



# QUARTERLY STATEMENT

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

## WESTERN RESERVE MUTUAL CASUALTY COMPANY

NAIC Group Code 0207 0207 NAIC Company Code 26131 Employer's ID Number 34-0613930  
(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 06/29/1937 Commenced Business 07/30/1937

Statutory Home Office 1685 Cleveland Road, Wooster, OH 44691-0036  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 1685 Cleveland Road  
(Street and Number) 330-262-9060  
Wooster, OH 44691-0036 (Area Code) (Telephone Number) (Extension)  
(City or Town, State and Zip Code)

Mail Address 1685 Cleveland Road, Wooster, OH 44691-0036  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 1685 Cleveland Road  
(Street and Number) 330-262-9060  
Wooster, OH 44691-0036 (Area Code) (Telephone Number)  
(City or Town, State and Zip Code)

Internet Website Address wrg-ins.com

Statement Contact Joseph E. Wilford 330-262-9060-2437  
(Name) (Area Code) (Telephone Number) (Extension)  
Joe\_Wilford@wrg-ins.com 330-264-7822  
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Policyowner Relations Contact 1685 Cleveland Rd.  
(Street and Number) 330-262-9060  
Wooster, OH 44691 (Area Code) (Telephone Number) (Extension)  
(City or Town, State and Zip Code)

### OFFICERS

PRESIDENT JOHN P. MURPHY SECRETARY JOHN P. MURPHY  
VP  
FINANCE/CFO/TREASURER KENNETH B. STOCKMAN

### VICE PRESIDENTS

WILLIAM J. BLINCOE KEVIN W. DAY F. EMERSON LOGEE  
TIMOTHY A. PADDOCK DANIEL J. PITCHER KENNETH B. STOCKMAN

### DIRECTORS OR TRUSTEES

ROBERT P. BOGNER F. EMERSON LOGEE BYRON F. MORRIS  
JOHN P. MURPHY C. MICHAEL REARDON

State of OHIO } ss  
County of WAYNE

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.

JOHN P. MURPHY  
PRESIDENT

JOHN P. MURPHY  
SECRETARY

KENNETH B. STOCKMAN  
VP FINANCE/CFO/TREASURER

Subscribed and sworn to before me this  
\_\_\_\_\_ day of AUGUST, 2002

ADRIAN J. BESANCON  
NOTARY PUBLIC  
JAN. 21, 2003

STATEMENT AS OF JUNE 30, 2002 OF THE WESTERN RESERVE MUTUAL CASUALTY 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 .....	51,445,835		51,445,835	52,250,141
2. Stocks:				
2.1 Preferred stocks .....	808,240		808,240	812,080
2.2 Common stocks .....	36,486,092		36,486,092	47,976,994
3. Mortgage loans on real estate:				
3.1 First liens .....	0			
3.2 Other than first liens .....	0			
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	0			
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	0			
4.3 Properties held for sale (less \$ ..... encumbrances) .....	0			
5. Cash (\$ .....(82,817) and short-term investments \$ .....15,606,944 ) .....	15,524,127		15,524,127	8,228,672
6. Other invested assets .....	1,304,059	22,900	1,281,159	1,124,434
7. Receivable for securities .....	0			
8. Aggregate write-ins for invested assets .....				
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	105,568,353	22,900	105,545,453	110,392,321
10. Agents' balances or uncollected premiums				
10.1 Premiums and agents' balances in course of collection .....	0			
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	10,719,458	95,990	10,623,468	9,328,739
10.3 Accrued retrospective premiums .....	0			
11. Funds held by or deposited with reinsured companies .....	0			
12. Bills receivable, taken for premiums .....	0			
13. Amounts billed and receivable under high deductible policies .....	0			
14. Reinsurance recoverables on loss and loss adjustment expense payments .....	531,824		531,824	184,490
15. Federal and foreign income tax recoverable and interest thereon (including \$ ..... net deferred tax asset) .....	0			
16. Guaranty funds receivable or on deposit .....	0			
17. Electronic data processing equipment and software .....	0			
18. Interest, dividends and real estate income due and accrued .....	879,525		879,525	881,249
19. Net adjustments in assets and liabilities due to foreign exchange rates .....	0			
20. Receivable from parent, subsidiaries and affiliates .....	1,124,760		1,124,760	824,366
21. Amounts due from /to protected cells .....	0			
22. Equities and deposits in pools and associations .....	0			
23. Amounts receivable relating to uninsured accident and health plans .....	0			
24. Other assets nonadmitted .....	0			
25. Aggregate write-ins for other than invested assets .....	3,812		3,812	3,807
26. Total assets excluding protected cell assets (Lines 9 through 25) .....	118,827,732	118,890	118,708,842	121,614,972
27. Protected cell assets .....				
28. TOTALS (Lines 26 and 27)	118,827,732	118,890	118,708,842	121,614,972
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. ASSUMED REINSURANCE RECEIVABLE .....	3,812		3,812	3,807
2502. ....			0	0
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	3,812		3,812	3,807

STATEMENT AS OF JUNE 30, 2002 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ ..... ) .....	23,899,229	23,531,854
2. Reinsurance payable on paid losses and loss adjustment expenses .....	0	
3. Loss adjustment expenses .....	2,835,200	2,835,200
4. Commissions payable, contingent commissions and other similar charges .....	1,099,300	1,110,021
5. Other expenses (excluding taxes, licenses and fees) .....	120,875	423,026
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	582,907	717,961
7. Federal and foreign income taxes [including \$ ..... on realized capital gains (losses)] (including \$ ..... net deferred tax liability) .....	2,554,322	4,569,565
8. Borrowed money \$ ..... and interest thereon \$ .....	0	
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... ) .....	20,765,766	19,173,359
10. Advance premium .....	0	
11. Dividends declared and unpaid:		
11.1 Stockholders .....	0	
11.2 Policyholders .....	0	
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	509,829	589,032
13. Funds held by company under reinsurance treaties .....	0	
14. Amounts withheld or retained by company for account of others .....	1,940,092	1,805,151
15. Remittances and items not allocated .....	0	
16. Provision for reinsurance .....	0	
17. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	
18. Drafts outstanding .....	0	
19. Payable to parent, subsidiaries and affiliates .....	0	
20. Payable for securities .....	0	
21. Liability for amounts held under uninsured accident and health plans .....	0	
22. Capital notes \$ ..... and interest thereon \$ .....	0	
23. Aggregate write-ins for liabilities .....	359,976	613,912
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	54,667,496	55,369,081
25. Protected cell liabilities .....	0	
26. Total liabilities (Lines 24 and 25) .....	54,667,496	55,369,081
27. Aggregate write-ins for special surplus funds .....		
28. Common capital stock .....	0	
29. Preferred capital stock .....	0	
30. Aggregate write-ins for other than special surplus funds .....		
31. Surplus notes .....	0	
32. Gross paid in and contributed surplus .....	0	
33. Unassigned funds (surplus) .....	64,041,346	66,245,891
34. Less treasury stock, at cost		
34.1 ..... shares common (value included in Line 28 \$ ..... ) .....	0	
34.2 ..... shares preferred (value included in Line 29 \$ ..... ) .....	0	
35. Surplus as regards policyholders (Lines 27 to 33, less 34) .....	64,041,346	66,245,891
36. TOTALS	118,708,842	121,614,972
<b>DETAILS OF WRITE-INS</b>		
2301. EMPLOYEE DISTRIBUTION .....	359,976	613,912
2302. ....		
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page .....		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	359,976	613,912
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
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 36,606,645 )	34,220,210	29,133,445	60,711,661
1.2 Assumed (written \$ 24,675,315 )	23,206,805	20,254,772	41,907,008
1.3 Ceded (written \$ 34,049,663 )	31,786,114	27,309,253	56,737,473
1.4 Net (written \$ 27,232,297 )	25,640,901	22,078,964	45,881,196
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ .....):			
2.1 Direct	22,178,468	24,109,788	49,300,538
2.2 Assumed	16,447,965	18,724,885	31,498,484
2.3 Ceded	21,574,256	26,094,740	46,929,400
2.4 Net	17,052,177	16,739,933	33,869,622
3. Loss expenses incurred	1,842,087	1,683,545	2,728,821
4. Other underwriting expenses incurred	8,000,818	6,825,412	13,943,801
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2.4 thru 5)	26,895,082	25,248,890	50,542,244
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(1,254,181)	(3,169,926)	(4,661,048)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	1,757,447	2,208,333	4,187,747
10. Net realized capital gains or (losses)	2,080,931	1,065,127	1,455,955
11. Net investment gain (loss) (Lines 9 + 10)	3,838,378	3,273,460	5,643,702
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ 16,408 )	(16,408)	(17,265)	(32,419)
13. Finance and service charges not included in premiums	560,702	527,765	1,081,589
14. Aggregate write-ins for miscellaneous income	(356,394)	(583,557)	(531,167)
15. Total other income (Lines 12 through 14)	187,900	(73,057)	518,003
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	2,772,097	30,477	1,500,657
17. Dividends to policyholders	0		
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	2,772,097	30,477	1,500,657
19. Federal and foreign income taxes incurred	723,045	(26,000)	1,044,994
20. Net income (Line 18 minus Line 19)(to Line 22)	2,049,052	56,477	455,663
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	66,245,891	80,499,446	80,499,446
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20)	2,049,052	56,477	455,663
23. Net unrealized capital gains or losses	(6,510,353)	(6,138,967)	(9,281,595)
24. Change in net unrealized foreign exchange capital gain (loss)	0		
25. Change in net deferred income tax	2,258,582	2,364,689	3,787,506
26. Change in nonadmitted assets	(1,826)	100,072	60,564
27. Change in provision for reinsurance	0		
28. Change in surplus notes	0		
29. Surplus (contributed to) withdrawn from protected cells	0		
30. Cumulative effect of changes in accounting principles		(8,493,398)	(9,275,693)
31. Capital changes:			
31.1 Paid in	0		
31.2 Transferred from surplus (Stock Dividend)	0		
31.3 Transferred to surplus	0		
32. Surplus adjustments:			
32.1 Paid in	0		
32.2 Transferred to capital (Stock Dividend)	0		
32.3 Transferred from capital	0		
33. Net remittances from or (to) Home Office	0		
34. Dividends to stockholders	0		
35. Change in treasury stock	0		
36. Aggregate write-ins for gains and losses in surplus			
37. Change in surplus as regards policyholders (Lines 22 through 36)	(2,204,545)	(12,111,127)	(14,253,555)
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	64,041,346	68,388,319	66,245,891
<b>DETAILS OF WRITE-INS</b>			
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. EMPLOYEE DISTRIBUTION	(360,000)	(581,791)	(524,959)
1402. OTHER	3,606	(1,766)	(6,208)
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(356,394)	(583,557)	(531,167)
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 WESTERN RESERVE MUTUAL CASUALTY COMPANY

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	25,937,568	47,447,091
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....	18,877,951	34,293,942
3. Underwriting expenses paid .....	8,640,567	13,560,512
4. Other underwriting income (expenses) .....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	(1,580,950)	(407,363)
6. Net investment income .....	1,759,171	4,241,127
7. Other income (expenses):		
7.1 Agents' balances charged off .....	(16,408)	(32,419)
7.2 Net funds held under reinsurance treaties .....		
7.3 Net amount withheld or retained for account of others .....	134,941	953,106
7.4 Aggregate write-ins for miscellaneous items .....	160,245	(471,666)
7.5 Total other income (Lines 7.1 to 7.4) .....	278,778	449,021
8. Dividends to policyholders on direct business, less \$ ..... dividends on reinsurance assumed or ceded (net) .....		
9. Federal and foreign income taxes (paid) recovered .....	(479,706)	(936,824)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	(22,707)	3,345,961
<b>Cash from Investments</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....	4,712,158	17,127,678
11.2 Stocks .....	24,965,660	53,476,195
11.3 Mortgage loans .....		
11.4 Real estate .....		
11.5 Other invested assets .....	15,000	100,981
11.6 Net gains or (losses) on cash and short-term investments .....		
11.7 Miscellaneous proceeds .....		
11.8 Total investment proceeds (Lines 11.1 to 11.7) .....	29,692,818	70,704,854
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....	4,012,636	14,291,804
12.2 Stocks .....	17,789,693	55,438,073
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....	271,933	870,420
12.6 Miscellaneous applications .....		
12.7 Total investments acquired (Lines 12.1 to 12.6) .....	22,074,262	70,600,297
13. Net Cash from investments (Line 11.8 minus Line 12.7) .....	7,618,556	104,557
<b>Cash from Financing and Miscellaneous Sources</b>		
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 .....	0	
14.4 Borrowed funds received .....		
14.5 Other cash provided .....		5,626
14.6 Total (Lines 14.1 to 14.5) .....	0	5,626
15. Cash applied:		
15.1 Dividends to stockholders paid .....		
15.2 Net transfers to affiliates .....	300,394	108,380
15.3 Borrowed funds repaid .....		
15.4 Other applications .....		
15.5 Total (Lines 15.1 to 15.4) .....	300,394	108,380
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	(300,394)	(102,754)
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16) .....	7,295,455	3,347,764
18. Cash and short-term investments:		
18.1 Beginning of year .....	8,228,672	4,880,908
18.2 End of year (Line 17 plus Line 18.1) .....	15,524,127	8,228,672
<b>DETAILS OF WRITE-INS</b>		
07.401 FINANCE AND SERVICE CHARGES .....	560,702	1,081,589
07.402 EMPLOYEE DISTRIBUTION .....	(404,063)	(1,547,047)
07.403 OTHER MISCELLANEOUS INCOME .....	3,606	(6,208)
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) .....	160,245	(471,666)

## NOTES TO FINANCIAL STATEMENTS

## 01. Basis of Presentation.

The accompanying financial statement of the company has been prepared to conformity with accounting practices prescribed by the National Association of Insurance Commissioners' Codification Accounting Practices and Procedures and the state of Ohio.

## 02. Accounting Changes and Corrections of Errors.

Codification of statutory accounting principles resulted in adjustments to unassigned surplus at December 31, 2001 and June 30, 2002 as follows:

	December 31, 2001	June 30, 2002
Deferred tax on unrealized gains	\$(6,374,879)	\$(4,384,244)
Deferred tax benefit unearned premium reserve	1,303,788	1,412,071
Deferred tax benefit loss reserve discount	749,120	749,120
Deferred tax salvage and subrogation anticipated	(677,100)	(677,100)
Deferred tax benefit on deferred compensation	390,331	514,635
Deferred tax employee benefits	80,512	115,872
Postretirement health care benefits	(236,800)	(236,800)
Total	\$(4,765,028)	\$(2,506,446)

## 03. Business Combinations and Goodwill

The company has no goodwill from business combinations.

## 04. Discontinued Operations

The company has no discontinued operations.

## 05. Investments

The company has no mortgage loans, debt restructuring loans, reverse mortgages, loan-backed securities, or stock repurchase agreements.

## 06. Joint Ventures, Partnerships and Limited Liability Companies

The company has no joint ventures, partnerships, or limited liability companies.

## 07. Investment Income

The company has no uncollectible accrued investment income.

## 08. Derivative Instruments

The company has no derivatives.

## 09. Federal Income Tax Allocation.

The company files an individual federal income tax return.

Current year income tax expense: \$723,045.

No operating loss carryforwards exist. There would be available for recoupment, in the event of future loss, for income taxes incurred as follows:

Current year:	\$1,095,850
First preceding year:	\$1,517,104
Second preceding year:	\$1,394,012

	June 30, 2002	December 31, 2001	Deferred tax liabilities	June 30, 2002	December 31, 2001
Unearned premium reserve	\$1,412,071	\$1,303,788	Salvage and subrogation anticipated	\$677,101	\$677,101
Loss reserve discount	749,120	749,120	Total	\$677,101	\$677,101
Deferred compensation	514,605	390,331			
Employee benefits	115,872	80,152			
Total	\$2,791,668	\$2,523,751			

All deferred tax assets were admitted; all deferred liabilities were recognized.

## 10. Information Concerning Parent, Subsidiaries and Affiliates

The company participates in a pooling agreement with Lightning Rod Mutual Insurance Company ("Lightning") and Sonnenberg Mutual Insurance Company, ("Sonnenberg") whereby net premiums, losses, underwriting expenses and related balance sheet amounts are shared on a 40%/55%/5% basis, respectively. Lightning Rod assumes 100% of the business from Western and Sonnenberg and cedes 40% to Western and 5% to Sonnenberg.

## 11. Debt

The company has no loans outstanding or surplus notes.

## 12. Retirement Plans, Deferred Compensation, and Other Postretirement Plans.

Employee Retirement: The company has a 401(k) plan that is available to all employees on entry dates after the completion of one year of continuous service.

Deferred Compensation: The company has a non-qualified Voluntary Deferred Compensation plan for senior executive officers. The plan allows for deferral of annual base salaries, payouts under the annual incentive plan, and payouts under the "Performance Share Plan for Key Executives".

## 13. Capital and Surplus and Shareholders' and Policyholders' Dividend Restrictions.

The company is a mutual company, thus no stock or surplus dividends are applicable.

## 14. Contingencies

The company has no material contingent liabilities, has committed no reserves to cover any contingent liabilities, and has no pending legal proceedings beyond the ordinary course of business.

## 15. Leases.

The company has no leases that would have a material financial effect.

## 16. Information about Financial Instruments With Off-Balance-Sheet Risk and Financial Instruments With Concentrations of Credit Risk.

The company has no off-balance-sheet risk or credit risk exposure.

## 17. Sale, Transfer, and Servicing of Financial Assets and Extinguishment of Liabilities

The company has no receivable transfer, financial asset servicing, or wash sale transactions.

## 18. Gain or Loss to the Reporting Entity from Uninsured A&amp;H Plans and the Uninsured Portion of Partially Insured Plans

The company has a fully insured accident and health plan.

## 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The company has no managing general agents or third party administrators.

## 20. Other Items

The company has no extraordinary items or unusual items.

## 21. Events Subsequent.

There were no events occurring subsequent to the close of the books as of December 31, 2001 that would have a material effect on the financial condition of the company.

## 22. Reinsurance

There were no uncollectible reinsurance balances written off and no commutations of ceded reinsurance. The company has no retroactive reinsurance agreements.

## 23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

The company has no retrospectively rated contracts or contracts subject to redetermination.

## 24. Change in Incurred Losses and Loss Adjustment Expense

There were no changes to incurred losses or loss adjustment expenses ascribed to insured events of prior years nor retrospective premiums.

## 25. Intercompany Pooling Agreements.

Lightning Rod, NAIC number 26123, 55%, Western Reserve, NAIC number 26131, 40%, and Sonnenberg, NAIC number 10271, 5%, participate in a pooling agreement for all lines of business. Lightning Rod is the lead company.

## 26. Structured Settlements.

The company has no structured settlements.

## 27. High Deductibles

The company has no reserve for high deductible credits.

## 28. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses.

The company does not discount any loss or adjustment expense reserves.

## 29. Asbestos/Environmental Reserves.

The company does not have asbestos or environmental reserves.

## 30. Subscriber Savings Accounts.

Not applicable.

## 31. Financial Guaranty Insurance Exposures.

The company does not write financial guaranty insurance.

## 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 [ ] No [X]  
If yes, attach an organizational chart.
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]
- 5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [ ] NA [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. .... 12/31/2001
- 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. .... 12/31/1996
- 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). .... 04/28/1998
- 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 .....	\$ .....	\$ .....
13.23 Common Stock .....	\$ .....237,503	\$ .....237,503
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).....	\$ .....237,503	\$ .....237,503
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
Merrill Lynch.....	Columbus, Ohio.....

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 [X] NA [ ]

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	<b>NONE</b>			
2. Increase (decrease) by adjustment				
3. Cost of acquired				
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales				
6. Increase (decrease) by foreign exchange adjustment				
7. Amount received on sales				
8. Book/adjusted carrying value at end of current period				
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)				
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)				

**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	<b>NONE</b>			
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				

**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	1,162,334	1,424,267		498,082
2. Cost of acquisitions during period:				
2.1. Actual cost at time of acquisitions	271,933	0		870,420
2.2. Additional investment made after acquisitions		0		
3. Accrual of discount		0		
4. Increase (decrease) by adjustment		(115,207)		(105,187)
5. Total profit (loss) on sale		0		
6. Amounts paid on account or in full during the period	10,000	5,000		100,981
7. Amortization of premium		0		
8. Increase (decrease) by foreign exchange adjustment		0		
9. Book/adjusted carrying value of long-term invested assets at end of current period	1,424,267	1,304,060		1,162,334
10. Total valuation allowance		0		
11. Subtotal (Lines 9 plus 10)	1,424,267	1,304,060		1,162,334
12. Total nonadmitted amounts	27,900	22,900		37,900
13. Statement value of long-term invested assets at end of current period	1,396,367	1,281,160		1,124,434

STATEMENT AS OF JUNE 30, 2002 OF THE WESTERN RESERVE MUTUAL CASUALTY 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
<b>BONDS</b>								
1. Class 1 .....	63,582,732	10,544,696	7,629,753	(52,436)	63,582,732	66,445,239		59,428,104
2. Class 2 .....	607,360			180	607,360	607,540		607,184
3. Class 3 .....								
4. Class 4 .....								
5. Class 5 .....								
6. Class 6 .....								
7. Total Bonds	64,190,092	10,544,696	7,629,753	(52,256)	64,190,092	67,052,779		60,035,288
<b>PREFERRED STOCK</b>								
8. Class 1 .....	616,800			21,840	616,800	638,640		638,080
9. Class 2 .....	158,400			11,200	158,400	169,600		174,000
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock	775,200			33,040	775,200	808,240		812,080
15. Total Bonds and Preferred Stock	64,965,292	10,544,696	7,629,753	(19,216)	64,965,292	67,861,019		60,847,368

**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	15,606,944	XXX	15,606,944	63,703	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 .....	7,785,147	13,010,682		5,098,200
2. Cost of short-term investments acquired .....	14,428,557	7,525,976		30,062,639
3. Increase (decrease) by adjustment .....				
4. Increase (decrease) by foreign exchange adjustment .....				
5. Total profit (loss) on disposal of short-term investments .....				
6. Consideration received on disposal of short-term investments .....	9,203,022	4,929,715		27,375,692
7. Book/adjusted carrying value, current period .....	13,010,682	15,606,943		7,785,147
8. Total valuation allowance .....				
9. Subtotal (Lines 7 plus 8) .....	13,010,682	15,606,943		7,785,147
10. Total nonadmitted amounts .....				
11. Statement value (Lines 9 minus 10) .....	13,010,682	15,606,943		7,785,147
12. Income collected during period .....	41,499	63,703		268,706
13. Income earned during period .....	41,499	63,703		268,706

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**



STATEMENT AS OF JUNE 30, 2002 OF THE WESTERN RESERVE MUTUAL CASUALTY 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	No						
2. Alaska	AK	No						
3. Arizona	AZ	No						
4. Arkansas	AR	No						
5. California	CA	No						
6. Colorado	CO	No						
7. Connecticut	CT	No						
8. Delaware	DE	No						
9. District of Columbia	DC	No						
10. Florida	FL	No						
11. Georgia	GA	No						
12. Hawaii	HI	No						
13. Idaho	ID	No						
14. Illinois	IL	Yes						
15. Indiana	IN	Yes	7,131,172	5,616,290	4,017,824	4,266,912	2,968,124	4,131,633
16. Iowa	IA	No						
17. Kansas	KS	No						
18. Kentucky	KY	No						
19. Louisiana	LA	No						
20. Maine	ME	No						
21. Maryland	MD	No						
22. Massachusetts	MA	No						
23. Michigan	MI	No						
24. Minnesota	MN	No						
25. Mississippi	MS	No						
26. Missouri	MO	No						
27. Montana	MT	No						
28. Nebraska	NE	No						
29. Nevada	NV	No						
30. New Hampshire	NH	No						
31. New Jersey	NJ	No						
32. New Mexico	NM	No						
33. New York	NY	No						
34. North Carolina	NC	No						
35. North Dakota	ND	No						
36. Ohio	OH	Yes	29,475,473	24,911,047	19,084,629	17,739,797	9,888,071	29,069,548
37. Oklahoma	OK	No						
38. Oregon	OR	No						
39. Pennsylvania	PA	No						
40. Rhode Island	RI	No						
41. South Carolina	SC	No						
42. South Dakota	SD	No						
43. Tennessee	TN	Yes						
44. Texas	TX	No						
45. Utah	UT	No						
46. Vermont	VT	No						
47. Virginia	VA	No						
48. Washington	WA	No						
49. West Virginia	WV	No						
50. Wisconsin	WI	No						
51. Wyoming	WY	No						
52. American Samoa	AS	No						
53. Guam	GU	No						
54. Puerto Rico	PR	No						
55. U.S. Virgin Islands	VI	No						
56. Canada	CN	No						
57. Aggregate Other Aliens	OT	XXX						
58. Totals	(a) 4		36,606,645	30,527,337	23,102,453	22,006,709	12,856,195	33,201,181
<b>DETAILS OF WRITE-INS</b>								
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**

**NONE**

**PART 1 - LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	509,208	198,722	39.0	64.1
2. Allied Lines	215,688	274,116	127.1	69.5
3. Farmowners multiple peril	0	0		
4. Homeowners multiple peril	7,813,847	6,625,822	84.8	93.2
5. Commercial multiple peril	3,432,231	1,195,129	34.8	62.0
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	277,355	74,602	26.9	52.6
10. Financial guaranty				
11.1 Medical malpractice - occurrence				
11.2 Medical malpractice - claims-made				
12. Earthquake	4,322	0		
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation	561,410	118,092	21.0	232.7
17.1 Other liability - occurrence	652,057	360,955	55.4	154.8
17.2 Other liability - claims-made				
18.1 Products liability - occurrence	31,824	(10,001)	(31.4)	
18.2 Products liability - claims-made				
19.1,19.2 Private passenger auto liability	10,886,360	6,878,814	63.2	91.5
19.3,19.4 Commercial auto liability	1,519,238	357,199	23.5	18.5
21. Auto physical damage	8,299,340	6,096,785	73.5	68.9
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft	17,330	8,233	47.5	49.6
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	34,220,210	22,178,468	64.8	82.8
<b>DETAILS OF WRITE-INS</b>				
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	261,549	507,674	486,751
2. Allied Lines	115,516	222,550	201,335
3. Farmowners multiple peril			
4. Homeowners multiple peril	4,277,779	7,698,298	6,850,123
5. Commercial multiple peril	2,263,584	4,063,138	3,088,553
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	204,100	348,860	273,389
10. Financial guaranty			
11.1 Medical malpractice - occurrence			
11.2 Medical malpractice - claims-made			
12. Earthquake	1,969	5,085	3,733
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation	416,884	700,260	465,221
17.1 Other liability - occurrence	453,691	789,518	437,595
17.2 Other liability - claims-made			
18.1 Products liability - occurrence	35,121	48,437	26,368
18.2 Products liability - claims-made			
19.1,19.2 Private passenger auto liability	5,053,760	11,361,712	9,858,763
19.3,19.4 Commercial auto liability	1,102,670	1,973,954	1,381,007
21. Auto physical damage	4,038,960	8,866,006	7,436,200
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft	9,642	21,153	18,299
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	18,235,225	36,606,645	30,527,337
<b>DETAILS OF WRITE-INS</b>			
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 WESTERN RESERVE MUTUAL CASUALTY 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	3,692	1,860	5,552	845	9	854	2,606	18	1,083	3,707	(241)	(750)	(991)
2. 2000	3,750	1,999	5,749	918	18	936	2,357	70	1,212	3,639	(475)	(699)	(1,174)
3. Subtotals 2000 + Prior	7,442	3,859	11,301	1,763	27	1,790	4,963	88	2,295	7,346	(716)	(1,449)	(2,165)
4. 2001	9,974	5,092	15,066	4,114	639	4,753	5,311	329	5,426	11,066	(549)	1,302	753
5. Subtotals 2001 + Prior	17,416	8,951	26,367	5,877	666	6,543	10,274	417	7,721	18,412	(1,265)	(147)	(1,412)
6. 2002	XXX	XXX	XXX	XXX	11,100	11,100	XXX	5,589	2,733	8,322	XXX	XXX	XXX
7. Totals	17,416	8,951	26,367	5,877	11,766	17,643	10,274	6,006	10,454	26,734	(1,265)	(147)	(1,412)
8. Prior Year-End's Surplus As Regards Policyholders	66,246												
											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. (7.3)	2. (1.6)	3. (5.4)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. (2.1)

(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 WESTERN RESERVE MUTUAL CASUALTY 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)
STATES, TERRITORIES, POSSESSIONS - U.S.								
MINNESOTA								
604128-M7-0	Minnesota St Var Purp	04/04/2002	Merrill Lynch		505,300	500,000	10,972	1PE
STATE TOTAL					505,300	500,000	10,972	XXX
UTAH								
917542-JY-9	Utah St Ser B	04/08/2002	Merrill Lynch		499,635	500,000	6,250	1PE
STATE TOTAL					499,635	500,000	6,250	XXX
COUNTRY TOTAL					1,004,935	1,000,000	17,222	XXX
1799999 - Total - Bonds - States, Territories and Possessions					1,004,935	1,000,000	17,222	XXX
POLITICAL SUBDIVISIONS - U.S.								
INDIANA								
270023-BZ-6	Eagle Union Middle Sch Bldg Corp	04/08/2002	Merrill Lynch		501,040	500,000	6,467	1PE
STATE TOTAL					501,040	500,000	6,467	XXX
MASSACHUSETTS								
306297-WL-2	Fall River	04/29/2002	Merrill Lynch		506,715	500,000	10,486	1PE
STATE TOTAL					506,715	500,000	10,486	XXX
TEXAS								
463777-JV-5	Irving Tex Callas Cnty	04/04/2002	Merrill Lynch		509,290	500,000	2,014	1PE
473502-HV-7	Jefferson Cnty Tex FGIC	04/03/2002	Merrill Lynch		496,740	500,000	132	1PE
STATE TOTAL					1,006,030	1,000,000	2,146	XXX
COUNTRY TOTAL					2,013,785	2,000,000	19,099	XXX
2499999 - Total - Bonds - Political Subdivisions					2,013,785	2,000,000	19,099	XXX
6099997 - Total - Bonds - Part 3					3,018,720	3,000,000	36,321	XXX
6099999 - Total - Bonds					3,018,720	3,000,000	36,321	XXX
6599999 - Total - Preferred Stocks						XXX		XXX
BANKS, TRUST AND INSURANCE COMPANIES - U								
743315-10-3	Progressive Corp, Ohio	04/23/2002	Stock Split / Dividend	200.000	0		0	L
COUNTRY TOTAL					0	XXX	0	XXX
6799999 - Total - Common Stocks - Banks, Trusts, Insurance					0	XXX	0	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.								
097023-10-5	Boeing Company	05/31/2002	Merrill Lynch	4,600.000	200,100		0	L
125670-10-9	CMA Money Fund	06/28/2002	Merrill Lynch	374,807.000	374,807		0	L
252430-20-5	Diageo Plc	05/28/2002	Merrill Lynch	8,000.000	403,920		0	L
438516-10-6	Honeywell Int'l Inc	05/31/2002	Merrill Lynch	5,200.000	201,188		0	L
580135-10-1	McDonalds Corp	05/10/2002	Merrill Lynch	13,500.000	401,450		0	L
590901-10-4	Merrill Lynch Inst'l Fd Inc	06/28/2002	Merrill Lynch	1,413.500	1,414		0	L
666807-10-2	Northrop Grumman Corp	05/31/2002	Merrill Lynch	1,600.000	195,280		0	L
717081-10-3	Pfizer, Inc	04/18/2002	Merrill Lynch	4,000.000	153,779		0	L
71713U-10-2	Pharmacia Corp	04/18/2002	Merrill Lynch	4,200.000	187,572		0	L
COUNTRY TOTAL					2,119,509	XXX	0	XXX
6899999 - Total - Common Stocks - Industrial, Misc.					2,119,509	XXX	0	XXX
7099997 - Total - Common Stocks - Part 3					2,119,509	XXX	0	XXX
7099998 - Total - Common Stock - Part 5					3,032,242	XXX	0	XXX
7099999 - Total - Common Stocks					5,151,751	XXX	0	XXX
7199999 - Total - Preferred and Common Stocks					5,151,751	XXX	0	XXX
7299999 - Totals					8,170,471	XXX	36,321	XXX

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

E04

STATEMENT AS OF JUNE 30, 2002 OF THE WESTERN RESERVE MUTUAL CASUALTY 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.																
3134A3-MM-5	Federal Home Ln Mtg Corp	04/29/2002	CALLED@100.0000000		500,000	500,000	497,508	500,000	704	0	0	0	0	16,125		1PE
313646-ZD-4	Federal Natl Mtg Assn	05/09/2002	CALLED@100.0000000		500,000	500,000	500,000	500,000	0	0	0	0	0	11,483		1PE
36220M-2N-8	GNMA P#282581	06/15/2002	PRIN RCPT		38	38	38	38	0	0	0	0	0	18		1
912827-2Y-7	U S Treasury Note	06/30/2002	MATURITY		500,000	500,000	517,215	500,000	(2,789)	0	0	0	0	0		1PE
912827-F4-9	U S Treasury Note	05/15/2002	MATURITY		1,000,000	1,000,000	1,054,072	1,000,000	(2,843)	0	0	0	0	37,500		1PE
COUNTRY TOTAL					2,500,038	2,500,038	2,568,832	2,500,038	(4,928)	0	0	0	0	65,126	XXX	XXX
0399999 - Bonds - U.S. Governments					2,500,038	2,500,038	2,568,832	2,500,038	(4,928)	0	0	0	0	65,126	XXX	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.																
81240Q-HU-9	Sears Roebck ACCP BE	06/26/2002	MATURITY		200,000	200,000	200,000	200,000	0	0	0	0	0	7,981		1PE
COUNTRY TOTAL					200,000	200,000	200,000	200,000	0	0	0	0	0	7,981	XXX	XXX
4599999 - Bonds - Industrial and Miscellaneous					200,000	200,000	200,000	200,000	0	0	0	0	0	7,981	XXX	XXX
6099997 - Bonds - Part 4					2,700,038	2,700,038	2,768,832	2,700,038	(4,928)	0	0	0	0	73,106	XXX	XXX
6099999 - Total - Bonds					2,700,038	2,700,038	2,768,832	2,700,038	(4,928)	0	0	0	0	73,106	XXX	XXX
6599999 - Total - Preferred Stocks														XXX		XXX
PUBLIC UTILITIES - U.S.																
264399-10-6	Duke Energy Corp	06/10/2002	Merrill Lynch	20,310.000	593,034		377,025	377,025	(420,346)	0	0	216,009	216,009		11,170	L
28336L-10-9	El Paso Energy Corporation	05/30/2002	Merrill Lynch	8,238.000	219,124		217,641	217,641	(149,856)	0	0	1,483	1,483		5,136	L
COUNTRY TOTAL					812,158	XXX	594,666	594,666	(570,201)	0	0	217,492	217,492	XXX	16,307	XXX
6699999 - Common Stocks - Public Utilities					812,158	XXX	594,666	594,666	(570,201)	0	0	217,492	217,492	XXX	16,307	XXX
BANKS, TRUST AND INSURANCE COMPANIES - U																
635405-10-3	Natl City Corp	04/01/2002	Merrill Lynch	18,100.000	543,789		52,292	52,292	(476,952)	0	0	491,497	491,497		5,340	L
939322-10-3	Washington Mutual Inc	04/18/2002	Merrill Lynch	9,750.000	366,589		197,031	197,031	(121,794)	0	0	169,558	169,558		2,438	L
COUNTRY TOTAL					910,378	XXX	249,323	249,323	(598,746)	0	0	661,055	661,055	XXX	7,777	XXX
6799999 - Common Stocks - Banks, Trust and Insurance Companies					910,378	XXX	249,323	249,323	(598,746)	0	0	661,055	661,055	XXX	7,777	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.																
125670-10-9	CMA Money Fund	06/28/2002	Merrill Lynch	654,768.000	654,768		654,768	654,768	0	0	0	0	0		11	L
294741-10-3	Equity Office Pptys	04/23/2002	Merrill Lynch	6,800.000	194,211		172,252	172,252	(32,292)	0	0	21,959	21,959		1,690	L
368710-40-6	Genentech Inc	04/15/2002	Merrill Lynch	7,300.000	276,808		397,550	397,550	1,525	0	0	(120,742)	(120,742)		0	L
590901-10-4	Merrill Lynch Inst'l Fd Inc	05/01/2002	Merrill Lynch	245.000	245		245	245	0	0	0	0	0		3	L
617446-44-8	Morgan Stanley Dean Witt & Co	04/17/2002	Merrill Lynch	8,100.000	449,536		447,479	447,479	(5,635)	0	0	2,058	2,058		3,726	L
681919-10-6	Omnicom Group	06/13/2002	Merrill Lynch	12,480.000	839,858		347,795	347,795	(767,293)	0	0	492,064	492,064		4,992	L
925524-30-8	ViaCom Inc. Cl B	05/16/2002	Merrill Lynch	8,270.000	398,993		364,313	364,313	(808)	0	0	34,681	34,681		0	L
981570-10-6	World Com Inc "New" GA Com	05/02/2002	Merrill Lynch	7,900.000	18,177		111,232	111,232	0	0	0	(93,055)	(93,055)		0	L
COUNTRY TOTAL					2,832,597	XXX	2,495,634	2,495,634	(804,503)	0	0	336,963	336,963	XXX	10,422	XXX
6899999 - Common Stocks - Industrial and Miscellaneous					2,832,597	XXX	2,495,634	2,495,634	(804,503)	0	0	336,963	336,963	XXX	10,422	XXX
7099997 - Common Stocks - Part 4					4,555,134	XXX	3,339,623	3,339,623	(1,973,450)	0	0	1,215,510	1,215,510	XXX	34,506	XXX
7099998 - Common Stocks - Part 5					3,032,242	XXX	3,032,242	3,032,242	0	0	0	0	0	XXX	8	XXX
7099999 - Total - Common Stocks					7,587,376	XXX	6,371,865	6,371,865	(1,973,450)	0	0	1,215,510	1,215,510	XXX	34,513	XXX
7199999 - Total - Preferred and Common Stocks					7,587,376	XXX	6,371,865	6,371,865	(1,973,450)	0	0	1,215,510	1,215,510	XXX	34,513	XXX
7299999 Totals					10,287,413	XXX	9,140,698	9,071,903	(1,978,378)	0	0	1,215,510	1,215,510	73,106	34,513	XXX

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

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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.....	Wooster, Ohio.....	21,704	2,162	(148,429)	(1,462,683)	(89,599)	
First Merit.....	Akron, Ohio.....	13,903	2,503	(3,171,252)	(955,500)	(991,859)	
First Merit.....	Akron, Ohio.....			(555)	(10)	(10)	
First Merit.....	Akron, Ohio.....			219,269	332,996	221,528	
Merrill Lynch.....	Columbus, Ohio.....			3,559	145,714	505,838	
The Savings Bank & Trust Company.....	Orrville, Ohio.....	3.470	.875	100,000	100,000	100,000	
Wayne County National Bank.....	Wooster, Ohio.....		.64	2,293,867	10,132	11,816	
Wayne County National Bank.....	Wooster, Ohio.....		.76	58,983	59,070	59,070	
Wayne Savings & Loan.....	Wooster, Ohio.....	4.250	1,071	100,000	100,000	100,000	
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	38,327	5,441	(544,558)	(1,670,281)	(83,216) XXX
0399999	Total Cash on Deposit	XXX	38,327	5,441	(544,558)	(1,670,281)	(83,216) XXX
0499999	Cash in Company's Office	XXX	XXX	XXX	400	400	400 XXX
0599999	Total Cash	XXX	38,327	5,441	(544,158)	(1,669,881)	(82,816) XXX