



QUARTERLY STATEMENT

AS OF JUNE 30, 2002

OF THE CONDITION AND AFFAIRS OF THE

UNITED OHIO INSURANCE COMPANY

NAIC Group Code 0963 (Current Period) 0963 (Prior Period) NAIC Company Code 13072 Employer's ID Number 34-1008736

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

Country of Domicile US

Incorporated December 1, 1966 Commenced Business March 1, 1967

Statutory Home Office 1725 HOPLEY AVENUE, BUCYRUS, Ohio 44820-0111 (Street and Number, City or Town, State and Zip Code)

Main Administrative Office 1725 HOPLEY AVENUE, BUCYRUS, Ohio 44820-0111 419-562-3011 -0810 (Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1725 HOPLEY AVENUE, BUCYRUS, Ohio 44820-0111 (Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 1725 HOPLEY AVENUE, BUCYRUS, Ohio 44820-0111 419-562-3011 -0810 (Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.omig.com

Statement Contact ROBERT MONROE WARREN, MR. 419-563-0810 (Name) (Area Code) (Telephone Number) (Extension) BWARREN@OMIG.COM (E-Mail Address) 888-895-7720 (Fax Number)

Policyowner Relations Contact 1725 HOPLEY AVENUE, BUCYRUS, Ohio 44820-0111 419-563-0990 (Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

Acting CEO ..... WILLIAM REX BOOHER, MR.
Secretary ..... THOMAS EUGENE WOOLLEY, MR.
Treasurer ..... ROBERT MONROE WARREN, MR.

VICE PRESIDENTS

TODD EMERY ALBERT, MR.
THOMAS MICHAEL HOLTSHOUSE, MR.

DONALD CLAIR BINAU, MR.
MARYLYN SUE STRANG, MRS.

KENNETH CECIL FARRELL, MR.

DIRECTORS OR TRUSTEES

RICHARD NOLAN ADAMS, MR.
ALBERT MICHAEL HEISTER, MR.
JOHN REDON PURSE, MR.

DONALD CLAIR BINAU, MR.
JERRY LEE PAYNE, MR.
RANDY LEE WALKER, MR.

WILLIAM REX BOOHER, MR.
SUSAN PORTER, MRS.
THOMAS EUGENE WOOLLEY, MR.

State of Ohio
County of CRAWFORD SS

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

WILLIAM REX BOOHER, MR.
Acting CEO

ROBERT MONROE WARREN, MR.
Asst. Secretary

ROBERT MONROE WARREN, MR.
Treasurer

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 .....	85,131,421		85,131,421	82,448,899
2. Stocks:				
2.1 Preferred stocks .....	2,612,123		2,612,123	3,078,958
2.2 Common stocks .....	7,053,701		7,053,701	7,485,824
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ .....				
encumbrances) .....				
4.2 Properties held for the production of income (less \$ .....				
encumbrances) .....				
4.3 Properties held for sale (less \$ .....				
encumbrances) .....				
5. Cash (\$ ..... 8,551,557 ) and short-term investments (\$ .....	8,551,557		8,551,557	8,811,918
6. Other invested assets .....				
7. Receivable for securities .....				
8. Aggregate write-ins for invested assets .....				
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	103,348,802		103,348,802	101,825,599
10. Agents' balances or uncollected premiums :				
10.1 Premiums and agents' balances in course of collection .....	864,064	61,470	802,594	1,124,435
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....	21,482,687		21,482,687	18,212,830
earned but unbilled premiums) .....				
10.3 Accrued retrospective premiums .....				
11. Funds held by or deposited with reinsured companies .....				
12. Bills receivable, taken for premiums .....				
13. Amounts billed and receivable under high deductible policies .....				
14. Reinsurance recoverables on loss and loss adjustment expense payments .....	2,983,557		2,983,557	1,210,469
15. Federal and foreign income tax recoverable and interest thereon (including \$ ..... 3,721,240 net deferred tax asset) .....	3,721,240		3,721,240	3,384,583
16. Guaranty funds receivable or on deposit .....				
17. Electronic data processing equipment and software .....	2,795	2,795		
18. Interest, dividends and real estate income due and accrued .....	1,017,566		1,017,566	957,872
19. Net adjustments in assets and liabilities due to foreign exchange rates .....				
20. Receivable from parent, subsidiaries and affiliates .....				
21. Amounts due from/to protected cells .....				
22. Equities and deposits in pools and associations .....				
23. Amounts receivable relating to uninsured accident and health plans .....				
24. Other assets nonadmitted .....	2,690	2,690		
25. Aggregate write-ins for other than invested assets .....				
26. Total assets excluding protected cell assets (Lines 9 through 25) .....	133,423,401	66,955	133,356,446	126,715,788
27. Protected cell assets .....				
28. TOTALS (Lines 26 and 27) .....	133,423,401	66,955	133,356,446	126,715,788
DETAILS OF WRITE-INS				
0801. ....				
0802. ....				
0803. ....				
0898. Summary of remaining write-ins for Line 8 from overflow page .....				
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above) .....				
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....				

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....	32,460,788	29,412,777
2. Reinsurance payable on paid losses and loss adjustment expenses .....		
3. Loss adjustment expenses .....	6,264,571	5,639,154
4. Commissions payable, contingent commissions and other similar charges .....	2,011,274	2,598,868
5. Other expenses (excluding taxes, licenses and fees) .....	622,578	514,556
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	61,416	72,833
7. Federal and foreign income taxes, including \$ ..... on realized capital gains (losses) (including \$ ..... 194,617 net deferred tax liability) .....	384,617	758,925
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ .....	37,726,602	34,639,034
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	358,441	1,265,829
13. Funds held by company under reinsurance treaties .....		
14. Amounts withheld or retained by company for account of others .....	1,299	10,919
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 .....	375,796	100,363
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 .....	5,619,175	4,913,822
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	85,886,557	79,927,080
25. Protected cell liabilities .....		
26. Total liabilities (Lines 24 and 25) .....	85,886,557	79,927,080
27. Aggregate write-ins for special surplus funds .....		
28. Common capital stock .....	1,495,210	1,495,210
29. Preferred capital stock .....		
30. Aggregate write-ins for other than special surplus funds .....		
31. Surplus notes .....		
32. Gross paid in and contributed surplus .....	3,715,912	3,715,912
33. Unassigned funds (surplus) .....	42,258,767	41,577,586
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ .....		
34.2 ..... shares preferred (value included in Line 29 \$ .....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) .....	47,469,889	46,788,708
36. TOTALS .....	133,356,446	126,715,788
DETAILS OF WRITE-INS		
2301. DEFERRED INCOME .....	5,488,630	4,828,545
2302. UNCLAIMED FUNDS .....	130,545	85,277
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page .....		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	5,619,175	4,913,822
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above) .....		
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page .....		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above) .....		

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 52,541,428 )	49,453,860	43,114,265	89,336,892
1.2 Assumed (written \$ )			
1.3 Ceded (written \$ 3,862,579 )	3,862,579	4,552,961	9,520,544
1.4 Net (written \$ 48,678,849 )	45,591,281	38,561,304	79,816,348
DEDUCTIONS:			
2. Losses incurred (current accident year \$ ):			
2.1 Direct	30,751,573	25,392,350	59,033,690
2.2 Assumed			
2.3 Ceded	2,707,220	270,062	8,084,388
2.4 Net	28,044,353	25,122,288	50,949,302
3. Loss expenses incurred	3,878,158	2,646,093	6,476,123
4. Other underwriting expenses incurred	13,406,158	11,524,030	23,761,357
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	45,328,669	39,292,411	81,186,782
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	262,612	(731,107)	(1,370,434)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	2,644,179	2,730,718	5,392,886
10. Net realized capital gains (losses)	(124,830)	(230,278)	(263,516)
11. Net investment gain (loss) (Lines 9 plus 10)	2,519,349	2,500,440	5,129,370
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 157,219 )	(157,219)	(175,558)	(447,352)
13. Finance and service charges not included in premiums	450,205	296,277	672,855
14. Aggregate write-ins for miscellaneous income	994	5,486	9,338
15. Total other income (Lines 12 through 14)	293,980	126,205	234,841
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 plus 11 plus 15)	3,075,941	1,895,538	3,993,777
17. Dividends to policyholders			
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	3,075,941	1,895,538	3,993,777
19. Federal and foreign income taxes incurred	1,240,000	650,000	1,400,000
20. Net income (Line 18 minus Line 19) (to Line 22)	1,835,941	1,245,538	2,593,777
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	46,788,708	39,331,804	39,331,804
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20)	1,835,941	1,245,538	2,593,777
23. Net unrealized capital gains or losses	(334,047)	1,195,253	1,294,706
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax	400,965		373,450
26. Change in nonadmitted assets	(57,466)	(8,347)	(2,849)
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		3,092,208	3,092,208
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	(1,164,212)		
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus		41,700	105,612
37. Change in surplus as regards policyholders (Lines 22 through 36)	681,181	5,566,352	7,456,904
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	47,469,889	44,898,156	46,788,708
<b>DETAILS OF WRITE-INS</b>			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)			
1401. OTHER INCOME / EXPENSE	994	5,486	9,338
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	994	5,486	9,338
3601. PRIOR YEAR TAX EFFECT		41,700	105,612
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page			
3699. TOTALS (Lines 3601 through 3603 plus 3698) (Line 36 above)		41,700	105,612

**CASH FLOW**

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance .....	44,823,445	81,697,220
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....	30,022,170	54,325,390
3. Underwriting expenses paid .....	13,897,148	23,216,042
4. Other underwriting income (expenses) .....		349,969
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	904,127	4,505,757
6. Net investment income .....	2,606,590	5,519,861
7. Other income (expenses):		
7.1 Agents' balances charged off .....	(157,219)	(447,352)
7.2 Net funds held under reinsurance treaties .....		
7.3 Net amount withheld or retained for account of others .....		
7.4 Aggregate write-ins for miscellaneous items .....	451,199	682,193
7.5 Total other income (Lines 7.1 to 7.4) .....	293,980	234,841
8. Dividends to policyholders on direct business, less \$ ..... dividends on reinsurance assumed or ceded (net) .....		
9. Federal and foreign income taxes (paid) recovered .....	(1,550,000)	(1,600,000)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	2,254,697	8,660,459
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....	15,138,724	34,972,886
11.2 Stocks .....	542,099	3,593,867
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)	(94)
11.7 Miscellaneous proceeds .....		
11.8 Total investment proceeds (Lines 11.1 to 11.7) .....	15,680,812	38,566,659
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....	17,945,358	45,322,587
12.2 Stocks .....		5,471,394
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) .....	17,945,358	50,793,981
13. Net cash from investments (Line 11.8 minus Line 12.7) .....	(2,264,546)	(12,227,322)
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in .....		
14.2 Capital notes \$ ..... less amounts repaid \$ .....		
14.3 Net transfers from affiliates .....	275,433	100,363
14.4 Borrowed funds received .....		
14.5 Other cash provided .....	705,353	1,171,652
14.6 Total (Lines 14.1 to 14.5) .....	980,786	1,272,015
15. Cash applied:		
15.1 Dividends to stockholders paid .....	1,164,212	
15.2 Net transfers to affiliates .....		
15.3 Borrowed funds repaid .....		
15.4 Other applications .....	67,086	33,229
15.5 Total (Lines 15.1 to 15.4) .....	1,231,298	33,229
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	(250,512)	1,238,786
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16) .....	(260,361)	(2,328,077)
18. Cash and short-term investments:		
18.1 Beginning of year .....	8,811,918	11,139,995
18.2 End of period (Line 17 plus Line 18.1) .....	8,551,557	8,811,918
DETAILS OF WRITE-INS		
7.401 FINANCE SERVICE CHARGE .....	450,205	672,855
7.402 OTHER INCOME / EXPENSE .....	994	9,338
7.403 .....		
7.498 Summary of remaining write-ins for Line 7.4 from overflow page .....		
7.499 Totals (Lines 7.401 through 7.403 plus 7.498) (Line 7.4 above) .....	451,199	682,193

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of United Ohio Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

#### B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports from ceding companies for reinsurance.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies:

- (1) All short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at either amortized cost, using the interest method or the lower of amortized cost or fair market value.
- (3) Unaffiliated common stocks are stated at fair market value. Common stocks of uncombined subsidiaries and affiliates in which the company has an interest of 20% or more are carried on the equity basis. The Company has no ownership in uncombined subsidiaries and affiliates.
- (4) Redeemable Preferred stocks and sinking fund preferred in good standing are carried at amortized cost. Perpetual preferred stocks in good standing are carried at fair market value. Other preferred stocks not in good standing are carried at the lower of amortized cost or fair market value.
- (5) The Company has no mortgage loans on real estate.
- (6) Loan-backed securities are stated at either amortized cost, using the interest method or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities, EITF 99-20 eligible securities or securities where the yield had become negative, those are valued using the prospective method.
- (7) The Company's non-insurance affiliates are Centurion Financial, Inc. and United Premium Budget Service Inc.
- (8) The Company has no ownership interest in any joint venture.
- (9) All derivatives are stated at fair value.
- (10) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts-Premiums.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

### 2. Accounting Changes and Corrections of Errors

There are no accounting changes or corrections of errors to note.

### 3. Business Combinations and Goodwill

The Company is not involved in any business combinations.

### 4. Discontinued Operations

The Company has no discontinued operations to report.

**NOTES TO FINANCIAL STATEMENTS**

## 5. Investments

- A. The Company has no mortgage loans.
- B. The Company has no debt restructuring.
- C. The Company has no reverse mortgages.
- D. Loan-Backed Securities
  - (1) When applying the retrospective method, the company uses historical cash flows and has elected not to use book values as of January 1, 1994 as the cost for securities purchased prior to January 1, 1994.
  - (2) Prepayment assumptions for mortgage-backed securities, Asset-backed securities and Collateralized Mortgage Obligations were generated using a purchased prepayment model. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels of interest rates (refinancing incentive), economic activity (including housing turnover) and term and age of the underlying collateral (burnout, seasoning).
  - (3) The market value of loan-backed securities were obtained from Bridge Capital Markets, ABSG, Lehman Brothers, Bear Stearns or independent security dealers.
  - (4) In the first six months of 2002 the Company had no negative yield situations requiring a change from the retrospective to prospective method.
- E. The Company has no repurchase agreements.

## 6. Joint Ventures, Partnerships and Limited Liability Companies.

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

## 7. Investment Income

The Company has no due and accrued income excluded from surplus.

## 8. Derivative Instruments

The Company has no derivative instruments.

## 9. Tax Notes

- A. The components of the net deferred tax asset/(liability) at June 30 are as follows:

	2002	2001
(1) Total of all deferred tax assets (admitted and nonadmitted)	\$ 3,721,240	\$ 3,539,414
(2) Total of all deferred tax liabilities	\$ 194,617	\$ 258,925
(3) Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	\$ 209,740	\$ 154,831
(4) Total of all DTAs admitted [(1)-(2)-(3)], no less than zero	\$ 3,316,883	\$ 3,125,658
(5) Net Change during the year in the total DTAs nonadmitted	\$ 54,909	\$ (154,831)

- B. Deferred Tax liabilities are not recognized for the following amounts:

Not Applicable

- C. The components of net deferred tax asset at June 30, 2002 are as follows:

Deferred tax assets:	2002	2001	Change
Loss Discount	\$ 1,098,290	\$ 1,140,117	\$ (41,828)
Salvage & Subrogation	43,842	43,842	0
Unearned Premium	2,565,409	2,355,454	209,955
Accrued Market Discount	0	0	0
Deferred Taxes Nonadmitted	(209,740)	(154,831)	(54,909)
Total deferred tax assets:	\$ 3,497,801	\$ 3,384,583	\$ 113,218
Deferred tax liabilities:			
Accrued Market Discount	(66,406)	(57,429)	(8,977)
Unrealized Gain on Investments	0	(73,285)	73,285
Other	(128,211)	(128,211)	0
Total deferred tax liabilities:	(194,617)	(258,925)	64,308

**NOTES TO FINANCIAL STATEMENTS**

	2002	2001	Change
Net admitted deferred tax asset	3,303,184	3,125,658	177,526
Tax effect of unrealized gain/(loss) on investment			73,285
Change in net deferred income tax			104,241
D. The federal income tax expense differs from the amount obtained by applying the federal statutory rate of 34% to Earnings Before Income Tax for the following reasons:			
		2002	2001
Expected federal income tax expense		\$1,045,820	\$1,357,884
Tax-exempt income		(105,195)	(255,361)
Loss reserve discounting		(41,828)	( 18,324)
Unearned premium		209,955	282,457
Other amounts		<u>131,248</u>	<u>33,344</u>
Total incurred income tax expense		\$1,240,000	\$1,400,000

- E. (1) As of June 30, 2002 the Company had no operating loss carryforwards.  
(2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

2002 (current year)	\$1,240,000
2001	\$1,400,000
2000	\$ 958,818

- F. (1) The Company's federal income tax return is consolidated with the following entities:

Ohio Mutual Insurance Company  
United Ohio Insurance Company  
Ohio United Agency, Inc.  
United Premium Budget Service, Inc.  
Centurion Financial, Inc.

- (2) The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany balances are settled annually in the final quarter.

#### 10. Information Concerning Parent, Subsidiaries and Affiliates

The Company is a wholly owned subsidiary of Ohio Mutual Insurance Company.

Centurion Financial Inc. has agreed to provide personnel services to the Company at cost plus thirty-five percent management fee.

Ohio United Agency has agreed to provide computer services to the Company.

#### 11. Debt

The Company has no capital debt or other debt to note.

#### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans.

Centurion Financial is responsible for all Employee Pension Plan funding and the 401(k) Savings Plan.

The Company has no deferred compensation plan.

Centurion Financial is responsible for all Post Retirement Benefit Plans.

#### 13. Capital and Surplus, Dividend Restrictions and Quasi-reorganizations.

- (1) The Company has 1,000,000 shares of capital stock authorized, 299,042 shares issued and 299,042 shares outstanding. All shares are common shares.
- (2) The Company has no shares of preferred stock outstanding.
- (3) The dividend is limited to 10% of the surplus with prior approval of the Ohio Department of Insurance.
- (4) Within the restrictions placed in (3), there are no restrictions placed on the portion of the Company's profits that may be paid as ordinary dividends to stockholders.
- (5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (6) The total amount of advances to surplus not repaid is \$0.
- (7) There is no stock held by the Company, including stock of

**NOTES TO FINANCIAL STATEMENTS**

affiliated companies, for special purposes.

- (8) The Company has not experienced any changes in balances of special surplus funds.
- (9) The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:
- |                                 |              |
|---------------------------------|--------------|
| a. unrealized gains and losses: | \$ (334,047) |
| b. nonadmitted asset values:    | \$ (57,466)  |
| c. separate account business    | \$ 0         |
| d. asset valuation reserves     | \$ 0         |
| e. provision for reinsurance:   | \$ 0         |
- (10) The Company has no surplus debentures or similar obligations.
- (11) The Company has no restatement due to quasi-reorganizations.
- (12) There are no quasi-reorganizations to report.

## 14. Contingencies

- A. The Company has no commitment or contingent commitment to any other entity, joint venture, partnership, or limited liability company.
- B. The Company has received notification of the insolvency of several companies. It is expected that the insolvency will result in a guaranty fund assessment against the Company at some future date. At this time the Company is unable to estimate the possible amounts, if any, of such assessments. Accordingly, the Company is unable to determine the impact, if any, such assessments may have on the Company's financial position or results of operations.
- C. The Company has no gain contingencies.
- D. There are no other contingencies that have not been specified above.

## 15. Leases

The Company does not have any lease obligations at this time.

## 16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

The Company has no Financial Instruments with off-balance sheet risk.

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

The Company has no sale, transfer and servicing of financial assets and extinguishments of liabilities.

## 18. Gain or Loss to the Reporting Entity from Uninsured A&amp;H Plans and the Uninsured Portion of Partially Insured Plans

The Company has no gain or loss to report from Uninsured A&H Plans or the Uninsured Portion of Partially Insured Plans.

## 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company has no direct written premium produced by managing general agents or third party administrators.

## 20. Other Items

The Company has no extraordinary items, troubled debt restructuring or other disclosures.

## 21. Events Subsequent

The Company has no subsequent events.

## 22. Reinsurance

## A. Unsecured Reinsurance Recoverables

The Company does not have any unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company's policyholder surplus.

## B. Reinsurance Recoverable in Dispute

The Company does not have any reinsurance recoverable in dispute.

## C. Reinsurance Assumed and Ceded

The Company's reinsurance assumed and ceded reinsurance is as follows:

**NOTES TO FINANCIAL STATEMENTS**

(1)

	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net</u>	
	(1) Premium Reserve	(2) Commission Equity	(3) Premium Reserve	(4) Commission Equity	(5) Premium Reserve	(6) Commission Equity
a. Affiliates	\$	\$	\$	\$	\$	\$
b. All Other	\$	\$	\$	\$	\$	\$
c. TOTAL	\$	\$	\$	\$	\$	\$

d. Direct Unearned Premium Reserve \$ 37,726,602

Line (c) of Column 5 plus Line (d) must equal Page 3, Line 9, Column 1.

(2) The additional return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements are accrued as follows:

	<u>REINSURANCE</u>			
	(1) <u>Direct</u>	(2) <u>Assumed</u>	(3) <u>Ceded</u>	(4) <u>Net</u>
a. Contingent Commission	\$	\$	\$	\$
b. Sliding Scale Adjustments	\$	\$	\$	\$
c. Other Profit Commission Arrangements	\$	\$	\$	\$
d. TOTAL	\$	\$	\$	\$

D. Uncollectable Reinsurance

The Company has no uncollectable reinsurance.

E. Commutation of Ceded Reinsurance

The Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts which are reflected as:

1. Losses incurred		\$ 0
2. Loss adjustment expenses incurred		\$ 0
3. Premiums earned		\$ 0
4. Other		\$ 0
5. <u>Company</u>	<u>Amount</u>	
	\$	
	\$	

F. Retroactive Reinsurance

The Company has no retroactive reinsurance.

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

The Company has no retrospectively rated contracts.

24. Change in Incurred Losses and Loss Adjustment Expenses

The Company did not make any changes in the provision for incurred loss and loss adjustment expenses attributable to insured events of prior years.

25. Intercompany Pooling Arrangements

The Company does not participate in a pooling arrangement.

26. Structured Settlements - NONE

27. High Deductibles - NONE

28. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

The Company does not discount loss or loss adjustment expense reserves.

29. Asbestos/Environmental Reserves

The Company has no reserve for asbestos or environmental claims exposures.

30. Subscriber Savings Accounts - Not Applicable

31. Financial Guaranty Insurance Exposures

The Company does not write financial guaranty insurance.

**GENERAL INTERROGATORIES**

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

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes ( ) No (X)
- 1.2 If yes, explain:  
 .....  
 .....  
 .....
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes ( ) No (X)
- 2.2 If yes, has the report been filed with the domiciliary state? Yes ( ) No ( )
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes ( ) No (X)
- 3.2 If yes, date of change:  
 If not previously filed, furnish herewith a certified copy of the instrument as amended. .....
- 4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes ( ) No (X)  
 If yes, attach an organizational chart.
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ( ) No (X)
- 5.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes ( ) No ( ) N/A (X)  
 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). 05/08/2002
- 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)**

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

INVESTMENT

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

9.2 If yes, explain

.....

.....

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

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

.....

.....

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

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

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

13.2 If yes, please complete the following:

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

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

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

If no, attach a description with this statement.

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

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

<sup>1</sup> Name of Custodian(s)	<sup>2</sup> Custodian Address
FIFTH THIRD BANK .....	38 FOUNTAIN SQUARE, CINCINNATI, OH 45263 .....
.....	.....
.....	.....

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:

<sup>1</sup> Name(s)	<sup>2</sup> Location(s)	<sup>3</sup> 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:

<sup>1</sup> Old Custodian	<sup>2</sup> New Custodian	<sup>3</sup> Date of Change	<sup>4</sup> Reason
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

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

<sup>1</sup> Central Registration Depository	<sup>2</sup> Name(s)	<sup>3</sup> Address
.....	GEN RE / NEW ENGLAND ASSET MANAGEMENT	76 BATTERSON PARK RD., FARMINGTON, CT 06032 .....
.....	SEC FILE #801-22445 .....	.....
.....	.....	.....

**GENERAL INTERROGATORIES**  
(continued)

**PART 2**  
**PROPERTY AND CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes ( ) No ( ) N/A (X)  
If yes, attach an explanation.
2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes ( ) No (X)  
If yes, attach an explanation.
- 3.1 Have any of the reporting entity's primary reinsurance contracts been cancelled? Yes ( ) No (X)
- 3.2 If yes, give full and complete information thereto  
.....  
.....  
.....
- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation liabilities tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes ( ) No (X)
- 4.2 If yes, complete the Discount Schedule.

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Schedule A, Verification  
**NONE**

Schedule B, Verification  
**NONE**

Schedule BA, Verification  
**NONE**

**SCHEDULE D - PART 1B**

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

	1	2	3	4	5	6	7	8
	Statement Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Statement Value End of First Quarter	Statement Value End of Second Quarter	Statement Value End of Third Quarter	Statement Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 .....	81,034,720	10,795,805	9,430,083	(1,079,739)	81,034,720	81,320,702		77,059,236
2. Class 2 .....	5,567,119		2,808,424	1,052,024	5,567,119	3,810,719		5,444,219
3. Class 3 .....								
4. Class 4 .....								
5. Class 5 .....								
6. Class 6 .....								
7. Total Bonds .....	86,601,839	10,795,805	12,238,507	(27,715)	86,601,839	85,131,421		82,503,455
<b>PREFERRED STOCK</b>								
8. Class 1 .....	1,604,270			(7,651)	1,604,270	1,596,619		2,060,823
9. Class 2 .....	818,134			(315,630)	818,134	502,505		818,134
10. Class 3 .....				267,500		267,500		
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....	250,000			(4,500)	250,000	245,500		200,000
14. Total Preferred Stock .....	2,672,404			(60,281)	2,672,404	2,612,124		3,078,957
15. Total Bonds and Preferred Stock .....	89,274,243	10,795,805	12,238,507	(87,996)	89,274,243	87,743,545		85,582,412

**SCHEDULE DA - PART 1**

Short-Term Investments Owned End of Current Quarter

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

**SCHEDULE DA - PART 2 - VERIFICATION**

Short-Term Investments Owned

	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book / adjusted carrying value, beginning of period .....	54,556	595,075		3,540,457
2. Cost of short-term investments acquired .....	2,187,401	229,416		2,836,037
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 .....	1,646,882	824,491		6,321,938
7. Book / adjusted carrying value, current period .....	595,075			54,556
8. Total valuation allowance .....				
9. Subtotal (Line 7 plus Line 8) .....	595,075			54,556
10. Total nonadmitted amounts .....				
11. Statement value (Line 9 minus Line 10) .....	595,075			54,556
12. Income collected during period .....	6,675	1,965		72,450
13. Income earned during period .....	6,214	874		59,977

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

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

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Schedule F - Ceded Reinsurance  
**NONE**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date	
1. Alabama	AL	No						
2. Alaska	AK	No						
3. Arizona	AZ	No						
4. Arkansas	AR	No						
5. California	CA	No						
6. Colorado	CO	No						
7. Connecticut	CT	No						
8. Delaware	DE	No						
9. District of Columbia	DC	No						
10. Florida	FL	No						
11. Georgia	GA	No						
12. Hawaii	HI	No						
13. Idaho	ID	No						
14. Illinois	IL	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	52,541,428	45,701,403	31,662,453	28,909,712	37,519,666	34,128,107
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	No						
44. Texas	TX	No						
45. Utah	UT	No						
46. Vermont	VT	No						
47. Virginia	VA	No						
48. Washington	WA	No						
49. West Virginia	WV	No						
50. Wisconsin	WI	No						
51. Wyoming	WY	No						
52. American Samoa	AS	No						
53. Guam	GU	No						
54. Puerto Rico	PR	No						
55. U.S. Virgin Islands	VI	No						
56. Canada	CN	No						
57. Aggregate Other Alien	OT	X X X						
58. Totals	(a)	1	52,541,428	45,701,403	31,662,453	28,909,712	37,519,666	34,128,107
DETAILS OF WRITE-INS								
5701.		X X X						
5702.		X X X						
5703.		X X X						
5798. Summary of remaining write-ins for Line 57 from overflow page		X X X						
5799. TOTALS (Lines 5701 through 5703 plus Line 5798)(Line 57 above)		X X X						

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

**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	1,711,013	791,894	46.3	58.9
2. Allied lines	860,317	1,150,105	133.7	89.6
3. Farmowners multiple peril	3,384,236	2,986,306	88.2	42.4
4. Homeowners multiple peril	7,404,839	7,023,643	94.9	74.2
5. Commercial multiple peril	2,147,698	1,466,980	68.3	18.4
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	436,104	153,665	35.2	26.3
10. Financial guaranty				
11.1 Medical malpractice-occurrence				
11.2 Medical malpractice-claims made				
12. Earthquake				
13. Group accident and health	74,994	13,280	17.7	27.4
14. Credit accident and health				
15. Other accident and health	9,758	11,506	117.9	0.5
16. Workers' compensation				
17.1 Other liability-occurrence	2,574,732	847,347	32.9	2.0
17.2 Other liability-claims made				
18.1 Products liability-occurrence	134,842	37,330	27.7	29.9
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability	16,807,495	7,607,152	45.3	60.3
19.3, 19.4 Commercial auto liability	1,189,196	542,542	45.6	106.8
21. Auto physical damage	11,729,918	7,794,539	66.5	70.6
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft	734,831	206,315	28.1	26.8
27. Boiler and machinery				
28. Credit				
29. International				
30. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X	X X X
31. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X	X X X
33. Aggregate write-ins for other lines of business	253,888	118,969	46.9	56.9
34. TOTALS	49,453,861	30,751,573	62.2	58.9
DETAILS OF WRITE-INS				
3301. EXTENDED COVERAGE ENDORSEMENT	253,888	118,969	46.9	56.9
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Lines 3301 through 3303 plus Line 3398) (Line 33)	253,888	118,969	46.9	56.9

**PART 2 - DIRECT PREMIUMS WRITTEN**

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	943,684	1,803,554	1,590,481
2. Allied lines	448,241	888,288	812,363
3. Farmowners multiple peril	1,762,753	3,795,886	3,428,823
4. Homeowners multiple peril	4,356,451	7,541,589	6,871,737
5. Commercial multiple peril	1,311,454	2,427,282	2,156,336
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	312,996	504,506	496,248
10. Financial guaranty			
11.1 Medical malpractice-occurrence			
11.2 Medical malpractice-claims made			
12. Earthquake			
13. Group accident and health	37,697	75,257	64,679
14. Credit accident and health			
15. Other accident and health	3,261	10,522	11,299
16. Workers' compensation			
17.1 Other liability-occurrence	1,465,061	2,750,733	2,453,107
17.2 Other liability-claims made			
18.1 Products liability-occurrence	75,348	141,284	112,638
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability	8,762,519	17,609,373	15,136,341
19.3, 19.4 Commercial auto liability	853,208	1,496,576	1,035,647
21. Auto physical damage	6,314,912	12,505,578	10,556,930
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft	336,820	676,563	659,059
27. Boiler and machinery			
28. Credit			
29. International			
30. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X
31. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X
33. Aggregate write-ins for other lines of business	7,101	314,437	315,715
34. TOTALS	26,991,506	52,541,428	45,701,403
DETAILS OF WRITE-INS			
3301. EXTENDED COVERAGE ENDORSEMENT	7,101	314,437	315,715
3302.			
3303.			
3398. Summary of remaining write-ins for Line 33 from overflow page			
3399. Totals (Lines 3301 through 3303 plus Line 3398) (Line 33)	7,101	314,437	315,715

**PART 3 (000 Omitted)**  
**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves(a) (Cols. 1 plus 2)	2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2002 Loss and LAE Payments (Cols. 4 plus 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves(b) (Cols. 7 plus 8 plus 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 plus 7 minus Col. 1)	Prior-Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 plus 8 plus 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency(c) (Cols. 11 plus 12)
1. 1999 + Prior	4,558	2,674	7,232	2,722	16	2,738	3,672	18	1,321	5,011	1,836	(1,319)	517
2. 2000	4,537	4,208	8,745	2,041	179	2,220	4,008	47	3,033	7,088	1,512	(949)	563
3. Subtotals 2000 + prior	9,095	6,882	15,977	4,763	195	4,958	7,680	65	4,354	12,099	3,348	(2,268)	1,080
4. 2001	8,500	10,575	19,075	5,001	1,162	6,163	4,409	311	8,330	13,050	910	(772)	138
5. Subtotals 2001 + prior	17,595	17,457	35,052	9,764	1,357	11,121	12,089	376	12,684	25,149	4,258	(3,040)	1,218
6. 2002	X X X	X X X	X X X	X X X	17,128	17,128	X X X	6,326	7,251	13,577	X X X	X X X	X X X
7. Totals	17,595	17,457	35,052	9,764	18,485	28,249	12,089	6,702	19,935	38,726	4,258	(3,040)	1,218
8. Prior Year-End's Surplus As Regards Policy-holders	46,789										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. .... 24.2 %	2. .... (17.4)%	3. .... 3.5 %
													Col. 13, Line 7 Line 8
													4. .... 2.6 %

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

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSES

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

Yes

EXPLANATION:

.....

BARCODE:

Document Identifier 470:

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

Yes

EXPLANATION:

.....

BARCODE:

2. Document Identifier 490:

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

Yes

EXPLANATION:

.....

BARCODE:

3. Document Identifier 450:

**Page E01**

Sch. A, Pt. 2, Real Estate Acquired  
**NONE**

Sch. A, Pt. 3, Real Estate Sold  
**NONE**

**Page E02**

Schedule B, Part 1, Mortgage Loans Acquired  
**NONE**

Schedule B, Part 2, Mortgage Loans Sold  
**NONE**

**Page E03**

Sch. BA, Pt. 1, Other Long-Term Invested Assets Acquired  
**NONE**

Sch. BA, Pt. 2, Other Long-Term Invested Assets Sold  
**NONE**

**SCHEDULE D - PART 3**

Show All Long-term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation (a)
Bonds - U.S. Governments								
UNITED STATES								
3133MK-FC-6	FEDERAL HOME LOAN BANK 3.125 11/14/2003	04/08/2002	CREDIT SUISSE FIRST BOSTON		4,081,742	4,100,000	45,555	1PE
880591-DD-1	TENNESSEE VALLEY AUTHOR 5.000 12/18/2003	04/10/2002	BLAYLOCK & PARTNERS, L.P.		1,435,798	1,400,000	22,167	1PE
	TOTAL UNITED STATES				5,517,540	5,500,000	67,722	
0399999	Subtotal - Bonds - U.S. Governments				5,517,540	5,500,000	67,722	
Bonds - Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions								
UNITED STATES								
31388V-E9-5	FEDERAL NATIONAL MTG AS 6.000 12/01/2016	04/05/2002	BANC ONE CAPITAL MARKETS, INC.		990,226	984,229	2,461	1
	TOTAL UNITED STATES				990,226	984,229	2,461	
3199999	Subtotal - Bonds - Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions				990,226	984,229	2,461	
Bonds - Industrial and Miscellaneous								
UNITED STATES								
05947U-ES-3	BANC OF AMER COMM MTG I 6.186 01/01/2012	05/09/2002	BANK OF AMERICA		1,005,041	1,000,000	3,780	1Z
17305E-AS-4	CITIBANK CREDIT CARD IS 4.100 12/07/2004	04/03/2002	BANK OF AMERICA		1,191,375	1,200,000	16,537	1PE
22540V-3Q-3	HOME EQUITY MTG TR 02 1 5.355 03/01/2012	06/03/2002	CREDIT SUISSE FIRST BOSTON		1,000,000	1,000,000	4,016	1PE
86358R-XZ-5	STRUCTURED ASSET SECS C 3.450 08/01/2029	04/24/2002	LEHMAN BROTHERS		862,206	975,277	2,617	1PE
	TOTAL UNITED STATES				4,058,622	4,175,277	26,950	
4599999	Subtotal - Bonds - Industrial and Miscellaneous				4,058,622	4,175,277	26,950	
6099997	Subtotal - Bonds - Part 3				10,566,388	10,659,506	97,133	
6099999	Subtotal - Bonds				10,566,388	10,659,506	97,133	
7299999	TOTALS				10,566,388		97,133	

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

**SCHEDULE D - PART 4**Show All Long-term Bonds and Stock Sold, Redeemed or Otherwise Disposed of  
by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identif- ication	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designa- tion (a)
Bonds - U.S. Governments																
UNITED STATES																
313646-RG-6	FEDERAL NATIONAL MORTGA 6.000 02/04/2009	06/17/2002	SECURITY CALLED BY ISSUER at 100.00		1,000,000	1,000,000.00	998,750	999,045	51			904	904	52,167		1PE
36203C-CW-0	GOVERNMENT NATL MTG ASS 6.000 01/01/2014	06/01/2002	PAYDOWN		1,698	1,697.98	1,679	1,697	1					42		1
36203K-ZC-1	GOVERNMENT NATL MTG ASS 7.000 04/01/2009	06/01/2002	PAYDOWN		21,784	21,783.66	21,291	21,767	17					635		1
	TOTAL UNITED STATES				1,023,482	1,023,481.64	1,021,720	1,022,509	69			904	904	52,844		
0399999	Subtotal - Bonds - U.S. Governments				1,023,482	1,023,481.64	1,021,720	1,022,509	69			904	904	52,844		
Bonds - States, Territories and Possessions																
UNITED STATES																
NEW JERSEY																
646046-GK-2	NEW JERSEY ST 9.000 04/01/2005	04/01/2002	SINKING FUND REDEMPTION		35,000	35,000.00	35,875	35,021	(21)					1,575		1PE
	TOTAL NEW JERSEY				35,000	35,000.00	35,875	35,021	(21)					1,575		
	TOTAL UNITED STATES				35,000	35,000.00	35,875	35,021	(21)					1,575		
1799999	Subtotal - Bonds - States, Territories and Possessions				35,000	35,000.00	35,875	35,021	(21)					1,575		
Bonds - Political Subdivisions of States, Territories and Possessions																
UNITED STATES																
SOUTH CAROLINA																
396074-AN-6	GREENVILLE CNTY SC UNIV 7.250 04/01/2019	04/01/2002	SINKING FUND REDEMPTION		15,000	15,000.00	14,102	15,008	(8)					544		1PE
	TOTAL SOUTH CAROLINA				15,000	15,000.00	14,102	15,008	(8)					544		
	TOTAL UNITED STATES				15,000	15,000.00	14,102	15,008	(8)					544		
2499999	Subtotal - Bonds - Political Subdivisions of States, Territories and Possessions				15,000	15,000.00	14,102	15,008	(8)					544		
Bonds - Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																
UNITED STATES																
312906-HM-5	FEDERAL HOME LN MTG COR 7.500 02/01/2006	06/01/2002	PAYDOWN		11,228	11,227.95	11,509	11,239	(11)					336		1
312908-UQ-7	FEDERAL HOME LN MTG COR 7.000 11/01/2002	06/01/2002	PAYDOWN		79,228	79,227.65	80,168	79,228						2,562		1PE
312911-N3-0	FEDERAL HOME LN MTG COR 6.000 12/01/2005	06/01/2002	PAYDOWN		19,801	19,800.90	19,034	19,754	47					488		1PE
312911-UM-0	FEDERAL HOME LN MTG COR 7.000 07/01/2007	06/01/2002	PAYDOWN		46,412	46,412.41	46,761	46,412						1,456		1PE
31292H-JR-6	FEDERAL HOME LN MTG COR 6.500 05/01/2031	06/01/2002	PAYDOWN		80,339	80,338.60	80,050	80,316	22					2,172		1
3133T1-3U-4	FEDERAL HOME LN MTG COR 6.000 05/01/2003	06/01/2002	PAYDOWN		28,562	28,561.60	28,053	28,516	45					715		1PE
3133T1-HG-0	FEDERAL HOME LN MTG COR 6.500 01/01/2005	06/01/2002	PAYDOWN		25,939	25,939.06	26,050	25,951	(12)					704		1PE
3133T2-3F-5	FHLMC GNMA 25 B 6.500 10/01/2008	06/01/2002	PAYDOWN		39,304	39,304.25	39,501	39,304						1,067		1PE
3133T3-XX-1	FEDERAL HOME LN MTG COR 6.000 07/01/2008	06/01/2002	PAYDOWN		19,844	19,844.35	17,463	19,755	89					496		1PE
3133TG-ZX-0	FEDERAL HOME LN MTG COR 6.000 08/01/2013	06/01/2002	PAYDOWN		73,008	73,008.48	71,457	72,689	319					1,792		1PE
3133TT-NN-7	FEDERAL HOME LN MTG COR 6.500 11/01/2015	06/01/2002	PAYDOWN		504,298	504,298.40	502,407	502,939	1,359					13,121		1PE
31358K-GK-8	FEDERAL NATIONAL MTG AS 8.000 03/01/2004	06/01/2002	PAYDOWN		5,570	5,570.18	5,580	5,570						187		1PE
31358R-CX-9	FEDERAL NATIONAL MTG AS 7.000 11/01/2005	06/01/2002	PAYDOWN		25,635	25,634.98	24,418	25,557	78					746		1PE
31359A-C8-0	FEDERAL NATIONAL MTG AS 6.500 07/01/2002	06/01/2002	PAYDOWN		35,577	35,576.59	36,044	35,577						960		1PE
31359D-NR-0	FEDERAL NATIONAL MTG AS 6.500 04/01/2003	06/01/2002	PAYDOWN		95,925	95,924.51	97,107	95,925						2,563		1PE
31359D-R3-9	FEDERAL NATIONAL MTG AS 6.500 04/01/2003	06/01/2002	PAYDOWN		80,520	80,519.89	81,250	80,520						2,181		1PE
31359G-GD-2	FEDERAL NATIONAL MTG AS 6.250 02/01/2003	06/01/2002	PAYDOWN		77,958	77,957.81	75,513	77,390	568					2,023		1PE
31359N-AU-5	FEDERAL NATIONAL MTG AS 6.500 10/01/2010	06/01/2002	PAYDOWN		45,726	45,725.62	43,868	42,875	2,851					1,038		1PE
31359V-BL-6	FEDERAL NATIONAL MTG AS 6.500 05/01/2006	06/01/2002	PAYDOWN		309,680	309,679.68	308,954	309,544	135					8,393		1PE
31388V-E9-5	FEDERAL NATIONAL MTG AS 6.000 12/01/2016	06/01/2002	PAYDOWN		19,140	19,140.38	19,257	19,257	(2)					164		1
CALIFORNIA																
556433-BG-4	MADERA CA CMNTY HOSP RE 8.000 05/01/2006	05/01/2002	SINKING FUND REDEMPTION		5,000	5,000.00	5,390	5,009	(9)					200		1PE
	TOTAL CALIFORNIA				1,628,694	1,628,693.29	1,619,834	1,623,327	5,479					43,364		
FLORIDA																

(continues)

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

## SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identif- ication	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designa- tion (a)
Bonds - Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions (continued)																
523489-EW-8	LEE CNTY FL HSG FIN AUT 6.700 09/01/2025	04/01/2002	SECURITY CALLED BY ISSUER at 100.00		605,000	605,000.01	618,280	615,213	(289)			(9,924)	(9,924)	21,943		1PE
561842-MV-4	MANATEE CNTY FL HSG FIN 6.080 05/01/2020	06/01/2002	SECURITY CALLED BY ISSUER at 100.00		285,000	285,000.00	285,000	285,000						10,108		1PE
	TOTAL FLORIDA				890,000	890,000.01	903,280	900,213	(289)			(9,924)	(9,924)	32,051		
	LOUISIANA															
88880P-AA-2	TOBACCO SETTLEMENT AUTH 6.360 05/15/2025	05/15/2002	SINKING FUND REDEMPTION		115,000	115,000.00	114,997	114,724	276					3,820		1PE
	TOTAL LOUISIANA				115,000	115,000.00	114,997	114,724	276					3,820		
	MICHIGAN															
621075-AB-6	MOUNT CLEMENS MI HSG CO 6.250 06/01/2003	06/01/2002	SINKING FUND REDEMPTION		60,000	60,000.00	62,850	60,151	(151)					1,875		1PE
	TOTAL MICHIGAN				60,000	60,000.00	62,850	60,151	(151)					1,875		
	MINNESOTA															
60415M-E2-6	MINNESOTA ST HSG FIN AG 6.950 07/01/2010	05/31/2002	SECURITY CALLED BY ISSUER at 100.00		90,000	90,000.00	91,575	91,167	(55)			(1,111)	(1,111)	3,558		1PE
	TOTAL MINNESOTA				90,000	90,000.00	91,575	91,167	(55)			(1,111)	(1,111)	3,558		
	UTAH															
744137-AZ-3	PROVO CITY UT MUN BLDG 6.500 04/01/2002	04/01/2002	MATURITY		330,000	330,000.00	342,302	330,964	(964)					10,725		1PE
	TOTAL UTAH				330,000	330,000.00	342,302	330,964	(964)					10,725		
	TOTAL UNITED STATES															
3199999	Subtotal - Bonds - Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions				3,113,694	3,113,693.30	3,134,838	3,120,546	4,296			(11,035)	(11,035)	95,393		
Bonds - Industrial and Miscellaneous																
	UNITED STATES															
03878L-AB-2	ARC NET INTEREST MARGIN 6.750 04/27/2004	06/27/2002	PAYDOWN		182,952	182,951.89	180,837	181,085	1,867					6,172		2PE
304376-AB-2	FAIRFIELD FDG CORP III 5.300 03/15/2005	06/15/2002	PAYDOWN		148,019	148,018.73	148,019	148,019						3,210		1PE
36170M-AC-3	GGP MALL PROP TR 01 A A 5.007 11/15/2006	06/15/2002	PAYDOWN		2,460	2,460.45	2,461	2,460						51		1PE
370425-RH-5	GENERAL MOTORS ACCEPTAN 2.276 04/05/2004	04/08/2002	ABN AMRO FINANCIAL SERVICES		1,080,908	1,100,000.00	1,091,434	1,092,978	3,922			(15,992)	(15,992)	13,990		2PE
441812-FZ-2	HOUSEHOLD FINANCE CORPO 2.186 06/17/2005	04/08/2002	CREDIT SUISSE FIRST BOSTON		1,465,620	1,500,000.00	1,494,954	1,494,991	35			(29,406)	(29,406)	10,518		1PE
466157-AC-8	JG WENTWORTH REC V LLC 6.395 05/15/2014	06/15/2002	PAYDOWN		7,702	7,701.75	7,741	7,741						93		1PE
59018Y-JS-1	MERRILL LYNCH & COMPANY 2.302 05/22/2006	04/09/2002	PAINE WEBBER		1,500,690	1,500,000.00	1,500,629	1,500,136	207			347	347	14,294		1PE
745291-ET-7	PUERTO RICO PUBLIC FINA 6.150 01/15/2008	04/17/2002	SECURITY CALLED BY ISSUER at 100.00		1,069,143	1,069,143.38	1,116,921	1,116,085	(2,352)			(44,589)	(44,589)	32,876		1PE
784876-AB-0	SVO TIMESHARE MTG CORP 5.690 06/01/2011	06/01/2002	PAYDOWN		103,809	103,809.16	103,808	103,809						2,445		1PE
79548K-QU-5	SALOMON BROS MTG SECS V 7.500 02/01/2026	06/01/2002	PAYDOWN		13,771	13,770.97	13,633	13,755	16					512		1PE
79548K-UV-8	SALOMON BROS MTG SECS V 7.750 09/01/2025	06/01/2002	PAYDOWN		12,038	12,037.89	10,232	11,943	94					400		2
86358R-XZ-5	STRUCTURED ASSET SECS C 3.450 08/01/2029	06/01/2002	PAYDOWN		23,423	23,422.91	20,707	20,707	16					105		1PE
	TOTAL UNITED STATES				5,610,535	5,663,317.13	5,691,376	5,693,709	3,805			(89,640)	(89,640)	84,666		
	OTHERS															
111021-AB-7	BRITISH TELECOMMUNICATI 3.295 12/15/2003	04/08/2002	BEAR STEARNS		1,517,655	1,500,000.00	1,524,876	1,519,724	(3,190)			1,121	1,121	15,312		2PE
	TOTAL OTHERS				1,517,655	1,500,000.00	1,524,876	1,519,724	(3,190)			1,121	1,121	15,312		
4599999	Subtotal - Bonds - Industrial and Miscellaneous				7,128,190	7,163,317.13	7,216,252	7,213,433	615			(88,519)	(88,519)	99,978		
6099997	Subtotal - Bonds - Part 4				11,315,366	11,350,492.07	11,422,787	11,406,517	4,951			(98,650)	(98,650)	250,334		
6099999	Subtotal - Bonds				11,315,366	11,350,492.07	11,422,787	11,406,517	4,951			(98,650)	(98,650)	250,334		
Common Stock - Industrial and Miscellaneous																
	UNITED STATES															
027653-10-4	AMERICAN MUNI TERM TRUST II	05/29/2002	VARIOUS		15,200,000	142,099	164,906	161,424	3,482			(22,807)	(22,807)	19,725		L
	TOTAL UNITED STATES				15,200,000	142,099	164,906	161,424	3,482			(22,807)	(22,807)	19,725		
6899999	Subtotal - Common Stock - Industrial and Miscellaneous				142,099		164,906	161,424	3,482			(22,807)	(22,807)	19,725		
7099997	Subtotal - Common Stock - Part 4				142,099		164,906	161,424	3,482			(22,807)	(22,807)	19,725		

**SCHEDULE D - PART 4**Show All Long-term Bonds and Stock Sold, Redeemed or Otherwise Disposed of  
by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identif- ication	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designa- tion (a)
7099999	Subtotal - Common Stock .....				142,099		164,906	161,424	3,482			(22,807)	(22,807)		19,725	
7199999	Subtotal - Preferred and Common Stock .....				142,099		164,906	161,424	3,482			(22,807)	(22,807)		19,725	
7299999	TOTALS .....				11,457,465		11,587,693	11,567,941	8,433			(121,457)	(121,457)	250,334	19,725	

**Page E06**

Schedule DB, Part A, Section 1

**NONE**

Schedule DB, Part B, Section 1

**NONE**

**Page E07**

Schedule DB, Part C, Section 1

**NONE**

Schedule DB, Part D, Section 1

**NONE**

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository		2	3	4	Book Balance at End of Each Month During Current Quarter			8 *
					5	6	7	
Name	Location and Supplemental Information	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	
Open Depositories								
FARMERS CITIZENS BANK CD	BUCYRUS, OH	3.000	910	307	120,306	120,602	120,910	
FEDERAL FARM CREDIT BANK	FIFTH THIRD BANK, CINCINNATI, OH	1.730					999,664	
FEDERAL HOME LOAN BANK	FIFTH THIRD BANK, CINCINNATI, OH	1.700					1,099,896	
FEDERAL NATIONAL MORTGAGE ASSOCIATIO	FIFTH THIRD BANK, CINCINNATI, OH	1.725					878,853	
FIFTH THIRD BANK	CINCINNATI, OH		1,965		89,893	151,725	248,569	
FIFTH THIRD BANK	COLUMBUS, OH		17,132		5,898,474	7,594,941	7,614,504	
GENERAL ELECTRIC CAPITAL CORPORATION	FIFTH THIRD BANK, CINCINNATI, OH	1.751			999,368		1,099,731	
GENERAL ELECTRIC CAPITAL CORPORATION	FIFTH THIRD BANK, CINCINNATI, OH	1.761					(1,279,412)	
UNITED BANK, N.A.	BUCYRUS, OH				(870,515)	(1,279,412)	(2,411,039)	
0199999	TOTAL - Open Depositories		20,008	307	6,237,526	7,687,587	8,551,357	
0399999	TOTAL Cash on Deposit		20,008	307	6,237,526	7,687,587	8,551,357	
0499999	Cash in Company's Office				200	200	200	
0599999	TOTALS		20,008	307	6,237,726	7,687,787	8,551,557	