688,000

(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**

---



**PART 1 - LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	Prior Year to Date Direct Loss Percentage
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical malpractice-occurrence				
11.2 Medical malpractice-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence				
17.2 Other liability-claims made				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X	X X X
31. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X	X X X
33. Aggregate write-ins for other lines of business	814,049	15,000	1.8	2.5
34. TOTALS	814,049	15,000	1.8	2.5
DETAILS OF WRITE-INS				
3301. Guaranty of Share Deposits in Credit Unions	814,049	15,000	1.8	2.5
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Lines 3301 through 3303 plus Line 3398) (Line 33)	814,049	15,000	1.8	2.5

**PART 2 - DIRECT PREMIUMS WRITTEN**

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical malpractice-occurrence			
11.2 Medical malpractice-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence			
17.2 Other liability-claims made			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X
31. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X
33. Aggregate write-ins for other lines of business	412,070	814,049	312,162
34. TOTALS	412,070	814,049	312,162
DETAILS OF WRITE-INS			
3301. Guaranty of Share Deposits in Credit Unions	412,070	814,049	312,162
3302.			
3303.			
3398. Summary of remaining write-ins for Line 33 from overflow page			
3399. Totals (Lines 3301 through 3303 plus Line 3398) (Line 33)	412,070	814,049	312,162

**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 plus 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 plus 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 plus 8 plus 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 plus 7 minus Col. 1)	Prior-Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 plus 8 plus 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency(c) (Cols. 11 plus 12)
1. 1999 + Prior	.....	..... 643	..... 643	.....	.....	.....	.....	.....	..... 643	..... 643	.....	.....	.....
2. 2000	.....	..... 30	..... 30	.....	.....	.....	.....	.....	..... 30	..... 30	.....	.....	.....
3. Subtotals 2000 + prior	.....	..... 673	..... 673	.....	.....	.....	.....	.....	..... 673	..... 673	.....	.....	.....
4. 2001	.....	..... 30	..... 30	.....	.....	.....	.....	.....	..... 30	..... 30	.....	.....	.....
5. Subtotals 2001 + prior	.....	..... 703	..... 703	.....	.....	.....	.....	.....	..... 703	..... 703	.....	.....	.....
6. 2002	X X X	X X X	X X X	X X X	.....	.....	X X X	.....	..... 15	..... 15	X X X	X X X	X X X
7. Totals	.....	..... 703	..... 703	.....	.....	.....	.....	.....	..... 718	..... 718	.....	.....	.....
8. Prior Year-End's Surplus As Regards Policy-holders	..... 8,458	.....	.....	.....	.....	.....	.....	.....	.....	.....	Co1. 11, Line 7 As % of Col. 1 Line 7	Co1. 12, Line 7 As % of Col. 2 Line 7	Co1. 13, Line 7 As % of Col. 3 Line 7
											1. .... %	2. .... %	3. .... %
													Co1. 13, Line 7 Line 8
													4. .... %

(a) Should Equal Prior Year-End Annual Statement; Page 3, Column 1, Lines 1 plus 3  
 (b) Should Equal Quarterly Statement Page 3, Column 1, Lines 1 and 3  
 (c) Should Also Equal Columns 6 plus 10 less Column 3 for Lines A through E 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.

RESPONSES

1. Will the SVO Compliance Certification be filed with this statement?

Yes

EXPLANATION:

.....  
.....

BARCODE:

Document Identifier 470:

2. Will the Trusted Surplus Statement be filed with the state of domicile and the NAIC with this statement?

No

EXPLANATION:

.....  
.....

BARCODE:

2. Document Identifier 490:



3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?

No

EXPLANATION:

.....  
.....

BARCODE:

3. Document Identifier 450:



**Page E01**

Sch. A, Pt. 2, Real Estate Acquired

**NONE**

Sch. A, Pt. 3, Real Estate Sold

**NONE**

**Page E02**

Schedule B, Part 1, Mortgage Loans Acquired

**NONE**

Schedule B, Part 2, Mortgage Loans Sold

**NONE**

**Page E03**

Sch. BA, Pt. 1, Other Long-Term Invested Assets Acquired

**NONE**

Sch. BA, Pt. 2, Other Long-Term Invested Assets Sold

**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. Governments								
3133MM-UJ-0	FHLB BOND DTD 04-16-2002	04/16/2002	A. G. EDWARDS & SONS		500,000	500,000		1
0399999	Subtotal - Bonds - U.S. Governments				500,000	500,000		
6099997	Subtotal - Bonds - Part 3				500,000	500,000		
6099999	Subtotal - Bonds				500,000	500,000		
7299999	TOTALS				500,000			

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

**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 Identif- ication	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 Designa- tion (a)
Bonds - U.S. Governments																
3133MB-LG-7	FHLB PREASSIGN 00247 DTD 04-23-1999	04/25/2002	MATURED	250,000	250,000.00	250,000.00	242,535	250,000	1,176					6,563		1
31364G-M6-3	FNMA MED TERM NOTE DTD 05-03-1999	05/06/2002	CALLED @ 100	250,000	250,000.00	250,000.00	250,000	250,000						7,225		1
3133M4-BC-6	FHLB CONS BD DTD 05-15-1998	05/15/2002	MATURED	500,000	500,000.00	500,000.00	500,000	500,000						15,000		1
0399999	Subtotal - Bonds - U.S. Governments			1,000,000	1,000,000.00	1,000,000.00	992,535	1,000,000	1,176					28,788		
6099997	Subtotal - Bonds - Part 4			1,000,000	1,000,000.00	1,000,000.00	992,535	1,000,000	1,176					28,788		
6099999	Subtotal - Bonds			1,000,000	1,000,000.00	1,000,000.00	992,535	1,000,000	1,176					28,788		
7299999	TOTALS			1,000,000	1,000,000.00	1,000,000.00	992,535	1,000,000	1,176					28,788		

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

**Page E06**

Schedule DB, Part A, Section 1

**NONE**

Schedule DB, Part B, Section 1

**NONE**

**Page E07**

Schedule DB, Part C, Section 1

**NONE**

Schedule DB, Part D, Section 1

**NONE**

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository		2	3	4	Book Balance at End of Each Month During Current Quarter			8 *
					5	6	7	
Name	Location and Supplemental Information	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								
Corporate Savings Account	Bank One, NA; Columbus, Ohio	2.087	14,382		2,016,463	2,391,792	2,502,749	..
Corporate Checking Account	Bank One, NA; Columbus, Ohio	1.280	1,767	659	646,021	682,361	605,370	..
Certificate of Deposit 0880051290771	Bank One, NA; Columbus, Ohio	1.440		458	50,000	50,000	50,000	..
Certificate of Deposit 0880063016731	Bank One, NA; Oklahoma	1.980	2,719	244	300,000	300,000	300,000	..
Certificate of Deposit 0920068937214	Bank One, NA; Columbus, Ohio	2.810	3,545	1,030	500,000	500,000	500,000	..
Certificate of Deposit 140506967	Regions Bank; Arkansas	2.080	495	54	50,000	50,000	50,000	..
Certificate of Deposit 140506968	Regions Bank; Arkansas	2.080	495	54	50,000	50,000	50,000	..
Certificate of Deposit 1804293	Bank One, NA; Columbus, Ohio	5.260	332	20	25,000	25,000	25,000	..
Certificate of Deposit 2897601322	National City Bank; Columbus, Ohio	1.800		1,036	100,000	100,000	100,000	..
Certificate of Deposit 376000669	Wachovia Trust; North Carolina	2.000		329	25,000	25,000	25,000	..
Certificate of Deposit 747645	First Union Bank; Florida	3.720	4,688	1,070	500,000	500,000	500,000	..
Certificate of Deposit 8937198	Bank One, NA; Columbus, Ohio	4.210	5,315	1,576	500,000	500,000	500,000	..
Certificate of Deposit 8937230	Bank One, NA; Columbus, Ohio	4.020	5,075	1,506	500,000	500,000	500,000	..
0199999	TOTAL - Open Depositories		38,813	8,037	5,262,485	5,674,153	5,708,119	..
0399999	TOTAL Cash on Deposit		38,813	8,037	5,262,485	5,674,153	5,708,119	..
0599999	TOTALS		38,813	8,037	5,262,485	5,674,153	5,708,119	..