



QUARTERLY STATEMENT

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

PROGRESSIVE HALCYON INSURANCE COMPANY

NAIC Group Code..... 155, 155 (Current Period) (Prior Period)	NAIC Company Code..... 16322	Employer's ID Number..... 34-1524319
Organized under the Laws of OHIO	Country of Domicile US	State of Domicile or Port of Entry OHIO
Incorporated..... September 29, 1986		Commenced Business..... January 14, 1987
Statutory Home Office	6300 WILSON MILLS ROAD, W33 MAYFIELD VILLAGE OH 44143-2182 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	6300 WILSON MILLS ROAD, W33 MAYFIELD VILLAGE OH 44143-2182 440-461-5000 <i>(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)</i>	
Mail Address	6300 WILSON MILLS ROAD, W33 MAYFIELD VILLAGE OH 44143-2182 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33 MAYFIELD VILLAGE OH 44143-2182 440-461-5000 <i>(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)</i>	
Internet Website Address	PROGRESSIVE.COM	
Statement Contact	ROBERT WILLIAM HEIN <i>(Name)</i> Financial_Reporting@Progressive.com <i>(E-Mail Address)</i>	440-395-4460 <i>(Area Code) (Telephone Number) (Extension)</i> 440-446-7168 <i>(Fax Number)</i>
Policyowner Relations Contact	6300 WILSON MILLS ROAD, E61 MAYFIELD VILLAGE OH 44143-2182 <i>(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)</i>	

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

OFFICERS

President CHARLES CLIFFORD BOUCHERLE Treasurer DIANE MARIE BOICH Secretary DANE ALLEN SHRALLOW

VICE PRESIDENTS

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

DIRECTORS OR TRUSTEES

CHARLES CLIFFORD BOUCHERLE	TODD WILLIAM EVANS	PATRICIA JO HARRIS	THOMAS ALFRED KING
JOHN NELSON WELLS			

State of..... OHIO
County of..... CUYAHOGA

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

(Signature) CHARLES CLIFFORD BOUCHERLE (Printed Name) President	(Signature) KATHLEEN MARY CERNY (Printed Name) Assistant Secretary	(Signature) DIANE MARIE BOICH (Printed Name) Treasurer
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Subscribed and sworn to before me this

.....day of August, 2002

ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	83,674,489		83,674,489	65,167,256
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....16,112,918) and short-term investments (\$.....0).....	16,112,918		16,112,918	3,510,674
6. Other invested assets.....			0	
7. Receivable for securities.....			0	
8. Aggregate write-ins for invested assets.....	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8).....	99,787,407	0	99,787,407	68,677,930
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection.....	9,041,879	4,447,769	4,594,110	5,421,191
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	126,030,285		126,030,285	101,220,197
10.3 Accrued retrospective premiums.....			0	
11. Funds held by or deposited with reinsured companies.....			0	
12. Bills receivable, taken for premiums.....			0	
13. Amounts receivable under high deductible policies.....			0	
14. Reinsurance recoverables on loss and loss adjustment expense payments.....	84,527,720		84,527,720	66,130,741
15. Federal and foreign income tax recoverable and interest thereon (including \$.....4,552,476 net deferred tax asset).....	4,710,100	157,624	4,552,476	2,918,028
16. Guaranty funds receivable or on deposit.....			0	
17. Electronic data processing equipment and software.....			0	
18. Interest, dividends and real estate income due and accrued.....	808,052		808,052	345,123
19. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....	14,812,103		14,812,103	7,295,678
21. Amounts due from/to protected cells.....			0	
22. Equities and deposits in pools and associations.....			0	
23. Amounts receivable relating to uninsured accident and health plans.....			0	
24. Other assets nonadmitted.....			0	
25. Aggregate write-ins for other than invested assets.....	59,531	59,531	0	0
26. Total assets excluding protected cell assets (Lines 9 through 25).....	339,777,077	4,664,924	335,112,153	252,008,888
27. Protected cell assets.....			0	
28. TOTALS (Lines 26 and 27).....	339,777,077	4,664,924	335,112,153	252,008,888

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. PREPAID EXPENSES.....	51,727	51,727	0	
2502. MISCELLANEOUS OTHER ASSETS.....	7,804	7,804	0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	59,531	59,531	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....6,770,600).....	11,812,999	8,928,876
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	2,614,964	1,851,832
4. Commissions payable, contingent commissions and other similar charges.....	56,452	49,337
5. Other expenses (excluding taxes, licenses and fees).....	312,785	319,587
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	7,982,510	7,796,581
7. Federal and foreign income taxes (including \$.....0 on realized capital gains (losses) (including \$.....0 net deferred tax liability).....)	(0)	
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$....199,037,547 and including warranty reserves of \$.....0).....	22,113,819	17,073,147
10. Advance premium.....	8,472,999	5,006,515
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	201,873,472	142,348,880
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	20,244,102	16,911,984
19. Payable to parent, subsidiaries and affiliates.....	3,007,499	
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.....	31,167	134,780
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	278,522,767	200,421,519
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	278,522,767	200,421,519
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	2,500,400	2,500,400
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.....	47,249,600	47,249,600
33. Unassigned funds (surplus).....	6,839,386	1,837,369
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).....	56,589,386	51,587,369
36. TOTALS.....	335,112,153	252,008,888

DETAILS OF WRITE-INS

2301. OTHER LIABILITIES.....	31,167	134,780
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	31,167	134,780
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

**PROGRESSIVE HALCYON INSURANCE COMPANY
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 \$.....377,644,130).....	327,227,366	143,312,915	382,673,966
1.2 Assumed..... (written \$.....0).....			
1.3 Ceded..... (written \$.....339,881,493).....	294,505,400	128,981,476	344,406,829
1.4 Net..... (written \$.....37,762,637).....	32,721,966	14,331,439	38,267,137
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....17,634,500):			
2.1 Direct.....	175,187,811	84,204,520	221,973,706
2.2 Assumed.....			
2.3 Ceded.....	157,669,492	75,790,173	199,782,843
2.4 Net.....	17,518,319	8,414,347	22,190,863
3. Loss expenses incurred.....	3,988,928	1,879,922	4,965,608
4. Other underwriting expenses incurred.....	6,935,778	4,655,768	10,778,014
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	28,443,025	14,950,037	37,934,485
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	4,278,941	(618,598)	332,652
INVESTMENT INCOME			
9. Net investment income earned.....	2,041,616	254,549	857,692
10. Net realized capital gains (losses).....	608,962	(2,301)	(6,904)
11. Net investment gain (loss) (Lines 9 + 10).....	2,650,578	252,248	850,788
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....20,657 amount charged off \$.....408,511).....	(387,854)	(213,054)	(531,179)
13. Finance and service charges not included in premiums.....	6,253,248	3,767,623	8,906,208
14. Aggregate write-ins for miscellaneous income.....	(5,572,673)	(3,580,302)	(8,196,790)
15. Total other income (Lines 12 through 14).....	292,721	(25,733)	178,239
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	7,222,240	(392,083)	1,361,679
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17).....	7,222,240	(392,083)	1,361,679
19. Federal and foreign income taxes incurred.....	3,007,499	641,092	1,640,088
20. Net income (Line 18 minus Line 19) (to Line 22).....	4,214,741	(1,033,175)	(278,409)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year.....	51,587,369	14,794,944	14,794,944
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20).....	4,214,741	(1,033,175)	(278,409)
23. Net unrealized capital gains or losses.....		(6,084)	(3,955)
24. Change in net unrealized foreign exchange capital gain (loss).....			
25. Change in net deferred income taxes.....	845,518	778,365	1,757,486
26. Change in nonadmitted assets.....	(58,242)	244,513	(2,369,196)
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.....		1,686,502	1,686,499
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.....			36,000,000
32.2 Transferred to capital (Stock Dividend).....			
32.3 Transferred from capital.....			
33. Net remittances from or (to) Home Office.....			
34. Dividends to stockholders.....			
35. Change in treasury stock.....			
36. Aggregate write-ins for gains and losses in surplus.....	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36).....	5,002,017	1,670,121	36,792,425
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37).....	56,589,386	16,465,065	51,587,369

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. INTEREST INCOME (EXPENSE) ON INTERCOMPANY BALANCES.....	55,251	(126,016)	(117,776)
1402. FINANCE AND SERVICE CHARGE REVENUE CEDED.....	(5,627,924)	(3,390,860)	(8,015,588)
1403. LOSS ON RECEIVABLE FACTORING.....		(63,426)	(63,426)
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).....	(5,572,673)	(3,580,302)	(8,196,790)
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page.....	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above).....	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	72,219,228	97,434,134
2. Loss and loss adjustment expenses paid (net of salvage and subrogation).....	32,924,853	50,593,291
3. Underwriting expenses paid.....	6,749,536	7,188,090
4. Other underwriting income (expenses).....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	32,544,839	39,652,753
6. Net investment income.....	1,575,450	637,239
7. Other income (expenses):		
7.1 Agents' balances charged off.....	(413,568)	(408,515)
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.....	680,575	709,418
7.5 Total other income (Lines 7.1 to 7.4).....	267,007	300,903
8. Dividends to policyholders on direct business, less \$.....0 dividends on reinsurance assumed or ceded (net).....		
9. Federal and foreign income taxes (paid) recovered.....	(3,007,500)	(1,640,088)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9).....	31,379,796	38,950,807
CASH FROM INVESTMENTS		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds.....	87,224,697	7,362,618
11.2 Stocks.....		200,000
11.3 Mortgage loans.....		
11.4 Real estate.....		
11.5 Other invested assets.....		
11.6 Net gains or (losses) on cash and short-term investments.....		
11.7 Miscellaneous proceeds.....		
11.8 Total investment proceeds (Lines 11.1 to 11.7).....	87,224,697	7,562,618
12. Cost of investments acquired (long-term only):		
12.1 Bonds.....	105,119,727	67,441,295
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Miscellaneous applications.....		
12.7 Total investments acquired (Lines 12.1 to 12.6).....	105,119,727	67,441,295
13. Net cash from investments (Line 11.8 minus Line 12.7).....	(17,895,030)	(59,878,677)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in.....		36,000,000
14.2 Capital notes \$.....0 less amounts repaid \$.....0.....		
14.3 Net transfers from affiliates.....	3,007,499	
14.4 Borrowed funds received.....		
14.5 Other cash provided.....	3,513,473	3,380,552
14.6 Total (Lines 14.1 to 14.5).....	6,520,972	39,380,552
15. Cash applied:		
15.1 Dividends to stockholders paid.....		
15.2 Net transfers to affiliates.....	7,299,880	13,509,574
15.3 Borrowed funds repaid.....		
15.4 Other applications.....	103,613	1,643,108
15.5 Total (Lines 15.1 to 15.4).....	7,403,493	15,152,682
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5).....	(882,522)	24,227,870
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16).....	12,602,244	3,300,000
18. Cash and short-term investments:		
18.1 Beginning of year.....	3,510,674	210,674
18.2 End of period (Line 17 plus Line 18.1).....	16,112,918	3,510,674
DETAILS OF WRITE-INS		
07.401 NET FINANCE AND SERVICE CHARGE REVENUE.....	625,324	890,620
07.402 INTEREST (EXPENSE) INCOME ON INTERCOMPANY BALANCES.....	55,251	(117,776)
07.403 LOSS ON RECEIVABLE FACTORING.....		(63,426)
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).....	680,575	709,418

PROGRESSIVE HALCYON INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. Current Tax

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

Description	2002	2001
Current income tax expense	\$ 6,276,455	\$ 8,250,418
Audit adjustment : 1997-98 IRS examination	--	(74,852)
Prior year underaccrual (overaccrual)	--	(297,306)
Current income taxes incurred	<u>\$ 6,276,455</u>	<u>\$ 7,878,260</u>

B. Operating Loss and Tax Credit Carryforwards

- 1) The Company has no operating loss or tax credit carry forwards available.
- 2) The amount of Federal income taxes incurred and available for recoupment by the Company in the event of future net losses is equal to approximately \$6,276,455 for the current tax year and \$7,536,036 for the first preceding year. The amounts that can be recouped may be subject to the alternative minimum tax rules, and therefore may be limited.

C. Consolidated Federal Income Tax Return

- 1) The Company's Federal income tax return is consolidated with The Progressive Corporation ("TPC"), a publicly traded holding company incorporated in Ohio, and all of its wholly-owned United States subsidiaries (the "Group") as detailed in Schedule Y, Part 1.
- 2) The method of allocation between the companies is subject to written agreement and is jointly approved by an officer of TPC and the Company. The allocation is based upon separate tax return calculations with current credit for net losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled monthly.

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

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfer and Servicing of Financial Assets

Not applicable

C. Wash Sales

The Company had no wash sales of securities with a NAIC rating of 3 or below during the year.

(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 [X] N/A []

If yes, attach an explanation.

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/1997.....

7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/1997.....

7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).09/14/1999.....

7.4 By what department or departments?..... OHIO _____

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

8.2 If yes, give full information:

GENERAL INTERROGATORIES (continued)

INVESTMENT

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

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

9.2 If yes, explain:..... _____

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

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

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

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

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

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds.....	\$.....0	\$.....0
13.22 Preferred Stock.....	\$.....0	\$.....0
13.23 Common Stock.....	\$.....0	\$.....0
13.24 Short-Term Investments.....	\$.....0	\$.....0
13.25 Mortgages, Loans or Real Estate.....	\$.....0	\$.....0
13.26 All Other.....	\$.....0	\$.....0
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26).....	\$.....0	\$.....0
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	\$.....0	\$.....0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above.....	\$.....0	\$.....0

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
If no, attach a description with this statement.

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

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

1 Name of Custodian(s)	2 Custodian Address
THE BANK OF NEW YORK	ONE WALL STREET, 14TH FLOOR NEW YORK, NY 10286

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation.

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

15.3 Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year? Yes [] No [X]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

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

1 Central Registration Depository	2 Name(s)	3 Address

PROGRESSIVE HALCYON 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 [X]
 If yes, attach an explanation.

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
.....	.....	.....	.....	.....	.....	.....0	.....	.....	.....	.....0
Total.....	.....XXX.....	.....XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

Statement as of June 30, 2002 of the **PROGRESSIVE HALCYON 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	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
BONDS								
1. Class 1.....	71,223,430	66,386,292	62,754,557	12,683	71,223,430	74,867,848		60,689,056
2. Class 2.....	4,469,033	4,060,600	1,455,220	(7,676)	4,469,033	7,066,737		4,478,201
3. Class 3.....		1,730,000		9,906		1,739,906		
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	75,692,463	72,176,892	64,209,777	14,913	75,692,463	83,674,491	0	65,167,256
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	75,692,463	72,176,892	64,209,777	14,913	75,692,463	83,674,491	0	65,167,256

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 NONE Per Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. Totals.....		XXX			

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period.....	0	0	0	
2. Cost of short-term investments acquired.....				12,328
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.....				12,328
7. Book/adjusted carrying value, current period.....	0	0	0	0
8. Total valuation allowance.....				
9. Subtotal (Lines 7 plus 8).....	0	0	0	0
10. Total nonadmitted amounts.....				
11. Statement value (Lines 9 minus 10).....	0	0	0	0
12. Income collected during period.....	9	2,813		181
13. Income earned during period.....	9	2,813		181

**Sch. DB-Part F-Section 1
NONE**

**Sch. DB-Part F-Section 2
NONE**

**Sch. F
NONE**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	YES	1,854,103		75,691		84,914	
2. Alaska.....AK	YES						
3. Arizona.....AZ	NO						
4. Arkansas.....AR	YES	4,020,587	3,216,382	1,919,024	2,252,298	1,512,488	1,286,542
5. California.....CA	YES						
6. Colorado.....CO	YES	27,164,121	15,249,585	10,510,202	1,179,223	10,335,160	1,847,138
7. Connecticut.....CT	YES	7,786,730		1,531,856		1,728,754	
8. Delaware.....DE	YES						
9. District of Columbia.....DC	YES	1,620,878		377,179		672,226	
10. Florida.....FL	NO						
11. Georgia.....GA	YES	56,898,743	41,790,143	26,558,175	16,953,040	14,268,789	9,302,319
12. Hawaii.....HI	YES						
13. Idaho.....ID	YES	2,825,580	2,023,036	1,042,998	779,973	1,105,880	700,096
14. Illinois.....IL	YES	14,489,653	7,911,606	4,132,725	2,447,848	3,389,596	1,812,274
15. Indiana.....IN	YES	24,167,491	5,245,812	7,469,551	478,695	4,488,967	377,822
16. Iowa.....IA	YES	7,246,822	3,650,605	2,328,034	1,108,430	1,640,441	447,067
17. Kansas.....KS	YES	8,295,798	5,710,537	3,278,533	2,361,881	2,304,904	911,887
18. Kentucky.....KY	YES	15,023,524	10,958,016	7,233,084	4,894,321	7,753,103	4,754,776
19. Louisiana.....LA	YES						
20. Maine.....ME	NO						
21. Maryland.....MD	YES	24,589,215	11,668,423	10,058,829	3,604,485	7,387,728	2,169,900
22. Massachusetts.....MA	NO						
23. Michigan.....MI	NO						
24. Minnesota.....MN	NO						
25. Mississippi.....MS	NO						
26. Missouri.....MO	YES	18,211,144	14,175,947	8,231,088	8,378,743	5,599,403	4,609,790
27. Montana.....MT	YES	651,041		157,818		35,533	
28. Nebraska.....NE	YES	1,677,565		293,520		215,254	
29. Nevada.....NV	YES	14,180,795	10,654,879	6,862,083	4,087,138	6,835,120	5,262,872
30. New Hampshire.....NH	NO						
31. New Jersey.....NJ	NO						
32. New Mexico.....NM	YES						
33. New York.....NY	YES						
34. North Carolina.....NC	NO						
35. North Dakota.....ND	YES	614,252		161,064		91,357	
36. Ohio.....OH	YES	50,321,762	26,917,788	20,867,122	10,702,430	20,366,747	13,706,855
37. Oklahoma.....OK	YES	6,465,498	148,756	2,281,151	176	1,139,185	1,045
38. Oregon.....OR	YES	19,327,424	13,517,777	8,428,318	5,539,183	7,703,401	5,125,631
39. Pennsylvania.....PA	YES	32,169,883	6,644,485	8,682,658	313,774	7,988,113	577,983
40. Rhode Island.....RI	NO						
41. South Carolina.....SC	YES	3,736,182		1,527,487		1,059,548	
42. South Dakota.....SD	YES	3,469,241	2,824,622	1,374,652	1,418,961	1,416,027	961,688
43. Tennessee.....TN	YES	(703)	(370)	38,521	114,889	50,744	241,391
44. Texas.....TX	NO						
45. Utah.....UT	YES	6,691,638		2,029,507		1,553,721	
46. Vermont.....VT	YES	836,872		62,619		91,029	
47. Virginia.....VA	YES	4,985,234	744,172	1,938,329	38,517	964,308	41,913
48. Washington.....WA	YES	3,467,424	3,241,870	2,204,385	2,157,423	2,514,785	1,984,490
49. West Virginia.....WV	YES						
50. Wisconsin.....WI	YES	13,128,629	1,064,631	4,192,226	40,374	3,231,537	60,734
51. Wyoming.....WY	YES	1,727,004	797,865	493,621	176,913	606,370	67,263
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) 39	377,644,130	188,156,567	146,342,050	69,028,715	118,135,132	56,251,476

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

NONE

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....			0.0	
10. Financial guaranty.....			0.0	
11.1. Medical malpractice-occurrence.....			0.0	
11.2. Medical malpractice-claims made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1. Other liability-occurrence.....			0.0	
17.2. Other liability-claims made.....			0.0	
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....	207,474,898	102,747,815	49.5	55.2
19.3, 19.4 Commercial auto liability.....			0.0	
21. Auto physical damage.....	119,752,468	72,439,996	60.5	64.6
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0.0	0.0
34. Totals.....	327,227,366	175,187,811	53.5	58.8
DETAILS OF WRITE-INS				
3301.....			0.0	
3302.....			0.0	
3303.....			0.0	
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0.0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....			
11.2. Medical malpractice-claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1. Other liability-occurrence.....			
17.2. Other liability-claims made.....			
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1, 19.2 Private passenger auto liability.....	126,530,182	241,067,788	118,161,494
19.3, 19.4 Commercial auto liability.....			
21. Auto physical damage.....	71,585,465	136,576,342	69,995,072
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0
34. Totals.....	198,115,647	377,644,130	188,156,566
DETAILS OF WRITE-INS			
3301.....			
3302.....			
3303.....			
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (a) (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	.....262	.....39	.....301	.....130	.....6	.....136	.....151	.....8	.....33	.....192	.....19	.....8	.....27
2. 2000	.....1,360	.....217	.....1,577	.....439	.....(28)	.....411	.....914	.....136	.....114	.....1,164	.....(7)	.....5	.....(2)
3. Subtotals 2000 + Prior	.....1,622	.....256	.....1,878	.....569	.....(22)	.....547	.....1,065	.....144	.....147	.....1,356	.....12	.....13	.....25
4. 2001	.....6,848	.....2,056	.....8,904	.....2,979	.....681	.....3,660	.....3,138	.....736	.....994	.....4,868	.....(731)	.....355	.....(376)
5. Subtotals 2001 + Prior	.....8,470	.....2,312	.....10,782	.....3,548	.....659	.....4,207	.....4,203	.....880	.....1,141	.....6,224	.....(719)	.....368	.....(351)
6. 2002	.....XXX	.....XXX	.....XXX	.....XXX	.....13,654	.....13,654	.....XXX	.....5,903	.....2,303	.....8,206	.....XXX	.....XXX	.....XXX
7. Totals	.....8,470	.....2,312	.....10,782	.....3,548	.....14,313	.....17,861	.....4,203	.....6,783	.....3,444	.....14,430	.....(719)	.....368	.....(351)
8. Prior Year-End's Surplus As Regards Policyholders	.....51,587										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. ....(8.5)%	2. ....15.9 %	3. ....(3.3)%
											Col. 13, Line 7 Line 8		
											4. ....(0.7)%		

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.

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
NONE**

**Sch. A-Part 2
NONE**

**Sch. A-Part 3
NONE**

**Sch. B-Part 1
NONE**

**Sch. B-Part 2
NONE**

**Sch. BA-Part 1
NONE**

**Sch. BA-Part 2
NONE**

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
Bonds - U.S. Government								
912827-6T-4	U.S. TREASURY NOTE 5.000 02 2011	05/17/2002	GOLDMAN SACHS		3,441,621	3,500,000	45,442	1PE
912827-7F-3	U.S. TREASURY NOTE 3.500 11 2006	04/30/2002	HSBC SECURITIES INC		17,329,219	18,000,000	290,635	1
0399999	Total - Bonds - U.S. Government				20,770,840	21,500,000	336,077	XXX
Bonds - States, Territories and Possessions								
Georgia								
373383-QC-5	GEORGIA G.O. 5.000 11 2010	06/01/2002	TRANSFER		3,585,304	3,350,000	13,958	1PE
	Georgia				3,585,304	3,350,000	13,958	XXX
	United States				3,585,304	3,350,000	13,958	XXX
1799999	Total - Bonds - States, Territories & Possessions				3,585,304	3,350,000	13,958	XXX
Bonds - Industrial and Miscellaneous								
United States								
00184A-AE-5	AOL TIME WARNER INC 6.150 05 2007	04/25/2002	MORGAN STANLEY		1,951,820	2,000,000	7,517	2PE
22540V-N9-9	CS FIRST BOSTON MTG SEC 5.939209K2011	05/02/2002	CREDIT SUISSE FIRST BOSTON		2,010,000	2,000,000	6,269	1PE
22540V-G6-3	CS FIRST BOSTON MTG SEC 7.000A03 2032	04/02/2002	CREDIT SUISSE FIRST BOSTON		2,004,633	1,977,138	11,149	1PE
31392B-QU-3	FANNIE MAE FNR 2001-81 A 6.000 02 2028	04/09/2002	GOLDMAN SACHS		1,968,976	1,965,598	3,604	1PE
3133TR-SG-1	FREDDIE MAC 2297 AB 6.000 11 2028	04/09/2002	MERRILL LYNCH		2,018,701	2,006,708	3,679	1PE
428236-XX-6	HEWLETT PACKARD CO 5.500 07 2007	06/21/2002	DEUTSCHE BANK		1,996,000	2,000,000		1PE
73755L-AA-5	POTASH CORP OF SASKATCHE 7.125 06 2007	04/18/2002	UNION BANK SWITZERLAND		2,108,780	2,000,000	50,667	2PE
808626-AB-1	SCIENCE APPLICATION 6.250 07 2012	06/24/2002	J.P. MORGAN		1,991,760	2,000,000		1PE
902118-AX-6	TYCO INTERNATIONAL GROUP 6.375 02 2006	04/25/2002	DEUTSCHE BANK		1,730,000	2,000,000	26,563	3
	United States				17,780,670	17,949,444	109,448	XXX
4599999	Total - Bonds - Industrial & Miscellaneous				17,780,670	17,949,444	109,448	XXX
6099997	Total - Bonds - Part 3				42,136,814	42,799,444	459,483	XXX
6099998	Total - Bonds - Summary Item for Bonds Bought and Sold This Quarter				30,040,078	30,500,000	287,462	XXX
6099999	Total - Bonds				72,176,892	73,299,444	746,945	XXX
7299999	Total - Bonds, Preferred and Common Stocks				72,176,892	XXX	746,945	XXX

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

E04

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value At Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
Bonds - U.S. Government																
31359M-LZ-4...	FANNIE MAE 5.000 01 2007.....	04/02/2002	GOLDMAN SACHS.....		7,935,680	8,000,000	7,955,312	7,957,372	1,998			(21,692)	(21,692)	110,000		1PE.....
912827-2Y-7...	U.S. TREASURY NOTE 6.250 06 2002.....	06/30/2002	MATURED.....		3,460,000	3,460,000	3,438,141	3,460,000	5,432							1PE.....
912827-7F-3...	U.S. TREASURY NOTE 3.500 11 2006.....	04/10/2002	GOLDMAN SACHS.....		18,821,195	19,700,000	18,718,055	18,727,824	9,769			93,371	93,371	279,990		1.....
0399999.	Total - Bonds - U.S. Government.....				30,216,875	31,160,000	30,111,508	30,145,196	17,199	0	0	71,679	71,679	389,990	0	XXX..
Bonds - Special Revenue and Special Assessment Kentucky																
491308-4R-0...	KENTUCKY HSG REV 4.850 07 2022.....	04/01/2002	CALLED AT 100.....		150,000	150,000	150,000	150,000					0	1,818		1PE.....
	Kentucky.....				150,000	150,000	150,000	150,000	0	0	0	0	0	1,818	0	XXX..
Montana																
61212R-HN-9..	MONTANTA ST BRD HSG 4.750 12 2031...	06/01/2002	CALLED AT 100.....		15,000	15,000	15,000	15,000					0	356		1PE.....
	Montana.....				15,000	15,000	15,000	15,000	0	0	0	0	0	356	0	XXX..
	United States.....				165,000	165,000	165,000	165,000	0	0	0	0	0	2,174	0	XXX..
3199999.	Total - Bonds - Special Revenue & Assessment.....				165,000	165,000	165,000	165,000	0	0	0	0	0	2,174	0	XXX..
Bonds - Industrial and Miscellaneous United States																
001957-AU-3...	AT&T CORP 5.625 03 2004.....	05/10/2002	UNION BANK SWITZER.....		1,440,000	1,500,000	1,421,745	1,455,220	8,386			(15,220)	(15,220)	14,062		2.....
12669B-T3-6...	COUNTRYWIDE ALTERNATIVE 6.500 06 2031	06/01/2002	SCHEDULED REPAYMEN.....		70,661	70,661	71,201	70,661	(510)				0	764		1PE.....
22540V-G6-3...	CS FIRST BOSTON MTG SEC 7.000 03 2032.	06/01/2002	SCHEDULED REPAYMEN.....		55,338	55,338	55,350	55,338	(12)				0	515		1PE.....
31392B-QU-3...	FANNIE MAE FNR 2001-81 6.000 02 2028.....	06/01/2002	SCHEDULED REPAYMEN.....		25,840	25,840	25,841	25,840	(1)				0	200		1PE.....
313921-6F-0...	FANNIE MAE WHOLE LOAN 2 7.000 09 2041.	06/01/2002	SCHEDULED REPAYMEN.....		40,381	40,381	40,718	40,381	(312)				0	482		1PE.....
31392C-MS-0..	FANNIE MAE WHOLE LOAN 2 7.500 04 2042.	06/01/2002	SCHEDULED REPAYMEN.....		53,353	53,353	53,420	53,353	(67)				0	699		1PE.....
32051D-GH-9..	FIRST HORIZON ASSET SEC 6.750 08 2031.	06/01/2002	SCHEDULED REPAYMEN.....		83,897	83,897	84,411	83,897	(490)				0	898		1PE.....
3133TR-SG-1..	FREDDIE MAC 2297 AB 6.000 11 2028.....	06/01/2002	SCHEDULED REPAYMEN.....		72,871	72,871	72,910	72,871	(39)				0	545		1PE.....
617446-GL-7...	MORGAN ST DEAN WITTER 6.100 04 2006.	04/26/2002	GOLDMAN SACHS.....		2,060,960	2,000,000	1,998,080	1,998,429	116			62,531	62,531	66,422		1.....
	United States.....				3,903,301	3,902,341	3,823,676	3,855,990	7,071	0	0	47,311	47,311	84,587	0	XXX..
4599999.	Total - Bonds - Industrial & Miscellaneous.....				3,903,301	3,902,341	3,823,676	3,855,990	7,071	0	0	47,311	47,311	84,587	0	XXX..
6099997.	Total - Bonds - Part 4.....				34,285,176	35,227,341	34,100,184	34,166,186	24,270	0	0	118,990	118,990	476,751	0	XXX..
6099998.	Total - Bonds - Summary Item for Bonds Bought and Sold This Quarter.....				30,538,594	30,500,000	30,040,078	30,043,592	3,513			495,002	495,002	417,055		XXX..
6099999.	Total - Bonds.....				64,823,770	65,727,341	64,140,262	64,209,778	27,783	0	0	613,992	613,992	893,806	0	XXX..
7299999.	Total - Bonds, Preferred and Common Stocks.....				64,823,770	XXX.....	64,140,262	64,209,778	27,783	0	0	613,992	613,992	893,806	0	XXX..

E05

(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							
NATIONAL CITY BANK..... CLEVELAND, OH.....	.....2.170	.....777	.....	.....213,503	.....213,503	.....213,503	.....
CASH EQUIVALENTS:.....	.....	.....	.....	.....	.....	.....	.....
GENERAL ELEC CAP..... NEW YORK, NY.....	.....1.870	.....	.....1,870	.....	.....	.....12,000,000	.....
UBS FINANCE CPD..... NEW YORK, NY.....	N/A.....	.....	.....	.....	.....	.....3,899,415	.....
BANK OF AMERICA..... SACRAMENTO, CA.....	VAR.....	......630	.....	.....	.....	.....	.....
BANQ NAT PAR CI..... NEW YORK, NY.....	VAR.....	.....5,677	.....	.....	.....	.....	.....
RABOBANK NED..... NEW YORK, NY.....	VAR.....	.....8,014	.....	.....	.....	.....	.....
0199999. Total Open Depositories.....	.....XXX.....	.....15,098	.....1,870	.....213,503	.....213,503	.....16,112,918	.....XXX
0399999. Total Cash on Deposit.....	.....XXX.....	.....15,098	.....1,870	.....213,503	.....213,503	.....16,112,918	.....XXX
0599999. Total Cash.....	.....XXX.....	.....15,098	.....1,870	.....213,503	.....213,503	.....16,112,918	.....XXX

Overflow Page for Write-Ins