



# QUARTERLY STATEMENT

As of June 30, 2002  
of the Condition and Affairs of the

## PROGRESSIVE HAWAII INSURANCE CORP.

NAIC Group Code..... 155, 155 (Current Period) (Prior Period)	NAIC Company Code..... 10067	Employer's ID Number..... 99-0311930
Organized under the Laws of OHIO	Country of Domicile US	State of Domicile or Port of Entry OHIO
Incorporated..... May 4, 1994		Commenced Business..... July 15, 1994
Statutory Home Office	6300 WILSON MILLS ROAD, W33 ..... MAYFIELD VILLAGE ..... OH ..... 44143 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	6300 WILSON MILLS ROAD, W33 ..... MAYFIELD VILLAGE ..... OH ..... 44143-2182 440-461-5000 <i>(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)</i>	
Mail Address	6300 WILSON MILLS ROAD, W33 ..... MAYFIELD VILLAGE ..... OH ..... 44143-2182 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33 ..... MAYFIELD VILLAGE ..... OH ..... 44143 440-461-5000 <i>(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)</i>	
Internet Website Address	PROGRESSIVE.COM	
Statement Contact	ROBERT WILLIAM HEIN <i>(Name)</i>	440-395-4460 <i>(Area Code) (Telephone Number) (Extension)</i>
	Financial_Reporting@Progressive.com <i>(E-Mail Address)</i>	440-446-7168 <i>(Fax Number)</i>
Policyowner Relations Contact	6300 WILSON MILLS ROAD, E61 ..... MAYFIELD VILLAGE ..... OH ..... 44143-2182 <i>(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)</i>	

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

#### OFFICERS

President ..... ROBERT THOMAS WILLIAMS, Jr.      Treasurer ..... STEPHEN DAVID PETERSON      Secretary ..... DANE ALLEN SHRALLOW

#### VICE PRESIDENTS

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

#### DIRECTORS OR TRUSTEES

WILLIAM THOMAS FORRESTER, II	CHARLES ELWOOD JARRETT	THOMAS ALFRED KING	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) ROBERT THOMAS WILLIAMS, Jr. (Printed Name) President	(Signature) KATHLEEN MARY CERNY (Printed Name) Assistant Secretary	(Signature) JAMES LEE KUSMER (Printed Name) VP/ Assistant Treasurer
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Subscribed and sworn to before me this

.....day of August, 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.....	24,868,942		24,868,942	18,456,673
2. Stocks:				
2.1 Preferred stocks.....			0	
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 (\$.....2,299,895) and short-term investments (\$.....0).....	2,299,895		2,299,895	
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).....	27,168,837	0	27,168,837	18,456,673
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection.....	432,345	131,343	301,002	298,549
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	6,239,108		6,239,108	5,635,201
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.....	3,117		3,117	895
15. Federal and foreign income tax recoverable and interest thereon (including \$.....1,265,197 net deferred tax asset).....	1,402,436	137,239	1,265,197	1,108,226
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.....	378,057		378,057	272,087
19. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....	2,548,149		2,548,149	6,244,240
21. Amounts due from/to protected cells.....			0	
22. Equities and deposits in pools and associations.....	167,312		167,312	181,865
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.....	157,724	918	156,806	0
26. Total assets excluding protected cell assets (Lines 9 through 25).....	38,497,085	269,500	38,227,585	32,197,736
27. Protected cell assets.....			0	
28. TOTALS (Lines 26 and 27).....	38,497,085	269,500	38,227,585	32,197,736

**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. NET PREMIUM TAX DEPOSITS.....	156,806		156,806	
2502. MISCELLANEOUS OTHER ASSETS.....	918	918	0	
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).....	157,724	918	156,806	0

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....4,708,000).....	9,289,292	6,882,327
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	1,871,414	1,435,984
4. Commissions payable, contingent commissions and other similar charges.....	42,162	40,820
5. Other expenses (excluding taxes, licenses and fees).....	78,284	79,245
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	75,393	88,137
7. Federal and foreign income taxes (including \$.....0 on realized capital gains (losses) (including \$.....0 net deferred tax liability).....	0	
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$....4,502 and including warranty reserves of \$.....0).....	12,753,974	10,633,328
10. Advance premium.....	647,811	447,266
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	35,986	29,253
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	1,633	2,012
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.....	1,322,421	1,329,764
19. Payable to parent, subsidiaries and affiliates.....	332,826	
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.....	10,325	992
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	26,461,521	20,969,128
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	26,461,521	20,969,128
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	1,500,000	1,500,000
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.....	6,500,000	6,500,000
33. Unassigned funds (surplus).....	3,766,064	3,228,608
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).....	11,766,064	11,228,608
36. TOTALS.....	38,227,585	32,197,736

### DETAILS OF WRITE-INS

2301. ESCHEATABLE PROPERTY.....	10,325	992
2302. ....		
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	10,325	992
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
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$.....20,481,790).....	18,359,556	13,099,458	28,301,379
1.2 Assumed..... (written \$.....0).....			
1.3 Ceded..... (written \$.....191,446).....	189,858	96,746	291,923
1.4 Net..... (written \$.....20,290,344).....	18,169,698	13,002,712	28,009,456
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....10,957,000):			
2.1 Direct.....	11,141,587	6,932,829	15,354,299
2.2 Assumed.....			
2.3 Ceded.....	12,866	8,635	13,052
2.4 Net.....	11,128,721	6,924,194	15,341,247
3. Loss expenses incurred.....	2,475,268	1,865,067	3,947,664
4. Other underwriting expenses incurred.....	5,092,527	4,094,817	8,568,992
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	18,696,516	12,884,078	27,857,903
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(526,818)	118,634	151,553
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	562,696	526,822	1,055,512
10. Net realized capital gains (losses).....	23,170	50,037	220,675
11. Net investment gain (loss) (Lines 9 + 10).....	585,866	576,859	1,276,187
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....10,235 amount charged off \$.....204,020).....	(193,785)	(93,335)	(273,618)
13. Finance and service charges not included in premiums.....	581,309	448,185	925,938
14. Aggregate write-ins for miscellaneous income.....	33,782	54,837	78,464
15. Total other income (Lines 12 through 14).....	421,306	409,687	730,784
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	480,354	1,105,180	2,158,524
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17).....	480,354	1,105,180	2,158,524
19. Federal and foreign income taxes incurred.....	332,826	356,038	719,190
20. Net income (Line 18 minus Line 19) (to Line 22).....	147,528	749,142	1,439,334
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 previous year.....	11,228,608	7,255,949	7,255,949
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20).....	147,528	749,142	1,439,334
23. Net unrealized capital gains or losses.....			
24. Change in net unrealized foreign exchange capital gain (loss).....			
25. Change in net deferred income taxes.....	174,082	120,108	165,569
26. Change in nonadmitted assets.....	215,846	59,365	62,989
27. Change in provision for reinsurance.....			
28. Change in surplus notes.....			
29. Surplus (contributed to) withdrawn from protected cells.....			
30. Cumulative effect of changes in accounting principles.....		2,304,767	2,304,767
31. Capital changes:			
31.1 Paid in.....			
31.2 Transferred from surplus (Stock Dividend).....			
31.3 Transferred to surplus.....			
32. Surplus adjustments:			
32.1 Paid in.....			
32.2 Transferred to capital (Stock Dividend).....			
32.3 Transferred from capital.....			
33. Net remittances from or (to) Home Office.....			
34. Dividends to stockholders.....			
35. Change in treasury stock.....			
36. Aggregate write-ins for gains and losses in surplus.....	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36).....	537,456	3,233,382	3,972,659
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37).....	11,766,064	10,489,331	11,228,608

### 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.....	31,981	60,236	84,059
1402. MISCELLANEOUS OTHER INCOME (EXPENSE).....	1,801	(5,399)	(5,595)
1403. ....			
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).....	33,782	54,837	78,464
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
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	19,680,124	28,877,242
2. Loss and loss adjustment expenses paid (net of salvage and subrogation).....	10,771,159	17,514,164
3. Underwriting expenses paid.....	5,104,890	8,473,008
4. Other underwriting income (expenses).....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	3,804,076	2,890,070
6. Net investment income.....	516,094	1,121,596
7. Other income (expenses):		
7.1 Agents' balances charged off.....	(199,057)	(272,385)
7.2 Net funds held under reinsurance treaties.....		
7.3 Net amount withheld or retained for account of others.....	(379)	239
7.4 Aggregate write-ins for miscellaneous items.....	629,644	1,042,797
7.5 Total other income (Lines 7.1 to 7.4).....	430,208	770,651
8. Dividends to policyholders on direct business, less \$.....0 dividends on reinsurance assumed or ceded (net).....		
9. Federal and foreign income taxes (paid) recovered.....	(332,826)	(719,190)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9).....	4,417,552	4,063,127
<b>CASH FROM INVESTMENTS</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds.....	3,603,389	13,927,414
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).....	3,603,389	13,927,414
12. Cost of investments acquired (long-term only):		
12.1 Bonds.....	10,051,857	13,557,299
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).....	10,051,857	13,557,299
13. Net cash from investments (Line 11.8 minus Line 12.7).....	(6,448,468)	370,115
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in.....		
14.2 Capital notes \$.....0 less amounts repaid \$.....0.....		
14.3 Net transfers from affiliates.....	4,028,917	
14.4 Borrowed funds received.....		
14.5 Other cash provided.....	301,894	202,003
14.6 Total (Lines 14.1 to 14.5).....	4,330,811	202,003
15. Cash applied:		
15.1 Dividends to stockholders paid.....		
15.2 Net transfers to affiliates.....		4,635,245
15.3 Borrowed funds repaid.....		
15.4 Other applications.....		
15.5 Total (Lines 15.1 to 15.4).....	0	4,635,245
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5).....	4,330,811	(4,433,242)
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16).....	2,299,895	0
18. Cash and short-term investments:		
18.1 Beginning of year.....	0	
18.2 End of period (Line 17 plus Line 18.1).....	2,299,895	0
<b>DETAILS OF WRITE-INS</b>		
07.401 FINANCE AND SERVICE CHARGES NOT INCLUDED IN PREMIUMS.....	581,309	925,938
07.402 INTEREST INCOME ON INTERCOMPANY BALANCES.....	31,981	84,059
07.403 EQUITIES AND DEPOSITS IN POOLS AND ASSOCIATIONS.....	14,553	38,395
07.498 Summary of remaining write-ins for Line 7.4 from overflow page.....	1,801	(5,595)
07.499 Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above).....	629,644	1,042,797

**NOTES TO FINANCIAL STATEMENTS**

## 9. Income Taxes

## A. Current Tax

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

Description	2002	2001
Current income tax expense	\$ 332,826	\$ 739,892
Prior year underaccrual (overaccrual)	--	(20,702)
Current income taxes incurred	\$ 332,826	\$ 719,190

## B. Operating Loss and Tax Credit Carryforwards

- 1) The Company has no operating loss or tax credit carryforwards available.
- 2) 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 \$332,826 for the current tax year and \$734,158 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.

## C. Consolidated Federal Income Tax Return

- 1) The Company's Federal income tax return is consolidated with The Progressive Corporation ("TPC"), a publicly traded holding company incorporated in Ohio, and all of its wholly-owned United States subsidiaries (the "Group") as detailed in Schedule Y, Part 1.
- 2) 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.

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

## A. Transfers of Receivables Reported as Sales

Not applicable

## B. Transfer 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. .....12/31/1995.....

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. .....12/31/1995.....

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). .....08/13/1997.....

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

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 STREET, 14TH FLOOR 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 [ ] N/A [X]  
 If yes, attach an explanation.

---

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

---

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
.....	.....	.....	.....	.....	.....	.....0	.....	.....	.....	.....0
<b>Total</b> .....	.....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	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.....	22,832,565	4,653,918	3,095,146	(31,467)	22,832,565	24,359,870		17,463,910
2. Class 2.....	993,932		485,073	213	993,932	509,072		992,763
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	23,826,497	4,653,918	3,580,219	(31,254)	23,826,497	24,868,942	0	18,456,673
<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.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	23,826,497	4,653,918	3,580,219	(31,254)	23,826,497	24,868,942	0	18,456,673

### SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 <b>NONE</b> Pe. Val.	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.....				24,285
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.....				24,285
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.....				27
13. Income earned during period.....				27

**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

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	NO						
5. California.....CA	NO						
6. Colorado.....CO	NO						
7. Connecticut.....CT	NO						
8. Delaware.....DE	NO						
9. District of Columbia.....DC	NO						
10. Florida.....FL	NO						
11. Georgia.....GA	NO						
12. Hawaii.....HI	YES	3,455,174	3,302,042	1,630,297	1,386,381	2,249,597	3,007,376
13. Idaho.....ID	NO						
14. Illinois.....IL	NO						
15. Indiana.....IN	NO						
16. Iowa.....IA	NO						
17. Kansas.....KS	NO						
18. Kentucky.....KY	NO						
19. Louisiana.....LA	NO						
20. Maine.....ME	NO						
21. Maryland.....MD	NO						
22. Massachusetts.....MA	NO						
23. Michigan.....MI	NO						
24. Minnesota.....MN	NO						
25. Mississippi.....MS	NO						
26. Missouri.....MO	NO						
27. Montana.....MT	NO						
28. Nebraska.....NE	NO						
29. Nevada.....NV	NO						
30. New Hampshire.....NH	NO						
31. New Jersey.....NJ	NO						
32. New Mexico.....NM	NO						
33. New York.....NY	NO						
34. North Carolina.....NC	NO						
35. North Dakota.....ND	NO						
36. Ohio.....OH	YES	3,708,939	199,457	804,019	18,053	816,955	17,192
37. Oklahoma.....OK	NO						
38. Oregon.....OR	NO						
39. Pennsylvania.....PA	NO						
40. Rhode Island.....RI	NO						
41. South Carolina.....SC	NO						
42. South Dakota.....SD	NO						
43. Tennessee.....TN	YES	13,317,677	9,857,047	6,298,632	4,953,326	6,226,707	3,438,005
44. Texas.....TX	NO						
45. Utah.....UT	NO						
46. Vermont.....VT	NO						
47. Virginia.....VA	NO						
48. Washington.....WA	NO						
49. West Virginia.....WV	NO						
50. Wisconsin.....WI	NO						
51. Wyoming.....WY	NO						
52. American Samoa.....AS	NO						
53. Guam.....GU	NO						
54. Puerto Rico.....PR	NO						
55. US Virgin Islands.....VI	NO						
56. Canada.....CN	NO						
57. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
58. Totals.....	(a).....3	20,481,790	13,358,546	8,732,948	6,357,760	9,293,259	6,462,573

**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

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**NONE**

**PART 1 - LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			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.....			0.0	
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.....			0.0	
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.....	11,296,557	7,311,993	64.7	50.4
19.3, 19.4 Commercial auto liability.....			0.0	
21. Auto physical damage.....	7,062,999	3,829,594	54.2	56.6
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.....	18,359,556	11,141,587	60.7	52.9
<b>DETAILS OF WRITE-INS</b>				
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**

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	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.....	6,456,873	12,778,039	7,984,185
19.3, 19.4 Commercial auto liability.....			
21. Auto physical damage.....	4,044,515	7,703,751	5,374,361
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.....	10,501,388	20,481,790	13,358,546
<b>DETAILS OF WRITE-INS</b>			
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**

	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)	2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2002 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (b)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserves Developed (Savings)/Deficiency (c)
1. 1999 + Prior	664	227	891	391	31	422	345	53	139	537	72	(4)	68
2. 2000	1,060	363	1,423	400	8	408	863	65	224	1,152	203	(66)	137
3. Subtotals 2000 + Prior	1,724	590	2,314	791	39	830	1,208	118	363	1,689	275	(70)	205
4. 2001	4,585	1,420	6,005	1,720	325	2,045	2,345	782	748	3,875	(520)	435	(85)
5. Subtotals 2001 + Prior	6,309	2,010	8,319	2,511	364	2,875	3,553	900	1,111	5,564	(245)	365	120
6. 2002	XXX	XXX	XXX	XXX	7,886	7,886	XXX	4,419	1,176	5,595	XXX	XXX	XXX
7. Totals	6,309	2,010	8,319	2,511	8,250	10,761	3,553	5,319	2,287	11,159	(245)	365	120
8. Prior Year-End's Surplus As Regards Policyholders	11,229										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. (3.9)%	2. 18.2 %	3. 1.4 %
													Col. 13, Line 7 Line 8
													4. 1.1 %

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(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.

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

**EXPLANATIONS:**

**BAR CODE:**



**Overflow Page for Write-Ins**

**Additional Write-ins for Cash Flow:**

	1 Current Year to Date	2 Prior Year Ended December 31
07.404 MISCELLANEOUS OTHER INCOME (EXPENSE).....	1,801	(5,595)
07.497 Summary of remaining write-ins for Line 7.4 from Cash Flow.....	1,801	(5,595)

**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)
<b>Bonds - U.S. Government</b>								
912827-6T-4	U.S. TREASURY NOTE 5.000 02 2011	05/17/2002	GOLDMAN SACHS		491,660	500,000	6,492	1PE
0399999	Total - Bonds - U.S. Government				491,660	500,000	6,492	XXX
<b>Bonds - States, Territories and Possessions</b>								
<b>Tennessee</b>								
499512-G7-0	KNOX CNTY REF 5.500 04 2013	05/22/2002	MORGAN KEEGAN		2,166,320	2,000,000		1
	Tennessee				2,166,320	2,000,000	0	XXX
	United States				2,166,320	2,000,000	0	XXX
1799999	Total - Bonds - States, Territories & Possessions				2,166,320	2,000,000	0	XXX
6099997	Total - Bonds - Part 3				2,657,980	2,500,000	6,492	XXX
6099998	Total - Bonds - Summary Item for Bonds Bought and Sold This Quarter				1,995,938	2,000,000	3,567	XXX
6099999	Total - Bonds				4,653,918	4,500,000	10,059	XXX
7299999	Total - Bonds, Preferred and Common Stocks				4,653,918	XXX	10,059	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)
<b>Bonds - U.S. Government</b>																
31359M-LZ-4...	FANNIE MAE 5.000 01 2007.....	04/02/2002	GOLDMAN SACHS.....		892,764	900,000	899,118	899,158	40			(6,394)	(6,394)	12,375		1PE.....
912827-2Y-7....	U.S. TREASURY NOTE 6.250 06 2002.....	06/30/2002	MATURED.....		200,000	200,000	202,125	200,000	(422)				0			1PE.....
0399999.	Total - Bonds - U.S. Government.....				1,092,764	1,100,000	1,101,243	1,099,158	(382)	0	0	(6,394)	(6,394)	12,375	0	XXX..
<b>Bonds - Industrial and Miscellaneous</b>																
<b>United States</b>																
001957-AU-3...	AT&T CORP 5.625 03 2004.....	05/10/2002	UNION BANK SWITZER.....		480,000	500,000	473,915	485,073	2,795			(5,073)	(5,073)	4,687		2.....
	United States.....				480,000	500,000	473,915	485,073	2,795	0	0	(5,073)	(5,073)	4,687	0	XXX..
4599999.	Total - Bonds - Industrial & Miscellaneous.....				480,000	500,000	473,915	485,073	2,795	0	0	(5,073)	(5,073)	4,687	0	XXX..
6099997.	Total - Bonds - Part 4.....				1,572,764	1,600,000	1,575,158	1,584,231	2,413	0	0	(11,467)	(11,467)	17,062	0	XXX..
6099998.	Total - Bonds - Summary Item for Bonds Bought and Sold This Quarter.....				2,030,625	2,000,000	1,995,938	1,995,988	50			34,637	34,637	9,510		XXX..
6099999.	Total - Bonds.....				3,603,389	3,600,000	3,571,096	3,580,219	2,463	0	0	23,170	23,170	26,572	0	XXX..
7299999.	Total - Bonds, Preferred and Common Stocks.....				3,603,389	XXX.....	3,571,096	3,580,219	2,463	0	0	23,170	23,170	26,572	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 Depository	2	3	4	Book Balance at End of Each Month During Current Quarter			8
				5	6	7	
	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
<b>Open Depositories</b>							
BANK OF NEW YORK.....	WHITE PLAINS, NY.....						
CASH EQUIVALENTS:.....							
CITICORP CPP.....	NEW YORK, NY.....	1.700	170				
GEN ELEC CAP CRP.....	NEW YORK, NY.....	1.870	249			1,600,000	
UBS FINANCE CPD.....	NEW YORK, NY.....	N/A				699,895	
0199999. Total Open Depositories.....	XXX	170	249	0	0	2,299,895	XXX
0399999. Total Cash on Deposit.....	XXX	170	249	0	0	2,299,895	XXX
0599999. Total Cash.....	XXX	170	249	0	0	2,299,895	XXX

**Overflow Page for Write-Ins**

**Overflow Page for Write-Ins**