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QUARTERLY STATEMENT

OF THE

HOMETOWN INSURANCE GROUP, INC.

of

Massillon

in the state of

Ohio

2002

TO THE

Insurance Department

OF THE STATE OF

Ohio

FOR THE QUARTER ENDED
June 30, 2002

LIFE AND ACCIDENT AND HEALTH

2002



QUARTERLY STATEMENT
 AS OF June 30, 2002
 OF THE CONDITION AND AFFAIRS OF THE
HOMETOWN INSURANCE GROUP, INC.

NAIC Group Code	<u>3058</u> (Current Period)	NAIC Company Code	<u>11224</u>	Employer's ID Number	<u>34-1956845</u>
Organized under the Laws of	<u>Ohio</u>	State of Domicile or Port of Entry			<u>OH</u>
Country of Domicile	<u>US</u>				
Incorporated	<u>10/30/2001</u>	Commenced Business			<u>02/13/2002</u>
Statutory Home Office	<u>100 Lillian Gish Blvd., Suite 301</u> (Street and Number)				<u>Massillon, OH 44647</u>
Main Administrative Office	<u>100 Lillian Gish Blvd., Suite 301</u> (Street and Number)				<u>(City, or Town, State and Zip Code)</u>
	<u>Massillon, OH 44647</u> (City or Town, State and Zip Code)				<u>(877)236-2289-</u> (Area Code) (Telephone Number)
Mail Address	<u>100 Lillian Gish Blvd., Suite 301</u> (Street and Number or P.O. Box)				<u>Massillon, OH 44647</u> (City, or Town, State and Zip Code)
Primary Location of Books and Records	<u>100 Lillian Gish Blvd., Suite 301</u> (Street and Number)				<u>(877)236-2289-</u> (Area Code) (Telephone Number)
	<u>Massillon, OH 44647</u> (City, or Town, State and Zip Code)				<u>(877)236-2289-</u> (Area Code) (Telephone Number)
Internet Website Address					
Statutory Statement Contact	<u>John F. Strah</u> (Name)				<u>(330)834-2203-</u> (Area Code)(Telephone Number)(Extension)
	<u>JStrah@Hometownhealthnet.com</u> (E-Mail Address)				<u>(330)834-2040-</u> (Fax Number)
Policyowner Relations Contact					
	<u>(Street and Number)</u> (City, or Town, State and Zip Code)				<u>(Area Code) (Telephone Number)(Extension)</u>

OFFICERS

President	<u>William C. Epling</u>
Secretary	<u>Richard J. Streck M.D.</u>
Treasurer	<u>John F. Strah</u>

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

<u>Michael Gallucci</u>	<u>Clifford Isroff</u>
<u>Calvin Warren Jr., M.D.</u>	<u>Thomas Stover M.D.</u>
<u>Alan J. Bleyer</u>	<u>Charles Clark</u>
<u>William C. Epling</u>	<u>Scott Abell</u>
<u>J. Gregory Feczko D.O.</u>	<u>Richard J. Streck M.D.</u>

State of Ohio
 County of Stark ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the 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 manuals 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 C. Epling
 (Signature)
William C. Epling
 (Printed Name)
 President

Richard J. Streck, MD
 (Signature)
Richard J. Streck, MD
 (Printed Name)
 Secretary

John F. Strah
 (Signature)
John F. Strah
 (Printed Name)
 Treasurer

Subscribed and sworn to before me this
21st day of November, 2002

a. Is this an original filing?
 b. If no, 1. State the amendment number
 2. Date filed
 3. Number of pages attached

Yes [] No [X]

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11/21/2002

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Jillian J. Stanke
 (Notary Public Signature)
Jillian J. Stanke
 Notary Public, State of Ohio
 My Commission Expires 3/22/04

SUMMARY OF OPERATIONS

(Excluding Unrealized Capital Gains and Losses)

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1.	Premiums and annuity considerations for life and accident and health policies and contracts			
2.	Considerations for supplementary contracts with life contingencies			
3.	Net investment income			
4.	Amortization of Interest Maintenance Reserve (IMR)			
5.	Separate Accounts net gain from operations excluding unrealized gains or losses			
6.	Commissions and expense allowances on reinsurance ceded			
7.	Reserve adjustments on reinsurance ceded			
8.	Miscellaneous Income:			
8.1	Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
8.2	Charges and fees for deposit-type contracts			
8.3	Aggregate write-ins for miscellaneous income	32,703		
9.	TOTALS (Lines 1 to 8.3)	3,691,067		
10.	Death benefits			
11.	Matured endowments (excluding guaranteed annual pure endowments)			
12.	Annuity benefits			
13.	Disability benefits and benefits under accident and health contracts			
14.	Coupons, guaranteed annual pure endowments and similar benefits	1,753,077		
15.	Surrender benefits and other fund withdrawals for life contracts			
16.	Group conversions			
17.	Interest and adjustments on contract or deposit-type contract funds			
18.	Payments on supplementary contracts with life contingencies			
19.	Increase in aggregate reserves for life and accident and health policies and contracts	1,231,000		
20.	TOTALS (Lines 10 to 19)	2,984,077		
21.	Commissions on premiums, annuity considerations, and deposit type contract funds (direct business only)	207,681		
22.	Commissions and expense allowances on reinsurance assumed			
23.	General insurance expenses	395,880		
24.	Insurance taxes, licenses and fees, excluding federal income taxes	92,356		
25.	Increase in loading on deferred and uncollected premiums			
26.	Net transfers to or (from) Separate Accounts			
27.	Aggregate write-ins for deductions			
28.	TOTALS (Lines 20 to 27)	3,679,994		
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	11,073		
30.	Dividends to policyholders			
31.	Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	11,073		
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)	2,400		
33.	Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	8,673		
34.	Net realized capital gains or (losses) less capital gains tax of \$..... (excluding taxes of \$..... transferred to the IMR)			
35.	Net Income (Line 33 plus Line 34)	8,673		
	CAPITAL AND SURPLUS ACCOUNT			
36.	Capital and surplus, December 31, prior year			
37.	Net Income (Line 35)	8,673		
38.	Change in net unrealized capital gains or (losses)			
39.	Change in net unrealized foreign exchange capital gain (loss)			
40.	Change in net deferred income tax	(28,333)		
41.	Change in nonadmitted assets and related items			
42.	Change in liability for reinsurance in unauthorized companies			
43.	Change in reserve on account of change in valuation basis, (increase) or decrease			
44.	Change in asset valuation reserve			
45.	Change in treasury stock			
46.	Surplus (contributed to) withdrawn from Separate Accounts during period			
47.	Other changes in surplus in Separate Accounts Statement			
48.	Change in surplus notes			
49.	Cumulative effect of changes in accounting principles			
50.	Capital changes:			
50.1	Paid in			
50.2	Transferred from surplus (Stock Dividend)			
50.3	Transferred to surplus			
51.	Surplus adjustment:			
51.1	Paid in			
51.2	Transferred to capital (Stock Dividend)	3,021,534		
51.3	Transferred from capital			
51.4	Change in surplus as a result of reinsurance			
52.	Dividends to stockholders			
53.	Aggregate write-ins for gains and losses in surplus			
54.	Net change in capital and surplus (Lines 37 through 53)	3,001,874		
55.	Capital and surplus, as of statement date (Lines 36 + 54)	3,001,874		
	DETAILS OF WRITE-INS			
08.301.	COB/Subrogation Recovery	7,775		
08.302.	RX Rebates	24,928		
08.303				
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page			
08.399.	TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	32,703		
2701				
2702				
2703				
2798.	Summary of remaining write-ins for Line 27 from overflow page			
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)			
5301				
5302				
5303				
5398.	Summary of remaining write-ins for Line 53 from overflow page			
5399.	TOTALS (Lines 5301 through 5303 plus 5398) (Line 53 above)			

CASH FLOW

		1 Current Year To Date	2 Prior Year Ended December 31
	CASH FROM OPERATIONS		
1.	Premiums and annuity considerations for life and accident and health contracts		
2.	Charges and fees for deposit-type contracts	3,737,283	
3.	Considerations for supplementary contracts with life contingencies		
4.	Net investment income	20,784	
5.	Commissions and expense allowances on reinsurance ceded		
6.	Fees associated with investment management, administration and contract guarantee from Separate Accounts		
7.	Aggregate write-ins for miscellaneous income	7,775	
8.	TOTAL (Lines 1 to 7)	3,765,842	
9.	Death benefits		
10.	Matured endowments		
11.	Annuity benefits		
12.	Disability benefits and benefits under accident and health contracts	1,777,011	
13.	Coupons, guaranteed annual pure endowments and similar benefits		
14.	Surrender benefits and withdrawals for life contracts		
15.	Group conversions		
16.	Interest and adjustments on contract or deposit-type contract funds		
17.	Payments on supplementary contracts with life contingencies		
18.	TOTAL (Lines 9 to 17)	1,777,011	
19.	Commissions on premiums, annuity considerations, and deposit type contract funds	207,681	
20.	Commissions and expense allowances on reinsurance assumed		
21.	General insurance expenses	395,880	
22.	Insurance taxes, licenses and fees, excluding federal income taxes		
23.	Net transfers to or (from) Separate Accounts		
24.	Aggregate write-ins for deductions		
25.	TOTAL (Lines 18 to 24)	2,380,572	
26.	Dividends paid to policyholders		
27.	Federal income taxes (excluding tax on capital gains)	2,400	
28.	TOTAL (Lines 25 to 27)	2,382,972	
29.	Net cash from operations (Line 8 minus Line 28)	1,382,870	
	CASH FROM INVESTMENTS		
30.	Proceeds from investments sold, matured or repaid:		
30.1	Bonds		
30.2	Stocks		
30.3	Mortgage loans		
30.4	Real estate		
30.5	Other invested assets		
30.6	Net gains or (losses) on cash and short-term investments		
30.7	Miscellaneous proceeds		
30.8	TOTAL investment proceeds (Lines 30.1 to 30.7)		
31.	Net tax on capital gains (losses)		
32.	TOTAL (Line 30.8 minus Line 31)		
33.	Cost of investments acquired (long-term only):		
33.1	Bonds		
33.2	Stocks		
33.3	Mortgage loans		
33.4	Real estate		
33.5	Other invested assets		
33.6	Miscellaneous applications		
33.7	TOTAL investments acquired (Lines 33.1 to 33.6)		
34.	Net increase (or decrease) in policy loans and premium notes		
35.	Net cash from investments (Line 32 minus Line 33.7 minus Line 34)		
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
36.	Cash provided:		
36.1	Surplus notes, capital and surplus paid in		
36.2	Borrowed money \$..... less amounts repaid \$.....	3,010,000	
36.3	Capital notes \$..... less amounts repaid \$.....		
36.4	Deposits on deposit-type contract funds and other liabilities without life or disability contingencies		
36.5	Other cash provided	16,872	
36.6	TOTAL (Lines 36.1 to 36.5)	3,026,872	
37.	Cash applied:		
37.1	Dividends to stockholders paid		
37.2	Interest on indebtedness		
37.3	Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies		
37.4	Other applications (net)	100,000	
37.5	TOTAL (Lines 37.1 and 37.4)	100,000	
38.	Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5)	2,926,872	
	RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
39.	Net change in cash and short-term investments (Line 29, plus Line 35, plus Line 38)	4,309,742	
40.	Cash and short-term investments:		
40.1	Beginning of year		
40.2	End of period (Line 39 plus Line 40.1)	4,309,742	
	DETAILS OF WRITE-INS		
0701.	COB/Subrogation Recovery	7,775	
0702.	RX Rebates		
0703.			
0798.	Summary of remaining write-ins for Line 7 from overflow page		
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	7,775	
2401			
2402			
2403			
2498.	Summary of remaining write-ins for Line 24 from overflow page		
2499.	TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)		

**QUARTERLY DISKETTE TRANSMITTAL FORM AND CERTIFICATION
(LIFE)**

Name of Insurer**HOMETOWN INSURANCE GROUP, INC.**

Date 06/30/2002
 NAIC Group # 3058

FEIN 34-1956845
 NAIC Company # 11224

THIS FORM IS REQUIRED FOR ALL DISKETTE TRANSMITTALS, PLEASE PROVIDE ANY ADDITIONAL COMMENTS THAT MAY
 HELP TO IDENTIFY DISKETTE CONTENT

		First Quarter	Second Quarter	Third Quarter
A01.	Is this the first time you've submitted this filing? (Y/N)	No	No	No
A02.	Is this being re-filed at the request of the NAIC or a state insurance department? (Y/N)	No	Yes	No
A03.	Is this being re-filed due to changes to the data originally filed? (Y/N)	No	Yes	No
	(IF "YES" ENCLOSURE HARD COPY PAGES FOR EACH CHANGE.)			
A04.	Other? (Y/N)	No	No	No
	(If "yes" attach an explanation.)			

B. Additional comments if necessary for clarification:

C. Diskette Contact Person: Electronic Filing - Dawn C. Horst

Phone: (330) 834-2221

Address: 100 Lillian Gish Blvd., Suite 301, Massillon, OH 44647

D. Software Vendor: Enterprise Filing System (EFS) - Sungard Insurance Systems
Version: 2.0

E. Have material validation failures been addressed in the explanation file? Yes[X] No[]

F. The undersigned hereby certifies, according to the best of his/her knowledge and belief: that the diskettes submitted with this form were prepared in compliance with the NAIC specifications, that the diskettes have been tested against the validations included with these specifications, and that quarterly statement information required to be contained on diskette is identical to the information in the 2002 Quarterly Statement blank filed with the insurer's domiciliary state insurance department. In addition, the diskettes have been scanned through a virus detection software package, and no viruses are present on the diskettes. The virus detection software used was (name): McAfee VirusScan

(version number): V4.5.1 SP1

(Signed) Dawn C. Horst

Type Name and Title: Dawn C. Horst, Senior Accountant

Amended Statement Cover

Reclassified amounts on the Summary of Operations page & made some changes to the Cash Flow Statement regarding reserves for life & accident & health policies & contracts.