

HW 1



QUARTERLY STATEMENT

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

HomeSure of America, Inc.

NAIC Group Code.....
(Current Period) (Prior Period)

NAIC Company Code.....

Employer's ID Number..... 59-1855827

Organized under the Laws of FL

State of Domicile or Port of Entry FL

OHIO DEPARTMENT OF INSURANCE

Country of Domicile US

Incorporated.... October 27, 1978

Commenced Business.... November 1, 1978

Statutory Home Office

1625 N.W. 136th Ave., Ste. 200.... Ft. Lauderdale FL 33323
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office

1625 N.W. 136th Ave., Ste. 200.... Ft. Lauderdale FL 33323
(Street and Number) (City or Town, State and Zip Code)

954-835-1900

Mail Address

P.O. Box 551540.... Ft. Lauderdale FL 33355-1540

(Area Code) (Telephone Number)

Primary Location of Books and Records

1625 N.W. 136th Ave., Ste. 200.... Ft. Lauderdale FL 33323

954-835-1900

Internet Website Address

(Street and Number) (City or Town, State and Zip Code)

(Area Code) (Telephone Number)

Statement Contact

N/A

954-845-2474

Wei Liu

(Area Code) (Telephone Number) (Extension)

(Name)

954-845-2361

wliu@cchs.com

(Fax Number)

(E-Mail Address)

Policyowner Relations Contact

1625 N.W. 136th Ave., Suite 200.... Ft.Lauderdale FL 33323

954-835-1900

(Street and Number) (City or Town, State and Zip Code)

(Area Code) (Telephone Number) (Extension)

OFFICERS

President Sandra C. Finn

Treasurer Robert W. Judges

Secretary Robert W. Judges

Howard L. Wolk

L. Ashley Coke

VICE PRESIDENTS

Howard L. Wolk

Sidney D. Wolk

Nathan T. Wolk

Jeffrey C. Wolk

DIRECTORS OR TRUSTEES

State of Florida
County of Broward

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.

(Signature)

Sandra C. Finn

(Printed Name)

President

(Signature)

Robert W. Judges

(Printed Name)

Secretary & Treasurer

RECEIVED

Subscribed and sworn to before me this

11 day of November, 2002

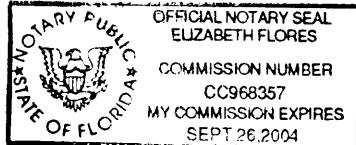


EXHIBIT 1 - ANALYSIS OF ASSETS

	Ledger Assets	Non Ledger Assets	Assets not Admitted	Net Admitted Assets	Previous Year end
1 Bonds *	\$ 1,398,169			\$ 1,398,169	\$ 1,592,639
2 Stocks *					
a. Preferred stocks					
b. Common Stocks	3,618,519	3,791,860		7,410,379	6,344,137
3 Real Estate, less encumbrances					
a. First liens					
b. Other than first liens					
4 Mortgage Loans on real estate					
5 Cash on hand and on deposit					
a. Cash in company's office					
b. Cash on deposit	2,684,882			2,684,882	2,310,885
6 Other invested assets					
7 Home protection contract fees receivable	1,831,142			1,831,142	1,475,468
8 Service fees receivable					
9 Receivable from affiliates	5,553		5,553		
10 Federal income tax recoverable	-				
11 Electronic data processing equipment					
12 Interest, dividends and real estate income due and accrued		25,029		25,029	27,195
13 Reinsurance recoverable on loss payments					
14 Equipment, furniture & supplies					
15 Deferred Acquisition cost					
16 Other assets:					
a. <u>Receivable for Securities</u>	2			2	
b. _____					
c. _____					
17 Prepaid Expenses					
a. _____					
b. _____					
c. _____					
18 TOTALS	\$ 9,538,267	\$ 3,816,889	\$ 5,553	\$ 13,349,602	\$ 11,750,325

EXHIBIT 2 - ANALYSIS OF NON-ADMITTED ASSETS

	2 End of Previous Year	3 End of Current Year	4 Change increase - decrease + Col 2-3
19 Company's stock owned			
20 Deposit in suspended depositories, less estimated amount recoverable			
21 Equipment, furniture & supplies			
22 Prepaid expenses:			
a. _____			
b. _____			
c. _____			
23 Other assets not admitted:			
a. <u>Receivable from affiliates</u>	-	5,553	(5,553)
b. _____			
c. _____			
24 Total Change			(5,553)

Line 24 to agree with Page 4, line 20.

LIABILITIES, SURPLUS AND OTHER FUNDS

	Current Year To Date	Previous Year
		Ended December 31
1 Unpaid contract claims in process of settlement	\$ 868,422	\$ 768,200
2 Statutory Reserve (pg. 14, Report 1, line 6, Col. (1) + Col. (2))	988,143	24,955
3 Unpaid claims adjustment expense	133,468	146,315
4 Other expenses (excluding taxes, licenses and fees)	57,201	62,707
5 Taxes, licenses and fees (excl. federal & foreign income taxes)	360,990	329,852
6 Federal and foreign income taxes (excluding deferred taxes)		
7 Borrowed money		
8 Interest payable		
9 Unearned contract fees	6,111,023	6,572,639
10 Dividends declared and unpaid		
11 Reinsurance in unauthorized companies		
a. Unearned contract fees		
b. Reinsurance recoverable on		
1 paid claims		
2 unpaid claims		
c. Reinsurance recoverable on paid & unpaid claims adjustment expense		
12 Ceded reinsurance balances payable		
13 All other liabilities:		
a. <u>Payable to Subs and Affiliates</u>		496,475
b. _____		
c. _____		
14 Total liabilities (Items 1 to 13c)	8,519,246	8,401,143
15 a. Common capital stock	500	500
b. Preferred capital stock	-	-
16 Gross paid-in and contributed surplus	7,030,121	7,030,121
17 Unassigned funds (Surplus)	(2,200,265)	(3,681,439)
18 Less Treasurer stock, at cost		
19 Surplus as regards contract holders (Items 15 to 17 less 18)	4,830,356	3,349,182
20 Totals (Items 14 plus 19)	\$ 13,349,602	\$ 11,750,325

Line 19 to agree with Page 4, line 27.

STATEMENT OF INCOME

UNDERWRITING INCOME	Current Year To Date	Previous Year Ended December 31
1 Contract fees earned	\$ 14,766,395	\$ 18,292,077
DEDUCTIONS		
2 Claims incurred	4,833,990	7,335,154
3 Claims adjustment expenses incurred	2,314,880	2,997,684
4 Other underwriting expenses incurred	6,049,370	7,583,092
5 _____		
6 Total deductions (Lines 2 to 5)	13,198,240	17,915,930
7 Net underwriting gain or (loss) (Item 1 less 6)	1,568,155	376,147
INVESTMENT INCOME		
8 Net investment income earned	65,518	33,916
9 Net realized capital gains or losses	-	27,438
10 Net investment gain or loss	65,518	61,354
OTHER INCOME		
11 Misc. Income (Expense)	-	(15,944)
12 _____		
13 Total other income (Line 11 + 12)	-	(15,944)
14 Net income before federal income taxes (Lines 7 + 10 + 13)	1,633,673	421,558
15 Federal income taxes incurred		
16 Net income (Item 14 less 15)	1,633,673	421,558
CAPITAL AND SURPLUS ACCOUNT		
17 Surplus as regards contractholders, Dec. 31 Previous year Gains (+) and Losses (-) in Surplus	3,349,182	2,134,234
18 Net income (from item 16)	1,633,673	421,558
19 Net unrealized capital gains and losses	816,242	(431,655)
20 Change in non-admitted assets (Exhibit 2)	(5,553)	-
21 Capital changes:		
a. Paid in		
b. Transferred from surplus		
c. Transferred to surplus		
22 Surplus adjustments		
a. Paid in		1,250,000
b. Transferred from surplus		
c. Transferred to surplus		
23 Dividends to stockholders (cash)		
24 Change in treasury stock		
25 Change in statutory reserve	(963,188)	(24,955)
26 Change in surplus as regards contractholders	1,481,174	1,214,948
27 Surplus as regards contract holders at statement date	\$ 4,830,356	\$ 3,349,182

Line 27 to agree with Page 3, line 19.

EXHIBIT 3 - RECONCILIATION OF LEDGER ASSETS

Increase in ledger assets	
1 Contract fees written	\$ 14,304,779
2 Interest, dividends and real estate income received	67,595
3 From sale or maturity of ledger assets	-
4 Other income items or increases:	
a. Funds held under reinsurance treaties (net)	
b. Borrowed money (gross)	
c. Amounts withheld or retained for account of others	
d. Ceded reinsurance balances	
e. <u>Miscellaneous increase</u>	22,211
f. _____	
g. _____	
5 Adjustment on book value of ledger assets	
6 Capital paid in	
7 Surplus paid in	
8 Total (Items 1 to 7)	14,394,585
Decrease in ledger assets	
9 Net contract claims paid	4,733,768
10 Expenses paid	8,368,034
11 From sale or maturity of ledger assets	
12 Other disbursement items or decreases:	
a. Funds held under reinsurance treaties (net)	
b. Borrowed money (gross)	
c. Amounts withheld or retained for account of others	
d. Ceded reinsurance balances	
e. <u>Intercompany balance</u>	502,028
f. <u>Miscellaneous decrease</u>	
g. _____	
13 Adjustment on book value of ledger assets and depreciation	
14 Federal and foreign income taxes paid	
15 Dividends paid stockholders	
16 _____	
17 _____	
18 _____	
19 Total (Item 9 to 18)	13,603,830
Reconciliation between years	
20 Amount of ledger assets as per balance Dec. 31 of previous year	8,747,512
21 Increase (+) or decrease (-) in ledger assets during the year (Item 8 less 19)	790,755
22 Balance = ledger assets as of statement date	\$ 9,538,267

Line 22 to agree with Page 2, line 18, col. 1.

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE HOMESURE OF AMERICA, INC.

SCHEDULE A - PART 2
Show all Real Estate Acquired by the Company During the Current Period

SCHEDULE A - PART 3
Show all Real Estate Sold During the Current Period

SCHEDULE A - VERIFICATION

Show all Real Estate Owned

	1 Current year as of 3/31	2 Current year as of 6/30	3 Current year as of 9/30	4 Previous Year Ending 12/31
1 Book value of real estate owned, previous period				
2 Increase, by adjustment				
3 Cost of acquired				
4 Cost of permanent improvements			NONE	
5 Profit on Sales				
6 TOTAL	-	-	-	
7 Decrease, by adjustment				
8 Received on sales				
9 Loss on sales				
10 Book value of real estate owned, end of period				
11 Properties occupied by the company less encumbrances				
12 Properties acquired in satisfaction of debt less encumbrances				
13 Investment in real estate less encumbrances				

SCHEDULE B
Long-Term Mortgage Loans Held

	1 Current year as of 3/31	2 Current year as of 6/30	3 Current year as of 9/30	4 Previous Year Ending 12/31
1 Book value of mortgages held, previous period				
2 Loans or cash guaranteed on disposal of real estate				
3 Cost of mortgages (insured and other) purchased				
4 Additional cash loaned on refunded mortgages			NONE	
5 Interest covered by increase in or refunding of mortgages				
6 Taxes covered by increase, or refunding of, mortgages				
7 Other items covered by increase in, or refunding of, mortgages				
8 Accrual of discount on mortgages purchased				
9 Transfers				
10 Aggregate write-ins for increases	-	-	-	-
11 TOTALS	-	-	-	-
12 Payments on principal including cash on mortgage refunded				
13 Mortgages foreclosed and transferred to real estate				
14 Mortgages on properties acquired by deed in lieu of foreclosure and transferred to real estate				
15 Decrease in book value of mortgages refunded or by adjustment in book value of mortgages				
16 Amortization of premium on mortgages purchased				
17 Transfers				
18 Aggregate write-ins for decreases	-	-	-	-
19 Total Deductions	-	-	-	-
20 Book value of mortgages owned, end of period				
DETAILS OF WRITE-INS AGGREGATED AT LINE 10 FOR INCREASES				
1001				
1002				
1003				
1004				
1005				
1098 Summary of remaining write-ins for line 10 from overflow page				
1099 Totals (Lines 1001 thru 1005 plus 1098) (Schedules B, Line 10)	-	-	-	-
DETAILS OF WRITE-INS AGGREGATED AT LINE 18 FOR DECREASES				
1801				
1802				
1803				
1804				
1805				
1898 Summary of remaining write-ins for line 18 from overflow page				
1899 Totals (Lines 1801 thru 1805 plus 1898) (Schedules B, Line 18)	-	-	-	-

SCHEDULE BA - VERIFICATION BETWEEN YEARS
Other Invested Assets Included in Schedule BA

	1 Current year as of 3/31	2 Current year as of 6/30	3 Current year as of 9/30	4 Previous Year Ending 12/31
1 Book value of other invested assets, beginning period				
2 Cost of acquisitions, current period				
3 Increase by adjustment, current period				
4 Profit on disposition			NONE	
5 TOTAL	-	-	-	-
6 Deduct consideration on disposition				
7 Reductions in investment, current period				
8 Decrease by adjustment, current period				
9 Loss on disposition				
10 Book value of other invested assets				

SCHEDULE BA - PART 2
Showing all Long-Term Invested Assets Acquired During the Current Period

1 Number of Units and Description	2 Date Acquired	3 Cost to Company	4 Consideration Paid During Current year	5 Name of Vendor
		NONE		
	XXX			
2499999				

SCHEDULE BA - PART 3
Showing all Long-Term Invested assets Disposed of During the Current Period

1 Number of Units and Description	2 Date Disposed of	3 Name of Purchaser or Nature of Disposition	4 Consideration	5 Book Value at Date of Sale	6 Profit on disposal	7 Loss on Disposal
		NONE				
2499999						

SCHEDULE D - PART 1

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

	1	2	3	4	5	6	7	8
	Statement Value Beginning of Period	Acquisitions	Dispositions	Non-Trading Activity	Statement Value End of First Quarter	Statement Value End of Second Quarter	Statement Value End of Third Quarter	Statement Value End of Previous Year
BONDS								
1 Class 1	\$ 1,592,639	\$ 278,461	\$ 25,000		\$ 1,594,335	\$ 1,144,175	\$ 1,398,169	\$ 1,592,639
2 Class 2								
3 Class 3								
4 Class 4								
5 Class 5								
6 Class 6								
7 Total Bonds	1,592,639	278,461	25,000		1,594,335	1,144,175	1,398,169	1,592,639
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	\$ 1,592,639	\$ 278,461	\$ 25,000	\$ 1,594,335	\$ 1,144,175	\$ 1,398,169	\$ 1,592,639	\$ 1,592,639

Showing All Bonds and Stock Acquired by Company During the Current Period

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

SCHEDULE D - PART 3
*Showing All BONDS and STOCK Sold, Redeemed or Otherwise Disposed of by Company
During the Current Period*

SCHEDULE D - PART 3
**K Sold, Redeemed or Otherwise
During the Current Period**

*For all common stock bearing the NAIC designation "U" provide the number of such issues

SCHEDULE N
Month End Depository Balances

SCHEDULE Y
PART 2 - SUMMARY OF THE INSURER'S TRANSACTIONS WITH ANY AFFILIATES

REPORT 1 - RESERVE CALCULATION

	Ohio Business	Non-Ohio Business	Total
1 Contract fees collected	\$ 7,286,600	\$ 7,018,180	\$ 14,304,779
3 Net contract fees	<u>7,286,600</u>	<u>7,018,180</u>	<u>14,304,779</u>
4 Sub-total reserve amt	2,914,640	2,807,272	5,721,912
5 Less claims paid current year	<u>2,458,998</u>	<u>2,274,771</u>	<u>4,733,768</u>
6 Current statutory reserve required	\$ 455,642	\$ 532,501	\$ 988,143
If Statement	988,143		

REPORT 2 - SURPLUS REQUIREMENT CALCULATION

Calculated company required surplus is based on contracts issued or renewed representing Ohio and Non-Ohio business in the preceeding calandar year. If company is commencing business for the first time, surplus is based on the projected number of contracts to be issued representing Ohio and Non-Ohio business.

Surplus	Number Contracts
50,000	Min 1,000
70,000	1,500
90,000	2,000
110,000	2,500
130,000	3,000
150,000	3,500
170,000	4,000
210,000	5,000
410,000	10,000
610,000	15,000

	Ohio Business	Non-Ohio Business	Total
1 Total contracts issued	20,899	19,829	40,728
2 Less 1,000 contracts	1,000	XXXXXXXXXX	
3 Additional contracts	19,899	19,829	39,728
4 Divided by 500	500	500	
5 Surplus factor	40	40	
6 Multiply by 20,000	20,000	20,000	
7 Additional surplus required	795,960	793,160	1,589,120
8 Plus 50,000	50,000	XXXXXXXXXX	
9 Total minimum required Ohio	845,960	XXXXXXXXXX	
10 Total Min Req non-OH	793,160	XXXXXXXXXX	
11 Total	1,639,120	XXXXXXXXXX	1,639,120
12 Enter Surplus	<u>4,830,356</u>	XXXXXXXXXX	<u>4,830,356</u>
13 Difference	\$ 3,191,236	XXXXXXXXXX	\$ 3,191,236

CONTRACT FEES WRITTEN
Allocated by States and Territories

1 STATES	2	3 Direct Fees Written Year to Date	4 Direct Claims Paid Year to Date	5 Number Contracts in Force (Unexpired)
1 Alabama	AL	995	\$ 350,175	\$ 126,044
2 Alaska	AK			1,507
3 Arizona	AZ			
4 Arkansas	AR			
5 California	CA			
6 Colorado	CO			
7 Connecticut	CT			
8 Delaware	DE			
9 Washington D.C.	DC			
10 Florida	FL	4,897	1,768,067	584,336
11 Georgia	GA			5,553
12 Hawaii	HI			
13 Idaho	ID			
14 Illinois	IL	6,094	2,120,372	590,276
15 Indiana	IN			11,918
16 Iowa	IA	434	154,682	46,846
17 Kansas	KS			736
18 Kentucky	KY			
19 Louisiana	LA			
20 Maine	ME			
21 Maryland	MD			
22 Massachusetts	MA			
23 Michigan	MI			
24 Minnesota	MN			
25 Mississippi	MS	209	82,992	37,634
26 Missouri	MO			329
27 Montana	MT			
28 Nebraska	NE			
29 Nevada	NV	657	202,899	63,630
30 New Hampshire	NH			809
31 New Jersey	NJ			
32 New Mexico	NM			
33 New York	NY	2,299	854,435	200,969
34 North Carolina	NC			2,800
35 North Dakota	ND			
36 Ohio	OH	20,899	7,286,600	2,458,998
37 Oklahoma	OK			34,346
38 Oregon	OR			
39 Pennsylvania	PA			
40 Rhode Island	RI			
41 South Carolina	SC	939	350,601	96,626
42 South Dakota	SD			1,214
43 Tennessee	TN			
44 Texas	TX	1,303	456,330	337,604
45 Utah	UT			1,938
46 Vermont	VT	20	6,701	504
47 Virginia	VA			24
48 Washington	WA			
49 West Virginia	WV			
50 Wisconsin	WI	1,694	581,344	163,346
51 Wyoming	WY	288	89,582	23,956
52				
53				
54				
55				
Totals		40,728	\$ 14,304,779	\$ 4,733,768
				64,127