



QUARTERLY STATEMENT

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

TRUSTGARD INSURANCE COMPANY

NAIC Group Code 0267 0267 NAIC Company Code 40118 Employer's ID Number 41-1405571
(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 07/01/1981 Commenced Business 11/10/1981

Statutory Home Office 650 South Front Street, Columbus, OH 43206-1014
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 650 South Front Street
(Street and Number)
Columbus, OH 43206-1014 614-445-2900
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

Mail Address 650 South Front Street, P.O. Box 1218, Columbus, OH 43216-1218
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 650 South Front Street
(Street and Number)
Columbus, OH 43206-1014 614-445-2497
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.grangeinsurance.com

Statement Contact Jeffrey Earl Dye 614-445-2497
(Name) (Area Code) (Telephone Number) (Extension)
dyej@grangeinsurance.com 614-445-2404
(E-mail Address) (FAX Number)

Policyowner Relations Contact 650 South Front Street
(Street and Number)
Columbus, OH 43206-1014 614-445-2900
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

PRESIDENT & CEO PHILIP HUGH URBAN SECRETARY & VP DAVID TRUFANT ROARK
CFO & VP RANDALL JOSEPH MONTELEONE

VICE PRESIDENTS

WALTER LOREN NEFF

DIRECTORS OR TRUSTEES

<u>EDWIN LOWELL BILLMAN</u>	<u>ANTHONY ALFONSO COLAO JR</u>	<u>RANDALL JOSEPH MONTELEONE</u>
<u>ROBERT JOHN O' BRIEN</u>	<u>MICHAEL VERNE PARROTT</u>	<u>MELVIN GEORGE PYE JR</u>
<u>JAMES LAWRENCE SETTERLIN</u>	<u>THOMAS SIMRALL STEWART</u>	<u>PHILIP WAYNE STICHTER</u>
<u>PHILIP HUGH URBAN</u>	<u>DAVID CHARLES WETMORE</u>	

State of Ohio }
County of Franklin } ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the 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.

PHILIP HUGH URBAN DAVID TRUFANT ROARK RANDALL JOSEPH MONTELEONE
PRESIDENT & CEO SECRETARY & VICE PRESIDENT CFO & VICE PRESIDENT

Subscribed and sworn to before me this
9th day of August, 2002

Colleen R. Miesse
Notary Public
October 19, 2004

STATEMENT AS OF JUNE 30, 2002 OF THE TRUSTGARD 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	30,002,085		30,002,085	29,064,899
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	2,000		2,000	2,000
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 (\$401,469 and short-term investments \$)	401,469		401,469	1,319,678
6. Other invested assets				
7. Receivable for securities	564,767		564,767	
8. Aggregate write-ins for invested assets				
9. Subtotals, cash and invested assets (Lines 1 to 8)	30,970,321		30,970,321	30,386,577
10. Agents' balances or uncollected premiums				
10.1 Premiums and agents' balances in course of collection	5,898,909	21,983	5,876,926	4,803,741
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	690,493	2,398	688,095	26,824
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				
15. Federal and foreign income tax recoverable and interest thereon (including \$1,063,140 net deferred tax asset).....	1,343,434	280,294	1,063,140	865,512
16. Guaranty funds receivable or on deposit.....				
17. Electronic data processing equipment and software.....				
18. Interest, dividends and real estate income due and accrued	549,940		549,940	541,738
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Receivable from parent, subsidiaries and affiliates	968,383		968,383	18,690
21. Amounts due from /to protected cells				
22. Equities and deposits in pools and associations	8,547		8,547	8,582
23. Amounts receivable relating to uninsured accident and health plans.....				
24. Other assets nonadmitted				
25. Aggregate write-ins for other than invested assets				4,407
26. Total assets excluding protected cell assets (Lines 9 through 25)	40,430,027	304,675	40,125,352	36,656,071
27. Protected cell assets				
28. TOTALS (Lines 26 and 27)	40,430,027	304,675	40,125,352	36,656,071
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. Miscellaneous Receivable.....			0	4,407
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)				4,407

STATEMENT AS OF JUNE 30, 2002 OF THE TRUSTGARD INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$3,880,046)	12,468,661	10,736,201
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	2,982,917	2,762,764
4. Commissions payable, contingent commissions and other similar charges	178,884	226,463
5. Other expenses (excluding taxes, licenses and fees)	481,560	506,371
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	352,538	420,210
7. Federal and foreign income taxes [including \$ on realized capital gains (losses)] (including \$ net deferred tax liability)	45,104	441,599
8. Borrowed money \$ and interest thereon \$	0	
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$5,272,129 and including warranty reserves of \$)	12,077,389	9,634,027
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		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
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)	28,587,053	24,727,635
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	28,587,053	24,727,635
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	2,500,000	2,500,000
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	4,657,724	4,657,724
33. Unassigned funds (surplus)	4,380,575	4,770,712
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)	11,538,299	11,928,436
36. TOTALS	40,125,352	36,656,071
DETAILS OF WRITE-INS		
2301.		
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)		
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 AS OF JUNE 30, 2002 OF THE TRUSTGARD INSURANCE COMPANY

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 \$ 10,714,495)	9,709,675	5,969,747	13,776,218
1.2 Assumed (written \$ 17,892,681)	15,449,316	12,498,275	26,151,826
1.3 Ceded (written \$ 10,714,495)	9,709,675	5,969,747	13,776,218
1.4 Net (written \$ 17,892,681)	15,449,316	12,498,275	26,151,826
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 9,567,921):			
2.1 Direct	6,434,544	4,559,375	10,275,904
2.2 Assumed	10,580,304	8,388,267	16,850,067
2.3 Ceded	6,434,544	4,559,375	10,275,903
2.4 Net	10,580,304	8,388,267	16,850,068
3. Loss expenses incurred	1,577,168	1,298,150	2,760,275
4. Other underwriting expenses incurred	4,836,821	3,843,309	7,992,519
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2.4 thru 5)	16,994,293	13,529,726	27,602,862
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(1,544,977)	(1,031,451)	(1,451,036)
INVESTMENT INCOME			
9. Net investment income earned	988,397	976,298	1,941,842
10. Net realized capital gains or (losses)	(400,859)	2,695	33,082
11. Net investment gain (loss) (Lines 9 + 10)	587,538	978,993	1,974,924
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 1,403 amount charged off \$ 107,859)	(106,456)	(79,218)	(188,924)
13. Finance and service charges not included in premiums	447,404	233,407	609,226
14. Aggregate write-ins for miscellaneous income	123,003	27,549	60,070
15. Total other income (Lines 12 through 14)	463,951	181,738	480,372
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	(493,488)	129,280	1,004,260
17. Dividends to policyholders	33,019		
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	(526,507)	129,280	1,004,260
19. Federal and foreign income taxes incurred	45,103	43,955	441,599
20. Net income (Line 18 minus Line 19)(to Line 22)	(571,610)	85,325	562,661
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	11,928,435	9,532,139	9,532,139
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	(571,610)	85,325	562,661
23. Net unrealized capital gains or losses			
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax	261,745	1,002,573	1,081,689
26. Change in nonadmitted assets	(80,271)	(113)	(224,060)
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			1,000
31. Capital changes:			
31.1 Paid in			500,000
31.2 Transferred from surplus (Stock Dividend)			
31.3 Transferred to surplus			
32. Surplus adjustments:			
32.1 Paid in			(500,000)
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		1,000	975,006
37. Change in surplus as regards policyholders (Lines 22 through 36)	(390,136)	1,088,785	2,396,296
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	11,538,299	10,620,924	11,928,435
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)			
1401. Miscellaneous Income	123,003	27,549	60,070
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	123,003	27,549	60,070
3601. Change in excess of statutory reserves over statement reserves		1,000	0
3602. Recognition of anticipated salvage and subrogation		0	975,006
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page			
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)		1,000	975,006

STATEMENT AS OF JUNE 30, 2002 OF THE TRUSTGARD INSURANCE COMPANY

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	16,142,071	26,613,177
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	10,204,856	19,741,221
3. Underwriting expenses paid	4,976,883	7,755,161
4. Other underwriting income (expenses)	4,407	
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	964,739	(883,205)
6. Net investment income	998,738	1,943,239
7. Other income (expenses):		
7.1 Agents' balances charged off	(106,456)	(188,924)
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	570,435	1,642,553
7.5 Total other income (Lines 7.1 to 7.4)	463,979	1,453,629
8. Dividends to policyholders on direct business, less \$ dividends on reinsurance assumed or ceded (net)	33,019	
9. Federal and foreign income taxes (paid) recovered	(441,598)	65,680
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	1,952,839	2,579,343
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	4,722,870	13,302,566
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	(564,767)	
11.8 Total investment proceeds (Lines 11.1 to 11.7)	4,158,103	13,302,566
12. Cost of investments acquired (long-term only):		
12.1 Bonds	6,079,458	12,805,411
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)	6,079,458	12,805,411
13. Net Cash from investments (Line 11.8 minus Line 12.7)	(1,921,355)	497,155
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		
14.4 Borrowed funds received		
14.5 Other cash provided		15,628
14.6 Total (Lines 14.1 to 14.5)		15,628
15. Cash applied:		
15.1 Dividends to stockholders paid		
15.2 Net transfers to affiliates	949,693	2,236,107
15.3 Borrowed funds repaid		
15.4 Other applications		
15.5 Total (Lines 15.1 to 15.4)	949,693	2,236,107
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(949,693)	(2,220,479)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	(918,209)	856,019
18. Cash and short-term investments:		
18.1 Beginning of year	1,319,678	463,659
18.2 End of year (Line 17 plus Line 18.1)	401,469	1,319,678
DETAILS OF WRITE-INS		
07.401 Miscellaneous Income	570,435	667,550
07.402 Recognition of anticipated salvage and subrogation		975,003
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)	570,435	1,642,553

NOTES TO FINANCIAL STATEMENTS

9. FEDERAL INCOME

A. The components of the net deferred tax asset / (liability) are as follows:

	<u>06/30/2002</u>	<u>12/31/2001</u>
1. Total of all deferred tax assets (admitted and nonadmitted)	\$1,343,434	\$1,081,689
2. Total of all deferred tax liabilities	\$0	\$0
3. Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	\$280,294	\$216,176
4. Total of all deferred tax assets	\$1,063,140	\$865,512
5. Increase (decrease) in deferred tax assets nonadmitted	\$64,118	\$216,176

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

1. None not recognized

C. The significant components of the income taxes incurred

	<u>06/30/2002</u>	<u>12/31/2001</u>
1. Current year tax expense of	\$45,104	\$441,600
2. Tax credits of	\$0	\$0
3. Current year equity tax of	\$0	\$0
4. Prior year over accrual of tax reserves	\$0	\$0
5. Current Year Income Taxes	\$237,804	\$441,600

Main components of the 2001 deferred tax amounts are as follows:

	<u>Statutory</u>	<u>Tax</u>	<u>Difference</u>	<u>Tax Effect</u>
DTAs				
6. Reserves	\$28,541,949	\$24,764,822	\$3,777,127	\$1,321,994
7. Bonds	\$30,002,084	\$30,061,025	\$58,941	\$20,629
8. Premiums and agent balances	\$6,565,021	\$6,567,337	\$2,315	\$810
9. Total DTAs	\$65,109,054	\$61,393,184	\$3,838,383	\$1,343,434
10. DTAs nonadmitted				\$280,294
DTLs				
11. Bonds	\$0	\$0	\$0	\$0
12. Depreciable assets	\$0	\$0	\$0	\$0
13. Premiums and agent balances	\$0	\$0	\$0	\$0
14. Total DTLs	\$0	\$0	\$0	\$0

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

	Amount	Tax Effect
1. Income before taxes	\$(526,507)	\$(184,277)
2. Book over tax reserves	655,375	229,381
3. Net DAC adjustment	0	0
4. Depreciation	0	0
5. Accrued market discount	0	0
6. Tax exempt interest	0	0
7. Dividends received deduction	0	0
8. Accrued dividends	0	0
9. Key-person life insurance premiums	0	0
10. Accrued deferred compensation	<u>0</u>	<u>0</u>
11. Taxable income	<u>\$128,868</u>	<u>\$45,104</u>

E.

1. The amount of federal income taxes incurred and available for recoupment in the event of future net losses is: current year \$45,104; first preceding year \$441,600; second preceding year \$0.

2. The amount of net losses carried forward and available to affect future net income subject to federal alternative minimum income tax is: current year \$-0-; first preceding year \$-0-; second preceding year \$-0-; third preceding year \$-0-; fourth preceding year \$-0-; fifth preceding year \$-0-; sixth preceding year \$-0-.

F.

1. The Company's Federal Income Tax return is consolidated with the Parent Company, Grange Mutual Casualty Company.

2. The method of allocation between the companies is subjected to a written agreement approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled annually after the tax return is filed.

NOTES TO FINANCIAL STATEMENTS

25. INTERCOMPANY POOLING AGREEMENTS

		Pool NAIC#	Share
		-----	-----
Lead Company:	Grange Mutual Casualty Company	14060	88.0%
Affiliate:	Trustgard Insurance Company	40118	4.0%
	Grange Indemnity Insurance Company	10322	2.0%
	Grange Insurance Company of Michigan	11136	2.0%
	Integrity Mutual Insurance Company	14303	2.0%

All lines of business are subject to the pooling agreement, with no exceptions. All members of the pool are parties to all reinsurance treaties entered into by the group with non-affiliated reinsurers. There are no discrepancies between the reinsurance schedules of the lead company's and the reinsurance schedules of the other participants.

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. 12/31/1998

7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1998

7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 10/30/2000

7.4 By what department or departments?
Ohio.....

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

8.2 If yes, give full information:
.....

STATEMENT AS OF JUNE 30, 2002 OF THE TRUSTGARD INSURANCE COMPANY

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	\$ 2,000	\$ 2,000
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).....	\$ 2,000	\$ 2,000
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	\$ 18,690	\$ 968,383

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 [X] No []

If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

15.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Bank One Trust Co., NA.....	1111 Polaris Parkway, Columbus, OH 43240.....

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

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

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	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 TRUSTGARD 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	26,390,470	2,603,185	1,590,055	(1,534,692)	26,390,470	25,868,908		26,044,749
2. Class 2	3,019,271			1,016,405	3,019,271	4,035,676		3,020,148
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6				97,500		97,500		
7. Total Bonds	29,409,741	2,603,185	1,590,055	(420,787)	29,409,741	30,002,084		29,064,897
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	29,409,741	2,603,185	1,590,055	(420,787)	29,409,741	30,002,084		29,064,897

Schedule DA - Part 2

NONE

Schedule DA - Part 1

NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

STATEMENT AS OF JUNE 30, 2002 OF THE TRUSTGARD 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	Yes						
7. Connecticut	CT	No						
8. Delaware	DE	No						
9. District of Columbia	DC	No						
10. Florida	FL	No						
11. Georgia	GA	Yes	97,590	94,196	64,055	1,944	35,212	19,267
12. Hawaii	HI	No						
13. Idaho	ID	No						
14. Illinois	IL	Yes	326,534	274,511	119,273	67,448	219,915	137,444
15. Indiana	IN	Yes	804,966	620,076	318,342	186,692	231,123	120,205
16. Iowa	IA	Yes						
17. Kansas	KS	Yes		(840)		43,283		2,984
18. Kentucky	KY	Yes	2,974,210	2,108,254	2,046,813	983,135	1,637,297	879,093
19. Louisiana	LA	No						
20. Maine	ME	No						
21. Maryland	MD	No						
22. Massachusetts	MA	No						
23. Michigan	MI	No						
24. Minnesota	MN	Yes						
25. Mississippi	MS	No						
26. Missouri	MO	Yes		(19,991)	47,893	451,148	33,500	145,479
27. Montana	MT	No						
28. Nebraska	NE	Yes						
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	Yes						
36. Ohio	OH	Yes	5,971,684	3,781,846	2,730,231	1,650,064	2,898,380	1,478,255
37. Oklahoma	OK	No						
38. Oregon	OR	Yes						
39. Pennsylvania	PA	No						
40. Rhode Island	RI	No						
41. South Carolina	SC	No						
42. South Dakota	SD	Yes						
43. Tennessee	TN	Yes	539,511	99,092	143,842	7,633	142,272	34,533
44. Texas	TX	Yes						
45. Utah	UT	No						
46. Vermont	VT	No						
47. Virginia	VA	No						
48. Washington	WA	Yes						
49. West Virginia	WV	No						
50. Wisconsin	WI	Yes						
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) 18		10,714,495	6,957,144	5,470,449	3,391,347	5,197,699	2,817,260
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.

STATEMENT AS OF JUNE 30, 2002 OF THE TRUSTGARD INSURANCE COMPANY

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

FEI NO.	STATE OF	NAIC DOMICILE	CODE		
<u>PARENT COMPANY:</u>					
31-4192970		OHIO	14060	*GRANGE MUTUAL CASUALTY COMPANY	
<u>SUBSIDIARY COMPANIES:</u>					
31-0739286		OHIO	71218	*GRANGE LIFE INSURANCE COMPANY	100% OWNED
41-1405571		OHIO	40118	*TRUSTGARD INSURANCE COMPANY	100% OWNED
31-1432675		OHIO	10322	*GRANGE INDEMNITY INSURANCE COMPANY	100% OWNED
31-1769414		MICHIGAN	11136	*GRANGE INSURANCE COMPANY OF MICHIGAN	100% OWNED
31-1651402		OHIO	N/A	THE GRANGE BANK	100% OWNED
<u>AFFILIATE:</u>					
39-0367560		WISCONSIN	14303	*INTEGRITY MUTUAL INSURANCE COMPANY	100% POOLED

STATEMENT AS OF JUNE 30, 2002 OF THE TRUSTGARD INSURANCE COMPANY

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				
2. Allied Lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril		13,696		153.1
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine		14		(4.9)
10. Financial guaranty				
11.1 Medical malpractice - occurrence				
11.2 Medical malpractice - claims-made				
12. Earthquake		64		(9.7)
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation	140,353	103,679	73.9	12.0
17.1 Other liability - occurrence		(4)		(16.3)
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	6,226,541	3,940,546	63.3	73.2
19.3,19.4 Commercial auto liability				
21. Auto physical damage	3,342,781	2,376,549	71.1	83.0
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
31. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business				
34. Totals	9,709,675	6,434,544	66.3	76.4
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			
2. Allied Lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			(10,026)
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			(474)
10. Financial guaranty			
11.1 Medical malpractice - occurrence			
11.2 Medical malpractice - claims-made			
12. Earthquake			(1,048)
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation	74,485	116,988	135,119
17.1 Other liability - occurrence			19
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	3,267,240	6,906,134	4,463,649
19.3,19.4 Commercial auto liability			
21. Auto physical damage	1,839,759	3,691,373	2,369,905
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
31. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business			
34. Totals	5,181,484	10,714,495	6,957,144
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 TRUSTGARD 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	2,624	343	2,967	865	2	867	2,021	28	260	2,308	262	(54)	209
2. 2000	2,104	570	2,674	544	5	548	2,015	39	388	2,441	455	(139)	316
3. Subtotals 2000 + Prior	4,728	913	5,641	1,409	6	1,415	4,036	66	647	4,750	717	(193)	524
4. 2001	5,261	2,597	7,858	2,036	358	2,394	3,715	238	1,165	5,118	490	(836)	(347)
5. Subtotals 2001 + Prior	9,989	3,510	13,499	3,445	364	3,809	7,751	304	1,812	9,867	1,207	(1,029)	178
6. 2002	XXX	XXX	XXX	XXX	6,396	6,396	XXX	4,160	1,425	5,584	XXX	XXX	XXX
7. Totals	9,989	3,510	13,499	3,445	6,760	10,205	7,751	4,464	3,237	15,452	1,207	(1,029)	178
8. Prior Year-End's Surplus As Regards Policyholders	11,928												
											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. 12.1	2. (29.3)	3. 1.3
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. 1.5

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

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

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

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

RESPONSES

- 1. Will the SVO Compliance Certification be filed with this statement?Yes.....
- 2. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?No.....
- 3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?No.....

Explanations:

Bar Codes:

Trusteed Surplus Statement (Document Identifier 490) here:



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



OVERFLOW PAGE FOR WRITE-INS

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

STATEMENT AS OF JUNE 30, 2002 OF THE TRUSTGARD INSURANCE COMPANY

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation ^(a)
BONDS								
Special Revenue & Assessment United States								
31359M-NF-6	FNMA 5NC2 1X-Call 4.750% 06/18/07	06/13/2002	Merrill Lynch		499,605	500,000		1PE
Total United States					499,605	500,000	0	XXX
3199999 - Total - Bonds - Special Revenue					499,605	500,000	0	XXX
Industrial & Miscellaneous United States								
19416Q-DB-3	Colgate-Palmolive Co 5.980% 04/25/12 NC	04/19/2002	DBAB		500,000	500,000		1PE
724477-AR-5	Pitney Bowes Credit 5.750% 08/15/08 Corp NC	04/05/2002	Raymond James & Associates		501,670	500,000	4,392	1
74740F-GF-7	Quaker Oats NC 7.380% 06/15/12	05/07/2002	DBAB		1,101,910	1,000,000	11,275	1PE
Total United States					2,103,580	2,000,000	15,667	XXX
4599999 - Total - Bonds - Industrial, Misc.					2,103,580	2,000,000	15,667	XXX
6099997 - Total - Bonds - Part 3					2,603,185	2,500,000	15,667	XXX
6099999 - Total - Bonds					2,603,185	2,500,000	15,667	XXX
6599999 - Total - Preferred Stocks						XXX		XXX
7099999 - Total - Common Stocks						XXX		XXX
7199999 - Total - Preferred and Common Stocks						XXX		XXX
7299999 - Totals					2,603,185	XXX	15,667	XXX

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

E04

STATEMENT AS OF JUNE 30, 2002 OF THE TRUSTGARD 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																
912827-2S-0	United States Treasury 6.625% 04/30/02 Note - 0H	04/30/2002	Maturity		1,000,000	1,000,000	994,352	1,000,000	105				0	33,125		1PE
Total United States					1,000,000	1,000,000	994,352	1,000,000	105	0	0	0	0	33,125	XXX	XXX
0399996 - Bonds - U.S. Government					1,000,000	1,000,000	994,352	1,000,000	105	0	0	0	0	33,125	XXX	XXX
0399999 - Bonds - U.S. Governments					1,000,000	1,000,000	994,352	1,000,000	105	0	0	0	0	33,125	XXX	XXX
Special Revenue & Assessment																
United States																
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	04/01/2002	Paydown		45,634	45,634	45,192	45,634	437				0	266		1PE
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	05/01/2002	Paydown		23,758	23,758	23,528	23,758	227				0	277		1PE
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	06/01/2002	Paydown		14,729	14,729	14,586	14,729	141				0	258		1PE
Total United States					84,121	84,121	83,306	84,121	805	0	0	0	0	801	XXX	XXX
3199996 - Bonds - Special Revenues - United States					84,121	84,121	83,306	84,121	805	0	0	0	0	801	XXX	XXX
3199999 - Bonds - Special Revenues					84,121	84,121	83,306	84,121	805	0	0	0	0	801	XXX	XXX
Industrial & Miscellaneous																
United States																
92857T-AF-4	Vodafone Airtouch PLC 7.625% 02/15/05 NC	06/26/2002	DBAB		530,330	500,000	509,290	505,935	(514)			24,395	24,395	14,403		1PE
Total United States					530,330	500,000	509,290	505,935	(514)	0	0	24,395	24,395	14,403	XXX	XXX
4599996 - Bonds - Industrial and Misc - United States					530,330	500,000	509,290	505,935	(514)	0	0	24,395	24,395	14,403	XXX	XXX
4599999 - Bonds - Industrial and Miscellaneous					530,330	500,000	509,290	505,935	(514)	0	0	24,395	24,395	14,403	XXX	XXX
6099997 - Bonds - Part 4					1,614,451	1,584,121	1,586,948	1,590,056	396	0	0	24,395	24,395	48,329	XXX	XXX
6099999 - Total - Bonds					1,614,451	1,584,121	1,586,948	1,590,056	396	0	0	24,395	24,395	48,329	XXX	XXX
6599999 - Total - Preferred Stocks														XXX		XXX
7099999 - Total - Common Stocks														XXX		XXX
7199999 - Total - Preferred and Common Stocks														XXX		XXX
7299999 Totals					1,614,451	XXX	1,586,948	1,590,056	396	0	0	24,395	24,395	48,329	0	XXX

E05

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

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

