



QUARTERLY STATEMENT

AS OF JUNE 30, 2002

OF THE CONDITION AND AFFAIRS OF THE

AMERICAN FIRE AND CASUALTY COMPANY

NAIC Group Code 0148 0148 NAIC Company Code 24066 Employer's ID Number 59-0141790
(Current Period) (Prior Period)

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

Country of Domicile US

Incorporated January 1, 1906 Commenced Business January 3, 1933

Statutory Home Office 9450 Seward Road, Fairfield, Ohio 45014
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 9450 Seward Road, Fairfield, Ohio 45014 513-603-2400
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 9450 Seward Road, Fairfield, Ohio 45014
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 9450 Seward Road, Fairfield, Ohio 45014
(Street and Number, City or Town, State and Zip Code)
513-603-2245
(Area Code) (Telephone Number)

Internet Website Address http://www.ocas.com

Statement Contact Dennis E. McDaniel 513-603-2245
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finance@ocas.com 513-603-3179
(E-Mail Address) (Fax Number)

Policyowner Relations Contact _____
(Street and Number, City or Town, State and Zip Code)
(Area Code) (Telephone Number) (Extension)

OFFICERS

Chairman	Stanley Neal Pontius
President/CEO	Dan Roy Carmichael
Exec. VP/COO	John Stanley Busby
Exec. VP/COO	Jeffery Linn Haniewicz
Sr. Vice President	John Edward Bade, Jr.
Sr. Vice President	Ralph Glass Goode
Sr. Vice President	Howard Leslie Stoneker III
VP/Treasurer	#Arthur Larry Sisk
Exec. VP/COO	Elizabeth M. Riczko
Sr. VP/Secretary	#Debra Kay Crane
Sr. Vice President	Richard Brendan Kelly
Chief Finl Officer	Donald Floyd McKee

VICE PRESIDENTS

Michael Len Akin	Daniel Fred Henke	Dennis Eugene McDaniel
Phillip Michael Boyd	Harry Elvin Hunter	Bruce Arthur Rutherford
Lloyd Edwin Geary	Russell Francis Kelly	Michael Eugene Sullivan
Harold Michael Good	George Richard Kesl	Richard Calvin Todd
David Jary Hasler	Kurt Frederick Krueger	Stephen Thomas Williams
George Herbert Henahan 2	Philip Russell Lucca	

DIRECTORS OR TRUSTEES

Terrence James Baehr	#Philip George Heasley	Edward Theodore Roeding
Jack Elliott Brown	Stephen Stoneker Marcum	Howard Leslie Stoneker III
Dan Roy Carmichael	#Ralph Seefred Michael, III	#Jan Henry Suwinski
Catherine Elizabeth Dolan	Stanley Neal Pontius	

State of Ohio SS
 County of Butler

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.

Donald F. McKee
 Chief Financial Officer

Dennis E. McDaniel
 Vice President and Controller

Howard L. Stoneker III
 Sr. Vice President

Subscribed and sworn to before me this
 7th 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	269,778,865	117,542	269,661,323	267,914,058
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	4,852,013		4,852,013	4,342,081
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)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 4,865,089) and short-term investments (\$)	4,865,089		4,865,089	7,405,617
6. Other invested assets				
7. Receivable for securities				
8. Aggregate write-ins for invested assets				
9. Subtotals, cash and invested assets (Lines 1 to 8)	279,495,967	117,542	279,378,425	279,661,756
10. Agents' balances or uncollected premiums :				
10.1 Premiums and agents' balances in course of collection	17,970,183	837,091	17,133,092	13,946,538
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				100,188
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	5,390,513		5,390,513	2,923,823
15. Federal and foreign income tax recoverable and interest thereon (including \$ 22,296,576 net deferred tax asset)	22,296,576	14,213,779	8,082,797	10,937,392
16. Guaranty funds receivable or on deposit	94,830		94,830	94,830
17. Electronic data processing equipment and software				
18. Interest, dividends and real estate income due and accrued	3,547,694		3,547,694	3,746,085
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				
25. Aggregate write-ins for other than invested assets	287,940	357,970	(70,030)	(2,485,444)
26. Total assets excluding protected cell assets (Lines 9 through 25)	329,083,703	15,526,382	313,557,321	308,925,168
27. Protected cell assets				
28. TOTALS (Lines 26 and 27)	329,083,703	15,526,382	313,557,321	308,925,168
DETAILS OF WRITE-INS				
0801.				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above)				
2501. Other Assets	287,940	357,970	(70,030)	(2,485,444)
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	287,940	357,970	(70,030)	(2,485,444)

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 13,246,379)	97,734,394	96,011,916
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	48,973,338	47,641,533
4. Commissions payable, contingent commissions and other similar charges	733,767	1,128,285
5. Other expenses (excluding taxes, licenses and fees)	2,410,017	2,384,231
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	855,591	1,226,967
7. Federal and foreign income taxes, including \$ (1,643,975) on realized capital gains (losses) (including \$ net deferred tax liability)	3,084,027	328,204
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 44,014,255 and including warranty reserves of \$)	31,393,879	28,827,454
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	505,525	638,055
12. Ceded reinsurance premiums payable (net of ceding commissions)	(1,332,665)	227,504
13. Funds held by company under reinsurance treaties	118,387	(96,736)
14. Amounts withheld or retained by company for account of others	419,301	546,676
15. Remittances and items not allocated		
16. Provision for reinsurance	236,387	3,641,928
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding	2,162,938	2,312,082
19. Payable to parent, subsidiaries and affiliates	1,493,584	8,395,007
20. Payable for securities	2,982,000	
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$ and interest thereon \$		
23. Aggregate write-ins for liabilities	10,095,119	11,320,112
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	201,865,589	204,533,218
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	201,865,589	204,533,218
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	3,374,043	3,374,043
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	38,748,270	38,748,270
33. Unassigned funds (surplus)	69,569,420	62,269,637
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)	111,691,733	104,391,950
36. TOTALS	313,557,322	308,925,168
DETAILS OF WRITE-INS		
2301. 2002 Private Passenger Auto Escrow	26,900	
2302. Reserve for California Proposition 103	389,018	390,805
2303. Retroactive Loss Reserves	7,929,201	9,069,307
2398. Summary of remaining write-ins for Line 23 from overflow page	1,750,000	1,860,000
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	10,095,119	11,320,112
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)		

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 \$ 53,054,151)	58,492,459	58,884,164	123,272,465
1.2 Assumed (written \$ 36,279,653)	33,713,227	35,405,413	69,624,456
1.3 Ceded (written \$ 53,138,700)	58,577,008	58,983,835	123,460,443
1.4 Net (written \$ 36,195,104)	33,628,678	35,305,742	69,436,478
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 19,989,747):			
2.1 Direct	50,594,497	46,177,705	87,801,387
2.2 Assumed	19,714,739	23,359,410	47,499,258
2.3 Ceded	51,108,421	46,394,576	90,695,251
2.4 Net	19,200,815	23,142,539	44,605,394
3. Loss expenses incurred	4,639,611	4,111,068	8,789,501
4. Other underwriting expenses incurred	11,970,638	11,331,205	22,459,397
5. Aggregate write-ins for underwriting deductions	26,900		
6. Total underwriting deductions (Lines 2 through 5)	35,837,964	38,584,812	75,854,292
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(2,209,286)	(3,279,070)	(6,417,814)
INVESTMENT INCOME			
9. Net investment income earned	9,172,286	11,259,539	21,863,759
10. Net realized capital gains (losses)	(2,978,054)	829,066	767,833
11. Net investment gain (loss) (Lines 9 plus 10)	6,194,232	12,088,605	22,631,592
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 3,967 amount charged off \$ 148,703)	(144,736)	(194,845)	(325,199)
13. Finance and service charges not included in premiums			1,995
14. Aggregate write-ins for miscellaneous income	(31,545)	(941,149)	(1,446,947)
15. Total other income (Lines 12 through 14)	(176,281)	(1,135,994)	(1,770,151)
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 plus 11 plus 15)	3,808,665	7,673,541	14,443,627
17. Dividends to policyholders	10,171	51,054	(35,814)
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	3,798,494	7,622,487	14,479,441
19. Federal and foreign income taxes incurred	759,229	1,012,937	6,973,585
20. Net income (Line 18 minus Line 19) (to Line 22)	3,039,265	6,609,550	7,505,856
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	104,391,953	95,089,940	95,089,940
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	3,039,265	6,609,550	7,505,856
23. Net unrealized capital gains or losses	2,015,508	763,896	(958,185)
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax	(1,173,316)	(1,690,731)	7,399,010
26. Change in nonadmitted assets	943,542	2,889,348	(2,275,540)
27. Change in provision for reinsurance	3,405,541		316,616
28. Change in surplus notes			
29. Surplus (contributed to) withdrawn from protected cells			
30. Cumulative effect of changes in accounting principles		6,944,711	6,944,711
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	(930,758)		(9,503,525)
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus		(126,930)	(126,930)
37. Change in surplus as regards policyholders (Lines 22 through 36)	7,299,782	15,389,844	9,302,013
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	111,691,735	110,479,784	104,391,953
DETAILS OF WRITE-INS			
0501. 2002 Private Passenger Auto Escrow	26,900		
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	26,900		
1401. Miscellaneous Income	474	(66)	(66)
1402. Retroactive Losses Incurred	53,686	(868,538)	(967,215)
1403. Retroactive LAE Incurred	(84,249)	(72,296)	(469,316)
1498. Summary of remaining write-ins for Line 14 from overflow page	(1,456)	(249)	(10,350)
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	(31,545)	(941,149)	(1,446,947)
3601. Acquisition Expense for Block of Business Purchased		(126,930)	(126,930)
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page			
3699. TOTALS (Lines 3601 through 3603 plus 3698) (Line 36 above)		(126,930)	(126,930)

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	31,799,806	71,938,868
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	23,401,977	62,650,433
3. Underwriting expenses paid	12,749,402	22,365,933
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(4,351,573)	(13,077,497)
6. Net investment income	9,833,653	22,353,892
7. Other income (expenses):		
7.1 Agents' balances charged off	(144,736)	(325,199)
7.2 Net funds held under reinsurance treaties	215,123	(7,358,190)
7.3 Net amount withheld or retained for account of others	(127,374)	60,007
7.4 Aggregate write-ins for miscellaneous items	(1,283,374)	(3,409,065)
7.5 Total other income (Lines 7.1 to 7.4)	(1,340,361)	(11,032,448)
8. Dividends to policyholders on direct business, less \$ 596,099 dividends on reinsurance assumed or ceded (net)	142,701	439,631
9. Federal and foreign income taxes (paid) recovered	1,996,594	(6,739,341)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	5,995,612	(8,935,025)
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	37,018,615	172,805,589
11.2 Stocks		17
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	2,982,000	
11.8 Total investment proceeds (Lines 11.1 to 11.7)	40,000,615	172,805,606
12. Cost of investments acquired (long-term only):		
12.1 Bonds	40,701,336	156,197,823
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Miscellaneous applications		501,083
12.7 Total investments acquired (Lines 12.1 to 12.6)	40,701,336	156,698,906
13. Net cash from investments (Line 11.8 minus Line 12.7)	(700,720)	16,106,700
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in		
14.2 Capital notes \$		
14.3 Net transfers from affiliates		6,197,976
14.4 Borrowed funds received		
14.5 Other cash provided		
14.6 Total (Lines 14.1 to 14.5)		6,197,976
15. Cash applied:		
15.1 Dividends to stockholders paid	930,758	9,503,525
15.2 Net transfers to affiliates	6,901,423	
15.3 Borrowed funds repaid		
15.4 Other applications	3,239	62,257
15.5 Total (Lines 15.1 to 15.4)	7,835,419	9,565,782
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(7,835,419)	(3,367,806)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	(2,540,528)	3,803,869
18. Cash and short-term investments:		
18.1 Beginning of year	7,405,617	3,601,747
18.2 End of period (Line 17 plus Line 18.1)	4,865,089	7,405,616
DETAILS OF WRITE-INS		
7.401 Miscellaneous Income	474	(66)
7.402 Other Interest		(10,140)
7.403 Retroactive Losses Paid	(1,086,420)	(2,265,181)
7.498 Summary of remaining write-ins for Line 7.4 from overflow page	(197,428)	(1,133,678)
7.499 Totals (Lines 7.401 through 7.403 plus 7.498) (Line 7.4 above)	(1,283,374)	(3,409,065)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of American Fire and Casualty Company (American Fire) have been prepared on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The Ohio Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under Ohio Insurance Law. The National Association of Insurance Commissioners (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.

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policies

Property and casualty insurance premiums are earned principally on a monthly pro rata basis over the term of the policy; the premiums applicable to the unexpired terms of the policies are included in the unearned premium reserve.

Acquisition costs incurred at policy issuance, such as commissions, are charged to operations in the year in which they are incurred.

In addition, American Fire uses the following accounting policies:

- (1) Not applicable
- (2) Bonds are generally carried at amortized cost or prescribed NAIC values. Bonds are amortized using the effective interest method.
- (3) Common stocks are stated at market value as prescribed by the NAIC.
- (4) Redeemable preferred stocks, having qualified sinking funds, are carried at cost or amortized cost; all other preferred stocks are carried at fair values as prescribed by the NAIC.
- (5) Mortgage loans on real estate are stated at the aggregate carrying value less accrued interest.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities.
- (7) Not applicable.
- (8) Not applicable.
- (9) Not applicable.
- (10) American Fire anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property - Casualty Contracts - Premiums.
- (11) Reserves for unpaid losses and loss adjustment expenses are based on estimates of ultimate claim costs without discounting, including claims incurred but not reported, salvage and subrogation and inflation. Such liabilities are based on assumptions and estimates which management believes are adequate, but the ultimate liability may differ from the amount provided. The methods of making such estimates are continually reviewed and updated, any resulting adjustments are reflected in current earnings.

2. Accounting Changes and Corrections of Errors

Certain prior year amounts have been reclassified to conform to the current year presentation.

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at June 30 areas follows:

	6/30/2002	12/31/2001
(1) Total of all deferred tax assets (admitted and nonadmitted)	\$24,523,901	\$24,902,463
(2) Total of all deferred tax liabilities	(2,227,325)	(1,432,571)
(3) Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	14,213,778	12,532,500
(4) Increase (decrease) in deferred tax assets nonadmitted	(1,681,278)	

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

- (1) As of June 30, American Fire had a balance of \$N/A in its Policyholder Surplus account under the provisions of the Internal Revenue Code. This amount could become taxable to the extent that future shareholder dividends are paid from this account.
- (2) As of June 30, American Fire had investments in certain foreign subsidiaries whose reporting basis exceeded tax basis by \$N/A. This amount could become taxable in the event of a sale or dissolution of one or more subsidiaries.

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

	6/30/2002	12/31/2001
1. Current year tax expense	\$759,229	\$4,001,404
2. Tax credits	0	0
3. Current year equity tax	0	0
4. Prior Year overaccrual of tax reserves	0	2,972,181
5. Current income taxes incurred	759,229	6,973,585

NOTES TO FINANCIAL STATEMENTS

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

	<u>6/30/2002</u>	<u>12/31/2001</u>	<u>Change</u>
DTAs resulting from book/tax differences in			
15. Reserves-Loss Res., UPR,S&S	\$19,730,579	\$19,431,279	299,300
16. Employee Benefits	291,647	278,473	13,174
17. VEBA	0	0	0
18. Tax Credits	2,972,368	3,068,531	(96,163)
20. Basis Difference on InvestedAssets	1,236,091	1,815,149	(579,058)
21. Other Non-deductible Accruals	243,726	258,060	(14,334)
22. State Assessments	0	0	0
23. Basis Difference on DepreciableAssets	33,632	33,632	0
24. Replacement Carrier Fee	0	0	0
25. Tax Benefit on NOLC/F	0	0	0
26. Other DTAs	15,858	17,339	(1,481)
27. Total DTAs	24,523,901	24,902,463	(378,562)
28. DTAs nonadmitted	14,213,778	12,532,500	1,681,278
DTLs resulting from book/tax differences in			
29. Bonds & Stocks-Unrealized Gain/Loss	1,008,496	227,701	780,795
30. Amortization	38,551	6,658	31,893
31. Basis Difference on InvestedAssets	726,079	819,175	(93,096)
34. Other Deductible Accruals	419,894	344,733	75,161
35. Other DTLs	34,305	34,304	1
36. Total DTLs	2,227,325	1,432,571	794,754

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

	<u>Amount</u>	<u>Tax Effect</u>
1. Income before taxes	\$3,798,493	\$1,329,473
2. Tax exempt interest	(112,677)	(39,437)
3. Dividends received deduction	(42,169)	(14,759)
4. Proration	23,161	8,106
5. Goodwill Amortization	(551,676)	(193,087)
6. Capital Loss on Subsidiary Stock	0	0
7. Book over Tax Reserves	1,019,428	356,800
8. Tax over Book Capital Gain	(1,719,017)	(601,656)
9. Basis Difference in Invested Assets	330,552	115,693
10. Workers' Compensation Dividends	(161,557)	(56,545)
11. Employee Benefits	37,635	13,172
12. Depreciation/Amortization	(91,124)	(31,893)
13. Replacement Carrier Fee	0	0
14. Non-deductible Accruals	(84,345)	(29,521)
15. Other Deductions/Income	(2,728)	(955)
16. AMT Credit Generated		(96,163)
17. NOL Carryforward		0
18. Other		0
19. Taxable Income		759,229

E. (1) At June 30,2001, American Firehas \$0 ofoperating loss carryforwards originating in 2001 which expire, if unused, in years 2001 through 2020.

(2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

2002	\$759,229
2001	\$4,001,404
2000	\$0
1999	\$3,068,531
1998	\$0
1997	\$5,473,869

F. (1) American Fire's Federal income tax return is consolidated with the following entities:

Ohio Casualty Corporation
Hamilton Graphics
Ocasco Budget, Inc.
Ocasco Securities Corporation
Ohio Life Brokerage Services, Inc.
Ohio Casualty Insurance Company
West American Insurance Company
Ohio Security Insurance Company
American Fire and Casualty Company
Avomark Insurance Company
Ohio Casualty of New Jersey, Inc.

(2) The method of allocation between the companies is subject to written agreement approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses providing those losses are utilized on consolidated basis. Intercompany tax balances are settled within 90 days after the payment of each estimated deposit of consolidated tax liability (or Alternative Minimum Tax).

14. Contingencies

D. All Other Contingencies

The potential interest payable to policyholders for the escrowed amount (See Note 20) will be calculated pursuant to N. C. Gen. Stat. §58-36-25. The estimated amount is not recorded in the financial statements.

20. Other Items

C. Other Disclosures

Escrowed assets are on deposit for the payment of potential refunds relating to rate discrepancies on North Carolina private passenger auto policies effective April 1, 2002 until the effective date of the next rate change.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes () No (X)
- 1.2 If yes, explain:

- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes () No (X)
- 2.2 If yes, has the report been filed with the domiciliary state? Yes () No ()
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes () No (X)
- 3.2 If yes, date of change:
 If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes () No (X)
 If yes, attach an organizational chart.
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)
- 5.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....

- 6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes () No () N/A (X)
 If yes, attach an explanation.
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2000
- 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. 12/31/2000
- 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). 03/15/2002
- 7.4 By what department or departments?
 Indiana and Ohio

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

GENERAL INTERROGATORIES (continued)

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

INVESTMENT

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

9.2 If yes, explain

.....

.....

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

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

.....

.....

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

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

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

13.2 If yes, please complete the following:

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

14.1 Does the reporting entity have any hedging transactions reported on schedule DB? Yes () No (X)

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

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
.....
.....
.....

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 brokers/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 AND 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 (X) N/A ()
If yes, attach an explanation.
2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes () No (X)
If yes, attach an explanation.
- 3.1 Have any of the reporting entity's primary reinsurance contracts been cancelled? 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 Discount Schedule.

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Schedule A, Verification
NONE

Schedule B, Verification
NONE

Schedule BA, Verification
NONE

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
	Statement Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Statement Value End of First Quarter	Statement Value End of Second Quarter	Statement Value End of Third Quarter	Statement Value December 31 Prior Year
BONDS								
1. Class 1	192,941,740	19,014,934	17,662,664	1,836,599	192,941,740	196,130,609		188,936,771
2. Class 2	58,584,981	2,989,650	2,096,954	697,588	58,584,981	60,175,265		57,778,371
3. Class 3	16,788,464		2,603,810	(3,336,388)	16,788,464	10,848,266		18,366,050
4. Class 4	2,533,915		58,794	32,062	2,533,915	2,507,183		720,022
5. Class 5								
6. Class 6								2,112,830
7. Total Bonds	270,849,100	22,004,584	22,422,222	(770,139)	270,849,100	269,661,323		267,914,044
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	270,849,100	22,004,584	22,422,222	(770,139)	270,849,100	269,661,323		267,914,044

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Schedule DA, Part 1

NONE

Schedule DA, Part 2

NONE

Page 13

Sch. DB, Pt. F, Sn. 1, Summary Replicated (Syn.) Assets Open

NONE

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Sch. DB, Pt. F, Sn. 2, Reconciliation Replicated (Syn.) Assets

NONE

SCHEDULE F - CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1	2	3	4	5
NAIC Company Code	Federal ID Number	Name of Reinsurer	Location	Is Insurer Authorized? (Yes or No)
All Other Insurers				
00000	AA-3190002	Ace Tempest Re	Bermuda	No
0499999	All Other Insurers			

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	303,163	548,398	1,771,375	614,304	3,958,512	3,957,496
2. Alaska	AK	Yes	90,895	170,854	6,182	20,875	79,790	67,407
3. Arizona	AZ	Yes	607,291	792,687	390,243	688,488	1,629,135	1,622,142
4. Arkansas	AR	Yes	475,572	597,395	393,356	787,978	539,305	724,687
5. California	CA	Yes	885	1,108	1,491,835	4,338,875	39,823,524	44,338,075
6. Colorado	CO	Yes	316,013	585,323	351,915	100,537	848,130	1,934,922
7. Connecticut	CT	Yes	3,037,370	2,961,715	789,655	681,364	2,569,372	1,533,168
8. Delaware	DE	Yes	29,157	69,388	48,976	89,203	445,265	347,666
9. District of Columbia	DC	Yes	186,575	264,886	111,244	29,054	157,242	409,636
10. Florida	FL	Yes	796,733	1,027,494	972,539	506,558	4,220,898	3,931,620
11. Georgia	GA	Yes	428,766	813,793	494,413	503,321	1,759,827	1,339,242
12. Hawaii	HI	No						
13. Idaho	ID	Yes	144,751	179,211	66,754	105,996	110,879	162,740
14. Illinois	IL	Yes	1,631,068	2,100,538	1,539,700	1,532,206	3,784,784	4,496,868
15. Indiana	IN	Yes	2,041,767	2,728,078	1,021,325	1,970,571	3,023,057	2,450,192
16. Iowa	IA	Yes	248,411	286,270	330,534	433,665	1,290,873	1,957,310
17. Kansas	KS	Yes	367,027	442,176	308,468	352,254	477,352	634,363
18. Kentucky	KY	Yes	3,817,683	4,446,359	3,356,806	4,004,632	5,932,721	6,884,295
19. Louisiana	LA	Yes	164,420	1,210,067	135,075	274,345	440,520	298,191
20. Maine	ME	No		50			2	
21. Maryland	MD	Yes	3,365,104	3,712,824	1,993,816	754,664	7,807,968	3,406,284
22. Massachusetts	MA	Yes	683,388	1,144,879	720,158	26,567	4,066,622	331,181
23. Michigan	MI	Yes	1,698,505	2,292,656	2,564,551	3,829,601	7,648,814	10,164,327
24. Minnesota	MN	Yes	737,772	665,102	404,759	302,451	1,063,461	753,967
25. Mississippi	MS	Yes	1,297	202,180	47,557	45,067	130,026	127,446
26. Missouri	MO	Yes	819,356	889,297	599,250	1,253,660	1,520,742	1,634,862
27. Montana	MT	Yes					19	
28. Nebraska	NE	Yes	89,284	276,916	318,841	289,766	987,242	728,889
29. Nevada	NV	Yes	28	9,852			3	
30. New Hampshire	NH	No						
31. New Jersey	NJ	Yes	6,299,896	8,993,890	3,895,510	3,258,031	18,337,913	14,398,195
32. New Mexico	NM	Yes	110,506	33,783	(614)	6,538	89,563	100,730
33. New York	NY	Yes	1,916,741	2,299,556	420,365	86,089	1,454,509	296,889
34. North Carolina	NC	Yes	2,532,055	3,999,426	1,285,296	906,569	4,028,916	2,702,611
35. North Dakota	ND	Yes	97,600	151,815	27,412	24,125	111,261	165,277
36. Ohio	OH	Yes	3,900,262	3,007,730	1,767,154	1,907,457	3,178,997	3,359,624
37. Oklahoma	OK	Yes	931,983	715,530	547,625	636,285	539,083	461,984
38. Oregon	OR	Yes	220,715	402,901	165,540	76,005	369,808	514,963
39. Pennsylvania	PA	Yes	9,018,569	8,803,966	5,674,526	6,784,852	47,869,465	40,746,400
40. Rhode Island	RI	Yes	(1,102)	4,114	391		1,699	918
41. South Carolina	SC	Yes	537,958	1,096,091	398,786	462,931	2,901,565	2,473,002
42. South Dakota	SD	Yes	3,664	3,090			3,881	2,540
43. Tennessee	TN	Yes	386,680	647,491	206,958	530,279	794,602	813,209
44. Texas	TX	Yes	608,596	1,422,681	701,126	596,778	1,850,520	1,150,017
45. Utah	UT	Yes	396,041	459,929	83,059	78,430	485,291	430,757
46. Vermont	VT	No						
47. Virginia	VA	Yes	995,545	1,242,701	653,564	673,586	1,466,056	1,456,572
48. Washington	WA	Yes	849,838	1,375,722	516,295	413,927	2,048,658	1,137,220
49. West Virginia	WV	Yes	88,037	79,935	170	271	16,950	4,896
50. Wisconsin	WI	Yes	2,044,321	2,355,948	896,855	1,288,784	2,993,171	2,966,911
51. Wyoming	WY	Yes	33,966	32,130	4,201	6,053	186,640	140,250
52. American Samoa	AS	No						
53. Guam	GU	No						
54. Puerto Rico	PR	No						
55. U.S. Virgin Islands	VI	No						
56. Canada	ON	No						
57. Aggregate Other Alien	OT	X X X						
58. Totals	(a)	47	53,054,152	65,547,925	37,473,546	41,272,992	183,044,437	167,559,941
DETAILS OF WRITE-INS								
5701.	X X X							
5702.	X X X							
5703.	X X X							
5798. Summary of remaining write-ins for Line 57 from overflow page	X X X							
5799. TOTALS (Lines 5701 through 5703 plus Line 5798)(Line 57 above)	X X X							

(a) Insert the number of yes responses except for Canada and Other Alien.

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	(5,177)	(5,334)	103.0	2.9
2. Allied lines	126,469	122,086	96.5	(20.3)
3. Farmowners multiple peril				
4. Homeowners multiple peril	10,111,949	6,232,977	61.6	101.2
5. Commercial multiple peril	10,333,266	6,152,520	59.5	51.1
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	560,038	264,329	47.2	37.3
10. Financial guaranty				
11.1 Medical malpractice-occurrence				
11.2 Medical malpractice-claims made				
12. Earthquake	179,956	(9,104)	(5.1)	2.8
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation	12,689,018	20,277,870	159.8	108.7
17.1 Other liability-occurrence	2,210,354	3,156,611	142.8	75.6
17.2 Other liability-claims made	5,591	1,648	29.5	535.7
18.1 Products liability-occurrence	533,334	1,522,898	285.5	61.7
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability	9,455,823	5,163,892	54.6	65.4
19.3, 19.4 Commercial auto liability	4,090,650	3,374,172	82.5	39.3
21. Auto physical damage	8,198,383	4,333,363	52.9	63.9
22. Aircraft (all perils)				
23. Fidelity		(510)		
24. Surety	2,694	7,077	262.7	(7.6)
26. Burglary and theft				
27. Boiler and machinery	113			
28. Credit				
29. International				
30. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X	X X X
31. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X	X X X
33. Aggregate write-ins for other lines of business				
34. TOTALS	58,492,459	50,594,496	86.5	78.4
DETAILS OF WRITE-INS				
3301.				
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Lines 3301 through 3303 plus Line 3398) (Line 33)				

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	(19,796)	(19,965)	55,104
2. Allied lines	10,233	(1,042)	52,857
3. Farmowners multiple peril			
4. Homeowners multiple peril	5,156,233	9,199,694	10,155,905
5. Commercial multiple peril	4,979,408	9,884,685	10,701,720
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	278,225	497,501	579,979
10. Financial guaranty			
11.1 Medical malpractice-occurrence			
11.2 Medical malpractice-claims made			
12. Earthquake	83,231	148,723	176,318
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation	4,577,020	10,090,408	16,200,057
17.1 Other liability-occurrence	935,134	2,157,733	3,099,551
17.2 Other liability-claims made	777	4,658	6,312
18.1 Products liability-occurrence	277,050	529,924	917,500
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability	4,426,025	9,206,942	10,277,513
19.3, 19.4 Commercial auto liability	1,574,204	3,300,820	4,222,837
21. Auto physical damage	3,880,091	8,037,803	9,097,253
22. Aircraft (all perils)			
23. Fidelity			
24. Surety	15,950	16,267	5,016
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Reinsurance-Nonproportional Assumed Property	X X X	X X X	X X X
31. Reinsurance-Nonproportional Assumed Liability	X X X	X X X	X X X
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X	X X X	X X X
33. Aggregate write-ins for other lines of business			
34. TOTALS	26,173,783	53,054,151	65,547,922
DETAILS OF WRITE-INS			
3301.			
3302.			
3303.			
3398. Summary of remaining write-ins for Line 33 from overflow page			
3399. Totals (Lines 3301 through 3303 plus Line 3398) (Line 33)			

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 plus 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 plus 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 plus 8 plus 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 plus 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 plus 8 plus 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency(c) (Cols. 11 plus 12)
1. 1999 + Prior	33,425	63,588	97,013	3,888	104	3,992	33,076	987	61,601	95,664	3,539	(896)	2,643
2. 2000	9,686	9,073	18,759	2,705	107	2,812	7,016	236	7,856	15,108	35	(874)	(839)
3. Subtotals 2000 + prior	43,111	72,661	115,772	6,593	211	6,804	40,092	1,223	69,457	110,772	3,574	(1,770)	1,804
4. 2001	12,060	15,439	27,499	5,650	641	6,291	7,618	670	11,363	19,651	1,208	(2,765)	(1,557)
5. Subtotals 2001 + prior	55,171	88,100	143,271	12,243	852	13,095	47,710	1,893	80,820	130,423	4,782	(4,535)	247
6. 2002	X X X	X X X	X X X	X X X	7,512	7,512	X X X	6,052	10,233	16,285	X X X	X X X	X X X
7. Totals	55,171	88,100	143,271	12,243	8,364	20,607	47,710	7,945	91,053	146,708	4,782	(4,535)	247
8. Prior Year-End's Surplus As Regards Policy-holders	104,392										Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
											1. 8.7 %	2. (5.1)%	3. 0.2 %
													Col. 13, Line 7 Line 8
													4. 0.2 %

(a) Should Equal Prior Year-End Annual Statement; Page 3, Column 1, Lines 1 plus 3
 (b) Should Equal Quarterly Statement Page 3, Column 1, Lines 1 and 3
 (c) Should Also Equal Columns 6 plus 10 less Column 3 for Lines A through E 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.

RESPONSES

1. Will the SVO Compliance Certification be filed with this statement?

Yes

EXPLANATION:

.....

BARCODE:

Document Identifier 470:

2. Will the Trusted Surplus Statement be filed with the state of domicile and the NAIC with this statement?

No

EXPLANATION:

.....

BARCODE:

2. Document Identifier 490:



3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?

No

EXPLANATION:

.....

BARCODE:

3. Document Identifier 450:



OVERFLOW PAGE FOR WRITE-INS

OVERFLOW WRITE-INS FOR Page 3. Liabilities

	1 Current Statement Date	2 December 31, Prior Year
AGGREGATED AT Line 23, Liabilities		
Retroactive LAE Reserves	1,750,000	1,860,000
2398 Line 23, Liabilities	1,750,000	1,860,000

OVERFLOW WRITE-INS FOR Page 4. Statement of Income

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
AGGREGATED AT Line 14, Miscellaneous Income			
Other Interest Expense		(249)	(10,140)
Fines and Penalties	(1,456)		(209)
1498 Line 14, Miscellaneous Income	(1,456)	(249)	(10,350)

OVERFLOW WRITE-INS FOR Page 5. Cash Flow

	1 Current Year To Date	2 Prior Year Ended December 31
AGGREGATED AT Line 7.4, Miscellaneous Items		
Retroactive LAE Paid	(194,249)	(651,270)
California Proposition 103	(1,723)	(484,194)
Fines and Penalties	(1,456)	(209)
Finance and Service Charges		1,995
07.498 Line 7.4, Miscellaneous Items	(197,428)	(1,133,678)

Page E01

Sch. A, Pt. 2, Real Estate Acquired
NONE

Sch. A, Pt. 3, Real Estate Sold
NONE

Page E02

Schedule B, Part 1, Mortgage Loans Acquired
NONE

Schedule B, Part 2, Mortgage Loans Sold
NONE

Page E03

Sch. BA, Pt. 1, Other Long-Term Invested Assets Acquired
NONE

Sch. BA, Pt. 2, Other Long-Term Invested Assets Sold
NONE

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation (a)
Bonds - Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions								
312925-WJ-5	FREDDIE MAC	06/24/2002	LEHMAN		2,982,000	3,000,000		1PE
3133TP-M3-0	FHR 2251 ZB	04/25/2002	CAPITALIZED INTEREST		35,182	35,182		1PE
313398-FA-2	FHR 2333 ZD	04/15/2002	CAPITALIZED INTEREST		92,203	92,203		1PE
3837H1-US-8	GNR 1998-19 ZB	04/20/2002	CAPITALIZED INTEREST		41,444	41,444		1PE
38373W-VV-7	GNR 2002-36 AH	05/13/2002	BANK OF AMERICA		1,185,851	1,195,000	6,257	1PE
3133MN-VV-0	FED HOME LN BANK	06/07/2002	CHEMICAL SECURITIES		2,015,520	2,000,000	6,389	1PE
31339G-LA-7	FHR 2370 PC	05/09/2002	GOLDMAN, SACHS & CO.		979,063	1,000,000	2,167	1PE
3199999	Subtotal - Bonds - Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions				7,331,263	7,363,829	14,813	
Bonds - Industrial and Miscellaneous								
172953-5V-9	CMSI 2002-3 1A5	06/07/2002	BANK OF AMERICA		1,787,625	1,800,000	5,000	1PE
32051D-MF-6	FHASI 2002-3 2A2	05/15/2002	BANK OF AMERICA		3,851,250	4,000,000	19,333	1PE
45660N-DW-2	RAST 2002-A5 A4	05/14/2002	BEAR, STEARNS & CO. INC.		999,416	1,000,000	5,289	1PE
459745-EZ-4	INTL LEASE FIN	06/05/2002	SALOMON BROTHERS INC		2,045,380	2,000,000	32,583	1PE
86358R-JH-1	SASC 2001-12 1A7	05/02/2002	LEHMAN		3,000,000	3,000,000	3,375	1PE
89346D-AA-5	TRANSALTA CORP	06/20/2002	SALOMON BROTHERS INC		2,989,650	3,000,000		2PE
4599999	Subtotal - Bonds - Industrial and Miscellaneous				14,673,321	14,800,000	65,581	
6099997	Subtotal - Bonds - Part 3				22,004,584	22,163,829	80,393	
6099999	Subtotal - Bonds				22,004,584	22,163,829	80,393	
7299999	TOTALS				22,004,584		80,393	

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

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 Identif-ication	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
Bonds - U.S. Governments																
362028-TK-1	G21454		PRINCIPAL PAYDOWN	1,133	1,133.06	1,133.06	1,131	1,133	5							1
362028-5G-3	GN3547		PRINCIPAL PAYDOWN	1,588	1,588.42	1,588.42	1,575	1,588	4							1
362032-A8-7	GN6331		PRINCIPAL PAYDOWN	2,279	2,278.99	2,278.99	2,256	2,279	9							1
36219K-FQ-4	GN251375		PRINCIPAL PAYDOWN	48	47.68	47.68	48	48	(2)							1
36223J-C4-3	GN308891		PRINCIPAL PAYDOWN	3,258	3,257.91	3,257.91	3,335	3,258	(70)							1
0399999	Subtotal - Bonds - U.S. Governments			8,306	8,306.06	8,306.06	8,345	8,306	(54)							
Bonds - Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																
31298T-G6-3	FGLMC PL C56521		PRINCIPAL PAYDOWN	14,388	14,388.05	14,388.05	14,424	14,388	(37)							1PE
313401-K8-3	FH380026		PRINCIPAL PAYDOWN	1,190	1,189.80	1,189.80	1,187	1,190	1							1
31384W-LM-0	FNCL PL 535932		PRINCIPAL PAYDOWN	4,750,015	4,816,375.32	4,816,375.32	4,843,467	4,843,453	(328)		(93,437)	(93,437)	21,311			1PE
31347N-BH-8	FH530940		PRINCIPAL PAYDOWN	3,334	3,333.56	3,333.56	3,417	3,334	(165)							1
31388J-RU-1	FNCL PL 606299		PRINCIPAL PAYDOWN	21,674	21,673.52	21,673.52	21,677	21,674	(3)							1PE
3133TM-XG-6	(SC) FHR 2204 GB		PRINCIPAL PAYDOWN	2,629,692	2,823,692.50	2,823,692.50	3,021,351	2,823,412	(14,159)		(193,720)	(193,720)	23,333			1
31359U-M8-5	FNR 1998-62 DC		PRINCIPAL PAYDOWN	60,311	60,311.06	60,311.06	65,890	60,311	(3,158)							1
3199999	Subtotal - Bonds - Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions			7,480,603	7,740,963.81	7,740,963.81	7,971,413	7,767,761	(17,849)		(287,157)	(287,157)	44,644			
Bonds - Industrial and Miscellaneous																
126342-BD-5	CSFB 1993-2R 1		PRINCIPAL PAYDOWN	32,007	32,007.44	32,007.44	30,327	32,007	865					396		2
12669B-QZ-8	CWALT 2000-1 M		PRINCIPAL PAYDOWN	3,690	3,689.97	3,689.97	3,608	3,690	52							1PE
126690-DK-9	CWFC 1993-3 B1		PRINCIPAL PAYDOWN	64,947	64,947.39	64,947.39	62,999	64,947	426							2Z
126690-R7-3	CWMB 1994-J A5		PRINCIPAL PAYDOWN	409,387	409,387.48	409,387.48	403,375	409,387	189							1PE
16162T-J5-6	CHASE 2002-S1 A4	06/21/2002	TRANSFER FROM MARKET	5,050,000	5,000,000.00	5,000,000.00	4,919,531	4,924,195	4,663		125,805	125,805	153,472			1PE
33736X-BZ-1	FUNBC 2001-C2 A2	05/15/2002	LEHMAN	3,117,188	3,000,000.00	3,000,000.00	3,165,820	3,146,279	(12,726)		(29,091)	(29,091)	98,835			1
393505-CH-3	GT 1994-2 B2		PRINCIPAL PAYDOWN	150,512	150,511.83	150,511.83	145,714	150,512	2,011							3
393505-UV-2	GT 1997-4 A7		PRINCIPAL PAYDOWN	7,956	7,956.25	7,956.25	7,996	7,956	(35)							1PE
450912-AB-6	ITT CORP NOTE		VARIOUS	2,976,250	3,000,000.00	3,000,000.00	2,855,010	2,453,298	(473,770)			522,952	522,952	89,531		3
690734-AM-0	OWENS-CORNING/TOLEDO-LUCAS CTY	05/15/2002	PRINCIPAL PAYDOWN	117,588	117,588.47	117,588.47	58,794	58,794			58,794	58,794	58,794			4
74434R-R8-6	CMO PHMS 92-37 A10		PRINCIPAL PAYDOWN	2,562,337	2,481,330.39	2,481,330.39	1,260,935	2,458,271	2,049		104,066	104,066	45,382			1PE
74434T-HB-6	(SC) PHMS 1993-B 1B1		PRINCIPAL PAYDOWN	54,329	54,328.80	54,328.80	53,718	54,329	141				230			1PE
74434U-BQ-6	PHMS 1994-18 A2		PRINCIPAL PAYDOWN	131,355	131,355.05	131,355.05	130,514	131,355	28							1PE
760947-VP-3	RFMSI 1996-S7 A12		PRINCIPAL PAYDOWN	164,607	164,606.82	164,606.82	164,504	164,607	58							1PE
760972-SV-2	RFMSI 1998-S9 2A5		PRINCIPAL PAYDOWN	128,082	128,082.34	128,082.34	124,320	128,082	926							1PE
863572-YW-7	FNT 1999-1 2A6		PRINCIPAL PAYDOWN	285,622	285,621.98	285,621.98	287,452	285,622	(1,262)							1PE
93114K-AA-1	WAL-MART PTC 92-A-1	06/21/2002	PRINCIPAL PAYDOWN	172,823	172,822.86	172,822.86	172,823	172,823								1PE
878742-AA-3	TECK COMINCO LIMITED	05/01/2002	MATURITY	2,000,000	2,000,000.00	2,000,000.00	1,997,380	2,000,000	101				87,000			2PE
4599999	Subtotal - Bonds - Industrial and Miscellaneous			17,428,681	17,204,237.07	17,204,237.07	15,844,819	16,646,155	(476,284)		782,526	782,526	474,847			
6099997	Subtotal - Bonds - Part 4			24,917,590	24,953,506.94	24,953,506.94	23,824,577	24,422,222	(494,187)		495,369	495,369	519,491			
6099999	Subtotal - Bonds			24,917,590	24,953,506.94	24,953,506.94	23,824,577	24,422,222	(494,187)		495,369	495,369	519,491			
7299999	TOTALS			24,917,590	24,953,506.94	24,953,506.94	23,824,577	24,422,222	(494,187)		495,369	495,369	519,491			

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

Page E06

Schedule DB, Part A, Section 1

NONE

Schedule DB, Part B, Section 1

NONE

Page E07

Schedule DB, Part C, Section 1

NONE

Schedule 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	
Name	Location and Supplemental Information	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	
Open Depositories								
1st National Bank	Hamilton, OH				(90,939)	(90,939)	(90,939)	
Bank of America	Los Angeles, CA				27,254	23,415	37,864	
Bank One	Columbus, OH		19,089		2	15,607	4,918,164	
0199999	TOTAL - Open Depositories		19,089		(63,683)	(51,917)	4,865,089	
0399999	TOTAL Cash on Deposit		19,089		(63,683)	(51,917)	4,865,089	
0599999	TOTALS		19,089		(63,683)	(51,917)	4,865,089	