



# QUARTERLY STATEMENT

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

## STATE AUTO NATIONAL INSURANCE COMPANY

NAIC Group Code..... 175, 175 (Current Period) (Prior Period) NAIC Company Code..... 19530 Employer's ID Number..... 31-1334827

Organized under the Laws of OHIO State of Domicile or Port of Entry OHIO  
Country of Domicile US  
Incorporated..... October 4, 1991 Commenced Business..... January 10, 1992

Statutory Home Office	518 EAST BROAD STREET ..... COLUMBUS ..... OH ..... 43215 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	518 EAST BROAD STREET ..... COLUMBUS ..... OH ..... 43215 <i>(Street and Number) (City or Town, State and Zip Code)</i>	614-464-5200 <i>(Area Code) (Telephone Number)</i>
Mail Address	518 EAST BROAD STREET ..... COLUMBUS ..... OH ..... 43215 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	518 EAST BROAD STREET ..... COLUMBUS ..... OH ..... 43215 <i>(Street and Number) (City or Town, State and Zip Code)</i>	614-464-5000 <i>(Area Code) (Telephone Number)</i>
Internet Website Address	STATEAUTO.COM	
Statement Contact	CYNTHIA ANN POWELL <i>(Name)</i> cindy.powell@stateauto.com <i>(E-Mail Address)</i>	614-464-5000 ext. 5473 <i>(Area Code) (Telephone Number) (Extension)</i> 614-719-0342 <i>(Fax Number)</i>
Policyowner Relations Contact	518 EAST BROAD STREET ..... COLUMBUS ..... OH ..... 43215-3976 <i>(Street and Number) (City or Town, State and Zip Code)</i>	614-464-5000 ext 501 <i>(Area Code) (Telephone Number) (Extension)</i>

### OFFICERS

President ..... ROBERT HARLON MOONE Treasurer ..... STEVEN JUSTUS JOHNSTON Secretary ..... JOHN ROBERT LOWTHER

### VICE PRESIDENTS

MARK ALLEN BLACKBURN, SVP	TERRENCE LEE BOWSHIER	JAMES ELIAS DUEMEY	WILLIAM DUANE HANSEN
STEVEN RAY HAZELBAKER	TERRENCE PAUL HIGERD	NOREEN WILLS JOHNSON	STEVEN JUSTUS JOHNSTON, SVP
ROBERT ALAN LETT	JOHN ROBERT LOWTHER, SVP	NELSON EDWARD MCCANTS	JOHN BUCHANAN MELVIN
CATHY BERNATH MILEY	RICHARD LEE MILEY	JOHN MICHAEL PETRUCCI	CYNTHIA ANN POWELL

### DIRECTORS OR TRUSTEES

DAVID JAMES D'ANTONI	URLIN GILBERT HARRIS, JR.	PAUL WILLIAM HUESMAN	WILLIAM JOHN LHOTA
JOHN ROBERT LOWTHER	GEORGE ROBERT MANSER	ROBERT HARLON MOONE	RICHARD KEITH SMITH, JR.

State of..... OHIO  
County of..... FRANKLIN

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

(Signature) ROBERT HARLON MOONE (Printed Name) President	(Signature) JOHN ROBERT LOWTHER (Printed Name) Secretary	(Signature) STEVEN JUSTUS JOHNSTON (Printed Name) Treasurer
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Subscribed and sworn to before me this  
.....9TH.....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.....	33,105,582	.0	33,105,582	30,069,690
2. Stocks:				
2.1 Preferred stocks.....	.0	.0	.0	.0
2.2 Common stocks.....	2,425,602	.0	2,425,602	.0
3. Mortgage loans on real estate:				
3.1 First liens.....	.0	.0	.0	.0
3.2 Other than first liens.....	.0	.0	.0	.0
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	.0	.0	.0	.0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	.0	.0	.0	.0
4.3 Properties held for sale (less \$.....0 encumbrances).....	.0	.0	.0	.0
5. Cash (\$....161,861) and short-term investments (\$....6,178,251).....	6,340,112	.0	6,340,112	5,281,109
6. Other invested assets.....	.0	.0	.0	.0
7. Receivable for securities.....	545,037	.0	545,037	5,688
8. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
9. Subtotals, cash and invested assets (Lines 1 to 8).....	42,416,333	.0	42,416,333	35,356,487
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection.....	20,152,314	1,125,000	19,027,314	11,721,389
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	.0	.0	.0	.0
10.3 Accrued retrospective premiums.....	.0	.0	.0	.0
11. Funds held by or deposited with reinsured companies.....	.0	.0	.0	.0
12. Bills receivable, taken for premiums.....	.0	.0	.0	.0
13. Amounts receivable under high deductible policies.....	.0	.0	.0	.0
14. Reinsurance recoverables on loss and loss adjustment expense payments.....	1,410,287	.0	1,410,287	1,269,072
15. Federal and foreign income tax recoverable and interest thereon (including \$....1,937,299 net deferred tax asset) - .....	2,534,105	596,806	1,937,299	1,263,646
16. Guaranty funds receivable or on deposit.....	32,666	.0	32,666	51,175
17. Electronic data processing equipment and software.....	.0	.0	.0	.0
18. Interest, dividends and real estate income due and accrued.....	515,617	.0	515,617	463,386
19. Net adjustments in assets and liabilities due to foreign exchange rates.....	.0	.0	.0	.0
20. Receivable from parent, subsidiaries and affiliates.....	2,069,655	.0	2,069,655	653,394
21. Amounts due from/to protected cells.....	.0	.0	.0	.0
22. Equities and deposits in pools and associations.....	59	.0	59	117
23. Amounts receivable relating to uninsured accident and health plans.....	.0	.0	.0	.0
24. Other assets nonadmitted.....	.0	.0	.0	.0
25. Aggregate write-ins for other than invested assets.....	.0	.0	.0	.0
26. Total assets excluding protected cell assets (Lines 9 through 25).....	69,131,036	1,721,806	67,409,230	50,778,666
27. Protected cell assets.....	.0	.0	.0	.0
28. TOTALS (Lines 26 and 27).....	69,131,036	1,721,806	67,409,230	50,778,666

**DETAILS OF WRITE-INS**

0801. ....	.0	.0	.0	.0
0802. ....	.0	.0	.0	.0
0803. ....	.0	.0	.0	.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. ....	.0	.0	.0	.0
2502. ....	.0	.0	.0	.0
2503. ....	.0	.0	.0	.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).....	.0	.0	.0	.0

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....0).....	15,859,822	11,805,006
2. Reinsurance payable on paid losses and loss adjustment expenses.....	0	0
3. Loss adjustment expenses.....	3,536,255	2,924,987
4. Commissions payable, contingent commissions and other similar charges.....	455,093	175,000
5. Other expenses (excluding taxes, licenses and fees).....	6,322	108,224
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,104,320	868,192
7. Federal and foreign income taxes (including \$.....0 on realized capital gains (losses) (including \$.....0 net deferred tax liability).....	1,202,912	327,208
8. Borrowed money \$.....0 and interest thereon \$.....0.....	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$...3,447,455 and including warranty reserves of \$.....0).....	20,791,990	12,932,547
10. Advance premium.....	156,705	84,386
11. Dividends declared and unpaid:		
11.1 Stockholders.....	0	0
11.2 Policyholders.....	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions).....	2,043,967	1,177,322
13. Funds held by company under reinsurance treaties.....	0	0
14. Amounts withheld or retained by company for account of others.....	(21,677)	5,189
15. Remittances and items not allocated.....	0	0
16. Provision for reinsurance.....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0
18. Drafts outstanding.....	0	0
19. Payable to parent, subsidiaries and affiliates.....	3,073,729	1,437,864
20. Payable for securities.....	548,707	0
21. Liability for amounts held under uninsured accident and health plans.....	0	0
22. Capital notes \$.....0 and interest thereon \$.....0.....	0	0
23. Aggregate write-ins for liabilities.....	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	48,758,145	31,845,924
25. Protected cell liabilities.....	0	0
26. Total liabilities (Lines 24 and 25).....	48,758,145	31,845,924
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	2,400,000	2,400,000
29. Preferred capital stock.....	0	0
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....	0	0
32. Gross paid in and contributed surplus.....	12,600,000	12,600,000
33. Unassigned funds (surplus).....	3,651,085	3,932,742
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....	0	0
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34).....	18,651,085	18,932,742
36. TOTALS.....	67,409,230	50,778,666

### DETAILS OF WRITE-INS

2301. ....	0	0
2302. ....	0	0
2303. ....	0	0
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).....	0	0
2701. ....	0	0
2702. ....	0	0
2703. ....	0	0
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. ....	0	0
3002. ....	0	0
3003. ....	0	0
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

# STATE AUTO NATIONAL INSURANCE COMPANY STATEMENT OF INCOME

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$....40,874,915).....	31,767,274	15,527,327	31,105,160
1.2 Assumed..... (written \$....25,965).....	28,243	16,219	0
1.3 Ceded..... (written \$....5,817,609).....	4,571,689	2,323,420	0
1.4 Net..... (written \$....35,083,271).....	27,223,828	13,220,126	31,105,160
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....0):			
2.1 Direct.....	21,605,853	9,865,460	21,629,338
2.2 Assumed.....	23,052	7,963	0
2.3 Ceded.....	2,882,718	1,300,248	0
2.4 Net.....	18,746,187	8,573,175	21,629,338
3. Loss expenses incurred.....	3,051,479	1,444,071	3,080,707
4. Other underwriting expenses incurred.....	8,319,480	4,637,825	10,031,680
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	30,117,146	14,655,071	34,741,725
7. Net income of protected cells.....	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(2,893,318)	(1,434,945)	(3,636,565)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	907,092	734,881	1,511,361
10. Net realized capital gains (losses).....	202,260	21,277	61,397
11. Net investment gain (loss) (Lines 9 + 10).....	1,109,352	756,158	1,572,758
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$....47,190 amount charged off \$....388,288).....	(341,098)	(192,253)	(415,182)
13. Finance and service charges not included in premiums.....	2,599,955	1,199,367	2,688,291
14. Aggregate write-ins for miscellaneous income.....	2,844	2,275	4,826
15. Total other income (Lines 12 through 14).....	2,261,701	1,009,389	2,277,935
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	477,735	330,602	214,128
17. Dividends to policyholders.....	0	0	0
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17).....	477,735	330,602	214,128
19. Federal and foreign income taxes incurred.....	875,704	178,336	327,208
20. Net income (Line 18 minus Line 19) (to Line 22).....	(397,969)	152,266	(113,080)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 previous year.....	18,932,740	14,071,654	14,071,654
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20).....	(397,969)	152,266	(113,080)
23. Net unrealized capital gains or losses.....	(44,400)	0	0
24. Change in net unrealized foreign exchange capital gain (loss).....	0	0	0
25. Change in net deferred income taxes.....	870,426	212,425	427,991
26. Change in nonadmitted assets.....	(709,712)	(24,304)	(202,948)
27. Change in provision for reinsurance.....	0	0	0
28. Change in surplus notes.....	0	0	0
29. Surplus (contributed to) withdrawn from protected cells.....	0	0	0
30. Cumulative effect of changes in accounting principles.....	0	749,123	749,123
31. Capital changes:			
31.1 Paid in.....	0	0	0
31.2 Transferred from surplus (Stock Dividend).....	0	0	0
31.3 Transferred to surplus.....	0	0	0
32. Surplus adjustments:			
32.1 Paid in.....	0	0	4,000,000
32.2 Transferred to capital (Stock Dividend).....	0	0	0
32.3 Transferred from capital.....	0	0	0
33. Net remittances from or (to) Home Office.....	0	0	0
34. Dividends to stockholders.....	0	0	0
35. Change in treasury stock.....	0	0	0
36. Aggregate write-ins for gains and losses in surplus.....	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36).....	(281,655)	1,089,510	4,861,086
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37).....	18,651,085	15,161,164	18,932,740

### DETAILS OF WRITE-INS

0501. ....	0	0	0
0502. ....	0	0	0
0503. ....	0	0	0
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. SECURITIES LENDING INCOME.....	2,844	2,275	4,826
1402. ....	0	0	0
1403. ....	0	0	0
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).....	2,844	2,275	4,826
3601. Lines 23 and 29 from 2000 Annual Statement.....	0	0	0
3602. ....	0	0	0
3603. ....	0	0	0
3698. Summary of remaining write-ins for Line 36 from overflow page.....	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above).....	0	0	0

## CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	28,227,279	31,716,498
2. Loss and loss adjustment expenses paid (net of salvage and subrogation).....	17,272,797	21,716,540
3. Underwriting expenses paid.....	7,905,161	9,500,388
4. Other underwriting income (expenses).....	0	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	3,049,321	499,570
6. Net investment income.....	879,971	1,504,637
7. Other income (expenses):		
7.1 Agents' balances charged off.....	(341,098)	(415,182)
7.2 Net funds held under reinsurance treaties.....	0	0
7.3 Net amount withheld or retained for account of others.....	(26,866)	5,189
7.4 Aggregate write-ins for miscellaneous items.....	2,621,366	2,641,826
7.5 Total other income (Lines 7.1 to 7.4).....	2,253,402	2,231,832
8. Dividends to policyholders on direct business, less \$.....0 dividends on reinsurance assumed or ceded (net).....	0	0
9. Federal and foreign income taxes (paid) recovered.....	0	184,435
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9).....	6,182,694	4,420,474
<b>CASH FROM INVESTMENTS</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds.....	6,894,030	5,911,914
11.2 Stocks.....	221,020	0
11.3 Mortgage loans.....	0	0
11.4 Real estate.....	0	0
11.5 Other invested assets.....	0	0
11.6 Net gains or (losses) on cash and short-term investments.....	0	0
11.7 Miscellaneous proceeds.....	0	0
11.8 Total investment proceeds (Lines 11.1 to 11.7).....	7,115,050	5,911,914
12. Cost of investments acquired (long-term only):		
12.1 Bonds.....	9,754,350	9,764,403
12.2 Stocks.....	2,713,354	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Miscellaneous applications.....	(9,358)	5,688
12.7 Total investments acquired (Lines 12.1 to 12.6).....	12,458,346	9,770,091
13. Net cash from investments (Line 11.8 minus Line 12.7).....	(5,343,296)	(3,858,177)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in.....	0	4,000,000
14.2 Capital notes \$.....0 less amounts repaid \$.....0.....	0	0
14.3 Net transfers from affiliates.....	219,605	0
14.4 Borrowed funds received.....	0	0
14.5 Other cash provided.....	0	0
14.6 Total (Lines 14.1 to 14.5).....	219,605	4,000,000
15. Cash applied:		
15.1 Dividends to stockholders paid.....	0	0
15.2 Net transfers to affiliates.....	0	96,657
15.3 Borrowed funds repaid.....	0	0
15.4 Other applications.....	0	0
15.5 Total (Lines 15.1 to 15.4).....	0	96,657
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5).....	219,604	3,903,343
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16).....	1,059,003	4,465,640
18. Cash and short-term investments:		
18.1 Beginning of year.....	5,281,109	815,469
18.2 End of period (Line 17 plus Line 18.1).....	6,340,112	5,281,109
<b>DETAILS OF WRITE-INS</b>		
07.401 FINANCE AND SERVICE CHARGES.....	2,599,955	2,688,291
07.402 MISCELLANEOUS INCOME.....	2,844	4,826
07.403 EQUITY IN POOLS AND ASSOCIATIONS.....	58	(117)
07.498 Summary of remaining write-ins for Line 7.4 from overflow page.....	18,509	(51,175)
07.499 Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above).....	2,621,366	2,641,826

**1. Summary of Significant Accounting Policies:**

A. The accompanying quarterly condensed financial statements of State Auto National Insurance Company (the "Company") have been prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance. In accordance with the *NAIC Annual Statement Instructions* for quarterly presentation, these financial statements do not include all of the information and footnotes required under an annual presentation. For further information, the reader is referred to the Company's annual statement filed for the period ended December 31, 2001.

**9. Income Taxes:**

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

Description	Amount (\$)
Gross deferred tax assets	2,537,024
Gross deferred tax liabilities	2,920
Net deferred tax assets	2,534,105
Nonadmitted deferred tax assets	596,806
Admitted deferred tax assets	1,937,299
Increase (decrease) in nonadmitted deferred tax assets	220,681

B. Unrecognized deferred tax liabilities: Not applicable.

C. Current Tax and Change in Deferred Tax

Current income taxes incurred consist of the following major components:

Description	Amount (\$)	
	2002	2001
Current income tax expense	875,704	327,208
Current income taxes incurred	875,704	327,208

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

DTAs	Amount (\$)			
	Statutory	Tax	Difference	Tax Effect
Loss and LAE reserves	19,396,077	17,624,319	1,771,758	620,115
Unearned premiums	20,791,989	16,534,951	4,257,038	1,489,963
Investments	(151,136)	(219,444)	68,308	23,908
Salvage and subrogation	0	(1,084,334)	1,084,334	379,517
Other stat only	53,334	0	53,334	18,667
AMT credit carryforward	0	(4,854)	4,854	4,854
Gross DTAs				2,537,024
Nonadmitted DTAs				596,806

DTLs	Amount (\$)			
	Statutory	Tax	Difference	Tax Effect
Investments	33,105,582	33,098,620	6,962	2,437
Other stat only	1,380	0	1,380	483
Gross DTLs				2,920

The changes in main components of DTAs and DTLs are as follows:

DTAs Resulting from Book/Tax Differences in	Amounts (\$)		
	June 30, 2002	December 31, 2001	Change
Losses and LAE reserves	620,115	470,967	149,148
Unearned premiums	1,489,963	933,174	556,790
Investments	23,908	0	23,908
Salvage and subrogation	379,517	225,864	153,653
Other stat only	18,667	17,465	1,202
AMT credit carryforward	4,854	4,854	0
Gross DTAs	2,537,024	1,652,324	884,701
Nonadmitted DTAs	596,806	376,125	220,681

DTLs Resulting from Book/Tax Differences in	Amount (\$)		
	June 30, 2002	January 1, 2001	Change
Investments	2,437	2,452	15
Other	483	10,101	9,618
Gross DTLs	2,920	12,553	9,633

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant book to tax adjustments were as follows:

Description	Amount (\$)	Tax Effect at 35% Amount (\$)
Income before taxes	477,735	167,207
Book over tax reserves	426,137	149,148
Unearned premiums	1,619,688	566,891
Salvage and subrogation	439,009	153,653
Tax exempt interest & dividends received	(462,611)	(161,914)
Other	2,054	719
Taxable income (loss)	2,502,012	875,704

E. Operating Loss and Tax Credit Carryforwards

- At December 31, 2001 the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- The following is income tax expense for 2001, 2000, and 1999 that is available for recoupment in the event of future net losses:

Year	Amount (\$)
2001	322,354
2000	0
1999	189,398

F. Consolidated Federal Income Tax Return

- For 2002, the Company's federal income tax return will be consolidated with the following entities:

State Auto Financial Corporation  
State Auto Property and Casualty Insurance Company  
Farmers Casualty Insurance Company  
State Auto Insurance Company  
Milbank Insurance Company  
Mid-Plains Insurance Company  
Stateco Financial Services  
Strategic Insurance Software, Inc.

- The method of allocation among the companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return.

**17. Sale, Transfer and Servicing of Financial Instruments and Extinguishments of Liabilities:**

C. Wash Sales: Not applicable.

**20. Other Items**

Certain items in the 2001 financial statements have been reclassified to conform to the 2002 presentation.

Statement as of June 30, 2002 of the **STATE AUTO NATIONAL INSURANCE COMPANY**  
**GENERAL INTERROGATORIES**

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

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

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

1.2 If yes, explain:..... \_\_\_\_\_

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

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

3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] 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. ....12/31/1998.....

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). ....07/13/2000.....

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)

### 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: \$.....0

12. Amount of real estate and mortgages held in short-term investments: \$.....0

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
Bank One Columbus	1111 Polaris Parkway, Bldg 54101 - 2B, Columbus, OH 43240

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)
N/A		

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
N/A		

**STATE AUTO NATIONAL 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.

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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.

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
.....	.....0.0	.....0.0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
<b>Total</b> .....	.....XXX.....	.....XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

Statement as of June 30, 2002 of the **STATE AUTO NATIONAL 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	0
2. Increase (decrease) by adjustment.....	0	0	0	0
3. Cost of acquired.....	0	0	0	0
4. Cost of additions to and permanent improvements.....	0	0	0	0
5. Total profit (loss) on sales.....	0	0	0	0
6. Increase (decrease) by foreign exchange adjustment.....	0	0	0	0
7. Amount received on sales.....	0	0	0	0
8. Book/adjusted carrying value at end of current period.....	0	0	0	0
9. Total valuation allowance.....	0	0	0	0
10. Subtotal (Lines 8 plus 9).....	0	0	0	0
11. Total nonadmitted amounts.....	0	0	0	0
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	0
2. Amount loaned during period:				
2.1 Actual cost at time of acquisitions.....	0	0	0	0
2.2 Additional investment made after acquisitions.....	0	0	0	0
3. Accrual of discount and mortgage interest points and commitment fees.....	0	0	0	0
4. Increase (decrease) by adjustment.....	0	0	0	0
5. Total profit (loss) on sale.....	0	0	0	0
6. Amounts paid on account or in full during the period.....	0	0	0	0
7. Amortization of premium.....	0	0	0	0
8. Increase (decrease) by foreign exchange adjustment.....	0	0	0	0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	0	0	0	0
10. Total valuation allowance.....	0	0	0	0
11. Subtotal (Lines 9 plus 10).....	0	0	0	0
12. Total nonadmitted amounts.....	0	0	0	0
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	0
2. Cost of acquisitions during period:				
2.1 Actual cost at time of acquisitions.....	0	0	0	0
2.2 Additional investment made after acquisitions.....	0	0	0	0
3. Accrual of discount.....	0	0	0	0
4. Increase (decrease) by adjustment.....	0	0	0	0
5. Total profit (loss) on sale.....	0	0	0	0
6. Amounts paid on account or in full during the period.....	0	0	0	0
7. Amortization of premium.....	0	0	0	0
8. Increase (decrease) by foreign exchange adjustment.....	0	0	0	0
9. Book/adjusted carrying value of long-term invested assets at end of current period.....	0	0	0	0
10. Total valuation allowance.....	0	0	0	0
11. Subtotal (Lines 9 plus 10).....	0	0	0	0
12. Total nonadmitted amounts.....	0	0	0	0
13. Statement value of long-term invested assets at end of current period.....	0	0	0	0

**NONE**

## SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
	Statement Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Statement Value End of First Quarter	Statement Value End of Second Quarter	Statement Value End of Third Quarter	Statement Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1.....	35,717,200	14,001,633	10,423,058	(11,942)	35,717,200	39,283,833	0	34,781,649
2. Class 2.....	503,153	0	503,134	(19)	503,153	0	0	503,273
3. Class 3.....	0	0	0	0	0	0	0	0
4. Class 4.....	0	0	0	0	0	0	0	0
5. Class 5.....	0	0	0	0	0	0	0	0
6. Class 6.....	0	0	0	0	0	0	0	0
7. Total Bonds.....	36,220,353	14,001,633	10,926,192	(11,961)	36,220,353	39,283,833	0	35,284,922
<b>PREFERRED STOCK</b>								
8. Class 1.....	0	0	0	0	0	0	0	0
9. Class 2.....	0	0	0	0	0	0	0	0
10. Class 3.....	0	0	0	0	0	0	0	0
11. Class 4.....	0	0	0	0	0	0	0	0
12. Class 5.....	0	0	0	0	0	0	0	0
13. Class 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	36,220,353	14,001,633	10,926,192	(11,961)	36,220,353	39,283,833	0	35,284,922

**SCHEDULE DA - PART 1**

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. Totals.....	6,178,251	XXX.....	6,178,251	0	0

**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.....	5,215,231	129,654	0	764,138
2. Cost of short-term investments acquired.....	6,322,005	11,430,928	0	17,496,084
3. Increase (decrease) by adjustment.....	0	0	0	0
4. Increase (decrease) by foreign exchange adjustment.....	0	0	0	0
5. Total profit (loss) on disposal of short-term investments.....	0	0	0	0
6. Consideration received on disposal of short-term investments.....	11,407,582	5,382,331	0	13,044,991
7. Book/adjusted carrying value, current period.....	129,654	6,178,251	0	5,215,231
8. Total valuation allowance.....	0	0	0	0
9. Subtotal (Lines 7 plus 8).....	129,654	6,178,251	0	5,215,231
10. Total nonadmitted amounts.....	0	0	0	0
11. Statement value (Lines 9 minus 10).....	129,654	6,178,251	0	5,215,231
12. Income collected during period.....	11,835	4,868	0	42,517
13. Income earned during period.....	4,948	12,427	0	45,655

**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

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	2,356,463	2,343,347	1,328,832	1,436,242	1,536,786	1,584,496
2. Alaska.....AK	NO	0	0	0	0	0	0
3. Arizona.....AZ	NO	0	0	0	0	0	0
4. Arkansas.....AR	YES	1,520,649	840,890	845,084	575,964	935,553	797,647
5. California.....CA	NO	0	0	0	0	0	0
6. Colorado.....CO	NO	0	0	0	0	0	0
7. Connecticut.....CT	NO	0	0	0	0	0	0
8. Delaware.....DE	NO	0	0	0	0	0	0
9. District of Columbia.....DC	NO	0	0	0	0	0	0
10. Florida.....FL	YES	911,644	7,661	196,020	0	311,391	0
11. Georgia.....GA	YES	624,823	611,367	360,108	350,658	527,564	392,361
12. Hawaii.....HI	NO	0	0	0	0	0	0
13. Idaho.....ID	NO	0	0	0	0	0	0
14. Illinois.....IL	YES	614,437	206,233	207,335	46,563	181,502	80,262
15. Indiana.....IN	YES	704,160	133,343	153,046	2,994	173,031	20,029
16. Iowa.....IA	NO	0	0	0	0	0	0
17. Kansas.....KS	NO	0	0	0	0	0	0
18. Kentucky.....KY	YES	10,414,486	2,736,439	3,869,784	1,231,043	4,684,129	1,062,530
19. Louisiana.....LA	NO	0	0	0	0	0	0
20. Maine.....ME	NO	0	0	0	0	0	0
21. Maryland.....MD	YES	457,979	211,793	163,517	52,147	160,763	50,179
22. Massachusetts.....MA	NO	0	0	0	0	0	0
23. Michigan.....MI	NO	0	0	0	0	0	0
24. Minnesota.....MN	YES	4,755,695	1,397,210	1,284,726	450,055	1,928,538	725,692
25. Mississippi.....MS	YES	928,349	732,977	388,364	299,896	406,628	467,670
26. Missouri.....MO	YES	1,473,921	408,437	422,118	226,917	483,701	240,790
27. Montana.....MT	NO	0	0	0	0	0	0
28. Nebraska.....NE	NO	0	0	0	0	0	0
29. Nevada.....NV	NO	0	0	0	0	0	0
30. New Hampshire.....NH	NO	0	0	0	0	0	0
31. New Jersey.....NJ	NO	0	0	0	0	0	0
32. New Mexico.....NM	NO	0	0	0	0	0	0
33. New York.....NY	NO	0	0	0	0	0	0
34. North Carolina.....NC	YES	0	0	0	0	0	0
35. North Dakota.....ND	YES	0	0	0	0	0	0
36. Ohio.....OH	YES	4,411,645	2,033,124	2,299,920	836,325	2,660,391	1,314,850
37. Oklahoma.....OK	YES	0	0	0	0	0	0
38. Oregon.....OR	NO	0	0	0	0	0	0
39. Pennsylvania.....PA	YES	2,622,294	1,748,126	1,263,093	730,545	1,505,379	646,309
40. Rhode Island.....RI	NO	0	0	0	0	0	0
41. South Carolina.....SC	YES	2,993,940	2,746,633	1,874,440	1,340,488	2,634,543	2,020,162
42. South Dakota.....SD	YES	65,922	40,311	41,886	18,471	63,446	18,621
43. Tennessee.....TN	YES	2,958,354	1,265,490	1,153,614	725,934	1,231,629	1,279,664
44. Texas.....TX	NO	0	0	0	0	0	0
45. Utah.....UT	YES	521,241	166,767	112,420	149,694	197,170	133,841
46. Vermont.....VT	NO	0	0	0	0	0	0
47. Virginia.....VA	NO	0	0	0	0	0	0
48. Washington.....WA	NO	0	0	0	0	0	0
49. West Virginia.....WV	YES	1,281,722	583,612	551,437	286,745	776,262	312,914
50. Wisconsin.....WI	YES	1,257,191	779,091	745,887	246,586	688,536	312,632
51. Wyoming.....WY	NO	0	0	0	0	0	0
52. American Samoa.....AS	NO	0	0	0	0	0	0
53. Guam.....GU	NO	0	0	0	0	0	0
54. Puerto Rico.....PR	NO	0	0	0	0	0	0
55. US Virgin Islands.....VI	NO	0	0	0	0	0	0
56. Canada.....CN	NO	0	0	0	0	0	0
57. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
58. Totals.....	(a) 22	40,874,915	18,992,851	17,261,631	9,007,268	21,086,942	11,460,649

**DETAILS OF WRITE-INS**

5701.....	XXX	0	0	0	0	0	0
5702.....	XXX	0	0	0	0	0	0
5703.....	XXX	0	0	0	0	0	0
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

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**NONE**

# STATE AUTO NATIONAL INSURANCE COMPANY

## PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....	0	0	0.0	0.0
2. Allied lines.....	0	0	0.0	0.0
3. Farmowners multiple peril.....	0	0	0.0	0.0
4. Homeowners multiple peril.....	0	0	0.0	0.0
5. Commercial multiple peril.....	0	0	0.0	0.0
6. Mortgage guaranty.....	0	0	0.0	0.0
8. Ocean marine.....	0	0	0.0	0.0
9. Inland marine.....	0	0	0.0	0.0
10. Financial guaranty.....	0	0	0.0	0.0
11.1. Medical malpractice-occurrence.....	0	0	0.0	0.0
11.2. Medical malpractice-claims made.....	0	0	0.0	0.0
12. Earthquake.....	0	0	0.0	0.0
13. Group accident and health.....	0	0	0.0	0.0
14. Credit accident and health.....	0	0	0.0	0.0
15. Other accident and health.....	0	0	0.0	0.0
16. Workers' compensation.....	0	0	0.0	0.0
17.1. Other liability-occurrence.....	0	0	0.0	0.0
17.2. Other liability-claims made.....	0	0	0.0	0.0
18.1. Products liability-occurrence.....	0	0	0.0	0.0
18.2. Products liability-claims made.....	0	0	0.0	0.0
19.1, 19.2 Private passenger auto liability.....	22,079,850	15,064,338	68.2	62.5
19.3, 19.4 Commercial auto liability.....	0	0	0.0	0.0
21. Auto physical damage.....	9,687,424	6,541,514	67.5	65.6
22. Aircraft (all perils).....	0	0	0.0	0.0
23. Fidelity.....	0	0	0.0	0.0
24. Surety.....	0	0	0.0	0.0
26. Burglary and theft.....	0	0	0.0	0.0
27. Boiler and machinery.....	0	0	0.0	0.0
28. Credit.....	0	0	0.0	0.0
29. International.....	0	0	0.0	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.....	31,767,274	21,605,852	68.0	63.5
<b>DETAILS OF WRITE-INS</b>				
3301. ....	0	0	0.0	0.0
3302. ....	0	0	0.0	0.0
3303. ....	0	0	0.0	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

	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....	0	0	0
2. Allied lines.....	0	0	0
3. Farmowners multiple peril.....	0	0	0
4. Homeowners multiple peril.....	0	0	0
5. Commercial multiple peril.....	0	0	0
6. Mortgage guaranty.....	0	0	0
8. Ocean marine.....	0	0	0
9. Inland marine.....	0	0	0
10. Financial guaranty.....	0	0	0
11.1. Medical malpractice-occurrence.....	0	0	0
11.2. Medical malpractice-claims made.....	0	0	0
12. Earthquake.....	0	0	0
13. Group accident and health.....	0	0	0
14. Credit accident and health.....	0	0	0
15. Other accident and health.....	0	0	0
16. Workers' compensation.....	0	0	0
17.1. Other liability-occurrence.....	0	0	0
17.2. Other liability-claims made.....	0	0	0
18.1. Products liability-occurrence.....	0	0	0
18.2. Products liability-claims made.....	0	0	0
19.1, 19.2 Private passenger auto liability.....	15,667,423	29,104,315	12,644,357
19.3, 19.4 Commercial auto liability.....	0	0	0
21. Auto physical damage.....	6,321,436	11,770,600	6,348,494
22. Aircraft (all perils).....	0	0	0
23. Fidelity.....	0	0	0
24. Surety.....	0	0	0
26. Burglary and theft.....	0	0	0
27. Boiler and machinery.....	0	0	0
28. Credit.....	0	0	0
29. International.....	0	0	0
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.....	21,988,859	40,874,915	18,992,851
<b>DETAILS OF WRITE-INS</b>			
3301. ....	0	0	0
3302. ....	0	0	0
3303. ....	0	0	0
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (a)	2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2002 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (b)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserves Developed (Savings)/Deficiency (c)
1. 1999 + Prior	1,075	240	1,315	321	10	331	1,174	29	64	1,267	420	(137)	283
2. 2000	1,329	519	1,848	519	34	553	1,352	41	266	1,659	542	(178)	364
3. Subtotals 2000 + Prior	2,404	759	3,163	840	44	884	2,526	70	330	2,926	962	(315)	647
4. 2001	7,264	4,302	11,566	3,254	1,549	4,803	3,098	935	1,310	5,343	(912)	(508)	(1,420)
5. Subtotals 2001 + Prior	9,668	5,061	14,729	4,094	1,593	5,687	5,624	1,005	1,640	8,269	50	(823)	(773)
6. 2002	XXX	XXX	XXX	XXX	9,483	9,483	XXX	7,751	3,377	11,128	XXX	XXX	XXX
7. Totals	9,668	5,061	14,729	4,094	11,076	15,170	5,624	8,756	5,017	19,397	50	(823)	(773)
8. Prior Year-End's Surplus As Regards Policyholders	18,933										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. ....0.5 %	2. ....(16.3)%	3. ....(5.2)%
													Col. 13, Line 7 Line 8
													4. ....(4.1)%

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(a) Should equal prior year-end Annual Statement; Page 3, Col. 1, Lines 1 + 3.  
 (b) Should equal Q.S. Page 3, Col.1, Lines 1 and 3.  
 (c) Should also equal Cols. 6 + 10 less Col. 3 for Lines 1 through 5 only.

# 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.

	<b>RESPONSE</b>
1. Will the SVO Compliance Certification be filed with this statement?	<u>YES</u>
2. Will the Trusteed Surplus Statement be filed with the State of Domicile and the NAIC with this statement?	<u>NO</u>
3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?	<u>NO</u>

**EXPLANATIONS:**

**BAR CODE:**



**Overflow Page for Write-Ins**

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

	1 Current Year to Date	2 Prior Year Ended December 31
07.404 GUARANTY FUNDS RECEIVABLE.....	18,509	(51,175)
07.497 Summary of remaining write-ins for Line 7.4 from Cash Flow.....	18,509	(51,175)

**Sch. A-Part 2**  
**NONE**

**Sch. A-Part 3**  
**NONE**

**Sch. B-Part 1**  
**NONE**

**Sch. B-Part 2**  
**NONE**

**Sch. BA-Part 1**  
**NONE**

**Sch. BA-Part 2**  
**NONE**

## SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
<b>Bonds - Political Subdivisions of States</b>								
<b>Mississippi</b>								
605579-4Q-1.....	MISSISSIPPI ST REF-SER 5.500% 12/01/19.....	06/20/2002.....	Stephens Inc.....		546,415	500,000	2,292	1PE.....
	Mississippi.....				546,415	500,000	2,292	XXX.....
	United States.....				546,415	500,000	2,292	XXX.....
2499999.	Total - Bonds - Political Subdivision.....				546,415	500,000	2,292	XXX.....
<b>Bonds - Special Revenue and Special Assessment</b>								
<b>Ohio</b>								
172311-AV-4.....	CINCINNATI OHIO WTR SYS 5.125% 12/01/21.....	06/13/2002.....	Stephens Inc.....		508,060	500,000	1,210	1PE.....
	Ohio.....				508,060	500,000	1,210	XXX.....
	United States.....				508,060	500,000	1,210	XXX.....
3199999.	Total - Bonds - Special Revenue & Special Assessments.....				508,060	500,000	1,210	XXX.....
<b>Bonds - Industrial and Miscellaneous</b>								
<b>United States</b>								
060505-AQ-7.....	BANK OF AMERICA CORP 6.250% 04/15/12.....	05/08/2002.....	Merrill Lynch.....		503,635	500,000	1,823	1PE.....
172967-BJ-9.....	CITIGROUP INC. 6.000% 02/21/12.....	05/08/2002.....	Merrill Lynch.....		497,750	500,000	6,833	1PE.....
617446-HC-6.....	MORGAN STANLEY 6.600% 04/01/12.....	06/05/2002.....	Merrill Lynch.....		514,845	500,000	6,142	1.....
	United States.....				1,516,230	1,500,000	14,798	XXX.....
4599999.	Total - Bonds - Industrial & Miscellaneous.....				1,516,230	1,500,000	14,798	XXX.....
6099997.	Total - Bonds - Part 3.....				2,570,705	2,500,000	18,300	XXX.....
6099999.	Total - Bonds.....				2,570,705	2,500,000	18,300	XXX.....
<b>Common Stocks - Banks, Trust and Insurance Companies</b>								
<b>United States</b>								
026874-10-7.....	AMERICAN INTERNATIONAL.....	06/11/2002.....	Smith Barney.....	2,000,000	129,280		0	L.....
172967-10-1.....	CITIGROUP INC.....	06/11/2002.....	Smith Barney.....	3,000,000	126,240		0	L.....
316773-10-0.....	FIFTH THIRD BANCORP.....	06/11/2002.....	Smith Barney.....	2,000,000	129,880		0	L.....
	United States.....				385,400	XXX	0	XXX.....
6799999.	Total - Common Stocks - Banks, Trust & Ins. Cos.....				385,400	XXX	0	XXX.....
<b>Common Stocks - Industrial and Miscellaneous</b>								
<b>United States</b>								
013817-10-1.....	ALCOA INC.....	06/11/2002.....	Smith Barney.....	3,800,000	122,322		0	L.....
053611-10-9.....	AVERY DENNISON CORP.....	06/11/2002.....	Smith Barney.....	2,000,000	125,397		0	L.....
14149Y-10-8.....	CARDINAL HEALTH INC.....	06/11/2002.....	Smith Barney.....	2,000,000	131,800		0	L.....
292845-10-4.....	ENGELHARD CORP.....	06/11/2002.....	Smith Barney.....	4,000,000	125,160		0	L.....
30231G-10-2.....	EXXON MOBIL CORPORATION.....	06/11/2002.....	Smith Barney.....	3,000,000	119,040		0	L.....
369604-10-3.....	GENERAL ELECTRIC CORP.....	06/11/2002.....	Smith Barney.....	4,000,000	121,560		0	L.....
459200-10-1.....	IBM CORPORATION.....	06/11/2002.....	Smith Barney.....	1,600,000	124,080		0	L.....
548661-10-7.....	LOWES COMPANIES INC.....	06/11/2002.....	Smith Barney.....	2,500,000	120,100		0	L.....
574599-10-6.....	MASCO CORP.....	06/11/2002.....	Smith Barney.....	4,500,000	120,999		0	L.....
583334-10-7.....	MEADWESTVACO CORP.....	06/11/2002.....	Smith Barney.....	3,700,000	118,437		0	L.....
585055-10-6.....	MEDTRONIC INC.....	06/11/2002.....	Smith Barney.....	2,500,000	114,875		0	L.....
742718-10-9.....	PROCTER & GAMBLE CO.....	06/11/2002.....	Smith Barney.....	1,500,000	135,315		0	L.....
755111-50-7.....	RAYTHEON CO.....	06/11/2002.....	Smith Barney.....	3,000,000	132,676		0	L.....
88579Y-10-1.....	3M CO.....	06/11/2002.....	Smith Barney.....	1,000,000	126,700		0	L.....
931142-10-3.....	WAL MART STORES.....	06/11/2002.....	Smith Barney.....	2,000,000	114,600		0	L.....
962166-10-4.....	WEYERHAEUSER CO.....	06/11/2002.....	Smith Barney.....	2,000,000	130,099		0	L.....
G4776G-10-1.....	INGERSOLL-RAND COMPANY.....	06/11/2002.....	Smith Barney.....	2,500,000	125,350		0	L.....
	United States.....				2,108,510	XXX	0	XXX.....
6899999.	Total - Common Stocks - Industrial & Miscellaneous.....				2,108,510	XXX	0	XXX.....
7099997.	Total - Common Stocks - Part 3.....				2,493,910	XXX	0	XXX.....
7099998.	Total - Common Stocks - Summary Item for Common Stocks Bought and Sold This Quarter.....				219,444	XXX	0	XXX.....
7099999.	Total - Common Stocks.....				2,713,354	XXX	0	XXX.....
7199999.	Total - Preferred and Common Stocks.....				2,713,354	XXX	0	XXX.....
7299999.	Total - Bonds, Preferred and Common Stocks.....				5,284,059	XXX	18,300	XXX.....

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### 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)
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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 CUSIP Identification	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value At Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designation (a)
<b>Bonds - U.S. Government</b>																
3134A4-JT-2...	FEDERAL HOME LOAN MTG C 5.750% 01/15/11	06/24/2002	Merrill Lynch		1,027,500	1,000,000	998,570	998,579	86	0	0	28,921	28,921	25,715		1PE
31359M-KF-9...	FNMA 6.250% 07/19/11	06/24/2002	Merrill Lynch		510,938	500,000	508,125	507,164	(736)	0	0	3,774	3,774	13,542		1PE
31359M-MB-6..	FNMA 6.000% 01/18/12	06/24/2002	Merrill Lynch		1,010,000	1,000,000	995,000	995,124	144	0	0	14,876	14,876	26,167		1PE
31364G-G6-0...	FNMA 6.280% 04/16/09	05/09/2002	Call 100.0000		1,000,000	1,000,000	997,031	1,000,000	2,303	0	0	0	0	35,412		1PE
36205T-JL-8...	GNMA POOL# 399967 8.000% 05/15/26	06/01/2002	Paydown		47,373	47,373	47,729	47,373	(297)	0	0	0	0	321		1
0399999	Total - Bonds - U.S. Government				3,595,811	3,547,373	3,546,455	3,548,240	1,500	0	0	47,571	47,571	101,157	0	XXX
<b>Bonds - Special Revenue and Special Assessment</b>																
<b>Ohio</b>																
677597-YM-2...	OHIO ST REV 5.000% 05/01/12	06/20/2002	Stephens Inc		521,745	500,000	507,025	504,236	(208)	0	0	17,509	17,509	16,667		1PE
67766W-AW-2...	OHIO ST REV 4.125% 06/01/13	06/13/2002	Stephens Inc		495,500	500,000	495,220	495,426	94	0	0	74	74	12,661		1PE
	Ohio				1,017,245	1,000,000	1,002,245	999,662	(114)	0	0	17,583	17,583	29,328	0	XXX
<b>Texas</b>																
796253-ME-9...	SAN ANTONIO TEX ELEC & 5.000% 02/01/14	06/25/2002	Stephens Inc		505,494	495,000	492,385	492,824	44	0	0	12,670	12,670	10,106		1PE
	Texas				505,494	495,000	492,385	492,824	44	0	0	12,670	12,670	10,106	0	XXX
	United States				1,522,739	1,495,000	1,494,630	1,492,486	(70)	0	0	30,253	30,253	39,434	0	XXX
3199999	Total - Bonds - Special Revenue & Assessment				1,522,739	1,495,000	1,494,630	1,492,486	(70)	0	0	30,253	30,253	39,434	0	XXX
<b>Bonds - Industrial and Miscellaneous</b>																
<b>United States</b>																
370442-BB-0...	GENERAL MOTORS CORP 7.200% 01/15/11	04/22/2002	Sandler O'Neil		504,375	500,000	503,520	503,134	(19)	0	0	1,241	1,241	10,000		2
	United States				504,375	500,000	503,520	503,134	(19)	0	0	1,241	1,241	10,000	0	XXX
4599999	Total - Bonds - Industrial & Miscellaneous				504,375	500,000	503,520	503,134	(19)	0	0	1,241	1,241	10,000	0	XXX
6099997	Total - Bonds - Part 4				5,622,925	5,542,373	5,544,605	5,543,860	1,411	0	0	79,065	79,065	150,591	0	XXX
6099999	Total - Bonds				5,622,925	5,542,373	5,544,605	5,543,860	1,411	0	0	79,065	79,065	150,591	0	XXX
7099998	Total - Common Stocks - Summary Item for Common Stocks Bought and Sold This Quarter				221,020	XXX	219,444	219,444	0	0	0	1,576	1,576	0	0	XXX
7099999	Total - Common Stocks				221,020	XXX	219,444	219,444	0	0	0	1,576	1,576	0	0	XXX
7199999	Total - Preferred and Common Stocks				221,020	XXX	219,444	219,444	0	0	0	1,576	1,576	0	0	XXX
7299999	Total - Bonds, Preferred and Common Stocks				5,843,945	XXX	5,764,049	5,763,304	1,411	0	0	80,641	80,641	150,591	0	XXX

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

E05

**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	3	4	Book Balance at End of Each Month During Current Quarter			8
				5	6	7	
	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
<b>Open Depositories</b>							
National City Bank..... Columbus, Ohio.....	0.000	0	0	68,393	68,393	68,393	.....
Park National Bank..... Mt Vernon, Ohio.....	0.000	0	0	84,405	93,468	93,468	.....
0199999. Total Open Depositories.....	XXX	0	0	152,799	161,861	161,861	XXX
0399999. Total Cash on Deposit.....	XXX	0	0	152,799	161,861	161,861	XXX
0599999. Total Cash.....	XXX	0	0	152,799	161,861	161,861	XXX

**Overflow Page for Write-Ins**

**Overflow Page for Write-Ins**