



# QUARTERLY STATEMENT

As of June 30, 2002  
of the Condition and Affairs of the

## AMERICAN MERCHANTS CASUALTY COMPANY

NAIC Group Code..... 291, 291 (Current Period) (Prior Period)	NAIC Company Code..... 43630	Employer's ID Number..... 41-1563136
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	
Country of Domicile US		
Incorporated..... June 6, 1986	Commenced Business..... November 13, 1986	
Statutory Home Office	471 East Broad Street ..... Columbus ..... OH ..... 43215 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	471 East Broad Street ..... Columbus ..... OH ..... 43215 <i>(Street and Number) (City or Town, State and Zip Code)</i>	614-225-8211 <i>(Area Code) (Telephone Number)</i>
Mail Address	471 East Broad Street ..... Columbus ..... OH ..... 43215 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	471 East Broad Street ..... Columbus ..... OH ..... 43215 <i>(Street and Number) (City or Town, State and Zip Code)</i>	614-225-8211 <i>(Area Code) (Telephone Number)</i>
Internet Website Address	MotoristsGroup.com	
Statement Contact	James E. Vermillion <i>(Name)</i> MIC-AHIG.Accounting@MotoristsGroup.com <i>(E-Mail Address)</i>	614-225-8331 <i>(Area Code) (Telephone Number) (Extension)</i> 614-225-8330 <i>(Fax Number)</i>
Policyowner Relations Contact	5996 Opus Parkway ..... Minnetonka ..... MN ..... 55343 <i>(Street and Number) (City or Town, State and Zip Code)</i>	1-800-922-6757 <i>(Area Code) (Telephone Number) (Extension)</i>

### OFFICERS

President ..... John Jacob Bishop                      Treasurer ..... Michael Lee Wiseman                      Secretary ..... Thomas Charles Ogg

### VICE PRESIDENTS

David William Lemon

### DIRECTORS OR TRUSTEES

John Jacob Bishop  
Thomas Charles Ogg

Alan Nicholas Dekker  
Robert Elvin Herman Rabold  
Michael Lee Wiseman

David William Lemon  
Burtis Gilbert Taylor

State of..... Ohio  
County of..... Franklin

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 J. Bishop  
President

Thomas C. Ogg  
Secretary

Michael L. Wiseman  
Treasurer

Subscribed and sworn to before me this

2<sup>nd</sup> day of August, 2002

**ASSETS**

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	17,628,034		17,628,034	17,932,308
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
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 \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....1,493,771) and short-term investments (\$.....0).....	1,493,771		1,493,771	1,241,200
6. Other invested assets.....	220,747		220,747	379,074
7. Receivable for securities.....	16,223		16,223	16,266
8. Aggregate write-ins for invested assets.....	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8).....	19,358,776	0	19,358,776	19,568,848
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection.....	3,066,483		3,066,483	1,244,146
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$.....47,640 earned but unbilled premiums).....	2,898,485		2,898,485	2,428,589
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 receivable under high deductible policies.....			0	
14. Reinsurance recoverables on loss and loss adjustment expense payments.....	355,215		355,215	223,360
15. Federal and foreign income tax recoverable and interest thereon (including \$.....791,515 net deferred tax asset).....	832,249	283,363	548,886	489,212
16. Guaranty funds receivable or on deposit.....			0	
17. Electronic data processing equipment and software.....			0	167
18. Interest, dividends and real estate income due and accrued.....	298,030		298,030	297,764
19. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....			0	
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.....	3,394	3,394	0	0
26. Total assets excluding protected cell assets (Lines 9 through 25).....	26,812,633	286,757	26,525,876	24,252,085
27. Protected cell assets.....			0	
28. TOTALS (Lines 26 and 27).....	26,812,633	286,757	26,525,876	24,252,085

**DETAILS OF WRITE-INS**

0801. ....			0	
0802. ....			0	
0803. ....			0	
0898. Summary of remaining write-ins for Line 8 from overflow page.....	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	0	0	0	0
2501. Security deposits.....	3,394	3,394	0	
2502. ....			0	
2503. ....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	3,394	3,394	0	0

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....1,874,596).....	6,157,069	5,617,330
2. Reinsurance payable on paid losses and loss adjustment expenses.....	2,202,793	911,299
3. Loss adjustment expenses.....	1,577,094	1,411,014
4. Commissions payable, contingent commissions and other similar charges.....	298,991	264,768
5. Other expenses (excluding taxes, licenses and fees).....	118,116	137,658
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	141,804	197,311
7. Federal and foreign income taxes (including \$.....0 on realized capital gains (losses) (including \$.....0 net deferred tax liability).....		105,124
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$....376,436 and including warranty reserves of \$....30).....	5,081,249	4,200,449
10. Advance premium.....	78,897	116,829
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	14,070	14,070
12. Ceded reinsurance premiums payable (net of ceding commissions).....	175,368	340,017
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	117,956	1,659
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.....	183,963	153,919
19. Payable to parent, subsidiaries and affiliates.....	10,323	40,161
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.....	354,768	185,010
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	16,512,462	13,696,618
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	16,512,462	13,696,618
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	2,300,000	2,300,000
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....		
32. Gross paid in and contributed surplus.....	6,649,403	6,649,403
33. Unassigned funds (surplus).....	1,064,011	1,606,065
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....		
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34).....	10,013,413	10,555,468
36. TOTALS.....	26,525,876	24,252,085

### DETAILS OF WRITE-INS

2301. Pooled general expense payable.....	331,293	164,918
2302. Premium deficiency reserve.....	18,540	18,540
2303. Miscellaneous liabilities.....	1,551	1,551
2398. Summary of remaining write-ins for Line 23 from overflow page.....	3,384	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	354,768	185,010
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

**Statement as of June 30, 2002 of thAMERICAN MERCHANTS CASUALTY COMPANY  
STATEMENT OF INCOME**

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$....174,140).....	731,909	740,330	1,632,978
1.2 Assumed..... (written \$....6,700,825).....	6,031,395	4,943,079	10,362,330
1.3 Ceded..... (written \$....174,140).....	731,909	740,330	1,632,978
1.4 Net..... (written \$....6,700,825).....	6,031,395	4,943,079	10,362,330
DEDUCTIONS:			
2. Losses incurred (current accident year \$....3,792,818):			
2.1 Direct.....	278,729	846,884	1,466,976
2.2 Assumed.....	3,894,718	2,991,796	5,938,830
2.3 Ceded.....	278,729	847,045	1,466,976
2.4 Net.....	3,894,718	2,991,635	5,938,830
3. Loss expenses incurred.....	829,465	633,562	1,243,982
4. Other underwriting expenses incurred.....	2,062,693	1,709,317	3,559,809
5. Aggregate write-ins for underwriting deductions.....	0	32,883	33,658
6. Total underwriting deductions (Lines 2 through 5).....	6,786,876	5,367,398	10,776,279
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(755,481)	(424,319)	(413,949)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	636,475	648,378	1,284,402
10. Net realized capital gains (losses).....	21,667	50,491	50,747
11. Net investment gain (loss) (Lines 9 + 10).....	658,142	698,869	1,335,149
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$....2,217 amount charged off \$....14,755).....	(12,537)	(120)	(1,137)
13. Finance and service charges not included in premiums.....	44,564	31,791	66,018
14. Aggregate write-ins for miscellaneous income.....	(3,060)	0	0
15. Total other income (Lines 12 through 14).....	28,966	31,670	64,881
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	(68,373)	306,221	986,081
17. Dividends to policyholders.....	8,221	4,460	16,629
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17).....	(76,594)	301,761	969,452
19. Federal and foreign income taxes incurred.....	63,266	124,945	400,461
20. Net income (Line 18 minus Line 19) (to Line 22).....	(139,860)	176,816	568,991
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 previous year.....	10,555,467	9,140,573	9,140,573
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20).....	(139,860)	176,816	568,991
23. Net unrealized capital gains or losses.....	(426,040)	93,402	1,693
24. Change in net unrealized foreign exchange capital gain (loss).....	(278,457)		
25. Change in net deferred income taxes.....	4,191	15,880	50,189
26. Change in nonadmitted assets.....		(368)	260
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.....	298,112	799,587	793,761
31. Capital changes:			
31.1 Paid in.....			
31.2 Transferred from surplus (Stock Dividend).....			
31.3 Transferred to surplus.....			
32. Surplus adjustments:			
32.1 Paid in.....			
32.2 Transferred to capital (Stock Dividend).....			
32.3 Transferred from capital.....			
33. Net remittances from or (to) Home Office.....			
34. Dividends to stockholders.....			
35. Change in treasury stock.....			
36. Aggregate write-ins for gains and losses in surplus.....	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36).....	(542,054)	1,085,316	1,414,894
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37).....	10,013,413	10,225,889	10,555,467

**DETAILS OF WRITE-INS**

0501. Premium recognition transition adjustment.....		32,883	28,858
0502. Premium deficiency reserve.....			4,800
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	32,883	33,658
1401. Loss on sale of office equipment.....	(3,060)		
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(3,060)	0	0
3601. ....			
3602. ....			
3603. ....			
3698. Summary of remaining write-ins for Line 36 from overflow page.....	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above).....	0	0	0

**Statement as of June 30, 2002 of thAMERICAN MERCHANTS 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.....	3,332,983	10,056,732
2. Loss and loss adjustment expenses paid (net of salvage and subrogation).....	2,828,681	6,856,380
3. Underwriting expenses paid.....	1,163,129	3,469,966
4. Other underwriting income (expenses).....		(25,828)
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	(658,827)	(295,441)
6. Net investment income.....	656,981	1,318,202
7. Other income (expenses):		
7.1 Agents' balances charged off.....		(1,137)
7.2 Net funds held under reinsurance treaties.....		
7.3 Net amount withheld or retained for account of others.....	4,701	(6,577)
7.4 Aggregate write-ins for miscellaneous items.....	(3,060)	66,018
7.5 Total other income (Lines 7.1 to 7.4).....	1,641	58,304
8. Dividends to policyholders on direct business, less \$.....0 dividends on reinsurance assumed or ceded (net).....	8,221	12,069
9. Federal and foreign income taxes (paid) recovered.....	(209,124)	(405,134)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9).....	(217,549)	663,862
<b>CASH FROM INVESTMENTS</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds.....	695,971	5,970,856
11.2 Stocks.....		
11.3 Mortgage loans.....		
11.4 Real estate.....		
11.5 Other invested assets.....	158,327	203,016
11.6 Net gains or (losses) on cash and short-term investments.....		
11.7 Miscellaneous proceeds.....		27,522
11.8 Total investment proceeds (Lines 11.1 to 11.7).....	854,298	6,201,394
12. Cost of investments acquired (long-term only):		
12.1 Bonds.....	816,891	6,240,135
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Miscellaneous applications.....	16,223	
12.7 Total investments acquired (Lines 12.1 to 12.6).....	833,114	6,240,135
13. Net cash from investments (Line 11.8 minus Line 12.7).....	21,184	(38,741)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in.....		
14.2 Capital notes \$.....0 less amounts repaid \$.....0.....		
14.3 Net transfers from affiliates.....		5,453
14.4 Borrowed funds received.....		
14.5 Other cash provided.....	478,776	578,120
14.6 Total (Lines 14.1 to 14.5).....	478,776	583,574
15. Cash applied:		
15.1 Dividends to stockholders paid.....		
15.2 Net transfers to affiliates.....	29,839	
15.3 Borrowed funds repaid.....		
15.4 Other applications.....		2,564
15.5 Total (Lines 15.1 to 15.4).....	29,839	2,564
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5).....	448,937	581,009
<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).....	252,572	1,206,131
18. Cash and short-term investments:		
18.1 Beginning of year.....	1,241,201	35,070
18.2 End of period (Line 17 plus Line 18.1).....	1,493,772	1,241,201
<b>DETAILS OF WRITE-INS</b>		
07.401 Finance and service charges not included in premiums.....		66,018
07.402 Loss on sale of office equipment.....	(3,060)	
07.403 .....		
07.498 Summary of remaining write-ins for Line 7.4 from overflow page.....	0	0
07.499 Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above).....	(3,060)	66,018

## 1. Summary of Significant Accounting Policies

### A. Accounting Practices

The accompanying financial statements have been completed in accordance with the accounting practices and procedures prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Ohio.

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

The preparation of financial statements in conformity with Statutory Accounting Principles as described in the Annual Statement Instructions and the Accounting Practices and Procedures manual requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Refer to the previous year annual statement for additional disclosure information.

### C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of the premiums written. Such reserves are computed using the daily method for direct business and are based on reports received from ceding companies for reinsurance assumed business.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific amortization method.
- (3) Common Stocks are valued at market.
- (4) Preferred stocks are stated at cost, unless qualified at market.
- (5) The company has no mortgage loans.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. Amortized cost includes pre-payment assumptions based on values obtained from market data vendors or broker dealers. The retrospective adjustment method is used to value these securities.
- (7) No investments are held in subsidiaries or affiliates.
- (8) The company's investments in joint ventures and partnerships, if any, are valued based on the underlying equity of the investee as presented in audited GAAP financial reports.
- (9) No derivative securities are held.
- (10) The company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property/Casualty Contracts-Premiums.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

## 2. Accounting Changes and Correction of Errors

The company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the state prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual – version effective January 1, 2001 subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner. There were no accounting changes or corrections of errors in 2002.

### 17 C. Wash Sales

In the course of the company's asset management, no securities were sold and reacquired within 30 days of the sale date to enhance the company's yield on its investment portfolio.

## 25. Intercompany Pooling Arrangements

Since January 1, 1993, Motorists Mutual Insurance Company (NAIC Company Code 14621) and its affiliates, American Hardware Mutual Insurance Company (NAIC Company Code 13331) and American Merchants Casualty Company (NAIC Company Code 43630), participated in a reinsurance pooling arrangement covering premiums, losses and underwriting expenses for all lines of business from January 1, 1993 forward. Related finance and service charge income, net gains/losses from agent and premium balance charge-offs, and policyholder dividends were also subject to the pooling agreement. The pool participation rates were 77% for Motorists Mutual, 20% for American Hardware and 3% for American Merchants.

On November 19, 2001, Wilson Mutual Insurance Company (NAIC Company Code 19950) affiliated with the Motorists Insurance Group. Effective January 1, 2002, the reinsurance pooling arrangement was amended to include Wilson Mutual. Unearned premiums, unpaid losses, unpaid expenses and other underwriting related balances as of December 31, 2001 were redistributed to facilitate the inclusion of Wilson Mutual. The pool participation rates for 2002 are 75% for Motorists Mutual, 19% for American Hardware, 3% for American Merchants and 3% for Wilson Mutual.

Each company recognizes facultative (quota share and excess) and treaty (excess and catastrophe) reinsurance cessions with non-affiliated reinsurers, prior to the administration of the pooling agreement. Reinsurance assumed business from voluntary and involuntary pools and associations is also recorded before pooling. As the lead insurer, Motorists Mutual assumes all net premiums, losses, adjustment expenses and underwriting expenses subject to pooling and cedes back to each company their respective share of the pool. Underwriting related balance

sheet items such as premiums, losses, and expenses receivable/recoverable and payable are pooled in the same manner. Write-offs of uncollectible premiums and reinsurance balances associated with accident years 1993 and subsequent are pooled in the year the write-offs are recognized.

**Statement as of June 30, 2002 of thAMERICAN MERCHANTS CASUALTY COMPANY**  
**GENERAL INTERROGATORIES**

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

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [ ] No [X]

1.2 If yes, explain:..... \_\_\_\_\_

2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

2.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

3.2 If yes, date of change: .....  
 If not previously filed, furnish herewith a certified copy of the instrument as amended.

4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]  
 If yes, attach an organizational chart.

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that ceased to exist as a result of the merger or consolidation.

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

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [ ] N/A [X]

If yes, attach an explanation.  
 \_\_\_\_\_  
 \_\_\_\_\_

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/1998.....

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). ....06/15/2000.....

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:  
 \_\_\_\_\_

**GENERAL INTERROGATORIES (continued)**

**INVESTMENT**

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

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

9.2 If yes, explain:.....

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

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

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

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

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

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds.....	\$.....0	\$.....0
13.22 Preferred Stock.....	\$.....0	\$.....0
13.23 Common Stock.....	\$.....0	\$.....0
13.24 Short-Term Investments.....	\$.....0	\$.....0
13.25 Mortgages, Loans or Real Estate.....	\$.....0	\$.....0
13.26 All Other.....	\$.....0	\$.....0
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26).....	\$.....0	\$.....0
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above .....	\$.....0	\$.....0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above.....	\$.....0	\$.....0

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
Bank One	1111 Polaris Pkwy. Columbus, OH 43271

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)
N/A		

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
None		

Statement as of June 30, 2002 of the AMERICAN MERCHANTS CASUALTY COMPANY  
**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] N/A [ ]  
 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:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
.....	.....	.....	.....	.....	.....	.....0	.....	.....	.....	.....0
Total.....	.....XXX.....	.....XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

Statement as of June 30, 2002 of thAMERICAN MERCHANTS CASUALTY COMPANY  
**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.....	0	0	0	
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.....	0	0	0	0
9. Total valuation allowance.....				
10. Subtotal (Lines 8 plus 9).....	0	0	0	0
11. Total nonadmitted amounts.....				
12. Statement value, current period (Page 2, real estate lines, current period).....	0	0	0	0

**NONE**

**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.....	0	0	0	
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.....	0	0	0	0
10. Total valuation allowance.....				
11. Subtotal (Lines 9 plus 10).....	0	0	0	0
12. Total nonadmitted amounts.....				
13. Statement value of mortgages owned at end of current period.....	0	0	0	0

**NONE**

**SCHEDULE BA - VERIFICATION**

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period.....	379,074	251,539	0	582,090
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.....	127,535	30,792		203,016
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.....	251,539	220,747	0	379,074
10. Total valuation allowance.....				
11. Subtotal (Lines 9 plus 10).....	251,539	220,747	0	379,074
12. Total nonadmitted amounts.....				
13. Statement value of long-term invested assets at end of current period.....	251,539	220,747	0	379,074

**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.....	16,523,485		161,996	(10,604)	16,523,485	16,350,886		16,228,728
2. Class 2.....	1,542,226			(1,006,078)	1,542,226	536,148		1,542,390
3. Class 3.....	199,743			386,258	199,743	586,000		161,190
4. Class 4.....								
5. Class 5.....								
6. Class 6.....				155,000		155,000		
7. Total Bonds.....	18,265,454	0	161,996	(475,424)	18,265,454	17,628,034	0	17,932,308
<b>PREFERRED STOCK</b>								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	18,265,454	0	161,996	(475,424)	18,265,454	17,628,034	0	17,932,308

**Sch. DA-Part 1  
NONE**

**Sch. DA-Part 2-Verification  
NONE**

**Sch. DB-Part F-Section 1  
NONE**

**Sch. DB-Part F-Section 2  
NONE**

**SCHEDULE F - CEDED REINSURANCE**

Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
------------------------------	------------------------------	------------------------	---------------	---

**U.S. Insurers**

10348.....	06-1430254.....	Arch Reinsurance Company.....	Greenwich, Connecticut.....	.....Yes.....
24767.....	13-6108721.....	Harco National Insurance Company.....	Schaumburg, Illinois.....	.....Yes.....
60739.....	74-0484030.....	American National Insurance Company.....	Texas.....	.....Yes.....
23043.....	04-1543470.....	Liberty Mutual Insurance Company.....	Boston, Massachusetts.....	.....Yes.....
35432.....	22-2187459.....	New Jersey Re-Insurance Company.....	West Trenton, New Jersey.....	.....No.....

**All Other Insurers**

.....	AA-1120002.....	Lloyd's Syndicate Number 0002.....	U.K.....	.....Yes.....
.....	AA-1121241.....	Lloyd's Syndicate Number 1241.....	U.K.....	.....Yes.....
.....	AA-1121245.....	Lloyd's Syndicate Number 1245.....	U.K.....	.....Yes.....
.....	AA-1122987.....	Lloyd's Syndicate Number 2987.....	U.K.....	.....Yes.....

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	YES						
2. Alaska.....AK	NO						
3. Arizona.....AZ	NO			(40)	(51)		
4. Arkansas.....AR	NO						
5. California.....CA	YES						
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					1,000	30
12. Hawaii.....HI	NO						
13. Idaho.....ID	YES	1,720	2,858		1,420	1,372	1,928
14. Illinois.....IL	YES						
15. Indiana.....IN	YES						
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	YES				208	5,385	13,003
25. Mississippi.....MS	NO						
26. Missouri.....MO	NO						
27. Montana.....MT	NO						
28. Nebraska.....NE	NO						
29. Nevada.....NV	YES						
30. New Hampshire.....NH	NO						
31. New Jersey.....NJ	NO						
32. New Mexico.....NM	YES			(75)	(100)	1	1
33. New York.....NY	NO						
34. North Carolina.....NC	YES						
35. North Dakota.....ND	YES						
36. Ohio.....OH	YES						
37. Oklahoma.....OK	NO						
38. Oregon.....OR	YES				(16)		
39. Pennsylvania.....PA	NO						
40. Rhode Island.....RI	NO						
41. South Carolina.....SC	YES						
42. South Dakota.....SD	YES						
43. Tennessee.....TN	YES						
44. Texas.....TX	YES						
45. Utah.....UT	YES						
46. Vermont.....VT	NO						
47. Virginia.....VA	YES						
48. Washington.....WA	YES						
49. West Virginia.....WV	NO						
50. Wisconsin.....WI	YES	172,420	886,618	467,598	859,590	762,483	1,205,659
51. Wyoming.....WY	NO						
52. American Samoa.....AS	NO						
53. Guam.....GU	NO						
54. Puerto Rico.....PR	NO						
55. US Virgin Islands.....VI	NO						
56. Canada.....CN	NO						
57. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
58. Totals.....	(a) 22	174,140	889,476	467,483	861,050	770,241	1,220,621

**DETAILS OF WRITE-INS**

5701.....	XXX						
5702.....	XXX						
5703.....	XXX						
5798. Summary of remaining write-ins for Line 57 from overflow page...	XXX	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 above).....	XXX	0	0	0	0	0	0

(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

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**Statement as of June 30, 2002 of thAMERICAN MERCHANTS CASUALTY 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.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....	121,358	42,549	35.1	191.7
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....	8,793	14,751	167.8	95.0
10. Financial guaranty.....			0.0	
11.1. Medical malpractice-occurrence.....			0.0	
11.2. Medical malpractice-claims made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1. Other liability-occurrence.....	11,837	(52,000)	(439.3)	2,004.8
17.2. Other liability-claims made.....			0.0	
18.1. Products liability-occurrence.....		1,000	0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....	298,069	125,783	42.2	52.8
19.3, 19.4 Commercial auto liability.....			0.0	
21. Auto physical damage.....	291,852	146,646	50.2	72.3
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
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.....	0	0	0.0	0.0
34. Totals.....	731,909	278,729	38.1	114.4
<b>DETAILS OF WRITE-INS</b>				
3301.....			0.0	
3302.....			0.0	
3303.....			0.0	
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0.0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0.0	0.0

**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.....	16,682	40,477	136,264
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	2,078	4,072	11,298
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.....	1,214	2,917	13,339
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.....	7,356	61,243	371,221
19.3, 19.4 Commercial auto liability.....			
21. Auto physical damage.....	8,092	65,431	357,354
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.....	0	0	0
34. Totals.....	35,422	174,140	889,476
<b>DETAILS OF WRITE-INS</b>			
3301.....			
3302.....			
3303.....			
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0

**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 Reserves Developed (Savings)/Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior	1,750	536	2,286	527	48	575	1,389	50	433	1,873	167	(5)	162
2. 2000	1,025	474	1,499	233	18	251	884	46	350	1,281	92	(59)	33
3. Subtotals 2000 + Prior	2,775	1,010	3,785	761	66	827	2,273	97	783	3,153	259	(64)	195
4. 2001	1,985	1,258	3,244	672	249	921	1,202	237	890	2,329	(112)	117	6
5. Subtotals 2001 + Prior	4,760	2,268	7,028	1,433	315	1,748	3,475	334	1,673	5,482	148	53	201
6. 2002	XXX	XXX	XXX	XXX	2,271	2,271	XXX	1,461	791	2,252	XXX	XXX	XXX
7. Totals	4,760	2,268	7,028	1,433	2,586	4,018	3,475	1,795	2,464	7,734	148	53	201
8. Prior Year-End's Surplus As Regards Policyholders	10,555												
											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. ....3.1 %	2. ....2.4 %	3. ....2.9 %
													Col. 13, Line 7 Line 8
													4. ....1.9 %

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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

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	RESPONSE
1. Will the SVO Compliance Certification be filed with this statement?	<u>YES</u>
2. Will the Trusteed Surplus Statement be filed with the State of Domicile and the NAIC with this statement?	<u>NO</u>
3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?	<u>NO</u>

**EXPLANATIONS:**

**BAR CODE:**



**Overflow Page for Write-Ins**

**Additional Write-ins for Liabilities:**

	1 Current Statement Date	2 December 31, Prior Year
2304. Future rent.....	3,384	
2397. Summary of remaining write-ins for Line 23 from Liabilities.....	3,384	0

**Sch. A-Part 2**  
**NONE**

**Sch. A-Part 3**  
**NONE**

**Sch. B-Part 1**  
**NONE**

**Sch. B-Part 2**  
**NONE**

**Sch. BA-Part 1**  
**NONE**

**Sch. BA-Part 2**  
**NONE**

**Sch. D-Part 3**  
**NONE**

### 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)
<b>Bonds - U.S. Government</b>																
36209H-RH-0..	GNMA Pool #472188 6.740% 04/15/34....	06/01/2002	Paydown.....	.....	.....2,054	.....2,054	.....2,100	.....2,054	.....(44)	.....	.....	.....	.....0	.....23	.....	1.....
36213N-GC-4..	GNMA Pool #559195 7.600% 08/15/31....	06/01/2002	Paydown.....	.....	.....2,186	.....2,186	.....2,317	.....2,186	.....(130)	.....	.....	.....	.....0	.....28	.....	1.....
362195-Z2-8....	GNMA Pool #268161 10.250% 02/15/17....	06/01/2002	Paydown.....	.....	.....5,968	.....5,968	.....6,535	.....5,968	.....(420)	.....	.....	.....	.....0	.....102	.....	1.....
36223J-LG-6....	GNMA Pool #309127 8.500% 05/15/31....	06/01/2002	Paydown.....	.....	.....1,788	.....1,788	.....1,888	.....1,788	.....(89)	.....	.....	.....	.....0	.....25	.....	1.....
0399999.	Total - Bonds - U.S. Government.....				.....11,996	.....11,996	.....12,840	.....11,996	.....(683)	.....0	.....0	.....0	.....0	.....178	.....0	XXX..
<b>Bonds - Industrial and Miscellaneous</b>																
<b>United States</b>																
580135-CA-7...	McDonalds Corporation 6.000%.....	06/23/2002	Maturity.....	.....	.....150,000	.....150,000	.....148,335	.....150,000	.....279	.....	.....	.....	.....0	.....4,500	.....	IPE.....
4599999.	Total - Bonds - Industrial & Miscellaneous.....				.....150,000	.....150,000	.....148,335	.....150,000	.....279	.....0	.....0	.....0	.....0	.....4,500	.....0	XXX..
6099997.	Total - Bonds - Part 4.....				.....161,996	.....161,996	.....161,175	.....161,996	.....(404)	.....0	.....0	.....0	.....0	.....4,678	.....0	XXX..
6099999.	Total - Bonds.....				.....161,996	.....161,996	.....161,175	.....161,996	.....(404)	.....0	.....0	.....0	.....0	.....4,678	.....0	XXX..
7299999.	Total - Bonds, Preferred and Common Stocks.....				.....161,996	.....XXX.....	.....161,175	.....161,996	.....(404)	.....0	.....0	.....0	.....0	.....4,678	.....0	XXX..

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

**Sch. DB-Part A-Section 1  
NONE**

**Sch. DB-Part B-Section 1  
NONE**

**Sch. DB-Part C-Section 1  
NONE**

**Sch. DB-Part D-Section 1  
NONE**

Statement as of June 30, 2002 of thAMERICAN MERCHANTS CASUALTY COMPANY  
**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository	2 Rate of Interest	3 Amount of Interest Received During Current Quarter	4 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			8 *
				5 First Month	6 Second Month	7 Third Month	
<b>Open Depositories</b>							
Fidelity Instl. Cash Portfolio Class I..... Boston, MA.....	.....	.....	.....	.....1,080,992	.....1,082,663	.....1,084,250	.....
One Group Prime Money Market Fund..... Chicago, IL.....	.....	.....	.....	.....273,666	.....170,227	.....328,356	.....
National City Bank..... Columbus, OH.....	.....	.....	.....	.....13,653	.....28,355	.....81,165	.....
0199999. Total Open Depositories.....	.....XXX.....	.....0	.....0	.....1,368,311	.....1,281,245	.....1,493,771	XXX
0399999. Total Cash on Deposit.....	.....XXX.....	.....0	.....0	.....1,368,311	.....1,281,245	.....1,493,771	XXX
0599999. Total Cash.....	.....XXX.....	.....0	.....0	.....1,368,311	.....1,281,245	.....1,493,771	XXX



