



QUARTERLY STATEMENT

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

AMERICAN HARDWARE MUTUAL INSURANCE COMPANY

NAIC Group Code..... 0291, 291 (Current Period) (Prior Period) NAIC Company Code..... 13331 Employer's ID Number..... 41-0299900

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

Country of Domicile US

Incorporated..... May 25, 1899

Commenced Business..... January 3, 1900

Statutory Home Office	471 East Broad Street Columbus OH 43215 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	471 East Broad Street Columbus OH 43215 <i>(Street and Number) (City or Town, State and Zip Code)</i>	614-225-8211 <i>(Area Code) (Telephone Number)</i>
Mail Address	471 East Broad Street Columbus OH 43215 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	471 East Broad Street Columbus OH 43215 <i>(Street and Number) (City or Town, State and Zip Code)</i>	614-225-8211 <i>(Area Code) (Telephone Number)</i>
Internet Website Address	MotoristsGroup.com	
Statement Contact	James E. Vermillion <i>(Name)</i> MIC-AHIG.Accounting@MotoristsGroup.com <i>(E-Mail Address)</i>	614-225-8331 <i>(Area Code) (Telephone Number) (Extension)</i> 614-225-8330 <i>(Fax Number)</i>
Policyowner Relations Contact	5996 Opus Parkway Minnetonka MN 55343 <i>(Street and Number) (City or Town, State and Zip Code)</i>	1-800-922-6757 <i>(Area Code) (Telephone Number) (Extension)</i>

OFFICERS

President John Jacob Bishop Treasurer Michael Lee Wiseman Secretary Thomas Charles Ogg

VICE PRESIDENTS

David William Lemon

DIRECTORS OR TRUSTEES

John Jacob Bishop
Thomas Charles Ogg
Garry Lee Wharton

Alan Nicholas Dekker
Robert Elvin Herman Rabold

David William Lemon
Burtis Gilbert Taylor
Michael Lee Wiseman

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.

John J. Bishop
President

Thomas C. Ogg
Secretary

Michael L. Wiseman
Treasurer

Subscribed and sworn to before me this

2nd day of August, 2002

.....

STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN HARDWARE MUTUAL INSURANCE COMPANY

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.....	125,702,053		125,702,053	125,408,404
2. Stocks:				
2.1 Preferred stocks.....	535,000		535,000	535,000
2.2 Common stocks.....	41,184,212		41,184,212	43,019,012
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 (\$....7,214,891) and short-term investments (\$.....0).....	7,214,891		7,214,891	4,735,144
6. Other invested assets.....			0	
7. Receivable for securities.....	1,004		1,004	
8. Aggregate write-ins for invested assets.....	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8).....	174,637,160	0	174,637,160	173,697,560
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection.....	21,273,864		21,273,864	9,553,851
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$....296,020 earned but unbilled premiums).....	16,144,684	70,629	16,074,055	14,470,239
10.3 Accrued retrospective premiums.....			0	
11. Funds held by or deposited with reinsured companies.....	261,215		261,215	261,261
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.....	11,960,409		11,960,409	7,192,186
15. Federal and foreign income tax recoverable and interest thereon (including \$....6,992,271 net deferred tax asset).....	7,270,276	2,683,359	4,586,917	3,971,211
16. Guaranty funds receivable or on deposit.....			0	
17. Electronic data processing equipment and software.....	48,353		48,353	43,895
18. Interest, dividends and real estate income due and accrued.....	2,446,833		2,446,833	2,494,194
19. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....	46,419		46,419	624,197
21. Amounts due from/to protected cells.....			0	
22. Equities and deposits in pools and associations.....	188,375		188,375	197,362
23. Amounts receivable relating to uninsured accident and health plans.....			0	
24. Other assets nonadmitted.....	186,957	186,957	0	
25. Aggregate write-ins for other than invested assets.....	1,008,573	133,180	875,393	1,264,993
26. Total assets excluding protected cell assets (Lines 9 through 25).....	235,473,118	3,074,126	232,398,992	213,770,949
27. Protected cell assets.....			0	
28. TOTALS (Lines 26 and 27).....	235,473,118	3,074,126	232,398,992	213,770,949

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.....	133,180	133,180	0	94,696
2502. Pooled general expenses receivable.....	875,393		875,393	1,170,297
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).....	1,008,573	133,180	875,393	1,264,993

**STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN HARDWARE MUTUAL INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....11,872,444).....	52,614,890	52,091,609
2. Reinsurance payable on paid losses and loss adjustment expenses.....	13,951,028	6,075,336
3. Loss adjustment expenses.....	11,377,508	10,897,993
4. Commissions payable, contingent commissions and other similar charges.....	1,472,814	1,826,832
5. Other expenses (excluding taxes, licenses and fees).....	1,237,018	936,693
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,178,092	1,595,408
7. Federal and foreign income taxes (including \$.....58,396 on realized capital gains (losses) (including \$.....0 net deferred tax liability).....		212,157
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....33,780,395 and including warranty reserves of \$.....190).....	32,181,287	28,003,034
10. Advance premium.....	525,982	778,857
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	89,110	93,800
12. Ceded reinsurance premiums payable (net of ceding commissions).....	14,164,260	4,820,640
13. Funds held by company under reinsurance treaties.....	1,153,457	1,299,057
14. Amounts withheld or retained by company for account of others.....	955,215	836,937
15. Remittances and items not allocated.....	24,787	11,906
16. Provision for reinsurance.....	719,752	1,063,115
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	2,303,680	1,899,155
19. Payable to parent, subsidiaries and affiliates.....		
20. Payable for securities.....		223,790
21. Liability for amounts held under uninsured accident and health plans.....		
22. Capital notes \$..... and interest thereon \$.....		
23. Aggregate write-ins for liabilities.....	1,900,979	630,323
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	135,849,860	113,296,642
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	135,849,860	113,296,642
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....		
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.....		
33. Unassigned funds (surplus).....	96,549,133	100,474,307
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).....	96,549,133	100,474,307
36. TOTALS.....	232,398,992	213,770,949

DETAILS OF WRITE-INS

2301. Uncashed drafts and checks that are pending escheatment to a state.....	162,826	183,377
2302. Charge for future rent obligations.....	129,943	172,951
2303. Miscellaneous liabilities.....	34,322	66,757
2398. Summary of remaining write-ins for Line 23 from overflow page.....	1,573,888	207,237
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	1,900,979	630,323
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....37,598,714).....	32,400,784	28,271,839	58,688,913
1.2 Assumed..... (written \$.....42,740,691).....	38,467,624	33,193,394	69,245,562
1.3 Ceded..... (written \$.....37,890,248).....	32,658,974	27,543,641	57,817,694
1.4 Net..... (written \$.....42,449,158).....	38,209,435	33,921,593	70,116,782
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....24,021,183):			
2.1 Direct.....	23,642,552	15,657,934	29,934,636
2.2 Assumed.....	25,168,060	19,556,292	42,591,256
2.3 Ceded.....	23,721,698	16,409,272	33,162,960
2.4 Net.....	25,088,914	18,804,953	39,362,933
3. Loss expenses incurred.....	5,757,003	4,675,129	9,194,111
4. Other underwriting expenses incurred.....	12,843,296	11,390,155	23,760,551
5. Aggregate write-ins for underwriting deductions.....	0	219,222	224,387
6. Total underwriting deductions (Lines 2 through 5).....	43,689,213	35,089,459	72,541,982
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(5,479,778)	(1,167,866)	(2,425,200)
INVESTMENT INCOME			
9. Net investment income earned.....	4,282,990	4,397,106	8,725,534
10. Net realized capital gains (losses).....	171,752	1,482,643	1,325,626
11. Net investment gain (loss) (Lines 9 + 10).....	4,454,743	5,879,749	10,051,160
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....14,042 amount charged off \$.....93,446).....	(79,403)	(802)	(7,580)
13. Finance and service charges not included in premiums.....	282,237	211,938	440,122
14. Aggregate write-ins for miscellaneous income.....	(802)	(20,836)	(29,287)
15. Total other income (Lines 12 through 14).....	202,032	190,299	403,255
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	(823,003)	4,902,182	8,029,215
17. Dividends to policyholders.....	52,068	29,731	110,862
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17).....	(875,072)	4,872,452	7,918,353
19. Federal and foreign income taxes incurred.....	102,793	226,838	501,848
20. Net income (Line 18 minus Line 19) (to Line 22).....	(977,865)	4,645,614	7,416,505
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year.....	100,474,308	89,057,524	89,057,524
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20).....	(977,865)	4,645,614	7,416,505
23. Net unrealized capital gains or losses.....	(2,058,049)	(1,379,542)	(1,290,309)
24. Change in net unrealized foreign exchange capital gain (loss).....			
25. Change in net deferred income taxes.....	666,626	(1,390,301)	(1,634,894)
26. Change in nonadmitted assets.....	(2,822,983)	10,537	51,457
27. Change in provision for reinsurance.....	343,363		(157,351)
28. Change in surplus notes.....			
29. Surplus (contributed to) withdrawn from protected cells.....			
30. Cumulative effect of changes in accounting principles.....	1,821,631	7,021,333	7,031,375
31. Capital changes:			
31.1 Paid in.....			
31.2 Transferred from surplus (Stock Dividend).....			
31.3 Transferred to surplus.....			
32. Surplus adjustments:			
32.1 Paid in.....			
32.2 Transferred to capital (Stock Dividend).....			
32.3 Transferred from capital.....			
33. Net remittances from or (to) Home Office.....			
34. Dividends to stockholders.....			
35. Change in treasury stock.....			
36. Aggregate write-ins for gains and losses in surplus.....	(897,898)	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36).....	(3,925,174)	8,907,641	11,416,784
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37).....	96,549,133	97,965,165	100,474,308

DETAILS OF WRITE-INS

0501. Premium recognition transition adjustment.....		219,222	192,387
0502. Premium recognition transition adjustment.....			32,000
0503. Premium deficiency reserve.....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	219,222	224,387
1401. Gain/(loss) from sale of asset other than securities.....	729		(7,042)
1402. Miscellaneous income/expense.....	(1,531)	(23,620)	(25,029)
1403. Interest on other than securities.....		2,784	2,784
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).....	(802)	(20,836)	(29,287)
3601. Pension valuation charge.....	(897,898)		
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page.....	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above).....	(897,898)	0	0

STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN HARDWARE MUTUAL INSURANCE COMPANY

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	34,251,494	68,387,651
2. Loss and loss adjustment expenses paid (net of salvage and subrogation).....	26,331,126	49,400,601
3. Underwriting expenses paid.....	12,956,198	23,161,597
4. Other underwriting income (expenses).....	(228,037)	(225,775)
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	(5,263,867)	(4,400,323)
6. Net investment income.....	4,541,130	8,875,700
7. Other income (expenses):		
7.1 Agents' balances charged off.....	(63,018)	(7,580)
7.2 Net funds held under reinsurance treaties.....	(145,554)	298,901
7.3 Net amount withheld or retained for account of others.....	118,278	(92,125)
7.4 Aggregate write-ins for miscellaneous items.....	88,467	438,472
7.5 Total other income (Lines 7.1 to 7.4).....	(1,827)	637,669
8. Dividends to policyholders on direct business, less \$.....152,411 dividends on reinsurance assumed or ceded (net).....	52,068	80,462
9. Federal and foreign income taxes (paid) recovered.....	(592,955)	(247,424)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9).....	(1,369,587)	4,785,160
CASH FROM INVESTMENTS		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds.....	2,320,690	50,405,120
11.2 Stocks.....	2,634,347	15,945,482
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.....		309,884
11.8 Total investment proceeds (Lines 11.1 to 11.7).....	4,955,037	66,660,486
12. Cost of investments acquired (long-term only):		
12.1 Bonds.....	2,594,745	57,532,447
12.2 Stocks.....	3,003,934	15,978,808
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Miscellaneous applications.....	224,794	
12.7 Total investments acquired (Lines 12.1 to 12.6).....	5,823,473	73,511,255
13. Net cash from investments (Line 11.8 minus Line 12.7).....	(868,436)	(6,850,769)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in.....		
14.2 Capital notes \$.....0 less amounts repaid \$.....0.....		
14.3 Net transfers from affiliates.....	619,043	
14.4 Borrowed funds received.....		
14.5 Other cash provided.....	4,187,175	6,682,424
14.6 Total (Lines 14.1 to 14.5).....	4,806,219	6,682,424
15. Cash applied:		
15.1 Dividends to stockholders paid.....		
15.2 Net transfers to affiliates.....		564,504
15.3 Borrowed funds repaid.....		
15.4 Other applications.....	88,449	184,113
15.5 Total (Lines 15.1 to 15.4).....	88,449	748,617
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5).....	4,717,770	5,933,807
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16).....	2,479,747	3,868,198
18. Cash and short-term investments:		
18.1 Beginning of year.....	4,735,146	866,948
18.2 End of period (Line 17 plus Line 18.1).....	7,214,893	4,735,146
DETAILS OF WRITE-INS		
07.401 Finance and service charges not included in premiums.....	80,267	440,122
07.402 Equities and deposits in pools and associations.....	8,987	26,604
07.403 Miscellaneous income/expense.....	(788)	(28,253)
07.498 Summary of remaining write-ins for Line 7.4 from overflow page.....	0	0
07.499 Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above).....	88,467	438,472

STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN HARDWARE MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements have been completed in accordance with the accounting practices and procedures prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Ohio.

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

The preparation of financial statements in conformity with Statutory Accounting Principles as described in the Annual Statement Instructions and the Accounting Practices and Procedures manual requires that management make estimates and assumptions that affect 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. Refer to the previous year annual statement for additional disclosure information.

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 the premiums written. Such reserves are computed using the daily method for direct business and are based on reports received from ceding companies for reinsurance assumed business.

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) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific amortization method.
- (3) Common Stocks are valued at market except that investments in stocks of uncombined subsidiaries and affiliates in which the company has an interest of 20% or more are carried on the equity basis.
- (4) Preferred stocks are stated at cost, unless qualified at market.
- (5) The company has no mortgage loans.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. Amortized cost includes pre-payment assumptions based on values obtained from market data vendors or broker dealers. The retrospective adjustment method is used to value these securities.
- (7) The company owns 30% of the common stock of Motorists Life Insurance Company, a life insurer; 100% of the common stock of American Merchants Casualty Company, a property/casualty insurer; and 100% of AHM Agency, Inc., an insurance broker. The stock is valued on a net worth basis as described in Part 8 of the NAIC Securities Valuation Handbook.
- (8) The company's investments in joint ventures and partnerships are valued based on the underlying equity of the investee as presented in audited GAAP financial reports.
- (9) No derivative securities are held.
- (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 amounts are adequate, the ultimate liabilities may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

2. Accounting Changes and Correction of Errors

The company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the state prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual – version effective January 1, 2001 subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner. There were no accounting changes or corrections of errors in 2002.

17 C. Wash Sales

In the course of the company's asset management, no securities were sold and reacquired within 30 days of the sale date to enhance the company's yield on its investment portfolio.

25. Intercompany Pooling Arrangements

Since January 1, 1993, Motorists Mutual Insurance Company (NAIC Company Code 14621) and its affiliates, American Hardware Mutual Insurance Company (NAIC Company Code 13331) and American Merchants Casualty Company (NAIC Company Code 43630), participated in a reinsurance pooling arrangement covering premiums, losses and underwriting expenses for all lines of business from January 1, 1993 forward. Related finance and service charge income, net gains/losses from agent and premium balance charge-offs, and policyholder dividends were also subject to the pooling agreement. The pool participation rates were 77% for Motorists Mutual, 20% for American Hardware and 3% for American Merchants.

On November 19, 2001, Wilson Mutual Insurance Company (NAIC Company Code 19950) affiliated with the Motorists Insurance Group. Effective January 1, 2002, the reinsurance pooling arrangement was amended to include Wilson Mutual. Unearned premiums, unpaid losses, unpaid expenses and other underwriting related balances as of December 31, 2001 were redistributed to facilitate the inclusion of Wilson Mutual. The pool participation rates for 2002 are 75% for Motorists Mutual, 19% for American Hardware, 3% for American Merchants and 3% for Wilson Mutual.

Each company recognizes facultative (quota share and excess) and treaty (excess and catastrophe) reinsurance cessions with non-affiliated

STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN HARDWARE MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

reinsurers, prior to the administration of the pooling agreement. Reinsurance assumed business from voluntary and involuntary pools and associations is also recorded before pooling. As the lead insurer, Motorists Mutual assumes all net premiums, losses, adjustment expenses and underwriting expenses subject to pooling and cedes back to each company their respective share of the pool. Underwriting related balance sheet items such as premiums, losses, and expenses receivable/recoverable and payable are pooled in the same manner. Write-offs of uncollectible premiums and reinsurance balances associated with accident years 1993 and subsequent are pooled in the year the write-offs are recognized.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

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

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

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

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

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

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

1	2	3
Name of Entity	NAIC Company Code	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.12/31/1998.....

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.12/31/1998.....

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).06/15/2000.....

7.4 By what department or departments?..... Ohio and Delaware

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

8.2 If yes, give full information:

GENERAL INTERROGATORIES (continued)

INVESTMENT

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

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

9.2 If yes, explain: _____

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

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

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

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

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

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.....	\$.....27,304,424	\$.....26,582,710
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).....	\$.....27,304,424	\$.....26,582,710
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
BancOne	1111 Polaris Parkway, Columbus, OH 43271

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 []

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
	ABN AMRO Asset Management, Inc.	208 S LaSalle St., Chicago, IL 60604
	Meeder Advisor Funds	P O Box 7177, Dublin, OH 43017
	Deutsche Asset Management	222 S. Riverside Plaza, Chicago, IL 60606

STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN HARDWARE MUTUAL INSURANCE 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 N/A
 If yes, attach an explanation.
 See Notes To Financial Statement # 25.

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
 If yes, attach an explanation.

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

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

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
Total.....	.....XXX.....	.....XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN HARDWARE MUTUAL INSURANCE COMPANY
SCHEDULE A - VERIFICATION

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

NONE

SCHEDULE B - VERIFICATION

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

NONE

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

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

NONE

SCHEDULE D - PART 1B

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

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS								
1. Class 1.....	103,881,979	2,594,745	41,333	(102,531)	103,881,979	106,332,860		108,062,291
2. Class 2.....	17,053,313		35,432	(13,420)	17,053,313	17,004,462		15,188,588
3. Class 3.....	2,089,220			(55,900)	2,089,220	2,033,320		1,826,115
4. Class 4.....								
5. Class 5.....								
6. Class 6.....	331,411				331,411	331,411		331,411
7. Total Bonds.....	123,355,923	2,594,745	76,765	(171,851)	123,355,923	125,702,053	0	125,408,405
PREFERRED STOCK								
8. Class 1.....	523,000			12,000	523,000	535,000		535,000
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	523,000	0	0	12,000	523,000	535,000	0	535,000
15. Total Bonds and Preferred Stock.....	123,878,923	2,594,745	76,765	(159,851)	123,878,923	126,237,053	0	125,943,405

Sch. DA-Part 1
NONE

Sch. DA-Part 2-Verification
NONE

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

SCHEDULE F - CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
------------------------------	------------------------------	------------------------	---------------	---

U.S. Insurers

10348.....	06-1430254.....	Arch Reinsurance Company.....	Greenwich, Connecticut.....	.....Yes.....
24767.....	13-6108721.....	Harco National Insurance Company.....	Schaumburg, Illinois.....	.....Yes.....
60739.....	74-0484030.....	American National Insurance Company.....	Texas.....	.....Yes.....
23043.....	04-1543470.....	Liberty Mutual Insurance Company.....	Boston, Massachusetts.....	.....Yes.....
35432.....	22-2187459.....	New Jersey Re-Insurance Company.....	West Trenton, New Jersey.....	.....No.....

All Other Insurers

.....	AA-1120002.....	Lloyd's Syndicate Number 0002.....	U.K.....	.....Yes.....
.....	AA-1121241.....	Lloyd's Syndicate Number 1241.....	U.K.....	.....Yes.....
.....	AA-1121245.....	Lloyd's Syndicate Number 1245.....	U.K.....	.....Yes.....
.....	AA-1122987.....	Lloyd's Syndicate Number 2987.....	U.K.....	.....Yes.....

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	YES		4	26,365	56,358	654,528	929,017
2. Alaska.....AK	YES						
3. Arizona.....AZ	YES	841,327	468,095	516,330	163,894	1,254,213	714,530
4. Arkansas.....AR	YES	9				21,562	15,000
5. California.....CA	YES	6,179,257	5,243,499	2,348,468	3,363,702	9,111,586	8,279,479
6. Colorado.....CO	YES	2,615,146	2,181,929	2,838,576	1,417,524	2,788,883	3,277,327
7. Connecticut.....CT	YES	599,840	578,058	312,868	366,682	1,553,972	1,111,215
8. Delaware.....DE	YES	68,891	65,798	39,650	77,811	309,911	108,840
9. District of Columbia.....DC	YES		(100)				
10. Florida.....FL	YES	12,498	20,076	126,595	132,639	1,545,927	1,294,802
11. Georgia.....GA	YES			109,345	59,546	129,299	353,008
12. Hawaii.....HI	NO						
13. Idaho.....ID	YES	1,401,162	1,027,473	530,337	521,879	1,343,033	1,028,649
14. Illinois.....IL	YES	1,033,843	826,660	545,658	404,299	4,869,569	6,839,914
15. Indiana.....IN	YES	309,979	125,814	86,213	32,183	631,250	342,837
16. Iowa.....IA	YES	868,690	517,340	138,665	103,026	338,785	253,416
17. Kansas.....KS	YES	351		97		20,000	21
18. Kentucky.....KY	YES	1,044,726	923,521	532,678	222,600	1,983,672	2,770,000
19. Louisiana.....LA	YES	275	275	4,064	5,167	366,821	355,405
20. Maine.....ME	YES	1,347	98	18,241	22,704	203,413	247,678
21. Maryland.....MD	YES	300,710	258,456	51,845	38,965	116,547	151,400
22. Massachusetts.....MA	YES	1,944,073	1,403,212	671,932	864,850	2,199,455	1,879,419
23. Michigan.....MI	YES	704,871	639,526	591,790	274,916	1,082,900	902,868
24. Minnesota.....MN	YES	1,354,992	1,491,557	245,974	826,351	5,013,989	5,015,924
25. Mississippi.....MS	YES		172			64	15
26. Missouri.....MO	YES	1,342	1,741	2,507	5,924	15,965	16,004
27. Montana.....MT	YES	50	267	6,699	13,592	115,318	129,343
28. Nebraska.....NE	YES	37,523	18,666	7,149	601	5,464	627
29. Nevada.....NV	YES	1,590,692	1,513,397	2,193,588	203,800	3,430,485	4,333,969
30. New Hampshire.....NH	YES	848,410	803,545	470,735	380,063	1,403,020	1,741,507
31. New Jersey.....NJ	YES	738,170	730,061	948,648	576,414	6,237,746	6,498,156
32. New Mexico.....NM	YES	(514)	4,597	2,239	1,910	24,080	6,893
33. New York.....NY	YES	2,901,863	2,507,061	907,254	1,027,289	10,944,216	6,296,732
34. North Carolina.....NC	YES	6,634	6,667	42,635	35,156	426,301	495,346
35. North Dakota.....ND	YES	415,151	918,909	81,844	189,275	1,236,852	1,222,007
36. Ohio.....OH	YES	1,882,049	1,614,389	624,301	1,109,639	1,698,965	1,896,435
37. Oklahoma.....OK	YES	625	23		764	241	108
38. Oregon.....OR	YES	3,743,652	2,949,981	1,333,400	732,854	4,917,447	5,453,528
39. Pennsylvania.....PA	YES	573,354	426,065	881,087	232,952	1,688,970	2,122,243
40. Rhode Island.....RI	YES					4	
41. South Carolina.....SC	YES	152,207	215,808	15,751	50,029	384,412	484,222
42. South Dakota.....SD	YES	2,189	96,838	32,107	98,447	777,463	923,786
43. Tennessee.....TN	YES	7,419	8,082	19,302	11,134	252,681	293,815
44. Texas.....TX	YES	310,569	(98)	202,286	71,977	553,526	628,478
45. Utah.....UT	YES	149,601	276,781	6,237	6,934	129,215	154,141
46. Vermont.....VT	YES	53,982	76,951	29,536	49,428	116,237	143,134
47. Virginia.....VA	YES	513,091	287,930	89,243	168,664	396,529	720,057
48. Washington.....WA	YES	1,786,063	1,386,689	669,073	464,323	1,801,315	2,313,202
49. West Virginia.....WV	YES	11,960	9,339			1,595	989
50. Wisconsin.....WI	YES	2,581,129	2,179,239	2,079,704	1,031,687	3,734,327	3,996,177
51. Wyoming.....WY	YES	9,516	10,396			662	545
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) 50	37,598,714	31,814,789	20,381,015	15,417,953	75,832,414	75,742,208

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

**STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN HARDWARE MUTUAL INSURANCE COMPANY
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.....	16,607	154,383	929.6	1,393.1
2. Allied lines.....	29,387	18,715	63.7	85.6
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....	84,039	55,304	65.8	83.7
5. Commercial multiple peril.....	7,005,326	4,225,042	60.3	20.9
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....	1,768,845	542,921	30.7	56.0
10. Financial guaranty.....			0.0	
11.1. Medical malpractice-occurrence.....			0.0	
11.2. Medical malpractice-claims made.....			0.0	
12. Earthquake.....	182,307	1,150	0.6	(0.1)
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....	56,756	74,769	131.7	126.4
16. Workers' compensation.....	3,066,528	5,348,909	174.4	154.3
17.1. Other liability-occurrence.....	3,564,479	1,437,132	40.3	0.8
17.2. Other liability-claims made.....			0.0	
18.1. Products liability-occurrence.....	226,709	615,835	271.6	339.0
18.2. Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....	37,319	88,531	237.2	111.8
19.3, 19.4 Commercial auto liability.....	10,911,301	7,831,749	71.8	47.6
21. Auto physical damage.....	4,830,978	3,179,210	65.8	83.7
22. Aircraft (all perils).....			0.0	
23. Fidelity.....	295,178	32,005	10.8	41.1
24. Surety.....	77,015	5,770	7.5	24.2
26. Burglary and theft.....	81,874	16,028	19.6	11.9
27. Boiler and machinery.....	155,139		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.....	11,000	15,099	137.3	78.1
34. Totals.....	32,400,784	23,642,552	73.0	55.4
DETAILS OF WRITE-INS				
3301. Warranty.....	11,000	15,099	137.3	78.1
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).....	11,000	15,099	137.3	78.1

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....	8,522	16,472	16,372
2. Allied lines.....	15,672	24,986	29,996
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....	34,048	76,443	80,707
5. Commercial multiple peril.....	3,926,597	7,986,345	6,979,195
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	1,208,427	2,299,257	1,935,805
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....			
11.2. Medical malpractice-claims made.....			
12. Earthquake.....	66,291	143,612	126,395
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....	31,001	62,194	64,501
16. Workers' compensation.....	1,551,070	3,717,952	3,422,820
17.1. Other liability-occurrence.....	2,054,908	4,142,206	3,528,455
17.2. Other liability-claims made.....			
18.1. Products liability-occurrence.....	170,131	299,611	230,561
18.2. Products liability-claims made.....			
19.1, 19.2 Private passenger auto liability.....	27,029	47,409	50,164
19.3, 19.4 Commercial auto liability.....	6,412,767	13,049,875	10,746,339
21. Auto physical damage.....	2,548,877	5,049,945	4,113,688
22. Aircraft (all perils).....			
23. Fidelity.....	169,700	328,300	213,124
24. Surety.....	40,079	85,601	83,087
26. Burglary and theft.....	53,791	93,835	62,200
27. Boiler and machinery.....	89,366	174,670	131,381
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	(2)
34. Totals.....	18,408,275	37,598,714	31,814,789
DETAILS OF WRITE-INS			
3301. Warranty.....			(2)
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	(2)

STATEMENT AS OF JUNE 30, 2002 OF T-AMERICAN HARDWARE MUTUAL INSURANCE COMPANY

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 + 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 + 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 + 8 + 9)	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) (Cols. 11 + 12)
1. 1999 + Prior	28,052	3,322	31,374	6,148	309	6,457	25,235	1,095	540	26,870	3,330	(1,377)	1,954
2. 2000	6,831	3,159	9,991	1,976	114	2,091	5,597	294	2,220	8,110	742	(532)	210
3. Subtotals 2000 + Prior	34,884	6,481	41,365	8,124	424	8,548	30,831	1,389	2,760	34,981	4,072	(1,908)	2,163
4. 2001	13,235	8,389	21,625	5,337	1,576	6,913	7,612	1,502	5,634	14,747	(287)	323	36
5. Subtotals 2001 + Prior	48,119	14,870	62,990	13,461	2,000	15,461	38,443	2,891	8,394	49,728	3,785	(1,585)	2,200
6. 2002	XXX	XXX	XXX	XXX	14,382	14,382	XXX	9,254	5,010	14,264	XXX	XXX	XXX
7. Totals	48,119	14,870	62,990	13,461	16,382	29,843	38,443	12,145	13,404	63,992	3,785	(1,585)	2,200
8. Prior Year-End's Surplus As Regards Policyholders	100,474												
											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. ....7.9 %	2. ....(10.7)%	3. ....3.5 %
													Col. 13, Line 7 Line 8
													4. ....2.2 %

19

(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.

**STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN HARDWARE MUTUAL INSURANCE 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. Reinsurance assumed overhead payable.....	57,144	59,202
2305. State surcharges payable.....	38,872	24,435
2306. Premium deficiency reserve.....	117,420	123,600
2307. Pension reserve.....	1,360,452	
2397. Summary of remaining write-ins for Line 23 from Liabilities.....	1,573,888	207,237

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

STATEMENT AS OF JUNE 30, 2002 OF TRAMERICAN HARDWARE MUTUAL INSURANCE COMPANY
SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
Bonds - States, Territories and Possessions								
Connecticut								
20772F-RQ-5.....	Connecticut State Ser D 5.125% 11/15/13.....	05/03/2002.....	Raymond James Assoc.....		1,063,080	1,000,000	24,628	1PE.....
	Connecticut.....				1,063,080	1,000,000	24,628	XXX.....
Georgia								
373382-X2-1.....	Georgia State Ser B 4.800% 04/01/15.....	05/28/2002.....	Raymond James Assoc.....		1,531,665	1,500,000	12,000	1PE.....
	Georgia.....				1,531,665	1,500,000	12,000	XXX.....
	United States.....				2,594,745	2,500,000	36,628	XXX.....
1799999	Total - Bonds - States, Territories & Possessions.....				2,594,745	2,500,000	36,628	XXX.....
6099997	Total - Bonds - Part 3.....				2,594,745	2,500,000	36,628	XXX.....
6099999	Total - Bonds.....				2,594,745	2,500,000	36,628	XXX.....
Common Stocks - Public Utilities								
United States								
30231G-10-2.....	Exxon Mobil Corporation.....	04/08/2002.....	Legg Masson Wood & Walker Inc.....	300.000	12,990			L.....
	United States.....				12,990	XXX	0	XXX.....
6699999	Total - Common Stocks - Public Utilities.....				12,990	XXX	0	XXX.....
Common Stocks - Banks, Trust and Insurance Companies								
United States								
032165-10-2.....	AmSouth Bancorporation.....	04/10/2002.....	J P Morgan.....	100.000	2,230			L.....
172967-10-1.....	Citigroup Inc.....	06/25/2002.....	Various.....	1,900.000	81,137			L.....
339030-10-8.....	FleetBoston Finl Corpor.....	04/17/2002.....	Various.....	600.000	21,315			L.....
46625H-10-0.....	J P Morgan Chase & Co.....	04/09/2002.....	Merrill Lynch.....	900.000	31,772			L.....
534187-10-9.....	Lincoln National Corpor.....	06/18/2002.....	Lehman Brothers.....	900.000	39,416			L.....
552848-10-3.....	MGIC Investment Corpora.....	04/08/2002.....	Morgan Stanley.....	500.000	34,181			L.....
693475-10-5.....	PNC Bank Corporation.....	04/17/2002.....	J P Morgan.....	500.000	29,522			L.....
902973-30-4.....	US Bancorp.....	06/17/2002.....	Various.....	1,500.000	34,493			L.....
	United States.....				274,066	XXX	0	XXX.....
6799999	Total - Common Stocks - Banks, Trust & Ins. Cos.....				274,066	XXX	0	XXX.....
Common Stocks - Industrial and Miscellaneous								
United States								
013817-10-1.....	Alcoa Inc.....	06/25/2002.....	Various.....	800.000	28,391			L.....
032511-10-7.....	Anadarko Petroleum Corp.....	04/08/2002.....	CIBC World Markets Corp.....	700.000	38,713			L.....
038222-10-5.....	Applied Materials Inc.....	06/19/2002.....	Bear Stearns.....	2,800.000	58,296			L.....
093671-10-5.....	H&R Block Incorporated.....	04/16/2002.....	SEI Financial Services Inc.....	1,600.000	67,906			L.....
110122-10-8.....	Bristol-Myers Squibb.....	04/08/2002.....	B-Trade Services.....	200.000	6,495			L.....
134429-10-9.....	Campbell Soup.....	04/08/2002.....	Morgan Stanley.....	1,100.000	29,869			L.....
260543-10-3.....	Dow Chemical Company.....	06/05/2002.....	Various.....	1,500.000	48,966			L.....
291011-10-4.....	Emerson Electric Compan.....	06/05/2002.....	Various.....	600.000	33,950			L.....
423074-10-3.....	H J Heinz Company.....	04/08/2002.....	Morgan Stanley.....	600.000	25,131			L.....
428236-10-3.....	Hewlett Packard Company.....	05/06/2002.....	Tax Free Exchange.....	5,946.000	177,154			L.....
458140-10-0.....	Intel Corporation.....	06/07/2002.....	Credit Suisse 1st Boston Corp.....	200.000	4,439			L.....
580135-10-1.....	McDonalds Corporation.....	04/18/2002.....	Credit Suisse 1st Boston Corp.....	200.000	5,744			L.....
589331-10-7.....	Merck & Company Incorpo.....	04/08/2002.....	Investment Technology Group.....	100.000	5,436			L.....
718507-10-6.....	Phillips Petroleum Comp.....	06/05/2002.....	Various.....	1,100.000	63,764			L.....
737464-10-7.....	Post Properties Inc.....	04/26/2002.....	Credit Suisse 1st Boston Corp.....	800.000	26,777			L.....
740189-10-5.....	Precision Castparts Cor.....	06/14/2002.....	SEI Financial Services Inc.....	310.000	10,091			L.....
786514-20-8.....	Safeway Incorporated.....	06/05/2002.....	Various.....	2,800.000	120,297			L.....
800907-10-7.....	Sanmina Corp.....	05/13/2002.....	Various.....	1,900.000	22,404			L.....
883203-10-1.....	Textron Incorporated.....	06/07/2002.....	Goldman Sachs.....	1,600.000	74,817			L.....
941848-10-3.....	Waters Corporation.....	06/17/2002.....	SG Cowen.....	1,100.000	26,930			L.....
	United States.....				875,570	XXX	0	XXX.....
Foreign								
58510Q-70-7.....	Meeder Advisor Internat.....	05/01/2002.....	R Meeder & Assoc.....	70.000	715			L.....

FO4

STATEMENT AS OF JUNE 30, 2002 OF TRAMERICAN HARDWARE MUTUAL INSURANCE COMPANY

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)
	Foreign.....				715	XXX	0	XXX
6899999	Total - Common Stocks - Industrial & Miscellaneous.....				876,285	XXX	0	XXX
7099997	Total - Common Stocks - Part 3.....				1,163,341	XXX	0	XXX
7099998	Total - Common Stocks - Summary Item for Common Stocks Bought and Sold This Quarter.....				39,000	XXX		XXX
7099999	Total - Common Stocks.....				1,202,341	XXX	0	XXX
7199999	Total - Preferred and Common Stocks.....				1,202,341	XXX	0	XXX
7299999	Total - Bonds, Preferred and Common Stocks.....				3,797,086	XXX	36,628	XXX

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

STATEMENT AS OF JUNE 30, 2002 OF TRAMERICAN HARDWARE MUTUAL INSURANCE COMPANY

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 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)
Bonds - U.S. Government																
36209H-RH-0..	GNMA Pool #472188 6.740% 04/15/34.....	06/01/2002	Paydown.....	.....694	.....694	.....694	.....710	.....694	.....(15)	.....	.....	.....	.....0	.....8	.....	1.....
36209P-FC-6..	GNMA Pool #477263 6.750% 06/15/39.....	06/01/2002	Paydown.....	.....2,164	.....2,164	.....2,206	.....2,164	.....(41)	.....	.....	.....	.....	.....0	.....24	.....	1.....
36210K-PS-8..	GNMA Pool #494633 6.850% 05/15/34.....	06/01/2002	Paydown.....	.....4,159	.....4,159	.....4,293	.....4,159	.....(127)	.....	.....	.....	.....	.....0	.....48	.....	1.....
36213N-GC-4..	GNMA Pool #559195 7.600% 08/15/31.....	06/01/2002	Paydown.....	.....8,745	.....8,745	.....9,269	.....8,745	.....(520)	.....	.....	.....	.....	.....0	.....111	.....	1.....
36219C-UP-7..	GNMA Pool #245490 8.250% 05/15/32.....	06/01/2002	Paydown.....	.....3,441	.....3,441	.....3,587	.....3,441	.....(130)	.....	.....	.....	.....	.....0	.....47	.....	1.....
36223J-LG-6..	GNMA Pool #309127 8.500% 05/15/31.....	06/01/2002	Paydown.....	.....1,788	.....1,788	.....1,888	.....1,788	.....(89)	.....	.....	.....	.....	.....0	.....25	.....	1.....
36223L-AT-5..	GNMA Pool #310618 9.500% 10/15/21.....	06/01/2002	Paydown.....	.....19,286	.....19,286	.....20,467	.....19,286	.....(1,155)	.....	.....	.....	.....	.....0	.....450	.....	1.....
0399999.	Total - Bonds - U.S. Government.....			.....40,277	.....40,277	.....42,420	.....40,277	.....(2,077)	.....0	.....0	.....0	.....0	.....0	.....713	.....0	XXX..
Bonds - Special Revenue and Special Assessment																
Pennsylvania																
07487T-AB-9..	Beaver Cnty Indust Dev 0.000% 11/20/24.....	05/20/2002	Call 21.1270.....	.....1,056	.....5,000	.....855	.....1,056	.....10	.....	.....	.....	.....0	.....0	.....0	.....	1PE.....
	Pennsylvania.....			.....1,056	.....5,000	.....855	.....1,056	.....10	.....0	.....0	.....0	.....0	.....0	.....0	.....0	XXX..
	United States.....			.....1,056	.....5,000	.....855	.....1,056	.....10	.....0	.....0	.....0	.....0	.....0	.....0	.....0	XXX..
3199999.	Total - Bonds - Special Revenue & Assessment.....			.....1,056	.....5,000	.....855	.....1,056	.....10	.....0	.....0	.....0	.....0	.....0	.....0	.....0	XXX..
Bonds - Industrial and Miscellaneous																
United States																
210805-BD-8..	Continental Airlines 7.461% 04/01/15.....	04/01/2002	Paydown.....	.....35,432	.....35,432	.....38,004	.....35,432	.....(2,143)	.....	.....	.....	.....0	.....1,322	.....	2.....	
	United States.....			.....35,432	.....35,432	.....38,004	.....35,432	.....(2,143)	.....0	.....0	.....0	.....0	.....1,322	.....0	XXX..	
4599999.	Total - Bonds - Industrial & Miscellaneous.....			.....35,432	.....35,432	.....38,004	.....35,432	.....(2,143)	.....0	.....0	.....0	.....0	.....1,322	.....0	XXX..	
6099997.	Total - Bonds - Part 4.....			.....76,765	.....80,709	.....81,279	.....76,765	.....(4,210)	.....0	.....0	.....0	.....0	.....2,035	.....0	XXX..	
6099999.	Total - Bonds.....			.....76,765	.....80,709	.....81,279	.....76,765	.....(4,210)	.....0	.....0	.....0	.....0	.....2,035	.....0	XXX..	
Common Stocks - Public Utilities																
United States																
98157D-10-6..	WorldCom Inc.....	04/30/2002	B-Trade Services.....	.....12,600,000	.....28,115	.....	.....147,836	.....84,924	.....62,912	.....	.....	.....(119,721)	.....(119,721)	.....0	.....0	L.....
	United States.....			.....	.....28,115	.....XXX	.....147,836	.....84,924	.....62,912	.....0	.....0	.....(119,721)	.....(119,721)	.....0	.....0	XXX..
6699999.	Total - Common Stocks - Public Utilities.....			.....	.....28,115	.....XXX	.....147,836	.....84,924	.....62,912	.....0	.....0	.....(119,721)	.....(119,721)	.....0	.....0	XXX..
Common Stocks - Banks, Trust and Insurance Companies																
United States																
339030-10-8..	FleetBoston Finl Corpor.....	04/16/2002	SEI Financial Services Inc.....	.....1,500,000	.....54,067	.....	.....59,476	.....52,500	.....6,976	.....	.....	.....(5,408)	.....(5,408)	.....0	.....525	L.....
	United States.....			.....	.....54,067	.....XXX	.....59,476	.....52,500	.....6,976	.....0	.....0	.....(5,408)	.....(5,408)	.....0	.....525	XXX..
6799999.	Total - Common Stocks - Banks, Trust & Insurance Companies.....			.....	.....54,067	.....XXX	.....59,476	.....52,500	.....6,976	.....0	.....0	.....(5,408)	.....(5,408)	.....0	.....525	XXX..
Common Stocks - Industrial and Miscellaneous																
United States																
00724F-10-1..	Adobe Systems In corpora.....	04/03/2002	Morgan Stanley.....	.....1,100,000	.....42,580	.....	.....36,042	.....44,319	.....(8,277)	.....	.....	.....6,537	.....6,537	.....0	.....14	L.....
013104-10-4..	Albertson's In corporate.....	06/24/2002	Goldman Sachs.....	.....1,800,000	.....54,113	.....	.....62,533	.....59,652	.....2,881	.....	.....	.....(8,420)	.....(8,420)	.....0	.....342	L.....
053611-10-9..	Avery Dennison Corporat.....	05/31/2002	Various.....	.....700,000	.....44,995	.....	.....35,784	.....42,721	.....(6,937)	.....	.....	.....9,211	.....9,211	.....0	.....	L.....
204493-10-0..	Compaq Computer Corpora.....	05/06/2002	Tax Free Exchange.....	.....9,400,000	.....177,154	.....	.....177,154	.....98,230	.....78,924	.....	.....	.....0	.....0	.....0	.....235	L.....
364730-10-1..	Gannett Company In corpo.....	06/19/2002	Various.....	.....1,400,000	.....104,220	.....	.....90,786	.....106,540	.....(15,754)	.....	.....	.....13,434	.....13,434	.....0	.....322	L.....
428236-10-3..	Hewlett Packard Company.....	05/20/2002	Corporate Reorg/Merger.....	.....1,000	.....10	.....	.....11	.....9	.....2	.....	.....	.....(1)	.....(1)	.....0	.....	L.....
532716-10-7..	The Limited In corporate.....	04/02/2002	Various.....	.....3,300,000	.....53,536	.....	.....53,966	.....59,070	.....(5,104)	.....	.....	.....(430)	.....(430)	.....0	.....	L.....
574599-10-6..	Masco Corporation.....	06/04/2002	Goldman Sachs.....	.....1,800,000	.....46,595	.....	.....46,669	.....49,410	.....(2,741)	.....	.....	.....(74)	.....(74)	.....0	.....243	L.....
651229-10-6..	Newell Rubbermaid Inc.....	06/04/2002	Banc/America Secur LLC.....	.....1,000,000	.....34,055	.....	.....23,869	.....31,960	.....(8,091)	.....	.....	.....10,186	.....10,186	.....0	.....210	L.....
718154-10-7..	Phillip Morris.....	06/25/2002	J P Morgan.....	.....1,300,000	.....63,016	.....	.....57,070	.....68,471	.....(11,401)	.....	.....	.....5,946	.....5,946	.....0	.....754	L.....
742718-10-9..	Procter & Gamble Compan.....	05/30/2002	Various.....	.....1,300,000	.....116,184	.....	.....93,737	.....117,117	.....(23,380)	.....	.....	.....22,447	.....22,447	.....0	.....342	L.....
918204-10-8..	V F Corporation.....	04/04/2002	Merrill Lynch.....	.....1,300,000	.....55,247	.....	.....47,439	.....56,225	.....(8,786)	.....	.....	.....7,808	.....7,808	.....0	.....	L.....
	United States.....			.....	.....791,705	.....XXX	.....725,060	.....733,724	.....(8,664)	.....0	.....0	.....66,644	.....66,644	.....0	.....2,462	XXX..
Foreign																
20257#-10-4..	Commercial Union Emergi.....	05/01/2002	Commercial Union.....	.....123,000	.....715	.....	.....888	.....710	.....178	.....	.....	.....(173)	.....(173)	.....0	.....0	A.....
	Foreign.....			.....	.....715	.....XXX	.....888	.....710	.....178	.....0	.....0	.....(173)	.....(173)	.....0	.....0	XXX..

EO5

STATEMENT AS OF JUNE 30, 2002 OF TRAMERICAN HARDWARE MUTUAL INSURANCE COMPANY

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 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)
6899999	Total - Common Stocks - Industrial & Miscellaneous.....			792,420	725,948	XXX	725,948	734,434	(8,486)	0	0	66,471	66,471	0	2,462	XXX
7099997	Total - Common Stocks - Part 4.....			874,602	933,260	XXX	933,260	871,858	61,402	0	0	(58,658)	(58,658)	0	2,987	XXX
7099998	Total - Common Stocks - Summary Item for Common Stocks Bought and Sold This Quarter.....			33,279	39,000	XXX	37,800					(5,721)	(5,721)		275	XXX
7099999	Total - Common Stocks.....			907,881	972,260	XXX	972,260	909,658	61,402	0	0	(64,379)	(64,379)	0	3,262	XXX
7199999	Total - Preferred and Common Stocks.....			907,881	972,260	XXX	972,260	909,658	61,402	0	0	(64,379)	(64,379)	0	3,262	XXX
7299999	Total - Bonds, Preferred and Common Stocks.....			984,646	1,053,539	XXX	1,053,539	986,423	57,192	0	0	(64,379)	(64,379)	2,035	3,262	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	
Open Depositories							
Goldman Sachs Financial Square Money Market... Minneapolis, MN.....				58,167	2,234	158,639	
Fidelity Instl Cash Portfolio Class I..... Boston, MA.....				6,409,199	5,618,668	5,127,319	
National City Bank..... Columbus, OH.....				874,191	2,913,156	799,777	
The One Group Prime Money Market Fund..... Chicago, IL.....				760,977	736,054	728,540	
U S Bank..... St Paul, MN.....				43,888	238,965	167,779	
0199998. Deposits in.....5 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories.....	XXX			223,101	229,329	232,336	
0199999. Total Open Depositories.....	XXX	0	0	8,369,523	9,738,406	7,214,390	XXX
0399999. Total Cash on Deposit.....	XXX	0	0	8,369,523	9,738,406	7,214,390	XXX
0499999. Cash in Company's Office.....	XXX	XXX	XXX	500	500	500	XXX
0599999. Total Cash.....	XXX	0	0	8,370,023	9,738,906	7,214,890	XXX

