



QUARTERLY STATEMENT

AS OF JUNE 30, 2002
OF THE CONDITION AND AFFAIRS OF THE

AMERICAN COMMERCE INSURANCE COMPANY

NAIC Group Code 0816 0816 NAIC Company Code 19941 Employer's ID Number 31-4361173
(Current Period) (Prior Period)

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio
Country of Domicile United States of America

Incorporated 09/18/1946 Commenced Business 03/19/1947

Statutory Home Office 3590 Twin Creeks Drive, Columbus, OH 43218-2579
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 211 Main Street
Webster, Massachusetts 01570-0758 508-949-4310
(City or Town, State and Zip Code) (Street and Number) (Area Code) (Telephone Number)

Mail Address 211 Main Street, Webster, Massachusetts 01570-0758
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 211 Mian Street
Webster, Massachusetts 01570-0758 508-949-4310
(City or Town, State and Zip Code) (Street and Number) (Area Code) (Telephone Number)

Internet Website Address www.commerceinsurance.com

Statement Contact Brian Keith Germain 508-949-4310
bgermai@commerceinsurance.com 508-949-4246
(Name) (Area Code) (Telephone Number) (Extension) (E-mail Address) (FAX Number)

OFFICERS

President and Chief Executive Officer Regan Paul Remillard Secretary James Anthony Ermilio
Treasurer Richard Brian O'Hara

VICE PRESIDENTS

Gregory Scott Clark Joseph Brian Phillips Jr Michael Vrban

DIRECTORS OR TRUSTEES

<u>Patrick William Doherty</u>	<u>Terry Robert Farias</u>	<u>Gerald Fels</u>
<u>Richard Sidney Hamilton</u>	<u>Charles Borromeo Liekweg</u>	<u>Donald James McDowell</u>
<u>Peter Carl Ohlheiser</u>	<u>Regan Paul Remillard</u>	<u>Henry Thomas Rowles</u>
<u>Mark Allen Shaw</u>	<u>Otto Tillman Wright</u>	<u>John David Porter #</u>

State of Ohio }
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 thirtieth day of June 2002, 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 insurer as of the thirtieth day of June 2002, and of its income and deductions therefrom for the six months ended on that date, 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.

Regan Paul Remillard James Anthony Ermilio Richard Brian O'Hara
President and Chief Executive Officer Secretary Treasurer

Subscribed and sworn to before me this _____ day of _____, 2002

a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	93,726,063		93,726,063	86,702,827
2. Stocks:				
2.1 Preferred stocks	29,401,001		29,401,001	24,207,198
2.2 Common stocks	24,147,492		24,147,492	24,915,733
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	1,755,941		1,755,941	1,796,432
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$1,726,686 and short-term investments \$361,359)	2,088,045		2,088,045	7,558,167
6. Other invested assets				
7. Receivable for securities	15,000		15,000	
8. Aggregate write-ins for invested assets				
9. Subtotals, cash and invested assets (Lines 1 to 8)	151,133,542		151,133,542	145,180,357
10. Agents' balances or uncollected premiums				
10.1 Premiums and agents' balances in course of collection	15,185,345		15,185,345	12,103,295
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
10.3 Accrued retrospective premiums				
11. Funds held by or deposited with reinsured companies				
12. Bills receivable, taken for premiums				
13. Amounts billed and receivable under high deductible policies				
14. Reinsurance recoverables on loss and loss adjustment expense payments	2,318,609		2,318,609	2,044,938
15. Federal and foreign income tax recoverable and interest thereon (including \$2,621,266 net deferred tax asset).....	5,421,407		5,421,407	5,679,438
16. Guaranty funds receivable or on deposit.....				
17. Electronic data processing equipment and software.....	760,611		760,611	1,009,641
18. Interest, dividends and real estate income due and accrued	2,009,591		2,009,591	1,767,806
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Receivable from parent, subsidiaries and affiliates				
21. Amounts due from /to protected cells				
22. Equities and deposits in pools and associations				
23. Amounts receivable relating to uninsured accident and health plans.....				
24. Other assets nonadmitted	716,331	716,331		
25. Aggregate write-ins for other than invested assets	5,200	5,200		85,713
26. Total assets excluding protected cell assets (Lines 9 through 25)	177,550,636	721,531	176,829,105	167,871,188
27. Protected cell assets				
28. TOTALS (Lines 26 and 27)	177,550,636	721,531	176,829,105	167,871,188
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. Other assets.....	5,200	5,200	0	85,713
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	5,200	5,200		85,713

STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$14,049,104)	42,576,158	36,457,677
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	10,510,892	10,163,633
4. Commissions payable, contingent commissions and other similar charges	4,908,251	3,070,942
5. Other expenses (excluding taxes, licenses and fees)	2,075,829	2,153,857
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	202,484	724,444
7. Federal and foreign income taxes [including \$ on realized capital gains (losses)] (including \$ net deferred tax liability)		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$9,682,770 and including warranty reserves of \$)	31,102,590	26,042,723
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	3,465,590	2,387,829
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	12,780	305,195
15. Remittances and items not allocated		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	3,126,160	2,370,410
20. Payable for securities		
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$ and interest thereon \$		
23. Aggregate write-ins for liabilities	371,399	823
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	98,352,133	83,677,533
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	98,352,133	83,677,533
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	2,688,450	2,688,450
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	26,725,837	26,725,837
33. Unassigned funds (surplus)	49,062,685	54,779,368
34. Less treasury stock, at cost		
34.1 shares common (value included in Line 28 \$)		
34.2 shares preferred (value included in Line 29 \$)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	78,476,972	84,193,655
36. TOTALS	176,829,105	167,871,188
DETAILS OF WRITE-INS		
2301. MISC LIABILITIES	371,399	0
2302. Premiums and subrogation collections in process		823
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	371,399	823
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 thru 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 thru 3003 plus 3098) (Line 30 above)		

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 64,565,993)	57,633,863	48,465,997	99,679,583
1.2 Assumed (written \$)			
1.3 Ceded (written \$ 9,782,292)	7,910,028	6,547,400	13,661,276
1.4 Net (written \$ 54,783,701)	49,723,835	41,918,597	86,018,307
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 32,086,934):			
2.1 Direct	44,162,030	31,459,693	66,231,481
2.2 Assumed			
2.3 Ceded	6,427,810	4,406,801	9,162,173
2.4 Net	37,734,220	27,052,892	57,069,308
3. Loss expenses incurred	8,183,690	6,532,451	15,563,735
4. Other underwriting expenses incurred	17,345,719	12,702,642	29,254,707
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2.4 thru 5)	63,263,629	46,287,985	101,887,750
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(13,539,794)	(4,369,388)	(15,869,443)
INVESTMENT INCOME			
9. Net investment income earned	4,872,940	4,964,956	9,534,387
10. Net realized capital gains or (losses)	(377,817)	508,323	(27,026)
11. Net investment gain (loss) (Lines 9 + 10)	4,495,123	5,473,279	9,507,361
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)			
13. Finance and service charges not included in premiums	437,973	345,172	735,137
14. Aggregate write-ins for miscellaneous income	10,973	57,721	(7,635)
15. Total other income (Lines 12 through 14)	448,946	402,893	727,502
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	(8,595,725)	1,506,784	(5,634,580)
17. Dividends to policyholders			
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	(8,595,725)	1,506,784	(5,634,580)
19. Federal and foreign income taxes incurred	(2,790,383)	(251,680)	(3,136,897)
20. Net income (Line 18 minus Line 19)(to Line 22)	(5,805,342)	1,758,464	(2,497,683)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	84,193,655	92,806,898	92,806,898
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	(5,805,342)	1,758,464	(2,497,683)
23. Net unrealized capital gains or losses	(1,057,194)	696,568	857,281
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax	(16,600)	(280,365)	(5,961)
26. Change in nonadmitted assets	1,162,453	377,582	223,148
27. Change in provision for reinsurance			
28. Change in surplus notes			
29. Surplus (contributed to) withdrawn from protected cells			
30. Cumulative effect of changes in accounting principles		2,090,501	2,090,501
31. Capital changes:			
31.1 Paid in			
31.2 Transferred from surplus (Stock Dividend)			
31.3 Transferred to surplus			
32. Surplus adjustments:			
32.1 Paid in			
32.2 Transferred to capital (Stock Dividend)			
32.3 Transferred from capital			
33. Net remittances from or (to) Home Office			
34. Dividends to stockholders		(9,280,529)	(9,280,529)
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus			
37. Change in surplus as regards policyholders (Lines 22 through 36)	(5,716,683)	(4,637,779)	(8,613,243)
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	78,476,972	88,169,119	84,193,655
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)			
1401. Miscellaneous income (expense)	10,973	57,721	(7,635)
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	10,973	57,721	(7,635)
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page			
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)			

STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	52,779,412	89,719,741
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	39,725,841	72,637,052
3. Underwriting expenses paid	16,108,398	27,401,884
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(3,054,827)	(10,319,195)
6. Net investment income	4,524,495	9,537,702
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	(292,415)	(78,343)
7.4 Aggregate write-ins for miscellaneous items	905,230	675,575
7.5 Total other income (Lines 7.1 to 7.4)	612,815	597,232
8. Dividends to policyholders on direct business, less \$ dividends on reinsurance assumed or ceded (net)		
9. Federal and foreign income taxes (paid) recovered	2,110,553	2,582,792
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	4,193,036	2,398,531
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	7,472,619	27,996,834
11.2 Stocks	69,662	7,064,549
11.3 Mortgage loans		
11.4 Real estate		
11.5 Other invested assets		
11.6 Net gains or (losses) on cash and short-term investments		
11.7 Miscellaneous proceeds	(15,000)	
11.8 Total investment proceeds (Lines 11.1 to 11.7)	7,527,281	35,061,383
12. Cost of investments acquired (long-term only):		
12.1 Bonds	14,343,544	14,732,888
12.2 Stocks	5,014,128	7,725,674
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)	19,357,672	22,458,562
13. Net Cash from investments (Line 11.8 minus Line 12.7)	(11,830,391)	12,602,821
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in		
14.2 Capital notes \$ less amounts repaid \$		
14.3 Net transfers from affiliates	755,750	1,444,153
14.4 Borrowed funds received		
14.5 Other cash provided	1,411,483	638,178
14.6 Total (Lines 14.1 to 14.5)	2,167,233	2,082,331
15. Cash applied:		
15.1 Dividends to stockholders paid		9,280,529
15.2 Net transfers to affiliates	0	
15.3 Borrowed funds repaid		
15.4 Other applications		11,410
15.5 Total (Lines 15.1 to 15.4)	0	9,291,939
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	2,167,233	(7,209,608)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	(5,470,122)	7,791,744
18. Cash and short-term investments:		
18.1 Beginning of year	7,558,167	(233,577)
18.2 End of year (Line 17 plus Line 18.1)	2,088,045	7,558,167
DETAILS OF WRITE-INS		
07.401 Misc Assets	96,684	(59,562)
07.402 Service fee income	437,970	735,137
07.403 Misc Liabilities	370,576	0
07.498 Summary of remaining write-ins for Line 7.4 from overflow page		
07.499 Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above)	905,230	675,575

NOTES TO FINANCIAL STATEMENTS

1.) Summary of Significant Accounting Policies:

The accompanying financial statements of the American Commerce Insurance Company ("Company") have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the laws of the State of Ohio. The NAIC Accounting Practices and procedures manual version effective January 1, 2001 (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio.

2.) The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the State prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual – Version effective January 1, 2001.

9. Income Taxes

The components of the net deferred income tax asset recognized in the Company's assets were as follows:

	<u>June 30, 2002</u>	<u>Dec. 31, 2001</u>
Total of gross deferred tax assets	\$ 4,763,150	\$ 3,999,118
Total of deferred tax liabilities	<u>(2,141,884)</u>	<u>(439,989)</u>
Net deferred tax assets	2,621,266	3,559,129
Deferred tax asset not admitted	<u>-</u>	<u>(1,131,380)</u>
Net admitted deferred tax asset	<u>\$ 2,621,266</u>	<u>\$ 2,427,749</u>
Decrease in deferred tax assets non-admitted	<u>\$ 1,131,380</u>	

The provision for incurred tax benefits on losses for the six months ended June 30, 2002 and the year ended December 31, 2001 were:

	<u>June 30, 2002</u>	<u>Dec. 31, 2001</u>
Federal	\$ (2,800,139)	\$ (3,155,263)
Foreign	<u>9,756</u>	<u>18,366</u>
Total	<u>\$ (2,790,383)</u>	<u>\$ (3,136,897)</u>

The main components of the 2002 deferred tax assets/liabilities were as follows:

	<u>Statutory</u>	<u>Tax</u>	<u>Difference</u>	<u>Tax Effect</u>
Deferred tax assets:				
Unearned premiums	\$ 31,102,590	\$ 24,882,072	\$ 6,220,518	\$ 2,177,182
Unpaid losses & LAE	57,287,050	53,040,705	4,246,345	1,486,221
OPEB liability	1,555,632	-	1,555,632	544,472
Unrealized losses:				
Preferred stock mutual Funds- Change in NAV	1,022,701	-	1,022,701	357,946
Investment writedowns	564,654	-	564,654	197,629
Deferred tax liabilities				
Book/tax depreciation difference	3,729,800	5,852,898	(2,123,098)	(743,084)
Salvage & subrogation	4,200,000	3,888,679	(311,321)	(108,962)
Unrealized gains	3,376,165	-	(3,376,165)	(1,181,658)

Statutory deferred tax assets and liabilities at June 30, 2002 and December 31, 2001 and the change in those amounts were comprised of the following:

	<u>June 30, 2002</u>	<u>Dec. 31, 2001</u>	<u>Change</u>
Deferred tax assets:			
Unearned premiums	\$ 2,177,182	\$ 1,822,991	\$ 354,191
Discounting of loss reserves	1,486,221	1,209,515	276,706
Unrealized losses	555,275	366,301	188,974
OPEB liability	544,472	592,173	(47,701)
Other	<u>-</u>	<u>8,138</u>	<u>(8,138)</u>
Total deferred tax assets	4,763,150	3,999,118	764,032
Non-admitted deferred tax assets	<u>-</u>	<u>(1,131,380)</u>	<u>1,131,380</u>
Admitted deferred tax assets	<u>4,763,150</u>	<u>2,867,738</u>	<u>1,895,412</u>
Deferred tax liabilities:			
Book/tax depreciation difference	743,084	225,198	517,886
Salvage & subrogation discount	108,962	-	108,962
Investment related deferred items	108,180	143,371	(35,191)
Unrealized gains	<u>1,181,658</u>	<u>71,420</u>	<u>1,110,238</u>
Deferred tax liabilities	<u>2,141,884</u>	<u>439,989</u>	<u>1,701,895</u>
Net deferred tax assets	<u>\$ 2,621,266</u>	<u>\$ 2,427,749</u>	<u>\$ 193,517</u>

NOTES TO FINANCIAL STATEMENTS

The major 2002 book to tax adjustments were as follows:

	<u>Amount</u>	<u>Tax Effect</u>
Net loss before federal and foreign taxes	\$ (8,595,725)	\$ (3,008,504)
Book to tax adjustments:		
Tax exempt interest	(1,404,835)	(491,692)
Dividends received deduction	(669,091)	(234,182)
15% haircut on investment income received	337,773	118,221
20% of change in unearned premiums	1,011,974	354,191
Discounting of loss reserves	499,489	174,821
Other	<u>820,011</u>	<u>287,004</u>
Total adjustments	<u>595,321</u>	<u>208,363</u>
Taxable income	<u>\$ (8,000,404)</u>	<u>\$ (2,800,141)</u>

At June 30, 2002, the Company did not have any unused operating loss carryforwards available to offset future taxable income.

As a member of a consolidated group for tax purposes, Commerce Holdings, Inc., The Commerce Insurance Company, Citation Insurance Company, Commerce West Insurance Company, ACIC Holding Co., Inc., American Commerce Insurance Company and The Commerce Group, Inc. and its subsidiaries (said parties constituting an "Affiliated Group" as defined in and for purposes of the Internal Revenue Code) are jointly and severally liable for federal income taxes of the Affiliated Group and have entered into an agreement establishing an allocation of tax liability and for compensation of the respective members of the Affiliated Group for use of their tax losses and credits.

The Company is included in the consolidated federal tax return of The Commerce Group, Inc. Current taxes are allocated among all affiliated companies based on a written tax-sharing agreement. Under this agreement, allocation is made primarily on a separate return basis with current payment for losses and other tax items utilized in the consolidated return. However, to the extent that a payor member of the group has future net operating losses which cannot be absorbed in the year incurred, other members within the group will refund payments to the payor.

GENERAL INTERROGATORIES

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

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [] No [X]
- 1.2 If yes, explain:
.....
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 2.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] No []
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 [X] NA []
If yes, attach an explanation.
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/1997
- 7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1997
- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 04/15/1999
- 7.4 By what department or departments?
OHIO.....
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]
- 8.2 If yes, give full information:
.....

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the 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:\$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 [X] No []

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	\$3,368,562	\$
13.23 Common Stock	\$23,855,783	\$22,963,421
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).....	\$27,224,345	\$22,963,421
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
THE BANK OF NEW YORK.....	1 WALL STREET NEW YORK, NY 10286.....

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

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 [] NA [X]

If yes, attach an explanation.

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

If yes, attach an explanation.

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

3.2 If yes, give full and complete information thereto.
.....

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

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
.....
.....
.....
TOTAL		

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	1,796,432	1,776,186		1,886,806
2. Increase (decrease) by adjustment	(20,246)	(20,245)		(90,374)
3. Cost of acquired		0		
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales				
6. Increase (decrease) by foreign exchange adjustment				
7. Amount received on sales				
8. Book/adjusted carrying value at end of current period	1,776,186	1,755,941		1,796,432
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	1,776,186	1,755,941		1,796,432
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	1,776,186	1,755,941		1,796,432

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

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

NONE

STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

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	79,609,528	576,177	3,171,865	87,330	79,609,528	77,101,170		82,320,557
2. Class 2	14,382,585			5,434	14,382,585	14,388,019		12,581,994
3. Class 3	2,292,331			(55,457)	2,292,331	2,236,874		2,178,680
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	96,284,444	576,177	3,171,865	37,307	96,284,444	93,726,063		97,081,231
PREFERRED STOCK								
8. Class 1	11,913,760	632,879		360,643	11,913,760	12,907,282		8,198,490
9. Class 2	12,511,397	3,370,961	2,795,959	(492,718)	12,511,397	12,593,681		12,508,708
10. Class 3	2,971,100	253,637		90,300	2,971,100	3,315,037		2,846,000
11. Class 4	663,300			(78,300)	663,300	585,000		654,000
12. Class 5								
13. Class 6								
14. Total Preferred Stock	28,059,557	4,257,477	2,795,959	(120,075)	28,059,557	29,401,000		24,207,198
15. Total Bonds and Preferred Stock	124,344,001	4,833,654	5,967,824	(82,768)	124,344,001	123,127,063		121,288,429

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	361,359	XXX	361,359	935	0

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	10,378,404	248,656		4,075,833
2. Cost of short-term investments acquired	(10,129,748)	112,703		33,209,771
3. Increase (decrease) by adjustment	0			
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				26,907,200
7. Book/adjusted carrying value, current period	248,656	361,359		10,378,404
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	248,656	361,359		10,378,404
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	248,656	361,359		10,378,404
12. Income collected during period	1,498	935		369,460
13. Income earned during period	1,759	849		369,460

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule F

NONE

STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

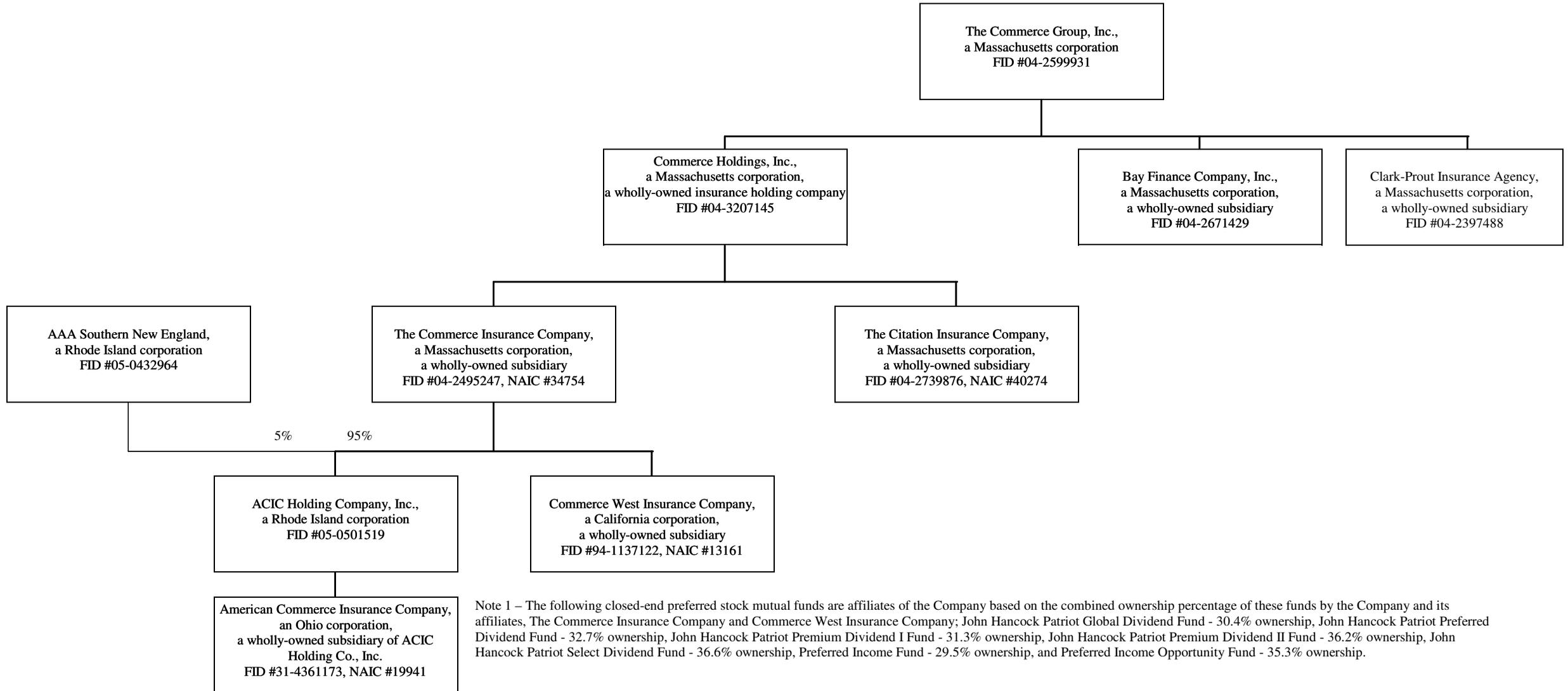
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

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	632,051	585,937	402,029	496,710	415,422	366,243
2. Alaska	AK	No	0	0	6,454,182	0	0	0
3. Arizona	AZ	Yes	13,386,000	10,773,223	0	6,112,593	7,707,347	6,208,743
4. Arkansas	AR	Yes	0	0	0	0	0	0
5. California	CA	No	0	0	0	0	0	0
6. Colorado	CO	Yes	0	0	0	0	0	0
7. Connecticut	CT	Yes	135,044	3,379	36,470	0	(3,097)	33
8. Delaware	DE	Yes	0	0	0	0	0	0
9. District of Columbia	DC	Yes	0	0	0	0	0	0
10. Florida	FL	Yes	828,462	987,765	884,473	663,193	578,985	561,455
11. Georgia	GA	Yes	0	0	(240)	(80)	(89)	0
12. Hawaii	HI	Yes	0	0	0	0	0	0
13. Idaho	ID	Yes	1,432,032	1,281,645	700,103	590,952	1,735,233	1,054,494
14. Illinois	IL	No	0	0	0	0	1,375,334	0
15. Indiana	IN	Yes	2,728,891	1,874,491	1,331,006	1,618,346	0	1,182,982
16. Iowa	IA	Yes	0	0	0	0	0	0
17. Kansas	KS	Yes	0	0	0	0	0	0
18. Kentucky	KY	Yes	3,897,926	2,971,028	2,981,992	2,376,217	3,829,295	3,004,469
19. Louisiana	LA	Yes	0	0	0	0	0	0
20. Maine	ME	Yes	5,623	7,961	28,536	(2,589)	164,830	250,450
21. Maryland	MD	Yes	66,686	71,936	54,904	45,957	64,153	23,984
22. Massachusetts	MA	Yes	1,059	1,059	0	0	0	48
23. Michigan	MI	No	0	0	0	0	0	0
24. Minnesota	MN	Yes	0	0	(948)	(250)	69	0
25. Mississippi	MS	Yes	0	0	0	0	0	0
26. Missouri	MO	No	0	0	0	0	0	0
27. Montana	MT	Yes	723,763	569,118	344,352	381,543	561,339	425,417
28. Nebraska	NE	Yes	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	Yes	0	0	0	0	0	0
32. New Mexico	NM	Yes	444	713	49,135	233,413	501,070	814,754
33. New York	NY	Yes	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	8,011,451	6,140,913	5,603,656	4,474,650	6,215,953	4,943,402
37. Oklahoma	OK	Yes	5,909,941	3,677,083	3,332,918	2,372,954	2,688,755	2,034,888
38. Oregon	OR	Yes	6,269,311	5,330,061	2,614,202	3,381,875	4,836,016	3,133,300
39. Pennsylvania	PA	Yes	161,953	140,369	112,602	139,027	113,392	94,728
40. Rhode Island	RI	Yes	8,378,057	7,007,480	4,810,867	3,465,501	9,036,906	5,739,128
41. South Carolina	SC	Yes	0	0	0	0	0	0
42. South Dakota	SD	Yes	481,146	499,549	302,751	301,952	406,043	292,000
43. Tennessee	TN	Yes	1,454,431	1,222,627	1,324,086	648,947	1,113,703	820,509
44. Texas	TX	Yes	9,026	47,580	66,899	612,326	83,778	366,496
45. Utah	UT	Yes	(249)	1,142,639	376,141	1,659,539	1,976,815	2,156,518
46. Vermont	VT	Yes	0	301	202,500	54,464	65,869	133,000
47. Virginia	VA	Yes	628,929	528,569	303,564	224,940	463,554	417,593
48. Washington	WA	Yes	7,793,966	3,849,859	2,521,632	2,465,100	3,737,868	4,029,140
49. West Virginia	WV	Yes	1,375,725	1,311,862	1,362,244	974,083	951,472	929,691
50. Wisconsin	WI	Yes	820	275	526	59,799	224,956	225,000
51. Wyoming	WY	Yes	253,505	257,399	94,288	87,529	123,210	59,720
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. U.S. Virgin Islands	VI	No	0	0	0	0	0	0
56. Canada	CN	No	0	0	0	0	0	0
57. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0
58. Totals	(a) 44		64,565,993	50,284,821	36,294,870	33,438,691	48,968,181	39,268,185
DETAILS OF WRITE-INS								
5701.	XXX							
5702.	XXX							
5703.	XXX							
5798.	Summary of remaining write-ins for Line 57 from overflow page.	XXX						
5799.	Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)	XXX						

(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**



17

Note 1 – The following closed-end preferred stock mutual funds are affiliates of the Company based on the combined ownership percentage of these funds by the Company and its affiliates, The Commerce Insurance Company and Commerce West Insurance Company; John Hancock Patriot Global Dividend Fund - 30.4% ownership, John Hancock Patriot Preferred Dividend Fund - 32.7% ownership, John Hancock Patriot Premium Dividend I Fund - 31.3% ownership, John Hancock Patriot Premium Dividend II Fund - 36.2% ownership, John Hancock Patriot Select Dividend Fund - 36.6% ownership, Preferred Income Fund - 29.5% ownership, and Preferred Income Opportunity Fund - 35.3% ownership.

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	237,127	234,250	98.8	39.1
2. Allied Lines	154,989	36,287	23.4	
3. Farmowners multiple peril				
4. Homeowners multiple peril	9,967,940	8,467,181	84.9	69.7
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical malpractice - occurrence				
11.2 Medical malpractice - claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims-made				
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1,19.2 Private passenger auto liability	27,623,216	23,115,763	83.7	65.0
19.3,19.4 Commercial auto liability				
21. Auto physical damage	19,650,591	12,308,549	62.6	62.9
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				
34. Totals	57,633,863	44,162,030	76.6	64.9
DETAILS OF WRITE-INS				
3301.				
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)				

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	189,509	320,382	169,884
2. Allied Lines	71,757	169,018	117,653
3. Farmowners multiple peril			
4. Homeowners multiple peril	7,170,774	12,371,289	8,835,717
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical malpractice - occurrence			
11.2 Medical malpractice - claims-made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability - occurrence			
17.2 Other liability - claims-made			
18.1 Products liability - occurrence			
18.2 Products liability - claims-made			
19.1,19.2 Private passenger auto liability	15,244,568	30,072,011	24,347,699
19.3,19.4 Commercial auto liability			
21. Auto physical damage	11,025,357	21,633,293	16,813,868
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			
34. Totals	33,701,965	64,565,993	50,284,821
DETAILS OF WRITE-INS			
3301.			
3302.			
3303.			
3398. Summary of remaining write-ins for Line 33 from overflow page			
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)			

STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2002 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (b) (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior	11,098	2,395	13,493	2,083	0	2,083	9,364	32		9,397	349	(2,363)	(2,013)
2. 2000	7,477	2,311	9,788	2,857	2	2,859	8,292	143	1,219	9,655	3,672	(947)	2,725
3. Subtotals 2000 + Prior	18,575	4,706	23,281	4,940	2	4,942	17,656	176	1,219	19,051	4,022	(3,309)	712
4. 2001	19,029	4,311	23,340	10,655	55	10,711	14,452	61	2,006	16,518	6,078	(2,190)	3,889
5. Subtotals 2001 + Prior	37,604	9,017	46,621	15,596	57	15,652	32,108	236	3,225	35,570	10,100	(5,499)	4,601
6. 2002	XXX	XXX	XXX	XXX	23,800	23,800	XXX	15,278	2,239	17,517	XXX	XXX	XXX
7. Totals	37,604	9,017	46,621	15,596	23,857	39,452	32,108	15,514	5,464	53,087	10,100	(5,499)	4,601
8. Prior Year-End's Surplus As Regards Policyholders	84,194												
											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. 26.9	2. (61.0)	3. 9.9
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. 5.5

(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

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 Codes:

Trusteed Surplus Statement (Document Identifier 490) here:



Supplement A to Schedule T (Document Identifier 450) here:



OVERFLOW PAGE FOR WRITE-INS

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
POLITICAL SUBDIVISIONS (D&G) - U.S.								
TEXAS								
537096-KB-4	LITTLE ELM TEX INDPT SCH DIST	04/02/2002	SALOMON SMITH BARNEY INC		272,569	1,630,000	0	1PE
537096-KC-2	LITTLE ELM TEX INDPT SCH DIST	04/02/2002	SALOMON SMITH BARNEY INC		303,608	1,930,000	0	1PE
STATE TOTAL					576,177	3,560,000	0	XXX
COUNTRY TOTAL - U.S.								
2499999 - Total - Bonds - Political Subdivisions					576,177	3,560,000	0	XXX
6099997 - Total - Bonds - Part 3					576,177	3,560,000	0	XXX
6099999 - Total - Bonds					576,177	3,560,000	0	XXX
PUBLIC UTILITIES (UNAFFILIATED) - U.S.								
059165-68-8	BALTIMORE GAS & ELECTRIC 6.70%	06/26/2002	LIQ TRUST MERGER	6,300,000	613,305	100.00	0	P2L
745332-77-5	PUGET SOUND ENERGY INC. 7.45%	06/26/2002	LIQ TRUST MERGER	10,395,000	253,638	25.00	0	P3L
873170-77-6	TXU ELECTRIC CO. \$6.375	06/26/2002	LIQ TRUST MERGER	6,300,000	629,213	100.00	0	P2L
COUNTRY TOTAL - U.S.					1,496,156	XXX	0	XXX
6199999 - Total - Preferred Stocks - Public Utilities					1,496,156	XXX	0	XXX
INDUSTRIAL & MISCELLANEOUS(UNAFFILIATED) - U.S.								
037411-40-2	APACHE CORP 5.68% SER. B	06/26/2002	LIQ TRUST MERGER	6,300,000	532,476	100.00	0	P2L
073902-70-2	BEAR STEARNS 6.15% SER. E	06/26/2002	LIQ TRUST MERGER	13,167,000	542,217	50.00	0	P2L
263534-30-7	DUPONT NEMOURS \$4.50 SER. B	06/26/2002	LIQ TRUST MERGER	8,977,000	632,879	100.00	0	P1L
693304-80-0	PECO ENERGY COMPANY \$7.48 PFD	06/04/2002	SALOMON SMITH BARNEY INC	10,000,000	1,053,750	100.00	0	P2L
COUNTRY TOTAL - U.S.					2,761,322	XXX	0	XXX
6399999 - Total - Preferred Stocks - Industrial, Misc.					2,761,322	XXX	0	XXX
6599997 - Total - Preferred Stocks - Part 3					4,257,477	XXX	0	XXX
6599999 - Total - Preferred Stocks					4,257,477	XXX	0	XXX
7099999 - Total - Common Stocks					0	XXX	0	XXX
7199999 - Total - Preferred and Common Stocks					4,257,477	XXX	0	XXX
7299999 - Totals					4,833,654	XXX	0	XXX

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

E04

STATEMENT AS OF JUNE 30, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)	
US GOVERNMENT OBLIGATIONS - U.S.																	
36201C-4H-4	GNMA POOL#0579624	06/15/2002	PAYDOWN OF PRINCIPAL		256,309	256,309	264,479	264,457	(22)	0	0	(8,148)	(8,148)	4,067		1	
36204K-TW-3	GNMA POOL #372365	06/15/2002	PRINCIPAL RECEIPT		88,481	88,481	91,177	88,481	(2,511)	0	0	0	0	3,537		1	
36206A-KN-2	GNMA POOL #405401	06/15/2002	PRINCIPAL RECEIPT		1,986	1,986	1,986	1,986	(90)	0	0	0	0	233		1	
36206A-LB-7	GNMA POOL #405422	06/15/2002	PRINCIPAL RECEIPT		7,227	7,227	7,585	7,227	(328)	0	0	0	0	254		1	
36206A-LK-7	GNMA POOL #405430	06/15/2002	PRINCIPAL RECEIPT		831	831	872	831	(38)	0	0	0	0	43		1	
362076-A6-8	GNMA GTD PASS THRU CERT #45029	06/15/2002	PRINCIPAL RECEIPT		91	91	97	91	(3)	0	0	0	0	6		1	
36207A-BD-3	GNMA POOL #425836	06/15/2002	PRINCIPAL RECEIPT		13,670	13,670	14,192	13,670	(496)	0	0	0	0	822		1	
362090-6Z-3	GNMA POOL #478888	06/15/2002	PRINCIPAL RECEIPT		341,307	341,307	348,666	341,307	(7,140)	0	0	0	0	18,492		1	
36211U-BH-4	GNMA POOL#523040	06/15/2002	PRINCIPAL RECEIPT		207,813	207,813	216,645	207,813	(8,633)	0	0	0	0	14,138		1	
36218B-LY-1	GNMA GTD PASS THRU CERT #217343	04/30/2002	BANK OF NEW YORK		115	115	118	114	0	0	0	0	0	9		1	
36219P-7C-3	GNMA GTD PASS THRU CERT #255691	06/15/2002	PRINCIPAL RECEIPT		43	43	42	43	0	0	0	0	0	2		1	
36225B-GW-2	GNMA POOL #0781113	06/15/2002	PAYDOWN OF PRINCIPAL		616,452	616,452	638,991	638,587	(299)	0	0	(22,135)	(22,135)	25,883		1	
COUNTRY TOTAL - U.S.					1,534,325	1,534,325	1,584,948	1,564,607	(19,559)	0	0	(30,282)	(30,282)	67,485	XXX	XXX	
039999 - Bonds - U.S. Governments					1,534,325	1,534,325	1,584,948	1,564,607	(19,559)	0	0	(30,282)	(30,282)	67,485	XXX	XXX	
STATES, TERRITORIES, POSSESSIONS (D&G) - U.S.																	
NEW HAMPSHIRE																	
64468T-KV-8	NEW HAMPSHIRE ST HSG FIN AUTH	06/28/2002	CALLED		95,000	95,000	93,743	93,863	17	0	0	1,137	1,137	4,939		1PE	
STATE TOTAL					95,000	95,000	93,743	93,863	17	0	0	1,137	1,137	4,939	XXX	XXX	
PENNSYLVANIA																	
017350-YY-5	ALLEGHENY CNTY PA RESIDENTIAL FIN	04/01/2002	CALLED		20,000	20,000	20,142	20,085	(6)	0	0	(85)	(85)	635		1PE	
STATE TOTAL					20,000	20,000	20,142	20,085	(6)	0	0	(85)	(85)	635	XXX	XXX	
WASHINGTON																	
93978K-KQ-0	WASHINGTON ST HSG FIN COMM	06/01/2002	CALLED		25,000	25,000	24,272	24,349	12	0	0	651	651	719		1PE	
STATE TOTAL					25,000	25,000	24,272	24,349	12	0	0	651	651	719	XXX	XXX	
COUNTRY TOTAL - U.S.					140,000	140,000	138,157	138,298	22	0	0	1,702	1,702	6,293	XXX	XXX	
179999 - Bonds - States, Territories and Possessions					140,000	140,000	138,157	138,298	22	0	0	1,702	1,702	6,293	XXX	XXX	
POLITICAL SUBDIVISIONS (D&G) - U.S.																	
FLORIDA																	
696510-UK-0	PALM BEACH CNTY FLA HSG FIN AUTH	04/01/2002	CALLED		6,436	40,000	5,668	6,584	97	0	0	(149)	(149)	0		1PE	
STATE TOTAL					6,436	40,000	5,668	6,584	97	0	0	(149)	(149)	0	XXX	XXX	
TEXAS																	
106238-ED-6	BRAZOS, TX HIGHER ED AUTH	06/01/2002	CALLED		1,395,000	1,395,000	1,430,991	1,395,000	(2,697)	0	0	0	0	41,501		1PE	
STATE TOTAL					1,395,000	1,395,000	1,430,991	1,395,000	(2,697)	0	0	0	0	41,501	XXX	XXX	
COUNTRY TOTAL - U.S.					1,401,436	1,435,000	1,436,659	1,401,584	(2,600)	0	0	(149)	(149)	41,501	XXX	XXX	
249999 - Bonds - Political Subdivisions					1,401,436	1,435,000	1,436,659	1,401,584	(2,600)	0	0	(149)	(149)	41,501	XXX	XXX	
SPECIAL REVENUE & ASSESSMENT OBLIGATIONS - U.S.																	
U.S. GOVERNMENT																	
313401-4E-8	FHLM POOL #170247	06/14/2002	PRINCIPAL RECEIPT		25,411	25,411	29,191	25,411	(3,082)	0	0	0	0	1,815		1	
31342D-AY-9	FHLM CORP POOL #220023	06/14/2002	PRINCIPAL RECEIPT		3,751	3,751	4,023	3,751	(14)	0	0	0	0	219		1	
31354B-SS-2	FHLM CORP POOL #545029	06/14/2002	PRINCIPAL RECEIPT		38,213	38,213	38,990	38,213	(602)	0	0	0	0	1,520		1	
STATE TOTAL					67,376	67,376	72,204	67,376	(3,697)	0	0	0	0	3,554	XXX	XXX	
COUNTRY TOTAL - U.S.					67,376	67,376	72,204	67,376	(3,697)	0	0	0	0	3,554	XXX	XXX	
319999 - Bonds - Special Revenues					67,376	67,376	72,204	67,376	(3,697)	0	0	0	0	3,554	XXX	XXX	
609997 - Bonds - Part 4					3,143,136	3,176,700	3,231,967	3,171,865	(25,834)	0	0	(28,729)	(28,729)	118,833	XXX	XXX	
609999 - Total - Bonds					3,143,136	3,176,700	3,231,967	3,171,865	(25,834)	0	0	(28,729)	(28,729)	118,833	XXX	XXX	
PARENTS, SUBSIDIARIES & AFFILIATES - U.S.																	
50189#-10-4	LIQUIDATION SPECIAL TRUST	06/30/2002	LIQ TRUST MERGER	300,000.000	3,034,674	3,034,674	3,034,674	2,795,959	(333,888)	0	0	238,715	238,715	0		P2Z	
COUNTRY TOTAL - U.S.					3,034,674	3,034,674	3,034,674	2,795,959	(333,888)	0	0	238,715	238,715	0	XXX	0	XXX
649999 - Preferred Stocks - Parent, Subsidiaries and Affiliates					3,034,674	3,034,674	3,034,674	2,795,959	(333,888)	0	0	238,715	238,715	0	XXX	0	XXX
659997 - Preferred Stocks - Part 4					3,034,674	3,034,674	3,034,674	2,795,959	(333,888)	0	0	238,715	238,715	0	XXX	0	XXX
659999 - Total - Preferred Stocks					3,034,674	3,034,674	3,034,674	2,795,959	(333,888)	0	0	238,715	238,715	0	XXX	0	XXX
709999 - Total - Common Stocks					0	0	0	0	0	0	0	0	0	0	0	0	XXX
719999 - Total - Preferred and Common Stocks					3,034,674	3,034,674	3,034,674	2,795,959	(333,888)	0	0	238,715	238,715	0	XXX	0	XXX
729999 Totals					6,177,810	6,177,810	6,266,642	5,967,824	(359,722)	0	0	209,986	209,986	118,833	0	XXX	

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

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	Book Balance at End of Each Month During Current Quarter			8
				5	6	7	
Depository	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
BANK ONE 100 EAST BROAD STREET COLUMBUS, OHIO 43204	1.280	4,185	1,304	(5,390,462)	(4,829,121)	(3,983,562)	
WELLS FARGO P.O. BOX 6995 PORTLAND OR 97228-6995	0.000	0	0	4,965	4,959	4,953	
WELLS FARGO P.O. BOX 63020 SAN FRANCISCO, CA 94163	0.000	0	0	21,311	20,080	19,141	
WELLS FARGO 100 WEST WASHINGTON OFFICE P.O. BOX 6995	0.000	0	0	9,801	9,728	9,544	
FIRST PEOPLES 100 DIETRICH BLVD. RUSSELL KENTUCKY 41169	0.000	0	0	5,000	5,000	5,000	
CITIZENS 15 MAIN STREET KEENE NEW HAMPSHIRE 03431	0.000	0	0	2,000	2,120	2,285	
FEDERATED INVESTORS 5800 CORPORATION DRIVE PITTSBURG, PA 15237	1.770	3,873	0	122,174	122,357	2,337,232	
HUNINGTON BANK P.O. BOX 1558 COLUMBUS OHIO 43216	0.091	632	0	411,638	566,319	278,940	
FIDELITY 82 DEVONSHIRE STREET BOSTON, MASS 02109	1.720	3,789	0	69,853	69,957	1,101,085	
PROVIDENT 345 PARK AVE NEW YOUR, NY 10154	1.740	11,052	2,789	643,805	1,949,932	1,952,068	
0199998 Deposits in depositories which do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX						XXX
0199999 Totals - Open Depositories	XXX	23,531	4,093	(4,099,915)	(2,078,669)	1,726,686	XXX
0399999 Total Cash on Deposit	XXX	23,531	4,093	(4,099,915)	(2,078,669)	1,726,686	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX				XXX
0599999 Total Cash	XXX	23,531	4,093	(4,099,915)	(2,078,669)	1,726,686	XXX