

QUARTERLY STATEMENT
 For the Quarter Ended SEPTEMBER 30 2002
 of the condition and affairs of

RECEIVED

THE HOME WARRANTY COMPANY OF OHIO

NOV 27 2002

Employer's ID No: 31-1481016

0708

Organized under the Laws of the State of Ohio, made to the
 INSURANCE DEPARTMENT OF THE STATE OF OHIO, pursuant to the laws
 thereof.

Incorporated OCTOBER 11, 1996 Commenced Business FEBRUARY 3, 1997

Home Office 619 REYNOLDS AVE. COLUMBUS, OHIO 43201
 (Street and Number) (City or Town, State and Zip Code)

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

Main Administrative Office 614-294-8600
 (Area Code and Telephone Number)

Primary Location of Books SAME
 (Street) (City, State and Zip Code) (Telephone)

Contact Person and Phone Number MARK D. SWEPSTON 614-294-8618

OFFICERS **

MARK D. SWEPSTON

(President)

(Vice President)

(Vice President)

GEORGE HOSKINS

(Secretary)

(Vice President)

(Vice President)

LARRY J. WINNER

(Treasurer)

(Vice President)

(Vice President)

DIRECTORS OR TRUSTEES **

MARK D. SWEPSTONGEORGE HOSKINSLARRY J. WINNERRALPH ANTOLINO, JR.State of OHIOCounty of FRANKLIN SS.MARK D. SWEPSTON

(President)

GEORGE HOSKINS

(Secretary)

LARRY J. WINNER

(Treasurer)

of the HOME WARRANTY COMPANY OF OHIO, being duly sworn, each for himself deposes and says that they are the above described officers of the said company, and that on SEPTEMBER 30, 2002, all of the herein described assets were the absolute property of the said company, free and clear from any liens or claims thereon, except as herein stated, and that this quarterly statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all the assets and liabilities and of the condition and affairs of the said company as of SEPTEMBER 30, 2002, and of its income and deductions therefrom for the quarter ended on that date, according to the best of their information, knowledge and belief, respectively.

Subscribed and sworn to before me this _____ day of _____, 19____

(seal)

Mark D. Swepston President
Mark D. Swepston Secretary
Mark D. Swepston Treasurer

**Or corresponding person having
 charge of the accounts of company

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE HOME WARRANTY COMPANY ²
OF OHIO

EXHIBIT 1 - ANALYSIS OF ASSETS

	Ledger Assets	Nonledger (include excess of MV over BV)	Asset not Admitted (include excess BV over MV)	Net Admitted Assets	Previous Year End
1. Bonds					
2. Stocks					
a. Preferred stocks					
b. Common stocks					
3. Real estate, less encumbrances					
4. Mortgage loans on real estate					
5. Cash on hand and on deposit					
a. Cash in company's office					
b. Cash on deposit					
6. Other invested assets					
7. Home protection contract fees receivable					
8. Service fees receivable					
9. Receivable from affiliates					
10. Federal income tax recoverable					
11. Electronic data processing equip					
12. Interest, dividends & real estate income due and accrued					
13. Reinsurance recoverable on loss payments					
14. Equip., furniture & supplies				XXXXXXX	XXXXXXX
15. Deferred acquisition cost				XXXXXXX	XXXXXXX
16. Other assets:					
a. _____					
b. _____					
c. _____					
17. Prepaid expenses:				XXXXXXX	XXXXXXX
a. _____				XXXXXXX	XXXXXXX
b. _____				XXXXXXX	XXXXXXX
c. _____				XXXXXXX	XXXXXXX
18. Totals	50,402				51,877

Line 18, Col. 4 to agree with Page 2, Col 1, Line 16.

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	NONE		
20. Deposits in suspended depositories, less estimated amount recoverable			
21. Equip., furniture and supplies			
22. Prepaid expenses:			
a. _____			
b. _____			
c. _____			
23. Other assets not admitted :			
a. _____			
b. _____			
c. _____			
24. Total change	XXXXXXXXXX	XXXXXXXXXX	

Line 24 to agree with Page 4, line 20.

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE HOME WARRANTY COMPANY ³
OF OHIO

LIABILITIES, SURPLUS AND OTHER FUNDS

	Current Year To Date	Previous Year End
1. Unpaid contract claims in process of settlement		
2. Statutory reserve (pg. 13, Report 1, line 6, Col (1) + Col (2))		
3. Unpaid claims adjustment expense		
4. Other expenses (excluding taxes, licenses and fees)		
5. Taxes, licenses and fees (excluding federal and foreign income taxes)		
6. Federal and foreign income taxes (excluding deferred taxes)		
7. Borrowed money		
8. Interest payable		
9. Unearned contract fees		
10. Dividends declared and unpaid		
11. Reinsurance in unauthorized companies		
a. Unearned contract fees		
b. Reinsurance recoverable		
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. _____		
b. _____		
c. _____		
14. Total liabilities (Items 1 to 13c)		
15. a. Common capital stock	850	850
b. Preferred capital stock	154,150	154,150
16. Gross paid-in and contributed surplus	104,598	103,123
17. Unassigned funds (surplus)		
18. Less treasury stock, at cost		
19. Surplus as regards contractholders (Items 15 to 17 less 18)	50,402	51,877
20. Totals (Item 14 plus 19)	50,402	51,877

Line 19 to agree with Page 4, line 27.

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE HOME WARRANTY COMPANY ⁴
OF OHIO

STATEMENT OF INCOME

UNDERWRITING INCOME	Current Year To Date	Previous Year End
1. Contract fees earned		
DEDUCTIONS		
2. Claims incurred		
3. Claims adjustment expenses incurred		
4. Other underwriting expenses incurred	1,475	967
5. _____		
6. Total deductions (Lines 2 to 5)	1,475	967
7. Net underwriting gain or loss (-) (Item 1 less 6)	(1,475)	(967)
INVESTMENT INCOME		
8. Net investment income earned		
9. Net realized capital gains or losses		
10. Net investment gain or loss		
OTHER INCOME		
11. _____		
12. _____		
13. Total other income (Lines 11 + 12)		
14. Net income before federal income taxes (Lines 7 + 10 + 13)	(1,475)	(967)
15. Federal income taxes incurred		
16. Net income (Item 14 less 15)	(1,475)	(967)
CAPITAL AND SURPLUS ACCOUNT		
17. Surplus as regards contractholders, Dec. 31 Previous year	51,877	52,844
Gains (+) and Losses (-) in Surplus		
18. Net income (from item 16)	(1,475)	(967)
19. Net unrealized capital gains and losses		
20. Change in non-admitted assets (Exhibit 2)		
21. Capital changes:		
a. Paid in		
b. Transferred from surplus		
c. Transferred to surplus		
22. Surplus adjustments:		
a. Paid in		
b. Transferred to capital		
c. Transferred from capital		
23. Dividends to stockholders (cash)		
24. Change in treasury stock		
25. Change in Statutory reserve		
26. Change in surplus as regards contractholders	(1,475)	(967)
27. Surplus as regards contractholders at statement date	50,402	51,877

Line 27 to agree with Page 3, line 19.

STATEMENT AS OF **9/30/02** OF THE **HOME WARRANTY COMPANY OF OHIO**

5.

SCHEDULE A - PART 2

Show all Real Estate Acquired by the Company During the Current Period

No.	Location and Description of Property (State if occupied or leased by company, parent, subsidiary, or affiliated)		Date Acquired	Name of Vendor	1 Amount of Encumbrances	2 Cost to Company
	NONE					
99998	Foreclosed Real Estate Acquired During Current Period Under Contract for Sale		XXX			
99999						

SCHEDULE A - PART 3

Show all Real Estate Sold During the Current Period

No.	Location and Description of Property or Nature of Additions and Improvements	Date Sold	Name of Purchaser	1	2 Book Value At Date of Sale Less Encumbrances	3	4
				Cost to Company	Profit on Sale	Loss on Sale	
99999	NONE				0	0	0
				Total	0	0	0

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	<u>NONE</u>			
3. Cost of acquired				
4. Cost of permanent improvements				
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 6/31	3 Current Year as of 9/30	4 Previous Year Ending 12/31
1. Book value of mortgages held, previous period	<u>NONE</u>			0
2. Loans in cash or granted on disposal of real estate				0
3. Cost of mortgages (insured and other) purchased				0
4. Additional cash loaned on refunded mortgages				0
5. Interest covered by increase in, or refunding of mortgages				0
6. Taxes covered by increase in, or refunding of, mortgages				0
7. Other items covered by increase in, or refunding of, mortgages				0
8. Accrual of discount on mortgages purchased				0
9. Transfers				0
10. Aggregate write - ins for increases				0
11. TOTALS				0
12. Payments on principal including cash on mortgages refunded				0
13. Mortgages foreclosed and transferred to real estate				0
14. Mortgages on properties acquired by deed, in lieu of foreclosure, and transferred to real estate				0
15. Decrease in book value of mortgages refunded or by adjustment in book value of mortgages				0
16. Amortization of premium on mortgages purchased				0
17. Transfers				0
18. Aggregate write - ins for decreases				0
19. Total deductions				0
20. Book value of mortgages owned, end of period				0
DETAILS OF WRITE - INS AGGREGATED AT LINE 10 FOR INCREASES				
1001.				0
1002.				0
1003.				0
1004.				0
1005.				0
1098. Summary of remaining write-ins for line 10 from overflow page	0	0	0	0
1099. Totals (Lines 1001 thru 1005 plus 1098) (Schedules B, Line 10)	0	0	0	0
DETAILS OF WRITE-INS AGGREGATED AT LINE 18 FOR DECREASES				
1801.				0
1802.				0
1803.				0
1804.				0
1805.				0
1898. Summary of remaining write-ins for line 18 from overflow page	0	0	0	0
1899. Totals (lines 1801 thru 1805 plus 1898) (Schedule b, Line 18)	0	0	0	0

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Invested Assets Included in Schedule BA

Description	1 Current Year as of 3/31	2 Current Year as of 6/30	3 Current Year as of 9/30	4 Previous Year
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				
5. TOTAL	<u>NONE</u>			
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				

STATEMENT AS OF **9/30/02**

OF THE **Home WARRANTY CO. OF OHIO**

7.

SCHEDEULE 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				

1299999

XXX

SCHEDEULE 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						

1299999

XXX

0

0

0

TOTALS

SCHEDULE D - PART I

*Showing the Acquisitions, Dispositions and Non - Trading Activity
ing the Current Period for all Bonds and Preferred Stock by Rating Classes*

STATEMENT AS OF **9/30/02** OF THE Home WARRANTY Co. OF Ohio

SCHEDULE D - PART 2
Show All Bonds and Stock Acquired by the Company During the Current Period

CUSIP	Description (Give complete and accurate description in each case, including the location of the issuing corporation, where necessary for identification, and also in case of serial issues the amount maturing each year)	Name of Vendor	Date Acquired	1	2	3	4	5
				Number of Shares of Stock	Actual Cost (Excluding Accrued Interest and Dividends)	Par Value of Bonds	Paid Interest and Dividends	NAIC Designation
	NONE							
24999999	Total			0	0	0	0	0

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

STATEMENT AS OF **9/30/02** OF THE Home Warranty Co. of Ohio

SCHEDULE D - PART 3

*Showing all BONDS and STOCK Sold, Redeemed or Otherwise Disposed of
by the Company During the Current Period*

CUSIP	Description (Give complete and accurate description in each case, also in case of serial issues the amount maturing each year.)		Disposal Date	Name of purchaser (If matured or called, so state and give price at which called)	Number of Shares of Stock	Consideration (excluding accrued interest and dividends)	Par Value of bonds	Actual Cost (excluding accrued interest and dividends)	Book Value at Date of Disposal	Profit on Disposal	Loss on Disposal	Interest and Dividends Received	NAIC Designation*	
	1	2												
2499999	Total													
		0	0	0	0	0	0	0	0	0	0	0	0	XXX

SCHEDULE N

Month End Depository Balances

1 Depository	2	3	4	Book Balance at end of Each Month During Current Quarter					
				5	6	7			
Give Full Name and Location State if depository is a parent, subsidiary, or affiliate (Show rate of interest and maturity date in the case of certificates of deposit or time deposits.)				Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued During Current Quarter	First Month	Second Month	Third Month
US BANK, NA 175 SOUTH THIRD ST. COLUMBUS, OHIO 43215-5134	—	—	—	—	—	—	50,402	50,402	50,402
NON-INTEREST BEARING									
0199998 Deposits in depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX								
0199999 Total Open Depositories	XXX								
0299998 Deposits indepositories which do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	XXX								
0299999 Total Suspended Depositories	XXX								
0399999 Grand Totals		—	—		50,402	50,402	50,402		

REPORT 1 - RESERVE CALCULATION

	Ohio Business (1)	Non-Ohio Business (2)
1. Contract fees collected - on contracts issued and renewed during the year and all other contracts in force (unexpired) at the end of current period.	\$ —	1.
2. Less: Reinsurance ceded	- —	2.
3. Net contract fees	—	3.
	x — .40	.40
4. Sub-total reserve amount	—	4.
5. Less: Claims paid during current year and prior years on contract policies issued or renewed during the year and all other contracts still in force (unexpired) at the end of current period.	- —	5.
6. Current statutory reserve **	\$ —	6.

** Show line 6 (sum of Col. (1) + Col. (2)) on Page 3, line 2, current period,
If line six is negative enter 0 (zero) on page 3 line 2, current year.

REPORT 2 - SURPLUS REQUIREMENT CALCULATION

Calculated company required surplus is based on contracts issued or renewed representing Ohio and Non-Ohio business in the preceding calendar 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 of Contracts	
		Ohio Business (1)	Non-Ohio Business (2)
	\$ 50,000 minimum	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	
1. Total contracts issued or renewed (1996)	1. —		
2. Less 1,000 contracts	2. - — 1,000	Xxxxxxxxxxxxxxxxxxxxxxx x	
3. Additional contracts	3. —		
4. Divided by 500	4. / — 500	/ 500	
5. Surplus factor (round up; no decimal)	5. —		
6. Multiply by \$20,000	6. x — \$20,000	x \$20,000	
7. Additional surplus required	7. —		\$
8. Plus \$50,000 minimum	8. + — \$50,000		

9. Total minimum surplus
required - Ohio Business
(lines 7 + 8,)

9.

\$ 50,000

10. Total surplus required -
Non-Ohio business
(line 7, Col. 2)

10. \$ - 0 -

11. Total (lines 9 + 10)

11. \$ 50,000

12. Enter amount from page 3, line 19

12. \$ 50,402

13. Difference (line 12 - line 11)

13. \$ < 402 >

CONTRACT FEES WRITTEN
Allocated by States and Territories

1 STATES	2 Number of Contracts Written Year to Date	3 Direct Fees Written Year to Date	4 Direct Claims Paid Year to Date	5 Number of Contracts In Force (Unexpired)
1 Alabama	AL			
2 Alaska	AK			
3 Arizona	AZ			
4 Arkansas	AR			
5 California	CA			
6 Colorado	CO			
7 Connecticut	CT			
8 Delaware	DE			
9 Wash D.C.	DC			
10 Florida	FL			
11 Georgia	GA			
12 Hawaii	HI			
13 Idaho	ID			
14 Illinois	IL			
15 Indiana	IN			
16 Iowa	IA			
17 Kansas	KS			
18 Kentucky	KY			
19 Louisiana	LA			
20 Maine	ME			
21 Maryland	MD			
22 Massachusetts	MA			
23 Michigan	MI			
24 Minnesota	MN			
25 Mississippi	MS			
26 Missouri	MO			
27 Montana	MT			
28 Nebraska	NE			
29 Nevada	NV			
30 New Hampshire	NH			
31 New Jersey	NJ			
32 New Mexico	NM			
33 New York	NY			
34 North Carolina	NC			
35 North Dakota	ND			
36 Ohio	OH			
37 Oklahoma	OK			
38 Oregon	OR			
39 Pennsylvania	PA			
40 Rhode Island	RI			
41 South Carolina	SC			
42 South Dakota	SD			
43 Tennessee	TN			
44 Texas				
TX				
45 Utah	UT			
46 Vermont	VT			
47 Virginia	VA			
48 Washington	WA			
49 West Virginia	WV			
50 Wisconsin	WI			
51 Wyoming	WY			
52				
53				
54				
55	Totals	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
				<u>NONE</u>