

**QUARTERLY STATEMENT**AS OF SEPTEMBER 30, 2002  
OF THE CONDITION AND AFFAIRS OF THE**GREATLAND INSURANCE COMPANY**

NAIC Group Code	0108 (Current Period)	0108 (Prior Period)	NAIC Company Code	11013	Employer's ID Number	36-4328570
Organized under the Laws of		Ohio	State of Domicile or Port of Entry		Ohio	
Country of Domicile						
Incorporated		11/30/1999	Commenced Business		12/15/1999	
Statutory Home Office		1 Easton Oval (Street and Number)			Columbus, OH 43219 (City or Town, State and Zip Code)	
Main Administrative Office		Long Grove, IL 60049-0001 (City or Town, State and Zip Code)	1 Kemper Drive (Street and Number)		847-320-2000 (Area Code) (Telephone Number) (Extension)	
Mail Address		1 Kemper Drive (Street and Number or P.O. Box)			Long Grove, IL 60049-0001 (City or Town, State and Zip Code)	
Primary Location of Books and Records		Long Grove, IL 60049-0001 (City or Town, State and Zip Code)	1 Kemper Drive (Street and Number)		847-320-4509 (Area Code) (Telephone Number)	
Internet Website Address		www.kemperinsurance.com				
Statement Contact		Robert Albert Daniel (Name) rdaniel@kemperinsurance.com (E-mail Address)			847-320-4509 (Area Code) (Telephone Number) (Extension) 847-320-3818 (FAX Number)	
Policyowner Relations Contact		Long Grove, IL 60049-0001 (City or Town, State and Zip Code)	Customer Relations, 1 Kemper Drive, ML - 11SE (Street and Number)		800-833-0355 (Area Code) (Telephone Number) (Extension)	

**OFFICERS**

President & Chief Executive Officer	Larry Don Williams #	Corporate Secretary	Mark Jay Ohringer #
Vice President of Accounting Services	Robert Albert Daniel		

**VICE PRESIDENTS**

Robert Paul Hames	William August Hickey #
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**DIRECTORS OR TRUSTEES**

William August Hickey	Robert Anthony Lindemann #	David Barrett Mathis
William Douglas Smith	Larry Don Williams #	

State of ..... Illinois ..... } ss  
 County of ..... Lake ..... }

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.

William August Hickey  
Vice President

Robert Paul Hames  
Vice President

Robert Albert Daniel  
Vice President of Accounting Services

Subscribed and sworn to before me this  
11th day of November, 2002

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GREATLAND 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 .....	6,877,029		6,877,029	5,246,512
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
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 (\$ ..... and short-term investments \$ ..... 141,874 ) .....	141,874		141,874	1,296,229
6. Other invested assets .....				
7. Receivable for securities .....				
8. Aggregate write-ins for invested assets .....				
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	7,018,903		7,018,903	6,542,741
10. Agents' balances or uncollected premiums				
10.1 Premiums and agents' balances in course of collection .....				
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
10.3 Accrued retrospective premiums .....				
11. Funds held by or deposited with reinsured companies .....				
12. Bills receivable, taken for premiums .....				
13. Amounts billed and receivable under high deductible policies .....				
14. Reinsurance recoverables on loss and loss adjustment expense payments .....				
15. Federal and foreign income tax recoverable and interest thereon (including \$ ..... net deferred tax asset) .....				
16. Guaranty funds receivable or on deposit .....				
17. Electronic data processing equipment and software .....				
18. Interest, dividends and real estate income due and accrued .....	65,306		65,306	.86,732
19. Net adjustments in assets and liabilities due to foreign exchange rates .....				
20. Receivable from parent, subsidiaries and affiliates .....				
21. Amounts due from /to protected cells .....				
22. Equities and deposits in pools and associations .....				
23. Amounts receivable relating to uninsured accident and health plans .....				
24. Other assets nonadmitted .....				
25. Aggregate write-ins for other than invested assets .....				
26. Total assets excluding protected cell assets (Lines 9 through 25) .....	7,084,209		7,084,209	.6,629,473
27. Protected cell assets .....				
28. TOTALS (Lines 26 and 27) .....	7,084,209		7,084,209	6,629,473
DETAILS OF WRITE-INS				
0801. ....				
0802. ....				
0803. ....				
0898. Summary of remaining write-ins for Line 8 from overflow page .....				
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above) .....				
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) .....				

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GREATLAND INSURANCE COMPANY**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ ..... )		
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses		
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	2,093	2,663
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		256
7. Federal and foreign income taxes [including \$ ..... 60,405 on realized capital gains (losses)] (including \$ ..... 2,659 net deferred tax liability)	298,121	140,212
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... ).		
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	6,617	2,224
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)	306,831	145,355
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	306,831	145,355
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	1,000,000	1,000,000
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	5,000,000	5,000,000
33. Unassigned funds (surplus)	777,378	484,118
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)	6,777,378	6,484,118
36. TOTALS	7,084,209	6,629,473
<b>DETAILS OF WRITE-INS</b>		
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 SEPTEMBER 30, 2002 OF THE GREATLAND INSURANCE COMPANY**

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ ..... )			
1.2 Assumed (written \$ ..... )			
1.3 Ceded (written \$ ..... )			
1.4 Net (written \$ ..... )			
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ ..... ):			
2.1 Direct			
2.2 Assumed			
2.3 Ceded			
2.4 Net			
3. Loss expenses incurred			
4. Other underwriting expenses incurred	3,547	624	886
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2.4 thru 5)	3,547	624	886
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(3,547)	(624)	(886)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	282,130	297,226	393,894
10. Net realized capital gains or (losses)	172,586		
11. Net investment gain (loss) (Lines 9 + 10)	454,716	297,226	393,894
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ ..... )			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)			
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	451,169	296,602	393,008
17. Dividends to policyholders			
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	451,169	296,602	393,008
19. Federal and foreign income taxes incurred	157,909	103,811	136,042
20. Net income (Line 18 minus Line 19)(to Line 22)	293,260	192,791	256,966
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	6,484,118	6,229,811	6,229,811
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20)	293,260	192,791	256,966
23. Net unrealized capital gains or losses			
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax		(784)	(2,659)
26. Change in nonadmitted assets			
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			
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			
37. Change in surplus as regards policyholders (Lines 22 through 36)	293,260	192,007	254,307
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	6,777,378	6,421,818	6,484,118
<b>DETAILS OF WRITE-INS</b>			
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.			
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)			
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page			
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)			

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GREATLAND INSURANCE 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 .....		
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....		
3. Underwriting expenses paid .....	3,843	2,730
4. Other underwriting income (expenses) .....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	(3,843)	(2,730)
6. Net investment income .....	308,968	404,100
7. Other income (expenses):		
7.1 Agents' balances charged off .....		
7.2 Net funds held under reinsurance treaties .....		
7.3 Net amount withheld or retained for account of others .....		
7.4 Aggregate write-ins for miscellaneous items .....		
7.5 Total other income (Lines 7.1 to 7.4) .....		
8. Dividends to policyholders on direct business , less \$ dividends on reinsurance assumed or ceded (net) .....		
9. Federal and foreign income taxes (paid) recovered .....	0	(128,210)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	305,125	273,160
<b>Cash from Investments</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....	1,962,306	626,557
11.2 Stocks .....		
11.3 Mortgage loans .....		
11.4 Real estate .....		
11.5 Other invested assets .....		
11.6 Net gains or (losses) on cash and short-term investments .....		
11.7 Miscellaneous proceeds .....		
11.8 Total investment proceeds (Lines 11.1 to 11.7) .....	1,962,306	626,557
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....	3,426,180	
12.2 Stocks .....		
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....		
12.6 Miscellaneous applications .....		
12.7 Total investments acquired (Lines 12.1 to 12.6) .....	3,426,180	
13. Net Cash from investments (Line 11.8 minus Line 12.7) .....	(1,463,874)	626,557
<b>Cash from Financing and Miscellaneous Sources</b>		
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 .....	4,393	
14.4 Borrowed funds received .....		
14.5 Other cash provided .....		
14.6 Total (Lines 14.1 to 14.5) .....	4,393	
15. Cash applied:		
15.1 Dividends to stockholders paid .....		
15.2 Net transfers to affiliates .....	0	1,478
15.3 Borrowed funds repaid .....		
15.4 Other applications .....		
15.5 Total (Lines 15.1 to 15.4) .....	0	1,478
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	4,393	(1,478)
<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) .....	(1,154,356)	898,239
18. Cash and short-term investments:		
18.1 Beginning of year .....	1,296,230	397,991
18.2 End of year (Line 17 plus Line 18.1) .....	141,874	1,296,230
<b>DETAILS OF WRITE-INS</b>		
07.401 .....		
07.402 .....		
07.403 .....		
07.498 Summary of remaining write-ins for Line 7.4 from overflow page .....		
07.499 Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above) .....		

## NOTES TO FINANCIAL STATEMENTS

- 14. CONTINGENT LIABILITIES  
None.
- 17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES  
None.

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GREATLAND INSURANCE COMPANY****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 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 [ ]

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 [ ] NA [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. ..... 12/23/1999

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. ..... 12/23/1999

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). ..... 12/23/1999

7.4 By what department or departments?

Ohio Department of Insurance.....

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 SEPTEMBER 30, 2002 OF THE GREATLAND 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 [ ] No [X]

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 .....	\$ .....	\$ .....
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) .....	\$ .....	\$ .....
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ]

If no, attach a description with this statement.

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

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

1 Name of Custodian(s)	2 Custodian Address
BNY Midwest Trust Company .....	209 W. Jackson Blvd., Suite 700, Chicago, IL 60606 .....

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
104518 .....	Deutsche Investment Management Americas, Inc. .....	222 S. Riverside Plaza, Chicago, IL 60606-5808 .....

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GREATLAND INSURANCE 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 [ ] NA [X]  
If yes, attach an explanation.

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

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? ..... Yes [ ] No [X]  
3.2 If yes, give full and complete information thereto.  
.....

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

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount 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
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
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 .....				
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 .....				
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 .....				
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 SEPTEMBER 30, 2002 OF THE GREATLAND 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
<b>BONDS</b>								
1. Class 1	6,027,879	2,890,328	1,897,922	(1,382)	6,019,652	6,027,879	7,018,902	5,358,261
2. Class 2	0	0	0	0	0	0	0	0
3. Class 3	0	0	0	0	0	0	0	0
4. Class 4	0	0	0	0	0	0	0	0
5. Class 5	0	0	0	0	0	0	0	0
6. Class 6	0	0	0	0	0	0	0	0
7. Total Bonds	6,027,879	2,890,328	1,897,922	(1,382)	6,019,652	6,027,879	7,018,902	5,358,261
<b>PREFERRED STOCK</b>								
8. Class 1	0	0	0	0	0	0	0	0
9. Class 2	0	0	0	0	0	0	0	0
10. Class 3	0	0	0	0	0	0	0	0
11. Class 4	0	0	0	0	0	0	0	0
12. Class 5	0	0	0	0	0	0	0	0
13. Class 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	6,027,879	2,890,328	1,897,922	(1,382)	6,019,652	6,027,879	7,018,902	5,358,261

**SCHEDULE DA - PART 1****Short-Term Investments Owned End of Current Quarter**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
80999999 Totals	141,874	XXX	141,874	219	

**SCHEDULE DA - PART 2- Verification****Short-Term Investments Owned**

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period .....	111,749	144,544	322,895	397,991
2. Cost of short-term investments acquired .....	456,306	284,945	369,866	1,049,933
3. Increase (decrease) by adjustment .....				
4. Increase (decrease) by foreign exchange adjustment .....				
5. Total profit (loss) on disposal of short-term investments .....				
6. Consideration received on disposal of short-term investments .....	423,511	106,594	550,888	1,336,175
7. Book/adjusted carrying value, current period .....	144,544	322,895	141,874	111,749
8. Total valuation allowance .....				
9. Subtotal (Lines 7 plus 8) .....	144,544	322,895	141,874	111,749
10. Total nonadmitted amounts .....				
11. Statement value (Lines 9 minus 10) .....	144,544	322,895	141,874	111,749
12. Income collected during period .....	1,061	604	961	29,758
13. Income earned during period	1,061	604	961	29,758

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**

Schedule F

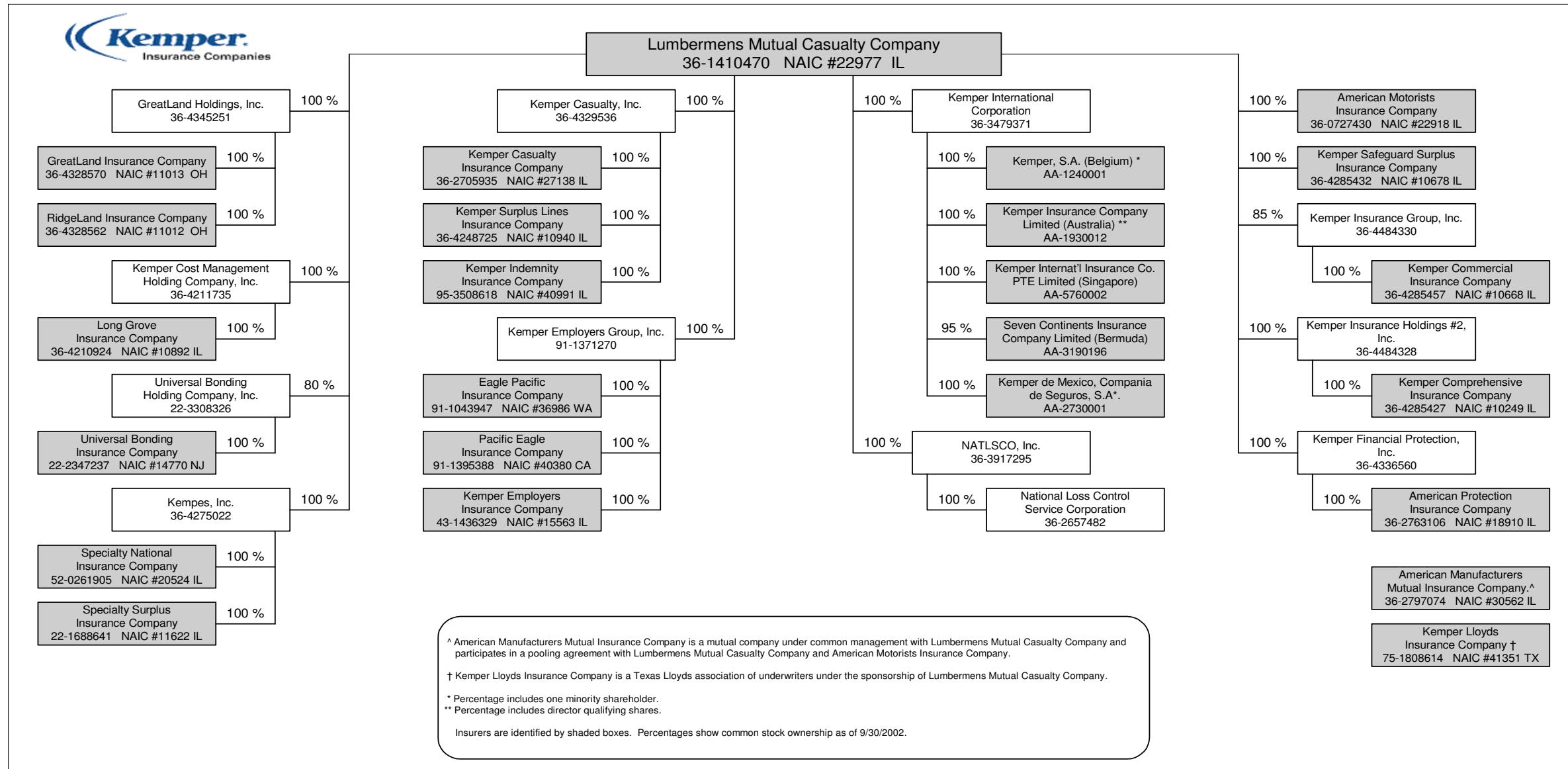
**NONE**

Schedule T

**NONE**

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GREATLAND INSURANCE COMPANY

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



STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GREATLAND 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				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical malpractice - occurrence				
11.2 Medical malpractice - claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims-made				
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1,19.2 Private passenger auto liability				
19.3,19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
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				
<b>DETAILS OF WRITE-INS</b>				
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)				

**NONE**

**PART 2 - DIRECT PREMIUMS WRITTEN**

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied Lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical malpractice - occurrence			
11.2 Medical malpractice - claims-made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability - occurrence			
17.2 Other liability - claims-made			
18.1 Products liability - occurrence			
18.2 Products liability - claims-made			
19.1,19.2 Private passenger auto liability			
19.3,19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
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			
<b>DETAILS OF WRITE-INS</b>			
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 SEPTEMBER 30, 2002 OF THE GREATLAND INSURANCE COMPANY

**PART 3 (000 omitted)**

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	4 2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2002 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (b) (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior .....													
2. 2000 .....													
3. Subtotals 2000 + Prior .....													
4. 2001 .....													
5. Subtotals 2001 + Prior .....													
6. 2002 .....	XXX	XXX	XXX	XXX			XXX				XXX	XXX	XXX
7. Totals .....													
8. Prior Year-End's Surplus As Regards Policyholders	6,484										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.	2.	3.	Col. 13, Line 7 As a % of Col. 1 Line 8
										4.			

(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

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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**

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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 SEPTEMBER 30, 2002 OF THE GREATLAND INSURANCE COMPANY**

## **SCHEDULE D - PART 3**

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

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

E04

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GREATLAND 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 CUSIP Identifi- cation	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value at Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Desig- nation (a)
<b>BONDS</b>																
<b>US Governments</b>																
<b>United States</b>																
36209R-U5-0...	GNMA Pass Thru 479504 8.000% 08/15/15.....	07/01/2002...	Paydown.....		.605	.605	.617	.617	(12)				0	4		1
36209R-U5-0...	GNMA Pass Thru 479504 8.000% 08/15/15.....	08/01/2002...	Paydown.....		.609	.609	.621	.621	(12)				0	.8		1
36209R-U5-0...	GNMA Pass Thru 479504 8.000% 08/15/15.....	09/01/2002...	Paydown.....		.616	.616	.628	.628	(12)				0	.12		1
36213U-T7-5...	GNMA Pass Thru 564974 7.000% 08/15/31.....	07/01/2002...	Paydown.....		8,482	8,482	8,751	8,757	(276)				0	.49		1
36213U-T7-5...	GNMA Pass Thru 564974 7.000% 08/15/31.....	08/01/2002...	Paydown.....		16,289	16,289	16,806	.16,819	(530)				0	.190		1
36213U-T7-5...	GNMA Pass Thru 564974 7.000% 08/15/31.....	09/01/2002...	Paydown.....		.21,632	.21,632	.22,318	.22,336	(704)				0	.379		1
36225A-QP-8...	GNMA Pass Thru 780462 7.500% 06/15/09.....	07/01/2002...	Paydown.....		5,302	5,302	5,368	5,362	(60)				0	.33		1
36225A-QP-8...	GNMA Pass Thru 780462 7.500% 06/15/09.....	08/01/2002...	Paydown.....		6,230	6,230	6,308	6,301	(71)				0	.78		1
36225A-QP-8...	GNMA Pass Thru 780462 7.500% 06/15/09.....	09/01/2002...	Paydown.....		5,932	5,932	6,006	5,999	(67)				0	.111		1
<b>Total United States</b>					65,697	65,697	67,423	67,440	(1,743)	0	0	0	0	.865	XXX	XXX
<b>0399999 - Bonds - U.S. Governments</b>					65,697	65,697	67,423	67,440	(1,743)					.865	XXX	XXX
<b>Special Revenue &amp; Assessment</b>																
<b>United States</b>																
31292H-NH-3...	FHLMC Pass Thru C01292 6.000% 02/01/32.....	07/01/2002...	Paydown.....		1,435	1,435	1,417	1,417	18				0	.7		1
31292H-NH-3...	FHLMC Pass Thru C01292 6.000% 02/01/32.....	08/01/2002...	Paydown.....		1,432	1,432	1,415	1,415	18				0	.14		1
31292H-NH-3...	FHLMC Pass Thru C01292 6.000% 02/01/32.....	09/01/2002...	Paydown.....		2,684	2,684	2,651	2,651	33				0	.40		1
31294J-YY-8...	FHLMC Pass Thru E00727 6.500% 08/01/14.....	07/01/2002...	Paydown.....		3,317	3,317	3,231	3,233	.83				0	.18		1
31294J-YY-8...	FHLMC Pass Thru E00727 6.500% 08/01/14.....	08/01/2002...	Paydown.....		6,173	6,173	6,013	6,018	.155				0	.67		1
31294J-YY-8...	FHLMC Pass Thru E00727 6.500% 08/01/14.....	09/01/2002...	Paydown.....		.7,701	.7,701	.7,501	.7,507	.194				0	.125		1
3133M5-JV-3...	Federal Home Loan Bank 5.800% 09/02/08.....	09/24/2002...	Merrill Lynch Money Markets.....		334,559	300,000	280,563	284,072	.502				.49,985	.49,985	.9,908	1PE
3134A3-3L-8...	Bond Federal Home Loan Mtg 7.000% 03/15/10.....	09/24/2002...	Goldman Sachs.....		357,926	300,000	.301,828	.301,568	(37)				.56,395	.56,395	.11,200	1
31359M-FV-0...	Note FNMA Pass Thru 527097 7.000% 07/15/05.....	09/24/2002...	Lehman Brothers.....		.670,481	.600,000	.606,855	.604,608	(333)				.66,206	.66,206	.29,400	1
31384L-RS-5...	FNMA Pass Thru 527097 7.000% 09/01/15.....	07/01/2002...	Paydown.....		.982	.982	.973	.973	.9				0	.6		1
31384L-RS-5...	FNMA Pass Thru 527097 7.000% 09/01/15.....	08/01/2002...	Paydown.....		16,282	16,282	16,129	.16,131	.151				0	.190		1
31384L-RS-5...	FNMA Pass Thru 527097 7.000% 09/01/15.....	09/01/2002...	Paydown.....		.23,701	.23,701	.23,479	.23,481	.220				0	.415		1
31385E-ZX-0...	FNMA Pass Thru 542658 8.000% 08/01/15.....	07/01/2002...	Paydown.....		.297	.297	.302	.302	(5)				0	.2		1
31385E-ZX-0...	FNMA Pass Thru 542658 8.000% 08/01/15.....	08/01/2002...	Paydown.....		.311	.311	.316	.316	(5)				0	.4		1
31385E-ZX-0...	FNMA Pass Thru 542658 8.000% 08/01/15.....	09/01/2002...	Paydown.....		.301	.301	.306	.306	(5)				0	.6		1

## STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GREATLAND 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 CUSIP Identifi- cation	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value at Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Desig- nation (a)	
31385N-AL-3...	FNMA Pass Thru 547311 8.000%	09/01/15...	Paydown...			11,865	11,865	12,058	.12,048	(183)			0	.79		1	
31385N-AL-3...	FNMA Pass Thru 547311 8.000%	09/01/15...	Paydown...			1,039	1,039	1,056		1,055	(16)		0	.14		1	
31385N-AL-3...	FNMA Pass Thru 547311 8.000%	09/01/15...	Paydown...			848	.848	.862		.861	(13)		0	.17		1	
31385Q-5M-0...	FNMA Pass Thru 549952 7.500%	09/01/15...	Paydown...			4,820	.4,820	.4,840		.4,840	(21)		0	.30		1	
31385Q-5M-0...	FNMA Pass Thru 549952 7.500%	09/01/15...	Paydown...			7,375	.7,375	.7,406		.7,406	(31)		0	.92		1	
31385Q-5M-0...	FNMA Pass Thru 549952 7.500%	09/01/15...	Paydown...			.395	.395	.397		.397	(2)		0	.7		1	
Total United States						1,453,923	1,290,957	1,279,597	1,280,606	731	0	0	172,586	172,586	51,642	XXX	XXX
3199999 - Bonds - Special Revenues						1,453,923	1,290,957	1,279,597	1,280,606	731			172,586	172,586	51,642	XXX	XXX
6099997 - Bonds - Part 4						1,519,620	1,356,654	1,347,020	1,348,046	(1,011)			172,586	172,586	52,507	XXX	XXX
6099999 - Total - Bonds						1,519,620	1,356,654	1,347,020	1,348,046	(1,011)			172,586	172,586	52,507	XXX	XXX
6599999 - Total - Preferred Stocks							XXX								XXX		XXX
7099999 - Total - Common Stocks							XXX								XXX		XXX
7199999 - Total - Preferred and Common Stocks							XXX								XXX		XXX
7299999 Totals						1,519,620	XXX	1,347,020	1,348,046	(1,011)			172,586	172,586	52,507		XXX

(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**

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE GREATLAND INSURANCE COMPANY**

**SCHEDULE E - PART 1 - CASH**