



QUARTERLY STATEMENT

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

SERVICE GENERAL INSURANCE COMPANY

NAIC Group Code 0352 0352 NAIC Company Code 28657 Employer's ID Number 31-0715368
(Current Period) (Prior Period)

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

Country of Domicile United States of America

Incorporated 06/23/1965 Commenced Business 09/03/1965

Statutory Home Office 5025 Arlington Centre Blvd, Columbus, OH 43221
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 200 Somerset Corporate Blvd, Suite 100
(Street and Number)
Bridgewater, NJ 08807 800-627-7282
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

Mail Address 200 Somerset Corporate Blvd, Suite 100, Bridgewater, NJ 08807
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 200 Somerset Corporate Blvd, Suite 100
(Street and Number)
Bridgewater, NJ 08807 908-203-2127
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.household.com

Statement Contact Michael A. Martino 908-203-2127
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Policyowner Relations Contact 200 Somerset Corporate Blvd., Suite 100
(Street and Number)
Bridgewater, NJ 08807 908-203-2164
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

President PATRICK ANTHONY COZZA # Secretary JO ANN DAVIS
Treasurer TIMOTHY JOSEPH TITUS

VICE PRESIDENTS

GERARD LUNEMANN TIMOTHY JOSEPH TITUS WILLIAM HEYNACHER KESLER #
DENNIS JOSEPH MICKEY # PERRY MORELLI #

DIRECTORS OR TRUSTEES

JO ANN DAVIS CLAUDIA HENRY ORMROD # TIMOTHY JOSEPH TITUS
PATRICK ANTHONY COZZA GEORGE THOMAS HENRY #

State of NEW JERSEY }
County of SOMERSET } ss

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

PATRICK ANTHONY COZZA JO ANN DAVIS TIMOTHY JOSEPH TITUS
President Secretary Treasurer

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

STATEMENT AS OF JUNE 30, 2002 OF THE Service General Insurance Company

ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	18,744,648		18,744,648	19,969,436
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	76,089,000		76,089,000	76,089,000
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 (\$114,802 and short-term investments \$262,920)	377,722		377,722	818,029
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)	95,211,370		95,211,370	96,876,465
10. Agents' balances or uncollected premiums				
10.1 Premiums and agents' balances in course of collection	141,724		141,724	80,787
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)				
10.3 Accrued retrospective premiums				
11. Funds held by or deposited with reinsured companies				
12. Bills receivable, taken for premiums				
13. Amounts billed and receivable under high deductible policies				
14. Reinsurance recoverables on loss and loss adjustment expense payments	0		0	
15. Federal and foreign income tax recoverable and interest thereon (including \$681,414 net deferred tax asset).....	681,414	447,787	233,627	272,867
16. Guaranty funds receivable or on deposit.....	0		0	
17. Electronic data processing equipment and software.....				
18. Interest, dividends and real estate income due and accrued	168,231		168,231	171,746
19. Net adjustments in assets and liabilities due to foreign exchange rates	0		0	
20. Receivable from parent, subsidiaries and affiliates	0		0	
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				
26. Total assets excluding protected cell assets (Lines 9 through 25)	96,202,739	447,787	95,754,952	97,401,865
27. Protected cell assets				
28. TOTALS (Lines 26 and 27)	96,202,739	447,787	95,754,952	97,401,865
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.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)				

STATEMENT AS OF JUNE 30, 2002 OF THE Service General Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 220,000)	232,000	245,000
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	18,000	5,000
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)		
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	61,660	72,805
7. Federal and foreign income taxes [including \$ on realized capital gains (losses)] (including \$ net deferred tax liability)	81,999	195,866
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$)	9,675,678	11,310,594
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		135
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		1,400
19. Payable to parent, subsidiaries and affiliates	386,984	1,898,369
20. Payable for securities		
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$ and interest thereon \$		
23. Aggregate write-ins for liabilities		
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	10,456,321	13,729,169
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	10,456,321	13,729,169
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	2,250,000	2,250,000
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	112,104,141	112,104,141
33. Unassigned funds (surplus)	(29,055,510)	(30,681,446)
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)	85,298,631	83,672,695
36. TOTALS	95,754,952	97,401,864
DETAILS OF WRITE-INS		
2301.		0
2302.		0
2303.		0
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)		
2701.		0
2702.		0
2703.		0
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)		
3001.		0
3002.		0
3003.		0
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)		

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 435,219)	2,070,136	2,359,781	4,660,265
1.2 Assumed (written \$)			
1.3 Ceded (written \$)			
1.4 Net (written \$ 435,219)	2,070,136	2,359,781	4,660,265
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 36,000):			
2.1 Direct	105,919	(45,553)	8,812
2.2 Assumed			
2.3 Ceded			
2.4 Net	105,919	(45,553)	8,812
3. Loss expenses incurred	16,653	5,000	20,870
4. Other underwriting expenses incurred	169,729	568,957	975,446
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2.4 thru 5)	292,301	528,404	1,005,128
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	1,777,835	1,831,377	3,655,137
INVESTMENT INCOME			
9. Net investment income earned	607,904	568,136	1,162,681
10. Net realized capital gains or (losses)	0	9,455	9,455
11. Net investment gain (loss) (Lines 9 + 10)	607,904	577,591	1,172,136
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)			
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	2,385,739	2,408,968	4,827,273
17. Dividends to policyholders	0		
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	2,385,739	2,408,968	4,827,273
19. Federal and foreign income taxes incurred	720,563	791,692	1,585,281
20. Net income (Line 18 minus Line 19)(to Line 22)	1,665,176	1,617,276	3,241,992
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	83,672,694	95,570,835	95,570,835
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	1,665,176	1,617,276	3,241,992
23. Net unrealized capital gains or losses			(15,413,000)
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax	(114,444)	(17,640)	(35,749)
26. Change in nonadmitted assets	75,205		
27. Change in provision for reinsurance			
28. Change in surplus notes			
29. Surplus (contributed to) withdrawn from protected cells			
30. Cumulative effect of changes in accounting principles		308,616	308,616
31. Capital changes:			
31.1 Paid in	0		
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			
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus			
37. Change in surplus as regards policyholders (Lines 22 through 36)	1,625,937	1,908,252	(11,898,141)
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	85,298,631	97,479,087	83,672,694
DETAILS OF WRITE-INS			
0501.		0	0
0502.		0	0
0503.		0	0
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)			
1401. Ceding Fee Income		0	0
1402.		0	0
1403.		0	0
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)			
3601.		0	0
3602.		0	0
3603.		0	0
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 Service General Insurance Company

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	374,282	3,641,090
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	124,104	285,881
3. Underwriting expenses paid	180,873	1,073,983
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	69,305	2,281,226
6. Net investment income	638,700	1,154,999
7. Other income (expenses):		
7.1 Agents' balances charged off		
7.2 Net funds held under reinsurance treaties		
7.3 Net amount withheld or retained for account of others		
7.4 Aggregate write-ins for miscellaneous items		
7.5 Total other income (Lines 7.1 to 7.4)		
8. Dividends to policyholders on direct business, less \$ dividends on reinsurance assumed or ceded (net)		
9. Federal and foreign income taxes (paid) recovered	(834,429)	(1,847,983)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	(126,424)	1,588,242
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	4,400,000	3,518,911
11.2 Stocks		
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		
11.8 Total investment proceeds (Lines 11.1 to 11.7)	4,400,000	3,518,911
12. Cost of investments acquired (long-term only):		
12.1 Bonds	3,202,494	15,312,926
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Miscellaneous applications		
12.7 Total investments acquired (Lines 12.1 to 12.6)	3,202,494	15,312,926
13. Net Cash from investments (Line 11.8 minus Line 12.7)	1,197,506	(11,794,015)
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in		
14.2 Capital notes \$ less amounts repaid \$		
14.3 Net transfers from affiliates		1,717,108
14.4 Borrowed funds received		
14.5 Other cash provided		
14.6 Total (Lines 14.1 to 14.5)		1,717,108
15. Cash applied:		
15.1 Dividends to stockholders paid		
15.2 Net transfers to affiliates	1,511,385	
15.3 Borrowed funds repaid		
15.4 Other applications		
15.5 Total (Lines 15.1 to 15.4)	1,511,385	
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(1,511,385)	1,717,108
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	(440,303)	(8,488,665)
18. Cash and short-term investments:		
18.1 Beginning of year	818,025	9,306,690
18.2 End of year (Line 17 plus Line 18.1)	377,722	818,025
DETAILS OF WRITE-INS		
07.401 Ceding Fee Income		0
07.402		
07.403		
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)		

NOTES TO FINANCIAL STATEMENTS

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
Wash Sales - The Company has not engaged in any wash sale transactions.
18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans - The Company is not engaged in any business using uninsured A&H Plans or uninsured portions of partially insured plans.
20. Other Items
Assets in the amount of \$250,000 at June 30, 2002 and 2001 respectively, were on deposit with government authorities or trustees as required by law.
21. Events Subsequent
The Company is not aware of any events occurring subsequent to the close of the books for this statement, which may have a material effect on its financial condition.
23. Retrospectively Rated Contracts & Contracts Subject to Redetermination
The Company has no retrospectively rated contracts or contracts subject to redetermination.

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 [X] NA []
If yes, attach an explanation.

- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2000
- 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. 12/31/1994
- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 01/24/1996
- 7.4 By what department or departments?
.....

- 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: \$

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 [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	\$ 76,089,000	\$
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).....	\$ 76,089,000	\$
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
National City Bank, Columbus, Trust Group.....	155 East Broad Street, Columbus, OH 43251-0050.....

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

GENERAL INTERROGATORIES

(continued)

PART 2 PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] NA [X]

If yes, attach an explanation.

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

If yes, attach an explanation.

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

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

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

4.2 If yes, complete the following schedule:

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

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	NONE			
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	NONE			
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	NONE			
2. Cost of acquisitions during period:				
2.1. Actual cost at time of acquisitions				
2.2. Additional investment made after acquisitions				
3. Accrual of discount				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book/adjusted carrying value of long-term invested assets at end of current period				
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)				
12. Total nonadmitted amounts				
13. Statement value of long-term invested assets at end of current period				

STATEMENT AS OF JUNE 30, 2002 OF THE Service General Insurance Company

SCHEDULE D - PART 1B

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

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS								
1. Class 1	18,334,813	7,465,601	9,276,825	(14,127)	18,334,813	16,509,462		18,094,677
2. Class 2	2,497,866			239	2,497,866	2,498,105		2,497,649
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	20,832,679	7,465,601	9,276,825	(13,888)	20,832,679	19,007,567		20,592,326
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	20,832,679	7,465,601	9,276,825	(13,888)	20,832,679	19,007,567		20,592,326

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999 Totals	262,920	XXX	262,920		

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	622,890	376,772		8,973,357
2. Cost of short-term investments acquired	253,747	4,762,973		12,147,674
3. Increase (decrease) by adjustment				5,580
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	499,865	4,876,825		20,503,721
7. Book/adjusted carrying value, current period	376,772	262,920		622,890
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	376,772	262,920		622,890
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	376,772	262,920		622,890
12. Income collected during period	2,728	1,620		293,711
13. Income earned during period	2,728	1,620		265,427

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule F

NONE

STATEMENT AS OF JUNE 30, 2002 OF THE Service General Insurance Company

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	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	No					
15. Indiana	IN	No					
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	435,220	1,686,683	118,919		
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	No					
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) 1		435,220	1,686,683	118,919		
DETAILS OF WRITE-INS							
5701.	XXX						
5702.	XXX						
5703.	XXX						
5798. Summary of remaining write-ins for Line 57 from overflow page.	XXX						
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)	XXX						

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

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**

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	81,781	3,052	3.7	116.0
2. Allied Lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	1,977,961	102,867	5.2	(4.0)
10. Financial guaranty				
11.1 Medical malpractice - occurrence				
11.2 Medical malpractice - claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims-made				
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1,19.2 Private passenger auto liability				
19.3,19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit	10,394			
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	2,070,136	105,919	5.1	(1.9)
DETAILS OF WRITE-INS				
3301.				
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)				

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	(23,021)	(38,422)	64,109
2. Allied Lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	386,029	463,248	1,619,545
10. Financial guaranty			
11.1 Medical malpractice - occurrence			
11.2 Medical malpractice - claims-made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability - occurrence			
17.2 Other liability - claims-made			
18.1 Products liability - occurrence			
18.2 Products liability - claims-made			
19.1,19.2 Private passenger auto liability			
19.3,19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit	5,530	10,394	3,030
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	368,538	435,220	1,686,684
DETAILS OF WRITE-INS			
3301.			
3302.			
3303.			
3398. Summary of remaining write-ins for Line 33 from overflow page			
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)			

STATEMENT AS OF JUNE 30, 2002 OF THE Service General Insurance Company

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2002 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (b) (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior .....	.0												
2. 2000 .....	.0	.8	.8	2	.0	.2			1	.1	.2	(7)	(5)
3. Subtotals 2000 + Prior .....		.8	.8	2		.2			1	.1	.2	(7)	(5)
4. 2001	57	185	242	12	27	39	.0	16	13	29	(45)	(129)	(174)
5. Subtotals 2001 + Prior	57	193	250	14	27	41		16	14	30	(43)	(136)	(179)
6. 2002	XXX	XXX	XXX	XXX	.78	.78	XXX	12	208	220	XXX	XXX	XXX
7. Totals	57	193	250	14	105	119		28	222	250	(43)	(136)	(179)
8. Prior Year-End's Surplus As Regards Policyholders	83,673										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. (75.4)	2. (70.5)	3. (71.6)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. (0.2)

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(a) Should Equal Prior Year-End Annual Statement; Page 3, Col. 1, Lines 1 + 3

(b) Should Equal Q.S. Page 3, Col. 1, Lines 1 and 3.

(c) Should Also Equal Cols. 6 + 10 less Col. 3 for Lines 1 through 5 only.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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 Service General Insurance Company

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)	
BONDS																	
US Governments																	
United States																	
3133MF-CK-2	Federal Home Loan Bank 6.000% 06/14/06	06/14/2002	Call	100.0000	1,700,000	1,700,000	1,700,000	1,700,000					0	51,000		1PE	
912827-6E-7	US Treasury Notes 6.625% 05/31/02 Notes	05/31/2002	Maturity		2,700,000	2,700,000	2,695,781	2,700,000	363				0	89,438		1	
Total United States					4,400,000	4,400,000	4,395,781	4,400,000	363	0	0	0	0	140,438	XXX	XXX	
0399999 - Bonds - U.S. Governments					4,400,000	4,400,000	4,395,781	4,400,000	363	0	0	0	0	140,438	XXX	XXX	
6099997 - Bonds - Part 4					4,400,000	4,400,000	4,395,781	4,400,000	363	0	0	0	0	140,438	XXX	XXX	
6099999 - Total - Bonds					4,400,000	4,400,000	4,395,781	4,400,000	363	0	0	0	0	140,438	XXX	XXX	
6599999 - Total - Preferred Stocks							XXX								XXX		XXX
7099999 - Total - Common Stocks							XXX								XXX		XXX
7199999 - Total - Preferred and Common Stocks							XXX								XXX		XXX
7299999 Totals					4,400,000	XXX	4,395,781	4,400,000	363	0	0	0	0	140,438		0	XXX

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

E05

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

