



# QUARTERLY STATEMENT

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

## EVERGREEN NATIONAL INDEMNITY COMPANY

NAIC Group Code..... 959, 959 (Current Period) (Prior Period)      NAIC Company Code..... 12750      Employer's ID Number..... 36-2467238

Organized under the Laws of OH      State of Domicile or Port of Entry OH  
Country of Domicile US  
Incorporated..... December 30, 1939      Commenced Business..... January 1, 1940

Statutory Home Office      2400 CORPORATE EXCHANGE DRIVE ..... COLUMBUS ..... OH ..... 43231  
*(Street and Number) (City or Town, State and Zip Code)*

Main Administrative Office      2400 CORPORATE EXCHANGE DRIVE ..... COLUMBUS ..... OH ..... 43231      614-895-2000  
*(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)*

Mail Address      P.O. BOX 163340 ..... COLUMBUS ..... OH ..... 43216-3340  
*(Street and Number or P. O. Box) (City or Town, State and Zip Code)*

Primary Location of Books and Records      2400 CORPORATE EXCHANGE DRIVE ..... COLUMBUS ..... OH ..... 43231      614-895-2000  
*(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)*

Internet Website Address      www.centurysurety.com

Statement Contact      ERIN ELIZABETH ALWARD      614-895-2000  
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ealward@centurysurety.com      614-895-2707  
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Policyowner Relations Contact      2400 CORPORATE EXCHANGE DRIVE ..... COLUMBUS ..... OH ..... 43231      614-895-2000  
*(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)*

### OFFICERS

President ..... ROSWELL PAINE ELLIS      Treasurer ..... GLENN DAVID SOUTHWICK      Secretary ..... JOHN ANTHONY MARAZZA

### VICE PRESIDENTS

CHRISTOPHER JOHN TIMM      JOHN ANTHONY MARAZZA      CRAIG LANGJAHR STOUT      DANIEL JOSEPH CLARK  
DAVID GERVERS      TIMOTHY CLAY ELLIS      TIMOTHY ALLAN GORDON      CHARLES DEL HAMM JR #

### DIRECTORS OR TRUSTEES

ROSWELL PAINE ELLIS      JOHN ANTHONY MARAZZA      EDWARD FARRELL FEIGHAN      CHRISTOPHER JOHN TIMM  
CHARLES DEL HAMM JR

State of..... OHIO  
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.

_____ (Signature) ROSWELL PAINE ELLIS (Printed Name) President	_____ (Signature) JOHN ANTHONY MARAZZA (Printed Name) Secretary	_____ (Signature) GLENN DAVID SOUTHWICK (Printed Name) Treasurer
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Subscribed and sworn to before me this  
.....day of ....., 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.....	19,356,812		19,356,812	15,952,359
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 (\$.....7,230,413) and short-term investments (\$.....11,300).....	7,241,713		7,241,713	5,215,841
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).....	26,598,525	0	26,598,525	21,168,200
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection.....	704,738	498,191	206,547	307,156
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	661,405	3,648	657,757	1,638,917
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.....	1,431,904		1,431,904	19,253,747
15. Federal and foreign income tax recoverable and interest thereon (including \$.....780,431 net deferred tax asset).....	745,431	380,968	364,463	313,610
16. Guaranty funds receivable or on deposit.....			0	
17. Electronic data processing equipment and software.....	13,432		13,432	16,435
18. Interest, dividends and real estate income due and accrued.....	286,545		286,545	232,763
19. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....	871,303	300,000	571,303	
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.....	11,232	11,232	0	
25. Aggregate write-ins for other than invested assets.....	268	0	268	267
26. Total assets excluding protected cell assets (Lines 9 through 25).....	31,324,783	1,194,039	30,130,744	42,931,095
27. Protected cell assets.....			0	
28. TOTALS (Lines 26 and 27).....	31,324,783	1,194,039	30,130,744	42,931,095

### 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. Miscellaneous Receivable.....	268		268	267
2502. ....			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).....	268	0	268	267

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....1,201,390).....	6,401,964	6,299,953
2. Reinsurance payable on paid losses and loss adjustment expenses.....	370,463	961,860
3. Loss adjustment expenses.....	1,498,730	1,469,134
4. Commissions payable, contingent commissions and other similar charges.....	(59,064)	.....
5. Other expenses (excluding taxes, licenses and fees).....	2,918	11,972
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	(72,544)	28,239
7. Federal and foreign income taxes (including \$.....0 on realized capital gains (losses) (including \$.....0 net deferred tax liability).....	.....	.....
8. Borrowed money \$.....0 and interest thereon \$.....0.....	.....	.....
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$...3,874,131 and including warranty reserves of \$.....0).....	4,155,397	2,845,435
10. Advance premium.....	.....	.....
11. Dividends declared and unpaid:		
11.1 Stockholders.....	.....	.....
11.2 Policyholders.....	.....	.....
12. Ceded reinsurance premiums payable (net of ceding commissions).....	.....	16,272
13. Funds held by company under reinsurance treaties.....	.....	.....
14. Amounts withheld or retained by company for account of others.....	556,036	516,156
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.....	.....	16,534,727
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.....	(296,637)	(386,792)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	12,557,263	28,296,956
25. Protected cell liabilities.....	.....	.....
26. Total liabilities (Lines 24 and 25).....	12,557,263	28,296,956
27. Aggregate write-ins for special surplus funds.....	415,800	415,800
28. Common capital stock.....	3,018,001	3,000,000
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.....	12,876,866	7,876,867
33. Unassigned funds (surplus).....	1,262,814	3,341,472
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).....	17,573,481	14,634,139
36. TOTALS.....	30,130,744	42,931,095

### DETAILS OF WRITE-INS

2301. Line 15 from 2000 Annual Statement.....	.....	.....
2302. Unclaimed Funds.....	540	540
2303. Loss Portfolio Transfer.....	67,506	58,543
2398. Summary of remaining write-ins for Line 23 from overflow page.....	(364,683)	(445,875)
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	(296,637)	(386,792)
2701. Special Surplus from Retroactive Reinsurance.....	415,800	415,800
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).....	415,800	415,800
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 \$....6,668,917).....	10,407,308	17,441,218	31,784,874
1.2 Assumed..... (written \$....7,321,832).....	5,946,385	3,630,824	8,838,296
1.3 Ceded..... (written \$....7,015,513).....	10,688,419	17,437,839	32,298,835
1.4 Net..... (written \$....6,975,236).....	5,665,274	3,634,203	8,324,335
DEDUCTIONS:			
2. Losses incurred (current accident year \$....1,565,406):			
2.1 Direct.....	3,170,576	14,385,740	29,251,288
2.2 Assumed.....	2,283,901	1,411,668	3,912,246
2.3 Ceded.....	3,801,176	14,541,943	29,918,638
2.4 Net.....	1,653,301	1,255,465	3,244,896
3. Loss expenses incurred.....	825,492	622,101	1,325,452
4. Other underwriting expenses incurred.....	3,524,652	1,834,978	4,197,166
5. Aggregate write-ins for underwriting deductions.....	(13,500)	0	52,500
6. Total underwriting deductions (Lines 2 through 5).....	5,989,945	3,712,544	8,820,014
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(324,671)	(78,341)	(495,679)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	434,230	582,664	993,018
10. Net realized capital gains (losses).....	2,966		52,160
11. Net investment gain (loss) (Lines 9 + 10).....	437,196	582,664	1,045,178
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$....103,810).....	(103,810)	574	7,277
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	0	3,758	725,756
15. Total other income (Lines 12 through 14).....	(103,810)	4,332	733,033
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	8,715	508,655	1,282,532
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17).....	8,715	508,655	1,282,532
19. Federal and foreign income taxes incurred.....	48,000	142,000	393,500
20. Net income (Line 18 minus Line 19) (to Line 22).....	(39,285)	366,655	889,032
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 previous year.....	14,634,139	13,556,381	13,556,381
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20).....	(39,285)	366,655	889,032
23. Net unrealized capital gains or losses.....			
24. Change in net unrealized foreign exchange capital gain (loss).....			
25. Change in net deferred income taxes.....	57,431	18,000	597,000
26. Change in nonadmitted assets.....	198,445	(525,225)	(743,274)
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.....		335,000	335,000
31. Capital changes:			
31.1 Paid in.....	1		
31.2 Transferred from surplus (Stock Dividend).....	18,000		
31.3 Transferred to surplus.....			
32. Surplus adjustments:			
32.1 Paid in.....	4,999,999		
32.2 Transferred to capital (Stock Dividend).....	(18,000)		
32.3 Transferred from capital.....			
33. Net remittances from or (to) Home Office.....			
34. Dividends to stockholders.....	(2,277,249)		
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).....	2,939,342	194,430	1,077,758
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37).....	17,573,481	13,750,811	14,634,139
<b>DETAILS OF WRITE-INS</b>			
0501. Premium Deficiency Reserve.....	(13,500)		52,500
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).....	(13,500)	0	52,500
1401. Miscellaneous Income.....		3,758	95,756
1402. Retroactive Reinsurance Gain.....			630,000
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).....	0	3,758	725,756
3601. Lines 23 and 29 from 2000 Annual Statement.....			
3602. Reverse of Paid in Capital.....			
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.....	8,249,474	5,754,896
2. Loss and loss adjustment expenses paid (net of salvage and subrogation).....	(14,883,260)	16,987,406
3. Underwriting expenses paid.....	3,693,553	6,401,975
4. Other underwriting income (expenses).....	13,500	(52,500)
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	19,452,681	(17,686,985)
6. Net investment income.....	429,545	1,119,122
7. Other income (expenses):		
7.1 Agents' balances charged off.....	(103,810)	7,277
7.2 Net funds held under reinsurance treaties.....		(434,312)
7.3 Net amount withheld or retained for account of others.....	39,880	(204,292)
7.4 Aggregate write-ins for miscellaneous items.....	0	326,637
7.5 Total other income (Lines 7.1 to 7.4).....	(63,930)	(304,690)
8. Dividends to policyholders on direct business, less \$.....0 dividends on reinsurance assumed or ceded (net).....		
9. Federal and foreign income taxes (paid) recovered.....	(56,390)	(241,610)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9).....	19,761,906	(17,114,163)
<b>CASH FROM INVESTMENTS</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds.....	1,769,482	2,590,112
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.....	4,672	
11.8 Total investment proceeds (Lines 11.1 to 11.7).....	1,774,154	2,590,112
12. Cost of investments acquired (long-term only):		
12.1 Bonds.....	5,220,066	3,286,979
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).....	5,220,066	3,286,979
13. Net cash from investments (Line 11.8 minus Line 12.7).....	(3,445,912)	(696,867)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in.....	5,018,000	
14.2 Capital notes \$.....0 less amounts repaid \$.....0.....		
14.3 Net transfers from affiliates.....		17,081,479
14.4 Borrowed funds received.....		
14.5 Other cash provided.....	93,158	6,576
14.6 Total (Lines 14.1 to 14.5).....	5,111,158	17,088,055
15. Cash applied:		
15.1 Dividends to stockholders paid.....	2,295,249	
15.2 Net transfers to affiliates.....	17,106,030	
15.3 Borrowed funds repaid.....		
15.4 Other applications.....	1	
15.5 Total (Lines 15.1 to 15.4).....	19,401,280	0
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5).....	(14,290,122)	17,088,055
<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).....	2,025,872	(722,975)
18. Cash and short-term investments:		
18.1 Beginning of year.....	5,215,841	5,938,816
18.2 End of period (Line 17 plus Line 18.1).....	7,241,713	5,215,841
<b>DETAILS OF WRITE-INS</b>		
07.401 Miscellaneous Income.....		95,756
07.402 Recoverable On Profit Commission and Rate Adjustment.....		338,339
07.403 Miscellaneous Receivable.....		3,939
07.498 Summary of remaining write-ins for Line 7.4 from overflow page.....	0	(111,397)
07.499 Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above).....	0	326,637

**Note 1 - Summary of Significant Accounting Policies**

A. Accounting Practices

The accompanying financial statements of Evergreen National Indemnity Company (Company) have been prepared on the basis of accounting practices prescribed or permitted by The Ohio Department of Insurance (Department).

The state of Ohio requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual*, version effective January 1, 2001 (NAIC SAP), which has been adopted as a component of prescribed or permitted practices by the state of Ohio. The state has adopted no prescribed accounting practices that differ from those found in NAIC SAP. However, the Commissioner of Insurance has the right to permit practices that deviate from prescribed practices.

**Note 9 - Income Taxes**

A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs)

Description	Amount
Gross deferred tax assets	\$ 780,431
Gross deferred tax liabilities	-
Net deferred tax asset	780,431
Nonadmitted deferred tax assets	380,968
Admitted deferred tax asset	\$ 399,463
Increase in nonadmitted deferred tax assets	\$ 14,968

B. Unrecognized DTLs

Not applicable.

C. Current Tax and Change in Deferred Tax

Current income taxes incurred consists of the following major components:

Description	2002	2001
Current income tax expense	\$ 48,000	\$ 393,500
Prior year underaccrual (overaccrual)	-	-
Current income taxes incurred	\$ 48,000	\$ 393,500

The main components of the 2002 deferred tax amounts were as follows:

DTAs	Statutory	Tax	Difference	Tax Effect
Unpaid losses and LAE (including salvage and subrogation)	\$ 7,854,867	\$ 6,536,641	\$ 1,318,226	\$ 448,197
Unearned premiums	4,161,157	3,328,926	832,231	282,959
Other				49,275
Gross DTAs				\$ 780,431
Nonadmitted DTAs				\$ 380,968

DTAs Resulting from Book/Tax Differences in	June 30, 2002	December 31, 2001	Change
Unpaid losses and LAE (including salvage and subrogation)	\$ 448,197	\$ 431,000	\$ 17,197
Unearned premiums	282,959	193,000	89,959
Other	49,275	99,000	-49,725
Gross DTAs	\$ 780,431	\$ 723,000	\$ 57,431
Nonadmitted DTAs	\$ 380,968	\$ 366,000	\$ 14,968

The change in gross DTAs of \$57,431 and gross DTLs of \$0 is the change in net deferred income taxes of \$57,431 before consideration of nonadmitted DTAs.

**NOTES TO FINANCIAL STATEMENTS****D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate**

The significant book to tax adjustments were as follows:

Description	Amount	Tax Effect at 34%
Income before taxes	\$ 8,715	\$ 3,000
Tax over book reserves (including salvage and subrogation)	15,464	5,000
Unearned premiums	261,992	89,000
Net operating loss carryforward	(144,925)	(25,000)
Taxable income	\$ 141,246	\$ 48,000

**E. Operating Loss and Tax Carryforwards**

- At June 30, 2002, the Company has a net operating loss carry-forward balance of \$1,459,569 that expires in 2008. The utilization of this net operating loss is limited to \$289,850 per year in accordance with Section 382 of the Internal Revenue Code. During 2002, the Company utilized \$144,925 of available operating loss carryforwards to offset current taxable income.
- The following is income tax expense for 2002 and 2001 that is available for recoupment in the event of future net losses:

Year	Amount
2002	\$ 48,000
2001	\$ 393,500

**Note 10 - Information Concerning Parent, Subsidiaries****A. Nature of Relationships**

Effective of April 2002, the Company became an 80.1% owned subsidiary of Century Surety Company and a 19.9% owned subsidiary of Waste Management, Inc. Prior to April of 2002, the Company was a wholly owned subsidiary of Century Surety Company. Century Surety Company, an Ohio property/casualty insurance company, is a wholly owned subsidiary of ProFinance Holdings Corporation.

**B. Detail of Transactions Greater than 1/2% of Admitted Assets**

- The Company declared and distributed \$1,445,000 of ordinary cash dividends, \$832,249 of extraordinary cash dividends and \$18,000 of stock dividends to Century Surety Company through June 2002.
- In 2002, the Company expensed \$1,806,628 in commissions to Evergreen UNI, an affiliate through an officer.
- In 2002, the Company paid Williams National Surety Corporation (Williams) and C.E. Parrish General Agency (Parrish) \$757,529 of commissions for bail bonds through an operating agreement. Certain officers of Williams and Parrish are officers of an affiliate.

**Note 13 - Capital and Surplus, Shareholder's Dividend Restrictions and Quasi Reorganization****A. Outstanding Shares**

The Company has the following shares authorized, issued and outstanding at June 30, 2002:

- A shares**, \$500 par; 10,000 authorized; 6,000 issued and outstanding
- B shares**, \$1 par; 25,000 authorized; 18,000 issued and outstanding
- C shares**, \$1 par; 100 authorized; 1 issued and outstanding

The Company has no preferred stock authorized, issued, or outstanding.

**C., D and E. Dividend Restrictions**

The maximum dividend which can be paid by Ohio incorporated insurance companies is subject to restrictions relating to the maintenance of minimum assets and capital. For example, no company shall make any distribution of dividends or assets unless the value of assets remaining is at least equal to the aggregate amount of debts and liabilities, including capital. In addition, no company which is part of a holding company system may make a distribution which exceeds the greater of ten percent of policyholders surplus or its net income of the previous calendar year. Accordingly, the maximum dividend payout to shareholder that may be made without prior approval of the Department, in 2002, is \$1,463,414. The Company declared and distributed \$1,445,000 of ordinary cash dividends, \$832,249 of extraordinary cash dividends and \$18,000 of ordinary stock dividends to Century Surety Company through June 2002.

**Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

The Company did not have any wash sales during the current year.

**Note 21 - Events Subsequent**

In April of 2002, the Parent sold a minority interest of the Company (previously a wholly owned subsidiary of the Parent) to an investor of ProFinance Holdings Corporation (ultimate parent).

In April of 2002, the Company raised \$5,000,000 through the issuance of one share of Class C stock to the minority owner.

## 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 [ X ] No [ ]

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

3.2 If yes, date of change: March 2002.....  
 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 [ X ] No [ ]  
 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. .....12/31/2000.....

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. .....12/31/2000.....

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). .....03/14/2002.....

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)

### 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 [ X ]    No [ ]  
 9.2 If yes, explain:..... See notes to the financial statement

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
Fifth Third Bank	P.O. Box 182026, Columbus, OH 43215
US Bank	425 Walnut Street, Cincinnati, OH 45202

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
SEC File # 801-22445	General Re / New England Asset Management	76 Batterson Park Road, Farmington, CT 06032

**EVERGREEN NATIONAL INDEMNITY COMPANY**  
**GENERAL INTERROGATORIES (continued)**  
**PART 2**  
**PROPERTY & CASUALTY INTERROGATORIES**

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

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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.....	14,163,348	9,670,366	5,461,296	(25,109)	14,163,348	18,347,309		15,213,452
2. Class 2.....	1,021,555			(752)	1,021,555	1,020,803		1,022,288
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	15,184,903	9,670,366	5,461,296	(25,861)	15,184,903	19,368,112	0	16,235,740
<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.....	15,184,903	9,670,366	5,461,296	(25,861)	15,184,903	19,368,112	0	16,235,740

**SCHEDULE DA - PART 1**

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. Totals.....	11,300	XXX	11,300		

**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.....	283,381	270,023	0	745,549
2. Cost of short-term investments acquired.....	2,108,830	5,151,437		7,460,691
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.....	2,122,188	5,410,160		7,922,859
7. Book/adjusted carrying value, current period.....	270,023	11,300	0	283,381
8. Total valuation allowance.....				
9. Subtotal (Lines 7 plus 8).....	270,023	11,300	0	283,381
10. Total nonadmitted amounts.....				
11. Statement value (Lines 9 minus 10).....	270,023	11,300	0	283,381
12. Income collected during period.....	5,061	6,551		20,434
13. Income earned during period.....	3,709	7,151		22,593

**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 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	YES	74,638	41,591	(253,662)	1,424	129,991	111,069
2. Alaska.....AK	YES	3,747	30,650	3,500		6,778	14,686
3. Arizona.....AZ	S/L	221,842	57,382	(1,000)	1,323	63,397	68,070
4. Arkansas.....AR	YES		13,800			286	
5. California.....CA	NO	500	9,131	14,500		1,045	2,536
6. Colorado.....CO	YES	738,370	463,387		709,921	314,340	280,114
7. Connecticut.....CT	YES	4,810	1,892,602	476,120	899,502	2,420,125	3,597,986
8. Delaware.....DE	YES	57,637	20,879	27,128	11,080	172,988	159,887
9. District of Columbia.....DC	YES	350	3,260				
10. Florida.....FL	YES	(2,664)	16,722			302,848	261,293
11. Georgia.....GA	YES	171,266	47,744	7,909	53,500	149,812	104,924
12. Hawaii.....HI	NO					179	339
13. Idaho.....ID	YES		3	(68)	7,400	144,894	60,688
14. Illinois.....IL	YES	154,923	630,264	663,349	258,135	1,382,459	1,295,980
15. Indiana.....IN	YES	298,173	2,266,925	1,069,414	1,123,919	1,622,015	2,281,308
16. Iowa.....IA	YES	8,750	41,450			12,500	12,508
17. Kansas.....KS	YES	22,527	9,205	31,610	12,804	88,373	122,456
18. Kentucky.....KY	YES	736,710	6,302,691	3,726,258	3,053,530	13,454,675	7,780,889
19. Louisiana.....LA	YES		(252)			4,716	13,288
20. Maine.....ME	NO						
21. Maryland.....MD	YES	63,770	204,042	(124,369)	4,278	110,764	101,506
22. Massachusetts.....MA	YES		20,232			4,574	2,565
23. Michigan.....MI	YES	135,420	65,000	(1,970)	2,111	145,303	171,476
24. Minnesota.....MN	YES	10,359	750		(290)	14,480	15,186
25. Mississippi.....MS	YES			107,882		102,420	21,144
26. Missouri.....MO	YES	432,177	313,449	1,529,523	2,018,007	4,132,612	6,695,021
27. Montana.....MT	YES	(1,041)	(635)	56,482	67,783	150,514	1,132,627
28. Nebraska.....NE	YES	44,336				1,430	464
29. Nevada.....NV	YES	21,017	209,515	6,341	109,009	100,594	145,406
30. New Hampshire.....NH	NO						
31. New Jersey.....NJ	YES	6,762	23,770	30,561	85,798	191,357	165,026
32. New Mexico.....NM	YES	3,275	(179)			41,074	15,634
33. New York.....NY	NO					175	12
34. North Carolina.....NC	NO		677			290	261
35. North Dakota.....ND	YES					384	1,061
36. Ohio.....OH	YES	1,314,143	579,419	(8,031)	21,173	290,576	384,609
37. Oklahoma.....OK	YES	12,020	30,411	(250)	3,961	169,681	176,012
38. Oregon.....OR	YES		4,545	90,000	2,844	11,097	15,649
39. Pennsylvania.....PA	YES	902,207	916,468	24,713	10,646	413,860	426,733
40. Rhode Island.....RI	YES					425	726
41. South Carolina.....SC	YES	29,678	28,166	7,349	142,837	217,754	222,725
42. South Dakota.....SD	YES		497			902	49,086
43. Tennessee.....TN	YES	116,043	1,458,647	513,074	283,895	931,767	1,563,709
44. Texas.....TX	YES	553,568	1,126,166	260,646	1,219,028	1,164,379	1,275,294
45. Utah.....UT	YES	8,818	9,438		64	40,308	18,757
46. Vermont.....VT	YES	60,057	65,443			2,945	4
47. Virginia.....VA	YES	106,900	104,525	97,421	56,153	153,677	225,094
48. Washington.....WA	YES		3,898			823	1,660
49. West Virginia.....WV	S/L	298,739	136,557		845	140,435	183,534
50. Wisconsin.....WI	YES	59,091	727			10,271	19,143
51. Wyoming.....WY	YES					1,730	622
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) 43	6,668,918	17,148,962	8,354,430	10,160,680	28,818,022	29,198,767

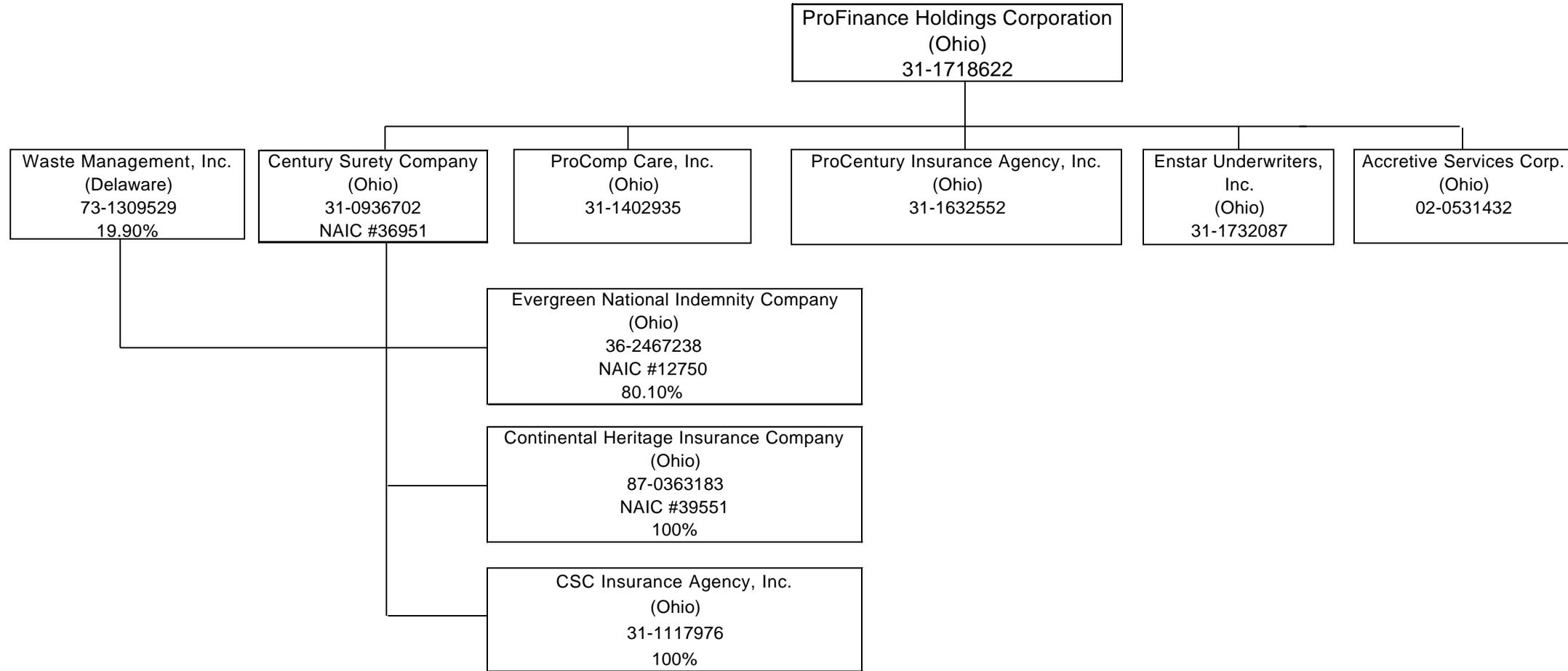
**DETAILS OF WRITE-INS**

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



**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.....	20,171	(28,375)	(140.7)	45.0
2. Allied lines.....	5,472	(4,677)	(85.5)	20.6
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....	548,242	131,531	24.0	56.1
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....	5,844	(1,134)	(19.4)	110.0
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.....	3,981,810	2,877,557	72.3	95.2
17.1. Other liability-occurrence.....	221,274	(36,152)	(16.3)	36.9
17.2. Other liability-claims made.....	20,041	(109,280)	(545.3)	46.3
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....			0.0	
19.3, 19.4 Commercial auto liability.....	(710)	(39,898)	5,619.4	405.7
21. Auto physical damage.....	(302)	(6,153)	2,037.4	(5.7)
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....	5,605,466	387,157	6.9	25.4
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.....	10,407,308	3,170,576	30.5	82.5
<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.....	21,192	39,349	26,932
2. Allied lines.....	5,644	10,003	5,028
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....	203,751	449,757	434,381
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	5,051	8,907	5,590
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.....	827,845	1,037,477	12,459,061
17.1. Other liability-occurrence.....	121,600	203,439	219,180
17.2. Other liability-claims made.....	14,881	14,818	8,833
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.....	1,864	(436)	(45,260)
21. Auto physical damage.....	(302)	(302)	1,549
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....	1,733,816	4,905,905	4,033,668
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.....	2,935,342	6,668,917	17,148,962
<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	2,137	1,227	3,364	794	11	805	1,595	351	1,040	2,986	252	175	427
2. 2000	954	622	1,576	376	11	387	792	68	644	1,504	214	101	315
3. Subtotals 2000 + Prior	3,091	1,849	4,940	1,170	22	1,192	2,387	419	1,684	4,490	466	276	742
4. 2001	806	2,022	2,828	644	41	685	690	150	1,142	1,982	528	(689)	(161)
5. Subtotals 2001 + Prior	3,897	3,871	7,768	1,814	63	1,877	3,077	569	2,826	6,472	994	(413)	581
6. 2002	XXX	XXX	XXX	XXX	336	336	XXX	496	933	1,429	XXX	XXX	XXX
7. Totals	3,897	3,871	7,768	1,814	399	2,213	3,077	1,065	3,759	7,901	994	(413)	581
8. Prior Year-End's Surplus As Regards Policyholders	14,634										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. ....25.5 %	2. ....(10.7)%	3. ....7.5 %
													Col. 13, Line 7 Line 8
													4. ....4.0 %

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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.

# EVERGREEN NATIONAL INDEMNITY COMPANY

## 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?	<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 Liabilities:**

	1 Current Statement Date	2 December 31, Prior Year
2304. Retroactive Reinsurance Reserves Ceded.....	.....(3,555,000)	.....(3,555,000)
2305. Premium Deficiency Reserve.....	.....39,000	.....52,500
2306. Funds held by Company under Retroactive Reinsurance Treaty.....	.....3,151,317	.....3,056,625
2397. Summary of remaining write-ins for Line 23 from Liabilities.....	.....(364,683)	.....(445,875)

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

	1 Current Year to Date	2 Prior Year Ended December 31
07.404 Receivable from Affiliate.....	.....	.....(300,000)
07.405 Furniture and Equipment.....	.....	.....12,000
07.406 Loss Portfolio Transfer.....	.....	.....(7,522)
07.407 Retroactive Reinsurance Reserves Ceded.....	.....	.....(3,555,000)
07.408 Funds held by Company under Retroactive Reinsurance Treaty.....	.....	.....3,056,625
07.409 Retroactive Reinsurance Gain.....	.....	.....630,000
07.410 Premium Deficiency Reserve.....	.....	.....52,500
07.497 Summary of remaining write-ins for Line 7.4 from Cash Flow.....	.....0	.....(111,397)

**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>								
31359M-EM-1	FEDERAL NATIONAL MORTGA 5.125 02/13/2004	05/21/2002	DEUTSCHE BANK		1,031,075	1,000,000	13,809	1PE
912827-3X-8	UNITED STATES TREASURY 5.500 02/15/2008	05/22/2002	MERRILL LYNCH		104,445	100,000	1,474	1PE
0399999	Total - Bonds - U.S. Government				1,135,520	1,100,000	15,283	XXX
<b>Bonds - Public Utilities</b>								
<b>United States</b>								
69351U-AB-9	PPL ELECTRIC UTILITIES 6.250 08/15/2009	06/05/2002	VARIOUS		1,024,775	1,000,000	17,101	1PE
695114-BU-1	PACIFICORP 6.900 11/15/2011	05/01/2002	JP MORGAN SECURITIES INC		419,380	400,000	12,650	1PE
	United States				1,444,155	1,400,000	29,751	XXX
3899999	Total - Bonds - Public Utilities				1,444,155	1,400,000	29,751	XXX
<b>Bonds - Industrial and Miscellaneous</b>								
<b>United States</b>								
035229-CA-9	ANHEUSER-BUSCH COMPANIE 5.375 09/15/2008	05/02/2002	MESIROW FINANCIAL INC		499,565	500,000	3,882	1PE
19416Q-DB-3	COLGATE-PALMOLIVE CO 5.980 04/25/2012	05/02/2002	BARCLAYS CAPITAL		402,824	400,000	864	1PE
47214T-AB-5	JCPL TRANS FDG LLC 02 A 5.390 09/05/2010	06/04/2002	SALOMON SMITH BARNEY, INC		499,675	500,000		1Z
571748-AC-6	MARSH & MCLENNAN COS IN 7.125 06/15/2009	05/02/2002	MESIROW FINANCIAL INC		537,190	500,000	14,052	1PE
	United States				1,939,254	1,900,000	18,798	XXX
4599999	Total - Bonds - Industrial & Miscellaneous				1,939,254	1,900,000	18,798	XXX
6099997	Total - Bonds - Part 3				4,518,929	4,400,000	63,832	XXX
6099999	Total - Bonds				4,518,929	4,400,000	63,832	XXX
7299999	Total - Bonds, Preferred and Common Stocks				4,518,929	XXX	63,832	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	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	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 Designation (a)
<b>Bonds - Special Revenue and Special Assessment</b>																
<b>United States</b>																
31379D-3H-0	FEDERAL NATIONAL MTG AS 6.500 12/01/2028	06/01/2002	PAYDOWN		1,296	1,296	1,305	1,296					.0	.35		1
31380Y-3J-7	FEDERAL NATIONAL MTG AS 6.500 12/01/2028	06/01/2002	PAYDOWN		14,192	14,192	14,303	14,201	(9)				.0	381		1
31380Y-U8-1	FEDERAL NATIONAL MTG AS 6.500 12/01/2028	06/01/2002	PAYDOWN		33,226	33,226	33,475	33,227	(2)				.0	726		1
31389A-4Z-3	FEDERAL NATIONAL MTG AS 6.000 12/01/2031	06/01/2002	PAYDOWN		2,423	2,423	2,396	2,422	1				.0	.61		1
	U.S.				51,137	51,137	51,479	51,146	(10)	0	0	0	.0	1,203	0	XXX
	United States				51,137	51,137	51,479	51,146	(10)	0	0	0	.0	1,203	0	XXX
3199999	Total - Bonds - Special Revenue & Assessment				51,137	51,137	51,479	51,146	(10)	0	0	0	.0	1,203	0	XXX
6099997	Total - Bonds - Part 4				51,137	51,137	51,479	51,146	(10)	0	0	0	.0	1,203	0	XXX
6099999	Total - Bonds				51,137	51,137	51,479	51,146	(10)	0	0	0	.0	1,203	0	XXX
7299999	Total - Bonds, Preferred and Common Stocks				51,137	XXX	51,479	51,146	(10)	0	0	0	.0	1,203	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 Rate of Interest	3 Amount of Interest Received During Current Quarter	4 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			8 *	
				5 First Month	6 Second Month	7 Third Month		
<b>Open Depositories</b>								
Delaware County Bank & Trust Co.....	41 N. Sandusky Street.....	2.750	6,856	3,323	500,000	500,000	500,000	
	Delaware, OH 43015.....							
Eaton National Bank & Trust Co.....	110 West Main Street.....	2.750	6,856	3,323	500,000	500,000	500,000	
	Eaton, OH 45320.....							
First Bank Richmond.....	20 North 9th Street.....	2.750		8,335	625,000	625,000	625,000	
	Richmond, IN 47374.....							
First Union.....	PO Box 740074.....				18,640	15,701	22,919	
	Atlanta, GA 30374.....							
Firststar.....	Location 0999.....	1.410	5,162		(223,354)	2,600,769	2,002,992	
	Cincinnati, OH 45264-0999.....							
Hibernia Bank.....	PO Box 61540.....	2.280		311	20,176	20,176	20,176	
	New Orleans, LA 70161.....							
Morgan Stanley Dean Witter.....	Commercial Paper.....	1.771					499,828	
Ohio Heritage Bank.....	200 Main Street.....	2.750	3,428	1,661	250,000	250,000	250,000	
	Coshocton, OH 43812.....							
Ohio Valley Bank Company.....	420 Third Avenue.....	2.750	8,570	4,154	625,000	625,000	625,000	
	Gallipolis, OH 45631.....							
United States Treasury Bills.....		1.651					414,810	
United States Treasury Bills.....		1.651					1,769,188	
Received During Quarter on Disposed Holdings.....			(7,458)					
0199999. Total Open Depositories.....	XXX	23,414	21,107	2,315,462	5,136,646	7,229,913	XXX	
0399999. Total Cash on Deposit.....	XXX	23,414	21,107	2,315,462	5,136,646	7,229,913	XXX	
0499999. Cash in Company's Office.....	XXX	XXX	XXX	500	500	500	XXX	
0599999. Total Cash.....	XXX	23,414	21,107	2,315,962	5,137,146	7,230,413	XXX	



**Overflow Page for Write-Ins**