

QUARTERLY STATEMENT

OF THE

DEALERS ASSURANCE

COMPANY

of **UPPER ARLINGTON**

in the state of **OH**

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

June 30, 2002

PROPERTY AND CASUALTY

2002



16705200220100102

QUARTERLY STATEMENT

AS OF June 30, 2002

OF THE CONDITION AND AFFAIRS OF THE

Dealers Assurance Company

NAIC Group Code 0000 0173 NAIC Company Code 16705 Employer's ID Number 34-6513705

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

Country of Domicile US

Incorporated: August 2, 1935 Commenced Business: August 2, 1935

Statutory Home Office: 3518 Riverside Drive Upper Arlington, OH 43221

Main Administrative Office: 3518 Riverside Drive Upper Arlington, OH 43221 800-282-8913

Mail Address: 3518 Riverside Drive Upper Arlington, OH 43221

Primary Location of Books and Records: 3518 Riverside Drive Upper Arlington, OH 43221 800-282-8913

Internet Website Address: www.dealersassurance.com

Statement Contact: Kelly Hixon 800-282-8913 206 khixon@earthlink.net 614-459-2665 (E-Mail Address) (Fax Number)

Policyowner Relations Contact: 3518 Riverside Drive Upper Arlington, OH 43221 800-282-8913 209

OFFICERS

President Robert Lee Ratchford, Jr. Secretary George Watt Hairston Treasurer Sharon Mae Spohn

Vice-Presidents

Blank lines for listing Vice-Presidents.

DIRECTORS OR TRUSTEES

Jeffrey Owen Hardy Richard Hall Moore Sharon Mae Spohn George Watt Hairston Robert Lee Ratchford, Jr.

State of OH County of Franklin ss

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

(Signature) Robert Lee Ratchford, Jr. (Signature) George Watt Hairston (Signature) Sharon Mae Spohn (Printed Name) President (Printed Name) Secretary (Printed Name) Treasurer

Subscribed and sworn to before me this 9th day of August, 2002

Notary Public (seal)

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 | 17,075,931 | | 17,075,931 | 16,822,779 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | 133,592 | | 133,592 | 138,705 |
| 2.2 Common stocks | 3,282,074 | | 3,282,074 | 3,273,177 |
| 3. Mortgage loans on real estate: | | | | |
| 3.1 First liens | | | | |
| 3.2 Other than first liens | | | | |
| 4. Real estate: | | | | |
| 4.1 Properties occupied by the company (less \$ 0 encumbrances) | | | | |
| 4.2 Properties held for the production of income (less \$ 0 encumbrances) | | | | |
| 4.3 Properties held for sale (less \$ 0 encumbrances) | | | | |
| 5. Cash (\$ 159,262) and short-term investments (\$ 1,444,689) | 1,603,951 | | 1,603,951 | 2,445,321 |
| 6. Other invested assets | | | | |
| 7. Receivable for securities | | | | |
| 8. Aggregate write-ins for invested assets | | | | |
| 9. Subtotals, cash and invested assets (Lines 1 to 8) | 22,095,548 | | 22,095,548 | 22,679,982 |
| 10. Agents' balances or uncollected premiums: | | | | |
| 10.1 Premiums and agents' balances in course of collection | 1,023,735 | | 1,023,735 | 846,884 |
| 10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums) | 12,385 | | 12,385 | 49,892 |
| 10.3 Accrued retrospective premiums | | | | |
| 11. Funds held by or deposited with reinsured companies | | | | |
| 12. Bills receivable, taken for premiums | | | | |
| 13. Amounts receivable under high deductible policies | | | | |
| 14. Reinsurance recoverables on loss and loss adjustment expense payments | | | | |
| 15. Federal and foreign income tax recoverable and interest thereon (including \$ 143,723 net deferred tax asset) | 150,517 | | 150,517 | 105,623 |
| 16. Guaranty funds receivable or on deposit | | | | |
| 17. Electronic data processing equipment and software | | | | |
| 18. Interest, dividends and real estate income due and accrued | 254,482 | | 254,482 | 256,832 |
| 19. Net adjustments in assets and liabilities due in foreign exchange rates | | | | |
| 20. Receivable from parent, subsidiaries and affiliates | | | | |
| 21. Amounts due from / to protected cells | | | | |
| 22. Equities and deposits in pools and associations | | | | |
| 23. Amounts receivable relating to uninsured accident and health plans | | | | |
| 24. Other assets nonadmitted | | | | |
| 25. Aggregate write-ins for other than invested assets | 3,456 | 3,456 | | 3,588 |
| 26. Total assets excluding protected cell assets (Lines 9 through 25) | 23,540,123 | 3,456 | 23,536,667 | 23,942,801 |
| 27. Protected cell assets | | | | |
| 28. TOTALS (Lines 26 and 27) | 23,540,123 | 3,456 | 23,536,667 | 23,942,801 |

| DETAILS OF WRITE-INS | | | |
|---|-------|-------|-------|
| 0801. | | | |
| 0802. | | | |
| 0803. | | | |
| 0898. Summary of remaining write-ins for Line 8 from overflow page | | | |
| 0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above) | | | |
| 2501. Accounts Receivable | | | 3,588 |
| 2502. Prepaid Expenses | 3,456 | 3,456 | |
| 2503. | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) | 3,456 | 3,456 | 3,588 |

| LIABILITIES, SURPLUS AND OTHER FUNDS | 1 Current Statement Date | 2 December 31, Prior Year |
|---|--------------------------------|---------------------------------|
| 1. Losses (current accident year \$ 166,551) | 176,836 | 128,665 |
| 2. Reinsurance payable on paid losses and loss adjustment expenses | | |
| 3. Loss adjustment expenses | 19,359 | 13,066 |
| 4. Commissions payable, contingent commissions and other similar charges | 798,880 | 1,101,313 |
| 5. Other expenses (excluding taxes, licenses and fees) | 96,026 | 101,942 |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) | 11,846 | 39,831 |
| 7. Federal and foreign income taxes (including \$ 0 on realized capital gains (losses) (including \$ 0 net deferred tax liability) | | 36,941 |
| 8. Borrowed money \$ 0 and interest thereon \$ 0 | | |
| 9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 449,955 and including warranty reserves of \$ 11,529,137) | 11,529,137 | 11,534,480 |
| 10. Advance premium | | |
| 11. Dividends declared and unpaid: | | |
| 11.1 Stockholders | | |
| 11.2 Policyholders | | |
| 12. Ceded reinsurance premiums payable (net of ceding commissions) | 25,267 | (1,733) |
| 13. Funds held by company under reinsurance treaties | | |
| 14. Amounts withheld or retained by company for account of others | 16,059 | 14,308 |
| 15. Remittances and items not allocated | | |
| 16. Provision for reinsurance | 83,036 | 104,000 |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates | | |
| 18. Drafts outstanding | | |
| 19. Payable to parent, subsidiaries and affiliates | | |
| 20. Payable for securities | 64,865 | 47,981 |
| 21. Liability for amounts held under uninsured accident and health plans | | |
| 22. Capital notes \$ 0 and interest thereon \$ 0 | | |
| 23. Aggregate write-ins for liabilities | | |
| 24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) | 12,821,311 | 13,120,794 |
| 25. Protected cell liabilities | | |
| 26. Total liabilities (Lines 24 and 25) | 12,821,311 | 13,120,794 |
| 27. Aggregate write-ins for special surplus funds | | |
| 28. Common capital stock | 3,035,500 | 3,035,500 |
| 29. Preferred capital stock | | |
| 30. Aggregate write-ins for other than special surplus funds | | |
| 31. Surplus notes | | |
| 32. Gross paid in and contributed surplus | 1,404,800 | 2,081,950 |
| 33. Unassigned funds (surplus) | 6,275,056 | 5,704,557 |
| 34. Less treasury stock, at cost: | | |
| 34.1 0 shares common (value included in Line 28 \$ 0) | | |
| 34.2 0 shares preferred (value included in Line 29 \$ 0) | | |
| 35. Surplus as regards policyholders (Lines 27 to 33, less 34) | 10,715,356 | 10,822,007 |
| 36. TOTALS | 23,536,667 | 23,942,801 |

| DETAILS OF WRITE-INS | | |
|---|--|--|
| 2301. | | |
| 2302. | | |
| 2303. | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | | |
| 2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above) | | |
| 2701. | | |
| 2702. | | |
| 2703. | | |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | | |
| 2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above) | | |
| 3001. | | |
| 3002. | | |
| 3003. | | |
| 3098. Summary of remaining write-ins for Line 30 from overflow page | | |
| 3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above) | | |

| | 1 | 2 | 3 |
|---|-------------------------|-----------------------|------------------------------------|
| | Current Year to Date | Prior Year to Date | Prior Year Ended December 31 |
| STATEMENT OF INCOME UNDERWRITING INCOME | | | |
| 1. Premiums earned: | | | |
| 1.1 Direct (written \$ 2,760,098) | 2,707,046 | 3,027,850 | 5,540,432 |
| 1.2 Assumed (written \$ 929,900) | 690,602 | 338,776 | 854,501 |
| 1.3 Ceded (written \$ 471,718) | 174,025 | 1,965 | (342,284) |
| 1.4 Net (written \$ 3,218,280) | 3,223,623 | 3,364,661 | 6,737,217 |
| DEDUCTIONS: | | | |
| 2. Losses incurred (current accident year \$ 1,245,847): | | | |
| 2.1 Direct | 1,321,779 | 1,431,709 | 3,108,001 |
| 2.2 Assumed | 78,340 | 33,737 | 103,254 |
| 2.3 Ceded | (61,008) | (368,332) | 28,645 |
| 2.4 Net | 1,461,127 | 1,833,778 | 3,182,610 |
| 3. Loss expenses incurred | 247,146 | 150,870 | 328,599 |
| 4. Other underwriting expenses incurred | 1,673,080 | 1,430,207 | 3,323,273 |
| 5. Aggregate write-ins for underwriting deductions | | | |
| 6. Total underwriting deductions (Lines 2 through 5) | 3,381,353 | 3,414,855 | 6,834,482 |
| 7. Net income of protected cells | | | |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7) | (157,730) | (50,194) | (97,265) |
| INVESTMENT INCOME | | | |
| 9. Net investment income earned | 470,007 | 452,052 | 816,911 |
| 10. Net realized capital gains (losses) | (63,830) | 4,648 | (37,954) |
| 11. Net investment gain (loss) (Lines 9 + 10) | 406,177 | 456,700 | 778,957 |
| OTHER INCOME | | | |
| 12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0) | | | |
| 13. Finance and service charges not included in premiums | 1,424 | 8,602 | |
| 14. Aggregate write-ins for miscellaneous income | 8,367 | 22,282 | 65,341 |
| 15. Total other income (Lines 12 through 14) | 9,791 | 30,884 | 65,341 |
| 16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15) | 258,238 | 437,390 | 747,033 |
| 17. Dividends to policyholders | | | |
| 18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17) | 258,238 | 437,390 | 747,033 |
| 19. Federal and foreign income taxes incurred | 36,243 | 62,262 | 208,674 |
| 20. Net income (Line 18 minus Line 19) (to Line 22) | 221,995 | 375,128 | 538,359 |
| CAPITAL AND SURPLUS ACCOUNT | | | |
| 21. Surplus as regards policyholders, December 31 prior year | 10,822,007 | 10,078,186 | 10,078,186 |
| GAINS AND (LOSSES) IN SURPLUS | | | |
| 22. Net income (from Line 20) | 221,995 | 375,128 | 538,359 |
| 23. Net unrealized capital gains or losses | (411,360) | (240,273) | (378,630) |
| 24. Change in net unrealized foreign exchange capital gain (loss) | | | |
| 25. Change in net deferred income tax | 38,100 | 25,131 | 105,623 |
| 26. Change in nonadmitted assets | 23,650 | 6,271 | (20,835) |
| 27. Change in provision for reinsurance | 20,964 | 384,292 | 458,000 |
| 28. Change in surplus notes | | | |
| 29. Surplus (contributed to) withdrawn from protected cells | | | |
| 30. Cumulative effect of changes in accounting principles | | | 41,304 |
| 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 | (677,150) | | |
| 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 | 677,150 | | |
| 37. Change in surplus as regards policyholders (Lines 22 through 36) | (106,651) | 550,549 | 743,821 |
| 38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37) | 10,715,356 | 10,628,735 | 10,822,007 |
| DETAILS OF WRITE-INS | | | |
| 0501. | | | |
| 0502. | | | |
| 0503. | | | |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | | | |
| 0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) | | | |
| 1401. Misc. Income | 7,427 | 21,167 | 63,486 |
| 1402. Transfer Fee Income | 940 | 1,010 | 1,610 |
| 1403. Admin. Fee | | 105 | 245 |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | | | |
| 1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) | 8,367 | 22,282 | 65,341 |
| 3601. Prior Year Correction of Increase in Common Stk Par Value | 677,150 | | |
| 3602. | | | |
| 3603. | | | |
| 3698. Summary of remaining write-ins for Line 36 from overflow page | | | |
| 3699. TOTALS (Lines 3601 through 3603 plus 3698) (Line 36 above) | 677,150 | | |

CASH FLOW

| | 1 Current Year to Date | 2 Prior Year Ended December 31 |
|---|---------------------------------|---|
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance | 3,078,936 | 8,445,015 |
| 2. Loss and loss adjustment expenses paid (net of salvage and subrogation) | 1,653,809 | 3,649,475 |
| 3. Underwriting expenses paid | 2,009,414 | 3,077,901 |
| 4. Other underwriting income (expenses) | | |
| 5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) | (584,287) | 1,717,639 |
| 6. Net investment income | 482,873 | 803,091 |
| 7. Other income (expenses): | | |
| 7.1 Agents' balances charged off | | |
| 7.2 Net funds held under reinsurance treaties | | |
| 7.3 Net amount withheld or retained for account of others | 1,751 | (79,188) |
| 7.4 Aggregate write-ins for miscellaneous items | 9,791 | 65,341 |
| 7.5 Total other income (Lines 7.1 to 7.4) | 11,542 | (13,847) |
| 8. Dividends to policyholders on direct business, less \$ 0 dividends on reinsurance assumed or ceded (net) | | |
| 9. Federal and foreign income taxes (paid) recovered | (79,978) | (243,923) |
| 10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) | (169,850) | 2,262,960 |
| Cash from Investments | | |
| 11. Proceeds from investments sold, matured or repaid: | | |
| 11.1 Bonds | 750,000 | 2,500,000 |
| 11.2 Stocks | 1,222,512 | 2,463,321 |
| 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 | | (1,246) |
| 11.7 Miscellaneous proceeds | | |
| 11.8 Total investment proceeds (Lines 11.1 to 11.7) | 1,972,512 | 4,962,075 |
| 12. Cost of investments acquired (long-term only): | | |
| 12.1 Bonds | 1,013,668 | 4,343,895 |
| 12.2 Stocks | 1,701,485 | 3,505,733 |
| 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) | 2,715,153 | 7,849,628 |
| 13. Net cash from investments (Line 11.8 minus Line 12.7) | (742,641) | (2,887,553) |
| 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 | | |
| 14.4 Borrowed funds received | | |
| 14.5 Other cash provided | 71,121 | 65,542 |
| 14.6 Total (Lines 14.1 to 14.5) | 71,121 | 65,542 |
| 15. Cash applied: | | |
| 15.1 Dividends to stockholders paid | | |
| 15.2 Net transfers to affiliates | | |
| 15.3 Borrowed funds repaid | | |
| 15.4 Other applications | | |
| 15.5 Total (Lines 15.1 to 15.4) | | |
| 16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) | 71,121 | 65,542 |
| RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS | | |
| 17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16) | (841,370) | (559,051) |
| 18. Cash and short-term investments: | | |
| 18.1 Beginning of year | 2,445,321 | 3,004,372 |
| 18.2 End of period (Line 17 plus Line 18.1) | 1,603,951 | 2,445,321 |

| DETAILS OF WRITE-INS | | |
|---|-------|--------|
| 7.401 Misc. Income | 7,427 | 63,486 |
| 7.402 Transfer Fee Income | 940 | 1,610 |
| 7.403 Admin. Fees | | 245 |
| 7.498 Summary of remaining write-ins for Line 7.4 from overflow page | 1,424 | |
| 7.499 Totals (Lines 07.401 through 07.403 + 07.498) (Line 07.4 above) | 9,791 | 65,341 |

NOTES TO FINANCIAL STATEMENTS**1– 8. No material changes.****9. Income Taxes**

A. The components of the net deferred tax assets/(liability) at June 30, 2002 are as follows:

| | 06/30/02 | 12/31/01 |
|---|-----------|-----------|
| 1. Total of all deferred tax assets (admitted & nonadmitted) | \$799,217 | \$799,627 |
| 2. Total of all deferred tax liabilities | 10,726 | 35,241 |
| 3. Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes | 655,494 | 658,763 |
| 4. Increase (decrease) in deferred tax assets nonadmitted | (3,269) | 658,763 |

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

The Company did not have any deferred tax liabilities that were not recognized.

C. Current income taxes incurred consist of the following major components:

| | |
|--|-----------|
| Current year expense | \$ 36,243 |
| Tax credits | |
| Current year equity tax | |
| Prior year overaccrual of tax reserves | |
| 0199. Current income taxes incurred | \$ 36,243 |

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

| | Statutory | Tax | Difference | Tax Effect |
|--------------------------|------------|-----------|------------|------------|
| DTA's | | | | |
| Reserves | 11,528,453 | 2,305,691 | 9,222,762 | 627,148 |
| Reserve Discount | 24,405 | 24,405 | 0 | 8,298 |
| Acc'd Vacation | 20,543 | 20,543 | 0 | 6,985 |
| 0299. Total DTA's | 143,723 | 799,217 | | 799,217 |
| 0399. DTA's nonadmitted | | | | 655,494 |
| DTL's | | | | |
| Unrealized Capital Gains | (294,980) | 84,346 | (379,326) | 0 |
| Disc't Bonds | 31,546 | 31,546 | 0 | 10,726 |
| 0499. Total DTL's | | | | 10,726 |

The changes in main components of DTA's and DTL's are as follows:

| | 2002 | 2001 | Change |
|--|---------|---------|---------|
| DTA's resulting from book/tax differences in | | | |
| Reserves | 783,935 | 784,345 | (410) |
| Reserve Disc't | 8,298 | 8,298 | 0 |
| Acc'd Vacation | 6,985 | 6,985 | 0 |
| 0599. Total DTA's | 799,218 | 799,627 | (410) |
| 0699. DTA's nonadmitted | 655,494 | 658,763 | (3,269) |

DTL's resulting from book/tax differences in

| | | | |
|--------------------------|--------|--------|----------|
| Unrealized Capital Gains | 0 | 24,515 | (24,515) |
| Disc't on Bonds | 10,726 | 10,726 | 0 |
| 0799. Total DTL's | 10,726 | 35,241 | (24,515) |

D. Among the more significant book to tax adjustments were the following:

| | Amount | Tax Effect |
|----------------------------------|-----------|------------|
| 01. Income Before Taxes | 258,238 | 87,801 |
| 02. Book over tax reserves | (1,205) | (410) |
| 03. Tax exempt interest | (96,475) | (32,802) |
| 04. Dividends Received Deduction | (16,685) | (5,673) |
| 05. Acc'd vacation | 0 | 0 |
| 06. Other | (37,276) | (12,674) |
| 0399. Total Adjustments | (151,641) | (51,559) |
| 0499. Taxable Income | 106,597 | 36,243 |

E. At December 31, 2001, the company had \$0 of operating loss carry forwards.

F. Dealers Assurance Company's federal income tax return is consolidated with Dealers Alliance Corporation and DAC Insurance Agency, Inc.

A written agreement exists setting forth the manner in which the federal income tax is to be allocated to each entity. The federal income tax allocated to this company is based on its portion of the net consolidated income.

10. – 31. No material changes.

NOTES TO FINANCIAL STATEMENTS

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 [X]
- 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 the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1 Name of Entity | 2 NAIC Company Code | 3 State of Domicile |
|---------------------|------------------------|------------------------|
| | | |
| | | |
| | | |
| | | |

- 6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] N/A [X]
If yes, attach an explanation.
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/1998
- 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). _____ 01/28/2000
- 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)

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

INVESTMENT

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

9.2 If yes, explain

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

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

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

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

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

13.2 If yes, please complete the following:

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

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

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

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 |
|-------------------------------|------------------------|
| Key Bank National Association | Columbus, OH |
| Wachovia Bank | Wachovia, GA |
| Sun Trust | Richmond, VA |
| Arkansas Bankers' Bank | Little Rock, AR |
| Bank of Oklahoma, NA | Tulsa, Oklahoma |

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 |
|--------------------------------------|-------------------------------|--------------|
| | Key Bank National Association | Columbus, OH |
| | | |
| | | |
| | | |

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 reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
If yes, attach an explanation.
- 3.1 Have any of the reporting entity's primary reinsurance contracts been 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 Discount 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 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| TOTAL | | | | | | | | | | |

NONE **Schedule A, B, and BA Verification**

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 | 17,600,899 | 997,349 | 1,457,251 | (255,736) | 17,600,899 | 16,885,261 | | 17,750,840 |
| 2. Class 2 | 1,384,950 | | | 250,408 | 1,384,950 | 1,635,358 | | 1,384,617 |
| 3. Class 3 | | | | | | | | |
| 4. Class 4 | | | | | | | | |
| 5. Class 5 | | | | | | | | |
| 6. Class 6 | | | | | | | | |
| 7. Total Bonds | 18,985,849 | 997,349 | 1,457,251 | (5,328) | 18,985,849 | 18,520,619 | | 19,135,457 |
| PREFERRED STOCK | | | | | | | | |
| 8. Class 1 | 62,260 | | | (638) | 62,260 | 61,622 | | 63,910 |
| 9. Class 2 | | | | | | | | |
| 10. Class 3 | 75,730 | | | (3,760) | 75,730 | 71,970 | | 74,795 |
| 11. Class 4 | | | | | | | | |
| 12. Class 5 | | | | | | | | |
| 13. Class 6 | | | | | | | | |
| 14. Total Preferred Stock | 137,990 | | | (4,398) | 137,990 | 133,592 | | 138,705 |
| 15. Total Bonds & Preferred Stock | 19,123,839 | 997,349 | 1,457,251 | (9,726) | 19,123,839 | 18,654,211 | | 19,274,162 |

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

| | 1 | 2 | 3 | 4 | 5 |
|----------------|---------------------------------|-----------|----------------|---|------------------------------|
| | Book/Adjusted Carrying Value | Par Value | Actual Cost | Amount of Interest Received Current Quarter | Paid for Accrued Interest |
| 8099999 Totals | 1,444,689 | X X X | 1,444,689 | 5,336 | |

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

| | 1 | 2 | 3 | 4 |
|---|-------------------------------|--------------------------------|-------------------------------|---------------------------------|
| | First Quarter Current Year | Second Quarter Current Year | Third Quarter Current Year | Prior Year Ended December 31 |
| 1. Book/adjusted carrying value, beginning of period | 2,312,680 | 1,910,411 | | 2,484,086 |
| 2. Cost of short-term investments acquired | 1,129,833 | 241,529 | | 5,099,143 |
| 3. Increase (decrease) by adjustment | | | | |
| 4. Increase (decrease) by foreign exchange adjustment | | | | |
| 5. Total profit (loss) on disposal of short-term investments | | | | |
| 6. Consideration received on disposal of short-term investments | 1,532,101 | 707,251 | | 5,270,550 |
| 7. Book/adjusted carrying value, current period | 1,910,412 | 1,444,689 | | 2,312,679 |
| 8. Total valuation allowance | | | | |
| 9. Subtotal (Lines 7 plus 8) | 1,910,412 | 1,444,689 | | 2,312,679 |
| 10. Total nonadmitted amounts | | | | |
| 11. Statement value (Lines 9 minus 10) | 1,910,412 | 1,444,689 | | 2,312,679 |
| 12. Income collected during period | 6,457 | 5,336 | | 85,313 |
| 13. Income earned during period | 3,654 | 5,336 | | 76,476 |

NONE **Schedule DB Part F Section 1**

NONE **Schedule DB Part F Section 2**

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) |
|---------------------------|---------------------------|------------------------|---------------|---|
| | | Affiliates | | |
| | | U.S. Insurers | | |
| | | Pools and Associations | | |
| | | All Other Insurers | | |
| NONE | | | | |

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
Current Year to Date - Allocated by States and Territories

| States, etc. | 1 Is Insurer Licensed? (Yes or No) | Direct Premiums Written | | Direct Losses Paid (Deducting Salvage) | | Direct Losses Unpaid | |
|---------------------------|---|------------------------------|----------------------------|---|----------------------------|------------------------------|----------------------------|
| | | 2 Current Year To Date | 3 Prior Year To Date | 4 Current Year To Date | 5 Prior Year To Date | 6 Current Year To Date | 7 Prior Year To Date |
| 1. Alabama | AL | YES | | | | | |
| 2. Alaska | AK | NO | | | | | |
| 3. Arizona | AZ | YES | 15,623 | | | | |
| 4. Arkansas | AR | YES | | | | | |
| 5. California | CA | NO | | | | | |
| 6. Colorado | CO | YES | | | | | |
| 7. Connecticut | CT | YES | | | | | |
| 8. Delaware | DE | YES | 734 | 2,590 | 2,245 | 3,258 | 262 |
| 9. Dist. Columbia | DC | YES | 75 | | | | |
| 10. Florida | FL | YES | 179,096 | 292,311 | 125,600 | 290,817 | 2,580 |
| 11. Georgia | GA | YES | (269) | (219,682) | | 2,585 | (1,344) |
| 12. Hawaii | HI | NO | | | | | 35 |
| 13. Idaho | ID | YES | | | | | |
| 14. Illinois | IL | YES | 243,188 | 216,441 | 103,121 | 144,699 | (5,222) |
| 15. Indiana | IN | YES | 405,164 | 765,285 | 325,769 | 283,748 | (22,386) |
| 16. Iowa | IA | YES | | | | | |
| 17. Kansas | KS | YES | | | | | |
| 18. Kentucky | KY | YES | 1,724 | | | 1,733 | (365) |
| 19. Louisiana | LA | YES | | | | | |
| 20. Maine | ME | NO | | | | | |
| 21. Maryland | MD | YES | (62) | (621) | 5,474 | 7,746 | 1,538 |
| 22. Massachusetts | MA | NO | | | | | |
| 23. Michigan | MI | YES | 357,762 | 1,479 | 20,009 | 30,265 | 5,515 |
| 24. Minnesota | MN | YES | 7,505 | | | | |
| 25. Mississippi | MS | YES | | | | | |
| 26. Missouri | MO | YES | 387 | (5,854) | 14,729 | 31,667 | 1,540 |
| 27. Montana | MT | YES | | | | | |
| 28. Nebraska | NE | YES | | | | | |
| 29. Nevada | NV | YES | | | | | |
| 30. New Hampshire | NH | NO | | | | | |
| 31. New Jersey | NJ | NO | | | | | |
| 32. New Mexico | NM | NO | | | | | |
| 33. New York | NY | NO | | | | | |
| 34. No. Carolina | NC | YES | 42,868 | | | | |
| 35. N. Dakota | ND | YES | | | | | |
| 36. Ohio | OH | YES | 1,356,979 | 1,396,230 | 692,471 | 981,227 | 197,370 |
| 37. Oklahoma | OK | YES | | | | | |
| 38. Oregon | OR | YES | 3,420 | | | | |
| 39. Pennsylvania | PA | YES | 102,532 | 67,202 | 32,677 | 36,388 | (432) |
| 40. Rhode Island | RI | NO | | | | | |
| 41. So. Carolina | SC | YES | 1,825 | | | | |
| 42. So. Dakota | SD | YES | | | | | |
| 43. Tennessee | TN | YES | 553 | (1,738) | 3,917 | 5,958 | 48 |
| 44. Texas | TX | YES | 28,735 | | | | |
| 45. Utah | UT | YES | | | | | |
| 46. Vermont | VT | NO | | | | | |
| 47. Virginia | VA | YES | 8,246 | (15,000) | 1,126 | 217 | (1,303) |
| 48. Washington | WA | YES | | | | | |
| 49. West Virginia | WV | YES | (164) | (2,268) | 612 | 6,327 | 324 |
| 50. Wisconsin | WI | YES | 4,177 | (3,430) | 8,063 | 6,001 | 249 |
| 51. Wyoming | WY | YES | | | | | |
| 52. American Samoa | AS | NO | | | | | |
| 53. Guam | GU | NO | | | | | |
| 54. Puerto Rico | PR | NO | | | | | |
| 55. U.S. Virgin Islands | VI | NO | | | | | |
| 56. Canada | CN | NO | | | | | |
| 57. Aggregate Other Alien | OT | X X X | | | | | |
| 58. Totals | (a) 40 | | 2,760,098 | 2,492,945 | 1,335,813 | 1,832,636 | 176,836 |
| | | | | | | | 243,477 |

| DETAILS OF WRITE-INS | | | | | | | |
|--|-------|--|--|--|--|--|--|
| 5701. | X X X | | | | | | |
| 5702. | X X X | | | | | | |
| 5703. | X X X | | | | | | |
| 5798. Summary of remaining write-ins for Line 57 from overflow page | X X X | | | | | | |
| 5799. TOTALS (Lines 5701 thru 5703 plus 5798) (Line 57 above) | X X X | | | | | | |

(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**

0173

Dealers Assurance Company

16705

OH

34-6513705

Dealers Assurance 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 | | | | |
| 2. Allied lines | | | | |
| 3. Farmowners multiple peril | | | | |
| 4. Homeowners multiple peril | | | | |
| 5. Commercial multiple peril | 102,666 | (62,347) | (60.7) | |
| 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 | 43,319 | | | |
| 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 | | | | |
| 19.3, 19.4 Commercial auto liability | | | | |
| 21. Auto physical damage | | | | |
| 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 | 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 | 2,561,061 | 1,384,126 | 54.0 | 60.1 |
| 34. TOTALS | 2,707,046 | 1,321,779 | 48.8 | 47.3 |

| DETAILS OF WRITE-INS | | | | |
|--|-----------|-----------|------|------|
| 3301. Extended Warranties | 2,561,061 | 1,384,126 | 54.0 | 60.1 |
| 3302. | | | | |
| 3303. | | | | |
| 3398. Sum. of remaining write-ins for Line 33 from overflow page | | | | 60.1 |
| 3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33) | 2,561,061 | 1,384,126 | 54.0 | 60.1 |

PART 2 - DIRECT PREMIUMS WRITTEN

| | 1 Current Quarter | 2 Current Year to Date | 3 Prior Year Year to Date |
|---|-------------------------|------------------------------|---------------------------------|
| 1. Fire | | | |
| 2. Allied lines | | | |
| 3. Farmowners multiple peril | | | |
| 4. Homeowners multiple peril | | | |
| 5. Commercial multiple peril | | 118,064 | 302,781 |
| 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 | | 94,814 | 166,527 |
| 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 | | | |
| 19.3, 19.4 Commercial auto liability | | | |
| 21. Auto physical damage | | | |
| 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 | 1,116,897 | 2,290,790 | 2,492,945 |
| 34. TOTALS | 1,329,775 | 2,760,098 | 2,492,945 |

| DETAILS OF WRITE-INS | | | |
|--|-----------|-----------|-----------|
| 3301. Extended Warranties | 1,116,897 | 2,290,790 | 2,492,945 |
| 3302. | | | |
| 3303. | | | |
| 3398. Sum. of remaining write-ins for Line 33 from overflow page | | | |
| 3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33) | 1,116,897 | 2,290,790 | 2,492,945 |

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 | | | | | | | | | | | | | |
| 2. 2000 | | | | | | | | | | | | | |
| 3. Subtotals 2000 + prior | | | | | | | | | | | | | |
| 4. 2001 | 112 | 30 | 142 | 113 | 39 | 152 | 8 | | 2 | 10 | 9 | 11 | 20 |
| 5. Subtotals 2001 + prior | 112 | 30 | 142 | 113 | 39 | 152 | 8 | | 2 | 10 | 9 | 11 | 20 |
| 6. 2002 | XXX | XXX | XXX | XXX | | | XXX | 147 | 39 | 186 | XXX | XXX | XXX |
| 7. Totals | 112 | 30 | 142 | 113 | 39 | 152 | 8 | 147 | 41 | 196 | 9 | 11 | 20 |

1
9

8. Prior Year-End's Surplus As Regards Policyholders 10,822

| | | | |
|----|---|---|---|
| | 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. | 8.036 | 36.667 | 14.085 |
| | | | <u>Col. 13, Line 7 Line 8</u> |
| 4. | | | 0.185 |

(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 A through E only.

**SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES**

RESPONSES

- | | | |
|----|---|-----------|
| 1. | Will the SVO Compliance Certification be filed with this statement? | YES |
| 2. | Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement? | NO |
| 3. | Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement? | NO |

EXPLANATIONS:

BAR CODE:



1670520024900002



1670520024500002

OVERFLOW PAGE FOR WRITE-INS

OVERFLOW PAGE FOR WRITE-INS

**Page 5 - Continuation
CASH FLOW**

| | 1 Current Year to Date | 2 Prior Year Ended December 31 |
|--|---------------------------------|---|
|--|---------------------------------|---|

REMAINING WRITE-INS AGGREGATED AT LINE 7.4 FOR MISCELLANEOUS ITEMS

| | | |
|---|-------|--|
| 7.404 Service Fees | 1,424 | |
| 7.405 | | |
| 7.406 | | |
| 7.407 | | |
| 7.408 | | |
| 7.409 | | |
| 7.410 | | |
| 7.411 | | |
| 7.412 | | |
| 7.413 | | |
| 7.414 | | |
| 7.415 | | |
| 7.416 | | |
| 7.417 | | |
| 7.418 | | |
| 7.419 | | |
| 7.420 | | |
| 7.421 | | |
| 7.422 | | |
| 7.423 | | |
| 7.424 | | |
| 7.425 | | |
| 7.497 Totals (Lines 7.404 through 7.425) (Page 5, Line 7.498) | 1,424 | |

NONE **Schedule A Part 2 and 3**

NONE **Schedule B Part 1 and 2**

NONE **Schedule BA Part 1 and 2**

SCHEDULE D - PART 3

Showing 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) |
|------------------------------|---|--------------------|--------------------------|--------------------------------------|------------------|----------------|--|---------------------------------|
| 36962G-XY-5 | General Electric Cap Corp Med Term | 05/02/2002 | Key Trust Co of Ohio, NA | | 252,925 | 250,000.00 | 1,754 | 1 |
| 50075N-AG-9 | Kraft Foods Inc Nt | 05/21/2002 | Key Trust Co of Ohio, NA | | 250,778 | 250,000.00 | 146 | 1 |
| 949746-CK-5 | Wells Fargo & Co Senior Nt | 06/05/2002 | Key Trust Co of Ohio, NA | | 252,118 | 250,000.00 | 583 | 1PE |
| 4599999 | Total Bonds Industrial and Miscellaneous | | | X X X | 755,821 | 750,000.00 | 2,483 | X X X |
| 6099997 | Total Bonds Part 3 | | | X X X | 755,821 | 750,000.00 | 2,483 | X X X |
| 6099999 | Total Bonds | | | X X X | 755,821 | 750,000.00 | 2,483 | X X X |
| 872375-10-0 | TECO Energy Inc | 06/17/2002 | Key Trust Co of Ohio, NA | 400.000 | 9,456 | | | L |
| 6699999 | Total Common Stock Public Utilities | | | X X X | 9,456 | X X X | | X X X |
| 026874-10-7 | American Intl Group Inc Com | 06/17/2002 | Key Trust Co of Ohio, NA | 400.000 | 26,504 | | | L |
| 949746-10-1 | Wells Fargo Company Com | 06/03/2002 | Key Trust Co of Ohio, NA | 200.000 | 10,492 | | | L |
| 6799999 | Total Common Stock Banks, Trust and Insurance Companies | | | X X X | 36,996 | X X X | | X X X |
| 002824-10-0 | Abbott Laboratories | 06/17/2002 | Key Trust Co of Ohio, NA | 1,000.000 | 46,627 | | | L |
| 013817-10-1 | Alcoa Inc Com | 06/17/2002 | Key Trust Co of Ohio, NA | 200.000 | 6,132 | | | L |
| 023551-10-4 | Amerada Hess Corp Com | 06/03/2002 | Key Trust Co of Ohio, NA | 500.000 | 41,501 | | | L |
| 025816-10-9 | American Express Co Com | 06/26/2002 | Key Trust Co of Ohio, NA | 2,200.000 | 90,842 | | | L |
| 032511-10-7 | Anadarko Pete Corp Com | 06/03/2002 | Key Trust Co of Ohio, NA | 500.000 | 26,760 | | | L |
| 035229-10-3 | Anheuser Busch Cos Inc Com | 05/03/2002 | Key Trust Co of Ohio, NA | 700.000 | 37,019 | | | L |
| 055921-10-0 | BMC Software Inc Com | 06/17/2002 | Key Trust Co of Ohio, NA | 500.000 | 7,956 | | | L |
| 060505-10-4 | Bank of America Corp Com | 04/16/2002 | Key Trust Co of Ohio, NA | 500.000 | 34,975 | | | L |
| 17275R-10-2 | Cisco Sys Inc | 06/11/2002 | Key Trust Co of Ohio, NA | 1,000.000 | 15,585 | | | L |
| 264399-10-6 | Duke Energy Corp Com | 06/03/2002 | Key Trust Co of Ohio, NA | 400.000 | 14,799 | | | L |
| 291011-10-4 | Emerson Electric Company | 06/17/2002 | Key Trust Co of Ohio, NA | 100.000 | 5,542 | | | L |
| 30231G-10-2 | Exxon Mobil Corp Com | 06/03/2002 | Key Trust Co of Ohio, NA | 200.000 | 8,010 | | | L |
| 345370-86-0 | Ford Motor Co | 06/03/2002 | Key Trust Co of Ohio, NA | 600.000 | 10,650 | | | L |
| 369604-10-3 | General Electric Company | 06/26/2002 | Key Trust Co of Ohio, NA | 1,300.000 | 40,099 | | | L |
| 370442-10-5 | General Motors Corp | 06/17/2002 | Key Trust Co of Ohio, NA | 1,500.000 | 92,700 | | | L |
| 404119-10-9 | HCA Inc | 06/26/2002 | Key Trust Co of Ohio, NA | 500.000 | 23,821 | | | L |
| 428236-10-3 | Hewlett Packard Co | 06/17/2002 | Key Trust Co of Ohio, NA | 1,000.000 | 18,535 | | | L |
| 438516-10-6 | Honeywell Intl Inc | 04/25/2002 | Key Trust Co of Ohio, NA | 500.000 | 18,650 | | | L |
| 458140-10-0 | Intel Corp | 06/11/2002 | Key Trust Co of Ohio, NA | 400.000 | 10,226 | | | L |
| 459200-10-1 | IBM | 06/26/2002 | Key Trust Co of Ohio, NA | 1,200.000 | 95,558 | | | L |
| 460146-10-3 | Intl Paper Co | 05/03/2002 | Key Trust Co of Ohio, NA | 200.000 | 8,514 | | | L |
| 480074-10-3 | Jones Apparel Group | 06/26/2002 | Key Trust Co of Ohio, NA | 1,400.000 | 54,134 | | | L |
| 534187-10-9 | Lincoln Natl Corp Ind | 06/17/2002 | Key Trust Co of Ohio, NA | 1,000.000 | 45,323 | | | L |
| 548661-10-7 | Lowes Cos Inc | 04/22/2002 | Key Trust Co of Ohio, NA | 200.000 | 8,950 | | | L |
| 594918-10-4 | Microsoft Corp | 06/03/2002 | Key Trust Co of Ohio, NA | 800.000 | 42,328 | | | L |

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

SCHEDULE D - PART 3

Showing 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) |
|------------------------------|---|--------------------|--------------------------|--------------------------------------|------------------|----------------|--|---------------------------------|
| 717081-10-3 | Pfizer Inc | 06/17/2002 | Key Trust Co of Ohio, NA | 500.000 | 17,761 | | | L |
| 71713U-10-2 | Pharmacia Corp | 06/17/2002 | Key Trust Co of Ohio, NA | 400.000 | 16,470 | | | L |
| 87612E-10-6 | Target Corp | 06/26/2002 | Key Trust Co of Ohio, NA | 1,200.000 | 50,960 | | | L |
| 925524-10-0 | Viacom Inc Com Cl A | 04/16/2002 | Key Trust Co of Ohio, NA | 200.000 | 9,710 | | | L |
| G4776G-10-1 | Ingersoll Rand Co Com Cl A | 04/25/2002 | Key Trust Co of Ohio, NA | 600.000 | 29,757 | | | L |
| 6899999 | Total Common Stock Industrial and Miscellaneous | | | XXX | 929,894 | XXX | | XXX |
| 7099997 | Total Common Stock Part 3 | | | XXX | 976,346 | XXX | | XXX |
| 7099999 | Total Common Stock | | | XXX | 976,346 | XXX | | XXX |
| 7199999 | Total Preferred and Common Stock | | | XXX | 976,346 | XXX | | XXX |
| 7299999 | Totals | | | | 1,732,167 | XXX | 2,483 | XXX |

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

SCHEDULE D - PART 4

Show All Long-term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current 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) |
| 2401996 | Bonds - Political Subdivisions of States, Territories and Possessions - AL | | | X X X | | | | | | | | | | | X X X | X X X |
| 677518-EW-8 | OH St Hwy | 05/15/2002 | Matured | | 250,000 | 250,000.00 | 246,898 | 250,000 | 231 | | | | | 5,625 | | 1PE |
| 2436996 | Bonds - Political Subdivisions of States, Territories and Possessions - OH | | | X X X | 250,000 | 250,000.00 | 246,898 | 250,000 | 231 | | | | | 5,625 | X X X | X X X |
| 2499999 | Total - Bonds - Political Subdivisions of States, Territories and Possessions | | | X X X | 250,000 | 250,000.00 | 246,898 | 250,000 | 231 | | | | | 5,625 | X X X | X X X |
| 3101996 | Bonds - Special Revenue and Special Assessment Obligations - AL | | | X X X | | | | | | | | | | | X X X | X X X |
| 102885-DG-2 | Bowling Green St Univ | 06/01/2002 | Matured | | 250,000 | 250,000.00 | 250,000 | 250,000 | | | | | | 6,062 | | 1PE |
| 677597-TP-1 | OH St Pub Facs Ambac | 05/01/2002 | Matured | | 250,000 | 250,000.00 | 254,475 | 250,000 | (288) | | | | | 6,500 | | 1PE |
| 3136996 | Bonds - Special Revenue and Special Assessment Obligations - OH | | | X X X | 500,000 | 500,000.00 | 504,475 | 500,000 | (288) | | | | | 12,562 | X X X | X X X |
| 3199999 | Total - Bonds - Special Revenue and Special Assessment Obligations | | | X X X | 500,000 | 500,000.00 | 504,475 | 500,000 | (288) | | | | | 12,562 | X X X | X X X |
| 6099997 | Subtotal - Bonds - Part 4 | | | X X X | 750,000 | 750,000.00 | 751,373 | 750,000 | (57) | | | | | 18,187 | X X X | X X X |
| 6099999 | Total Bonds | | | X X X | 750,000 | 750,000.00 | 751,373 | 750,000 | (57) | | | | | 18,187 | X X X | X X X |
| 172967-10-1 | Citigroup Inc | 04/25/2002 | Key Trust Co of Ohio NA | 1,100,000 | 48,488 | | 49,904 | 49,904 | (5,624) | | | (1,416) | (1,416) | | | L |
| 339030-10-8 | Fleetboston Financial Corp | 04/16/2002 | Key Trust Co of Ohio NA | 1,700,000 | 60,688 | | 59,849 | 59,849 | (1,305) | | | 839 | 839 | | 1,330 | L |
| 46625H-10-0 | JP Morgan Chase & Co | 04/25/2002 | Key Trust Co of Ohio NA | 1,700,000 | 60,283 | | 72,229 | 72,229 | 11,804 | | | (11,946) | (11,946) | | 1,088 | L |
| 6799999 | Subtotal - Common Stock - Banks, Trust and Insurance Companies | | | X X X | 169,459 | X X X | 181,982 | 181,982 | 4,875 | | | (12,523) | (12,523) | X X X | 2,418 | X X X |
| 013817-10-1 | Alcoa Inc | 04/22/2002 | Key Trust Co of Ohio NA | 500,000 | 18,104 | | 19,985 | 19,985 | 2,210 | | | (1,881) | (1,881) | | | L |
| 020039-10-3 | Alltel Corp | 04/11/2002 | Key Trust Co of Ohio NA | 500,000 | 26,354 | | 25,801 | 25,801 | (5,064) | | | 553 | 553 | | 170 | L |
| 053015-10-3 | Automatic Data Processing | 04/11/2002 | Key Trust Co of Ohio NA | 200,000 | 11,150 | | 10,220 | 10,220 | (1,560) | | | 930 | 930 | | 23 | L |
| 14149Y-10-8 | Cardinal Health Inc | 04/16/2002 | Key Trust Co of Ohio NA | 400,000 | 27,859 | | 26,264 | 26,264 | 400 | | | 1,595 | 1,595 | | 22 | L |
| 166764-10-0 | Chevron/Texaco Corp | 05/21/2002 | Key Trust Co of Ohio NA | 600,000 | 52,873 | | 48,397 | 48,397 | (5,369) | | | 4,476 | 4,476 | | 630 | L |
| 30231G-10-2 | Exxon Mobil Corp | 04/25/2002 | Key Trust Co of Ohio NA | 1,000,000 | 40,389 | | 45,545 | 45,545 | 6,245 | | | (5,156) | (5,156) | | | L |
| 460146-10-3 | Intl Paper Co | 04/22/2002 | Key Trust Co of Ohio NA | 200,000 | 8,206 | | 8,234 | 8,234 | 164 | | | (28) | (28) | | | L |
| 617446-44-8 | Morgan Stanley Dean Witter | 04/22/2002 | Key Trust Co of Ohio NA | 500,000 | 26,929 | | 37,438 | 37,438 | 9,468 | | | (10,508) | (10,508) | | 230 | L |
| 654902-20-4 | Nokia Corp Spns ADR | 04/22/2002 | Key Trust Co of Ohio NA | 2,000,000 | 36,149 | | 49,989 | 49,989 | 929 | | | (13,840) | (13,840) | | 402 | L |
| 71713U-10-2 | Pharmacia Corp | 04/25/2002 | Key Trust Co of Ohio NA | 600,000 | 25,961 | | 23,756 | 23,756 | (1,164) | | | 2,205 | 2,205 | | | L |
| 74005P-10-4 | Praxair Corp | 04/22/2002 | Key Trust Co of Ohio NA | 400,000 | 23,159 | | 19,452 | 19,452 | (2,648) | | | 3,597 | 3,597 | | | LZ |

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

SCHEDULE D - PART 4

Show All Long-term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current 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) |
| 792860-10-8 | St Paul Cos | 06/03/2002 | Key Trust Co of Ohio NA | 500.000 | 21,349 | | 21,423 | 21,423 | (562) | | | (74) | (74) | | 285 | L |
| 806857-10-8 | Schlumberger Ltd | 04/22/2002 | Key Trust Co of Ohio NA | 300.000 | 16,316 | | 19,225 | 19,225 | 2,740 | | | (2,908) | (2,908) | | 156 | L |
| 92343V-10-4 | Verizon Communications Co | 04/16/2002 | Key Trust Co of Ohio NA | 1,000.000 | 41,849 | | 39,951 | 39,951 | (7,202) | | | 1,897 | 1,897 | | 654 | L |
| 983024-10-0 | Wyeth | 04/22/2002 | Key Trust Co of Ohio NA | 200.000 | 12,580 | | 12,170 | 12,170 | | | | 410 | 410 | | | L |
| 6899999 | Subtotal - Common Stock - Industrial and Miscellaneous | | | X X X | 389,227 | X X X | 407,850 | 407,850 | (1,413) | | | (18,732) | (18,732) | X X X | 2,572 | X X X |
| 7099997 | Subtotal - Common Stock - Part 4 | | | X X X | 558,686 | X X X | 589,832 | 589,832 | 3,462 | | | (31,255) | (31,255) | X X X | 4,990 | X X X |
| 7099999 | Total Common Stock | | | X X X | 558,686 | X X X | 589,832 | 589,832 | 3,462 | | | (31,255) | (31,255) | X X X | 4,990 | X X X |
| 7199999 | Total Preferred and Common Stock | | | X X X | 558,686 | X X X | 589,832 | 589,832 | 3,462 | | | (31,255) | (31,255) | X X X | 4,990 | X X X |
| 7299999 | Totals | | | | 1,308,686 | X X X | 1,341,205 | 1,339,832 | 3,405 | | | (31,255) | (31,255) | 18,187 | 4,990 | X X X |

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

NONE **Schedule DB Part A and B Section 1**

NONE **Schedule DB Part C and D Section 1**

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 | | | | | | | |
| Key Bank Columbus, OH | | | | 120,193 | 146,465 | 172,587 | |
| Key Bank Columbus, OH | | | | (20,337) | (24,070) | (13,325) | |
| 0199998 Deposits in (0) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories | X X X | | | | | | X X X |
| 0199999 Total - Open Depositories | X X X | | | 99,856 | 122,395 | 159,262 | X X X |
| Suspended Depositories | | | | | | | |
| 0299998 Deposits in (0) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories | X X X | | | | | | X X X |
| 0299999 Total Suspended Depositories | X X X | | | | | | X X X |
| 0399999 Total Cash on Deposit | X X X | | | 99,856 | 122,395 | 159,262 | X X X |
| 0499999 Cash in Company's Office | X X X | X X X | X X X | | | | X X X |
| 0599999 Total | X X X | | | 99,856 | 122,395 | 159,262 | X X X |