* 1 3 3 3 1 2 0 0 2 2 0 1 0 0 1 0 3 *

QUARTERLY STATEMENT

As of September 30, 2002

of the Condition and Affairs of the

AMERICAN HARDWARE MUTUAL INSURANCE COMPANY

NAIC Group Code..... 0291, 0291 (Current Period) (Prior Period)

NAIC Company Code..... 13331

Employer's ID Number..... 41-0299900

Organized under the Laws of Ohio

State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated..... May 25, 1899

Commenced Business..... January 3, 1900

Statutory Home Office	471 East Broad Street ….. Columbus ..... OH ..... 43215 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	471 East Broad Street ….. Columbus ..... OH ..... 43215 *(Street and Number) (City or Town, State and Zip Code)*	614-225-8211 *(Area Code) (Telephone Number)*
Mail Address	471 East Broad Street ….. Columbus ..... OH ..... 43215 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	471 East Broad Street ….. Columbus ..... OH ..... 43215 *(Street and Number) (City or Town, State and Zip Code)*	614-225-8211 *(Area Code) (Telephone Number)*
Internet Website Address	MotoristsGroup.com	
Statement Contact	James E. Vermillion *(Name)*	614-225-8331 *(Area Code) (Telephone Number) (Extension)*
	MIC-AHIG.Accounting@MotoristsGroup.com *(E-Mail Address)*	614-225-8330 *(Fax Number)*
Policyowner Relations Contact	5996 Opus Parkway ….. Minnetonka ..... MN ..... 55343 *(Street and Number) (City or Town, State and Zip Code)*	1-800-922-6757 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

President ..... John J. Bishop

Treasurer..... Michael L. Wiseman

Secretary ..... Thomas C. Ogg

VICE PRESIDENTS

David William Lemon

DIRECTORS OR TRUSTEES

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

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

John J. Bishop	Thomas C. Ogg	Michael L. Wiseman
President	Secretary	Treasurer

Subscribed and sworn to before me this

1st day of November, 2002

....

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31, Prior Year Net Admitted Assets
1. Bonds	119,950,641		119,950,641	125,408,404
2. Stocks:				
2.1 Preferred stocks	555,000		555,000	535,000
2.2 Common stocks	38,574,409		38,574,409	43,019,012
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $..........0 encumbrances)			0	
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....16,548,893) and short-term investments ($..........0)	16,548,893		16,548,893	4,735,144
6. Other invested assets			0	
7. Receivable for securities			0	
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8)	175,628,943	0	175,628,943	173,697,560
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	14,409,320		14,409,320	9,553,851
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including $.....279,300 earned but unbilled premiums)	16,850,010	64,986	16,785,024	14,470,239
10.3 Accrued retrospective premiums			0	
11. Funds held by or deposited with reinsured companies	247,628		247,628	261,261
12. Bills receivable, taken for premiums			0	
13. Amounts receivable under high deductible policies			0	
14. Reinsurance recoverables on loss and loss adjustment expense payments	11,391,569		11,391,569	7,192,186
15. Federal and foreign income tax recoverable and interest thereon (including $.....4,384,872 net deferred tax asset)	9,618,747	4,301,421	5,317,326	3,971,211
16. Guaranty funds receivable or on deposit			0	
17. Electronic data processing equipment and software	39,086		39,086	43,895
18. Interest, dividends and real estate income due and accrued	2,221,372		2,221,372	2,494,194
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Receivable from parent, subsidiaries and affiliates	8,036		8,036	624,197
21. Amounts due from/to protected cells			0	
22. Equities and deposits in pools and associations	174,920		174,920	197,362
23. Amounts receivable relating to uninsured accident and health plans			0	
24. Other assets nonadmitted	165,614	165,614	0	
25. Aggregate write-ins for other than invested assets	1,414,126	135,483	1,278,643	1,264,993
26. Total assets excluding protected cell assets (Lines 9 through 25)	232,169,370	4,667,504	227,501,867	213,770,949
27. Protected cell assets			0	
28. TOTALS (Lines 26 and 27)	232,169,370	4,667,504	227,501,867	213,770,949

DETAILS OF WRITE-INS

0801.			0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0
2501. Miscellaneous receivable	135,483	135,483	0	94,696
2502. Pooled general expenses receivable	1,278,643		1,278,643	1,170,297
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	1,414,126	135,483	1,278,643	1,264,993

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31, Prior Year
1.	Losses (current accident year $.....16,430,417)	56,755,183	52,091,609
2.	Reinsurance payable on paid losses and loss adjustment expenses	9,934,846	6,075,336
3.	Loss adjustment expenses	11,256,783	10,897,993
4.	Commissions payable, contingent commissions and other similar charges	1,590,731	1,826,832
5.	Other expenses (excluding taxes, licenses and fees)	1,373,383	936,693
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	1,410,406	1,595,408
7.	Federal and foreign income taxes (including $.....(97,712) on realized capital gains (losses) (including $..........0 net deferred tax liability)		212,157
8.	Borrowed money $..........0 and interest thereon $..........0		
9.	Unearned premiums (after deducting unearned premiums for ceded reinsurance of $.....51,362,013 and including warranty reserves of $.....190)	33,179,630	28,003,034
10.	Advance premium	525,982	778,857
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders	96,330	93,800
12.	Ceded reinsurance premiums payable (net of ceding commissions)	11,550,756	4,820,640
13.	Funds held by company under reinsurance treaties	1,142,832	1,299,057
14.	Amounts withheld or retained by company for account of others	997,032	836,937
15.	Remittances and items not allocated	10,408	11,906
16.	Provision for reinsurance	719,752	1,063,115
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding	3,245,429	1,899,155
19.	Payable to parent, subsidiaries and affiliates		
20.	Payable for securities	48,306	223,790
21.	Liability for amounts held under uninsured accident and health plans		
22.	Capital notes $..... and interest thereon $		
23.	Aggregate write-ins for liabilities	5,994,393	630,323
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	139,832,181	113,296,643
25.	Protected cell liabilities		
26.	Total liabilities (Lines 24 and 25)	139,832,181	113,296,643
27.	Aggregate write-ins for special surplus funds	0	0
28.	Common capital stock		
29.	Preferred capital stock		
30.	Aggregate write-ins for other than special surplus funds	0	0
31.	Surplus notes		
32.	Gross paid in and contributed surplus		
33.	Unassigned funds (surplus)	87,669,685	100,474,307
34.	Less treasury stock, at cost:		
	34.1 ....0.000 shares common (value included in Line 28 $..........0)		
	34.2 ....0.000 shares preferred (value included in Line 29 $..........0)		
35.	Surplus as regards policyholders (Lines 27 to 33, less 34)	87,669,685	100,474,307
36.	TOTALS	227,501,867	213,770,949

DETAILS OF WRITE-INS

2301.	Line 15 from 2000 Annual Statement		
2302.	Uncashed drafts and checks that are pending escheatment to a state	157,124	183,377
2303.	Charge for future rent obligations	108,439	172,951
2398.	Summary of remaining write-ins for Line 23 from overflow page	5,728,829	273,994
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	5,994,393	630,323
2701.			
2702.			
2703.			
2798.	Summary of remaining write-ins for Line 27 from overflow page	0	0
2799.	Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
3001.			
3002.			
3003.			
3098.	Summary of remaining write-ins for Line 30 from overflow page	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $.....54,121,386)	50,213,883	43,076,262	58,688,913
1.2 Assumed (written $.....65,083,537)	59,676,153	50,957,434	69,245,562
1.3 Ceded (written $.....54,905,009)	50,828,186	42,448,659	57,817,694
1.4 Net (written $.....64,299,915)	59,061,849	51,585,038	70,116,782
DEDUCTIONS:			
2. Losses incurred (current accident year $.....36,980,869):			
2.1 Direct	35,827,651	25,195,984	29,934,636
2.2 Assumed	42,379,810	31,898,078	42,591,256
2.3 Ceded	36,473,064	28,079,234	33,162,960
2.4 Net	41,734,396	29,014,828	39,362,933
3. Loss expenses incurred	8,080,082	6,823,834	9,194,111
4. Other underwriting expenses incurred	19,507,234	17,271,210	23,760,551
5. Aggregate write-ins for underwriting deductions	(65,360)	219,222	224,387
6. Total underwriting deductions (Lines 2 through 5)	69,256,352	53,329,094	72,541,982
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(10,194,503)	(1,744,056)	(2,425,200)
INVESTMENT INCOME			
9. Net investment income earned	6,316,418	6,581,940	8,725,534
10. Net realized capital gains (losses)	(307,531)	1,422,166	1,325,626
11. Net investment gain (loss) (Lines 9 + 10)	6,008,887	8,004,106	10,051,160
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....15,628 amount charged off $.....135,776)	(120,148)	(2,875)	(7,580)
13. Finance and service charges not included in premiums	428,411	324,855	440,122
14. Aggregate write-ins for miscellaneous income	(952)	(21,312)	(29,287)
15. Total other income (Lines 12 through 14)	307,311	300,669	403,255
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	(3,878,306)	6,560,719	8,029,215
17. Dividends to policyholders	93,846	71,407	110,862
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	(3,972,151)	6,489,312	7,918,353
19. Federal and foreign income taxes incurred	(618,898)	351,976	501,848
20. Net income (Line 18 minus Line 19) (to Line 22)	(3,353,253)	6,137,336	7,416,505
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year	100,474,308	89,057,524	89,057,524
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	(3,353,253)	6,137,336	7,416,505
23. Net unrealized capital gains or losses	(3,867,333)	(3,326,497)	(1,290,309)
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income taxes	2,272,653	(1,462,273)	(1,634,894)
26. Change in nonadmitted assets	(4,416,361)	36,185	51,457
27. Change in provision for reinsurance	343,363	50,000	(157,351)
28. Change in surplus notes			
29. Surplus (contributed to) withdrawn from protected cells			
30. Cumulative effect of changes in accounting principles	1,821,631	7,058,210	7,031,375
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	(5,605,321)	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36)	(12,804,621)	8,492,960	11,416,784
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	87,669,686	97,550,484	100,474,308

DETAILS OF WRITE-INS

0501. Premium recognition transition adjustment		219,222	192,387
0502. Premium deficiency reserve	(65,360)		32,000
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	(65,360)	219,222	224,387
1401. Gain/(loss) from sale of asset other than securities	1,245		(7,042)
1402. Miscellaneous income/expense	(2,271)	(24,095)	(25,029)
1403. Interest on other than securities	74	2,784	2,784
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(952)	(21,312)	(29,287)
3601. Lines 23 and 29 from 2000 Annual Statement			
3602. Change in pension plan obligations	(5,605,321)		
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)	(5,605,321)	0	0

CASH FLOW

		1 Current Year to Date	2 Prior Year Ended December 31
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	57,602,130	68,387,651
2.	Loss and loss adjustment expenses paid (net of salvage and subrogation)	43,785,713	49,400,601
3.	Underwriting expenses paid	18,363,636	23,161,597
4.	Other underwriting income (expenses)	(366,972)	(225,775)
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(4,914,191)	(4,400,323)
6.	Net investment income	6,988,752	8,875,700
7.	Other income (expenses):		
	7.1 Agents' balances charged off	(86,477)	(7,580)
	7.2 Net funds held under reinsurance treaties	(142,592)	298,901
	7.3 Net amount withheld or retained for account of others	160,095	(92,125)
	7.4 Aggregate write-ins for miscellaneous items	139,698	438,472
	7.5 Total other income (Lines 7.1 to 7.4)	70,723	637,669
8.	Dividends to policyholders on direct business, less $.....258,967 dividends on reinsurance assumed or ceded (net)	84,536	80,462
9.	Federal and foreign income taxes (paid) recovered	(525,714)	(247,424)
10.	Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	1,535,035	4,785,160
	CASH FROM INVESTMENTS		
11.	Proceeds from investments sold, matured or repaid:		
	11.1 Bonds	8,821,613	50,405,120
	11.2 Stocks	3,755,270	15,945,482
	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		309,884
	11.8 Total investment proceeds (Lines 11.1 to 11.7)	12,576,883	66,660,486
12.	Cost of investments acquired (long-term only):		
	12.1 Bonds	3,773,015	57,532,447
	12.2 Stocks	4,131,565	15,978,808
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Miscellaneous applications	175,484	
	12.7 Total investments acquired (Lines 12.1 to 12.6)	8,080,064	73,511,255
13.	Net cash from investments (Line 11.8 minus Line 12.7)	4,496,819	(6,850,769)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
14.	Cash provided:		
	14.1 Surplus notes, capital and surplus paid in		
	14.2 Capital notes $..........0 less amounts repaid $..........0		
	14.3 Net transfers from affiliates	616,160	
	14.4 Borrowed funds received		
	14.5 Other cash provided	5,266,400	6,682,424
	14.6 Total (Lines 14.1 to 14.5)	5,882,561	6,682,424
15.	Cash applied:		
	15.1 Dividends to stockholders paid		
	15.2 Net transfers to affiliates		564,504
	15.3 Borrowed funds repaid		
	15.4 Other applications	100,668	184,113
	15.5 Total (Lines 15.1 to 15.4)	100,668	748,617
16.	Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	5,781,893	5,933,807
	RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17.	Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	11,813,747	3,868,198
18.	Cash and short-term investments:		
	18.1 Beginning of year	4,735,146	866,948
	18.2 End of period (Line 17 plus Line 18.1)	16,548,893	4,735,146

DETAILS OF WRITE-INS

07.401	Finance and service charges not included in premiums	118,193	440,122
07.402	Equities and deposits in pools and associations	22,442	26,604
07.403	Miscellaneous income/expense	(937)	(28,253)
07.498	Summary of remaining write-ins for Line 7.4 from overflow page	0	0
07.499	Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above)	139,698	438,472

NOTES TO FINANCIAL STATEMENTS

1. Summary of SignificantAccounting Policies

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

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

C. Accounting Policy
Premiums are earned over the terms of the related insurance polices and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of the premiums written. Such reserves are computed using the daily method for direct business.

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

In addition, the company uses the following accounting policies:

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

2. Accounting Changes and Correction of Errors

The company prepares its statutory financial statements inconformity with accounting practices prescribed or permitted bythe State of Ohio. Effective January 1, 2001, the State of Ohio requiredthat insurance companies domiciled in the state preparetheir statutory basis financial statements in accordance with the NAIC Accounting Practices and Proceduresmanual – version effective January 1, 2001subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner. The net deferred federal income tax (FIT) asset amountshown in the financial reports as of December 31,2001 reflectsthe only the admitted portion of the net deferred FIT asset component. The non-admitted portion is not reflected in the prior year amount shown. The company changedits method of accounting for the net deferred FITasset effective January 1, 2002 to recognize the deferred asset component on a "gross" (admitted andnon-admitted) basis. The portion of the netdeferred FIT asset, which is non-admitted, is recognized as a non-admitted asset. This adjustment,which is reported in the 2002 financial statement asa change in accounting principle, had no impact on the change inthe surplus account for theyear as shown below.

Cumulative Effect of Changes in Accounting Principles	$ 1,821,631
Change in Non-Admitted Assets	$ (1,821,631)
Net Change in Surplus	$ -0-

17 C. **Wash Sales**

In the course of the company's asset management, nosecurities were sold and reacquired within 30 days ofthe sale date to enhance the company's yield onits investmentportfolio.

NOTES TO FINANCIAL STATEMENTS

22. **Reinsurance**

E. Commutation of Ceded Reinsurance

The Company's current year operating results include the following impact from commutations with the company listed below:

(1) Losses incurred	$ 1,744,709
(2) Loss adjustment expense incurred	$ 0
(3) Premiums earned	$ 0
(4) Other	$ 0
(5) Company: American Reinsurance Company, in Rehabilitation	
Commutation Amount	$ 1,112,033

25. **Intercompany Pooling Arrangements**

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

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

Each company recognizes facultative (quota share and excess) and treaty (excess and catastrophe) reinsurance cessions with non-affiliated reinsurers, prior to the administration of the pooling agreement. Reinsurance assumed business from voluntary and involuntary pools and associations is also recorded before pooling. As the lead insurer, Motorists Mutual assumes all net premiums, losses, adjustment expenses and underwriting expenses subject to pooling and cedes back to each company their respective share of the pool. Underwriting related balance sheet items such as premiums, losses, and expenses receivable/recoverable and payable are pooled in the same manner. Write-offs of uncollectible premiums and reinsurance balances associated with accident years 1993 and subsequent are pooled in the year the write-offs are recognized.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

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

1.2 If yes, explain:.................... Net deferred FIT asset is now reflected on a "gross" basis as explained in Note 2.

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

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

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

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

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

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

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

1 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 [X] N/A [ ]

If yes, attach an explanation.

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

7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....12/31/1998.....................

7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....06/15/2000.....................

7.4 By what department or departments?................................. Ohio and Delaware

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [ ] No [X]

8.2 If yes, give full information:

GENERAL INTERROGATORIES (continued)

INVESTMENT

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

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

9.2 If yes, explain:....................

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

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

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

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

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

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds	$0	$0
13.22 Preferred Stock	$0	$0
13.23 Common Stock	$27,304,424	$26,769,481
13.24 Short-Term Investments	$0	$0
13.25 Mortgages, Loans or Real Estate	$0	$0
13.26 All Other	$0	$0
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	$27,304,424	$26,769,481
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	$0	$0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	$0	$0

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

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

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

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

1 Name of Custodian(s)	2 Custodian Address
BancOne	1111 Polaris Parkway, Columbus, OH 43271

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation.

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

15.3 Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year? Yes [ ] No [ ]

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
	ABN AMRO Asset Management, Inc.	208 S LaSalle St., Chicago, IL 60604
	Meeder Adivsor Funds	P O Box 7177, Dublin, OH 43017
	Deutsche Asset Management	222 S. Riverside Plaza, Chicago, IL 60606

GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [X] N/A [ ]
   If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [X] No [ ]
   If yes, attach an explanation.
   The company commuted it's workers' compensation reserves involving accident years 1974 and prior which were reinsured by American Reinsurance Company in rehabilitation.

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

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	0	0	0	
2. Increase (decrease) by adjustment				
3. Cost of acquired				
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales				
6. Increase (decrease) by foreign exchange adjustment				
7. Amount received on sales				
8. Book/adjusted carrying value at end of current period	0	0	0	0
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	0	0	0	0
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	0	0	0	0

NONE

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period	0	0	0	
2. Amount loaned during period:				
2.1 Actual cost at time of acquisitions				
2.2 Additional investment made after acquisitions				
3. Accrual of discount and mortgage interest points and commitment fees				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0	0	0
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	0	0	0	0
12. Total nonadmitted amounts				
13. Statement value of mortgages owned at end of current period	0	0	0	0

NONE

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period	0	0	0	
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	0	0	0	0
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	0	0	0	0
12. Total nonadmitted amounts				
13. Statement value of long-term invested assets at end of current period	0	0	0	0

NONE

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
BONDS								
1. Class 1	106,332,860	1,178,270	4,364,625	3,023,782	103,881,979	106,332,860	106,170,288	108,062,291
2. Class 2	17,004,462		2,175,153	(3,133,108)	17,053,313	17,004,462	11,696,202	15,188,588
3. Class 3	2,033,320			(280,580)	2,089,220	2,033,320	1,752,740	1,826,115
4. Class 4								
5. Class 5								
6. Class 6	331,411				331,411	331,411	331,411	331,411
7. Total Bonds	125,702,053	1,178,270	6,539,778	(389,906)	123,355,923	125,702,053	119,950,641	125,408,405
PREFERRED STOCK								
8. Class 1	535,000			20,000	523,000	535,000	555,000	535,000
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	535,000	0	0	20,000	523,000	535,000	555,000	535,000
15. Total Bonds and Preferred Stock	126,237,053	1,178,270	6,539,778	(369,906)	123,878,923	126,237,053	120,505,641	125,943,405

Sch. DA-Part 1
NONE

Sch. DA-Part 2-Verification
NONE

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

SCHEDULE F - CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
U.S. Insurers				
10348	06-1430254	Arch Reinsurance Company	Greenwich, Connecticut	Yes
24767	13-6108721	Harco National Insurance Company	Schaumburg, Illinois	Yes
60739	74-0484030	American National Insurance Company	Texas	Yes
23043	04-1543470	Liberty Mutual Insurance Company	Boston, Massachusetts	Yes
35432	22-2187459	New Jersey Re-Insurance Company	West Trenton, New Jersey	No
All Other Insurers				
	AA-1120002	Lloyd's Syndicate Number 0002	U.K.	Yes
	AA-1121241	Lloyd's Syndicate Number 1241	U.K.	Yes
	AA-1121245	Lloyd's Syndicate Number 1245	U.K.	Yes
	AA-1122987	Lloyd's Syndicate Number 2987	U.K.	Yes

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written 2 Current Year to Date	3 Prior Year to Date	Direct Losses Paid (Deducting Salvage) 4 Current Year to Date	5 Prior Year to Date	Direct Losses Unpaid 6 Current Year to Date	7 Prior Year to Date
1. Alabama AL	YES		569	43,948	121,597	608,759	671,895
2. Alaska AK	YES						
3. Arizona AZ	YES	957,518	731,094	796,227	226,223	4,593,289	1,064,447
4. Arkansas AR	YES	5,369				21,036	15,000
5. California CA	YES	9,558,721	8,192,662	3,615,330	4,470,396	7,886,728	8,025,618
6. Colorado CO	YES	3,991,295	2,927,120	3,186,285	2,039,475	3,004,015	3,111,725
7. Connecticut CT	YES	812,141	773,679	509,260	585,570	2,178,751	1,571,658
8. Delaware DE	YES	68,722	68,181	54,254	109,618	345,683	122,913
9. District of Columbia DC	YES		(100)				
10. Florida FL	YES	14,022	29,313	166,675	259,425	1,030,201	1,145,859
11. Georgia GA	YES			114,685	67,720	124,201	333,403
12. Hawaii HI	NO						
13. Idaho ID	YES	2,111,073	1,495,739	751,756	638,182	1,408,490	1,035,683
14. Illinois IL	YES	1,547,001	1,192,080	759,533	740,540	4,818,908	6,866,550
15. Indiana IN	YES	461,651	230,573	125,016	71,699	726,453	376,676
16. Iowa IA	YES	1,369,219	675,838	217,404	180,126	393,046	259,987
17. Kansas KS	YES	351		12,162		0	12
18. Kentucky KY	YES	1,462,506	1,275,088	768,797	815,203	1,763,174	2,263,937
19. Louisiana LA	YES	413	413	12,665	12,789	2,562,094	347,497
20. Maine ME	YES	300	98	30,006	32,974	193,019	234,364
21. Maryland MD	YES	416,407	340,232	97,536	79,544	204,243	133,186
22. Massachusetts MA	YES	2,661,749	2,149,184	916,038	1,251,325	2,150,970	1,916,245
23. Michigan MI	YES	1,168,547	778,674	739,730	546,326	1,161,329	904,728
24. Minnesota MN	YES	1,769,039	1,920,137	782,786	1,345,898	4,584,093	5,412,786
25. Mississippi MS	YES		172			60	44
26. Missouri MO	YES	2,706	3,109	3,332	7,600	15,991	16,091
27. Montana MT	YES	1,456	1,677	9,793	17,149	113,289	127,896
28. Nebraska NE	YES	212,097	18,111	35,386	640	19,634	1,213
29. Nevada NV	YES	2,063,067	2,039,946	3,946,178	541,227	2,312,768	4,271,903
30. New Hampshire NH	YES	1,252,966	1,169,070	758,124	484,200	1,240,089	2,186,633
31. New Jersey NJ	YES	1,032,455	979,817	1,475,578	840,033	5,644,001	6,475,142
32. New Mexico NM	YES	(514)	6,025	5,931	2,039	22,550	6,715
33. New York NY	YES	3,864,654	3,378,416	1,396,595	1,413,564	11,508,980	6,273,475
34. North Carolina NC	YES	7,142	7,150	51,539	51,464	419,538	479,472
35. North Dakota ND	YES	462,898	1,152,232	160,585	833,308	1,335,466	1,357,636
36. Ohio OH	YES	2,562,133	2,234,919	1,027,555	1,364,343	1,649,724	2,116,722
37. Oklahoma OK	YES	10,733	23		764	301	149
38. Oregon OR	YES	5,532,021	4,275,449	2,675,484	1,348,474	4,369,842	5,447,036
39. Pennsylvania PA	YES	962,349	632,206	1,281,016	258,654	1,397,709	2,041,312
40. Rhode Island RI	YES	100	100			3	
41. South Carolina SC	YES	178,874	257,474	45,064	149,690	412,258	355,481
42. South Dakota SD	YES	2,818	102,982	67,677	121,931	775,708	859,800
43. Tennessee TN	YES	7,419	8,082	26,505	13,454	246,378	289,014
44. Texas TX	YES	310,569	(98)	216,730	94,796	558,100	627,226
45. Utah UT	YES	164,945	293,160	31,545	46,243	178,358	199,100
46. Vermont VT	YES	71,891	86,989	52,390	66,989	135,307	143,948
47. Virginia VA	YES	634,322	429,059	179,164	325,191	365,969	473,045
48. Washington WA	YES	2,513,794	2,002,030	1,036,709	583,785	1,764,233	2,427,880
49. West Virginia WV	YES	12,589	9,970			1,760	1,093
50. Wisconsin WI	YES	3,872,619	3,295,521	2,369,328	1,715,352	3,598,978	4,829,917
51. Wyoming WY	YES	9,240	11,224			749	578
52. American Samoa AS	NO						
53. Guam GU	NO						
54. Puerto Rico PR	NO						
55. US Virgin Islands VI	NO						
56. Canada CN	NO						
57. Aggregate Other Alien OT	XXX	0	0	0	0	0	0
58. Totals	(a) 50	54,121,386	45,175,389	30,552,302	23,875,521	77,846,226	76,822,689

DETAILS OF WRITE-INS

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

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date Direct Loss Percentage
1. Fire	24,525	157,823	643.5	1,457.3
2. Allied lines	42,519	20,155	47.4	89.4
3. Farmowners multiple peril			0.0	
4. Homeowners multiple peril	123,885	140,838	113.7	86.7
5. Commercial multiple peril	10,818,664	6,781,735	62.7	38.6
6. Mortgage guaranty			0.0	
8. Ocean marine			0.0	
9. Inland marine	2,720,538	1,169,893	43.0	56.6
10. Financial guaranty			0.0	
11.1. Medical malpractice-occurrence			0.0	
11.2. Medical malpractice-claims made			0.0	
12. Earthquake	290,829	3,325	1.1	(0.0)
13. Group accident and health		16	0.0	
14. Credit accident and health			0.0	
15. Other accident and health	82,410	108,783	132.0	129.0
16. Workers' compensation	4,677,306	4,828,250	103.2	132.4
17.1 Other liability-occurrence	5,470,449	3,501,926	64.0	0.1
17.2 Other liability-claims made			0.0	
18.1 Products liability-occurrence	347,725	481,968	138.6	232.0
18.2 Products liability-claims made			0.0	
19.1, 19.2 Private passenger auto liability	55,766	3,547	6.4	106.2
19.3, 19.4 Commercial auto liability	17,091,924	10,442,571	61.1	58.2
21. Auto physical damage	7,491,439	8,009,058	106.9	78.6
22. Aircraft (all perils)			0.0	
23. Fidelity	466,761	27,316	5.9	21.6
24. Surety	118,211	43,270	36.6	15.4
26. Burglary and theft	129,229	92,075	71.2	(2.7)
27. Boiler and machinery	244,702		0.0	
28. Credit			0.0	
29. International			0.0	
30. Reinsurance-nonproportional assumed property	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	17,000	15,099	88.8	60.3
34. Totals	50,213,883	35,827,651	71.4	58.5
DETAILS OF WRITE-INS				
3301. Warranty	17,000	15,099	88.8	60.3
3302.			0.0	
3303.			0.0	
3398. Sum. of remaining write-ins for Line 33 from overflow page	0	0	0.0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33)	17,000	15,099	88.8	60.3

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	7,782	24,254	17,952
2. Allied lines	9,810	34,797	43,373
3. Farmowners multiple peril			
4. Homeowners multiple peril	43,085	119,528	125,080
5. Commercial multiple peril	3,591,538	11,577,883	9,931,739
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	783,692	3,082,949	2,648,031
10. Financial guaranty			
11.1. Medical malpractice-occurrence			
11.2. Medical malpractice-claims made			
12. Earthquake	66,620	210,232	169,919
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health	26,254	88,448	91,275
16. Workers' compensation	1,471,725	5,189,677	4,654,615
17.1. Other liability-occurrence	1,799,941	5,942,147	5,083,025
17.2. Other liability-claims made			
18.1. Products liability-occurrence	113,826	413,437	329,407
18.2. Products liability-claims made			
19.1, 19.2 Private passenger auto liability	15,591	63,000	70,394
19.3, 19.4 Commercial auto liability	5,924,617	18,974,492	15,466,454
21. Auto physical damage	2,377,251	7,427,196	5,851,283
22. Aircraft (all perils)			
23. Fidelity	143,138	471,438	310,608
24. Surety	41,335	126,935	115,542
26. Burglary and theft	36,358	130,193	88,221
27. Boiler and machinery	70,110	244,780	178,473
28. Credit			
29. International			
30. Reinsurance-nonproportional assumed property	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	(2)
34. Totals	16,522,672	54,121,386	45,175,389
DETAILS OF WRITE-INS			
3301. Warranty			(2)
3302.			
3303.			
3398. Sum. of remaining write-ins for Line 33 from overflow page	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33)	0	0	(2)

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 and Open 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 Reserves Developed (Savings)/Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior	28,052	3,322	31,374	8,674	647	9,321	23,319	3,670	942	27,931	3,941	1,937	5,878
2. 2000	6,831	3,159	9,991	2,867	234	3,100	4,897	382	1,837	7,116	932	(707)	226
3. Subtotals 2000 + Prior	34,884	6,481	41,365	11,540	881	12,421	28,216	4,051	2,779	35,047	4,873	1,230	6,103
4. 2001	13,235	8,389	21,625	6,223	1,948	8,172	7,575	821	4,756	13,152	563	(864)	(301)
5. Subtotals 2001 + Prior	48,119	14,870	62,990	17,764	2,829	20,593	35,791	4,873	7,536	48,199	5,436	367	5,803
6. 2002	XXX	XXX	XXX	XXX	24,200	24,200	XXX	12,655	7,158	19,812	XXX	XXX	XXX
7. Totals	48,119	14,870	62,990	17,764	27,029	44,793	35,791	17,528	14,693	68,012	5,436	367	5,803
8. Prior Year-End's Surplus As Regards Policyholders	100,474												

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. 11.3 %	2. 2.5 %	3. 9.2 %

Col. 13, Line 7 Line 8
4. 5.8 %

(a) Should equal prior year-end Annual Statement; Page 3, Col. 1, Lines 1 + 3.
(b) Should equal Q.S. Page 3, Col.1, Lines 1 and 3.
(c) Should also equal Cols. 6 + 10 less Col. 3 for Lines 1 through 5 only.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	RESPONSE
1. Will the SVO Compliance Certification be filed with this statement?	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 CODE:

* 1 3 3 3 1 2 0 0 2 4 9 0 0 0 0 0 3 *

* 1 3 3 3 1 2 0 0 2 4 5 0 0 0 0 0 3 *

Overflow Page for Write-Ins

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31, Prior Year
2304. Miscellaneous liabilities	18,379	66,757
2305. Reinsurance assumed overhead payable	119,212	59,202
2306. State surcharges payable	(66,143)	24,435
2307. Premium deficiency reserve	52,060	123,600
2308. Pension plan obligations	5,605,321	
2397. Summary of remaining write-ins for Line 23 from Liabilities	5,728,829	273,994

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
Bonds - Industrial and Miscellaneous								
United States								
459200-AG-6	IBM Corporation 8.375% 11/01/19	07/19/2002	Morgan Keegan & Company Inc.		1,178,270	1,000,000	19,309	1PE
	United States				1,178,270	1,000,000	19,309	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				1,178,270	1,000,000	19,309	XXX
6099997.	Total - Bonds - Part 3				1,178,270	1,000,000	19,309	XXX
6099999.	Total - Bonds				1,178,270	1,000,000	19,309	XXX
Common Stocks - Banks, Trust and Insurance Companies								
United States								
172967-10-1	Citigroup Inc.	07/29/2002	Various	1,100.000	36,900			L
316773-10-0	Fifth Third Bancorp	09/05/2002	SEI Financial Services Inc.	596.000	38,981			L
339030-10-8	FleetBoston Finl Corpor	08/07/2002	Various	1,300.000	27,763			L
46625H-10-0	J P Morgan Chase & Co	07/24/2002	Various	1,000.000	22,691			L
475070-10-8	Jefferson-Pilot Corpora	09/27/2002	Fox Pitt Kelton	700.000	28,617			L
534187-10-9	Lincoln National Corpor	08/15/2002	Various	1,500.000	53,003			L
552848-10-3	MGIC Investment Corpora	07/26/2002	Salomon Smith Barney	100.000	5,741			L
902973-30-4	US Bancorp	07/24/2002	Various	1,400.000	28,694			L
	United States				242,390	XXX	0	XXX
6799999.	Total - Common Stocks - Banks, Trust & Ins. Cos.				242,390	XXX	0	XXX
Common Stocks - Industrial and Miscellaneous								
United States								
002824-10-0	Abbott Laboratories	08/06/2002	Various	2,000.000	69,489			L
013817-10-1	Alcoa Inc.	08/13/2002	Goldman Sachs	400.000	10,377			L
032511-10-7	Anadarko Petroleum Corp	07/17/2002	Investment Technology Group	100.000	4,406			L
053015-10-3	Automatic Data Process	09/25/2002	Various	2,000.000	76,771			L
071813-10-9	Baxter International In	09/04/2002	Various	2,200.000	80,901			L
075887-10-9	Becton Dickinson	07/25/2002	Various	1,500.000	39,347			L
110122-10-8	Bristol-Myers Squibb	08/08/2002	Various	1,700.000	39,259			L
235811-10-6	Dana Corporation	07/03/2002	Warburg Dillon Read LLC	1,200.000	21,788			L
285661-10-4	Electronic Data Systems	08/27/2002	Standard & Poor's Securities	920.000	37,580			L
291011-10-4	Emerson Electric Compan	09/05/2002	Various	600.000	28,164			L
369604-10-3	General Electric	09/10/2002	Various	2,200.000	67,929			L
458140-10-0	Intel Corporation	08/07/2002	B-Trade Services	1,100.000	20,059			L
532716-10-7	The Limited Incorporate	08/16/2002	Various	4,700.000	76,086			L
594972-40-8	MicroStrategy Incorpora	08/02/2002	Tax Free Exchange	5.000	1			L
681919-10-6	Omnicom Group Incorpora	08/01/2002	SEI Financial Services Inc.	1,000.000	51,661			L
740189-10-5	Precision Castparts Cor	07/01/2002	SEI Financial Services Inc.	500.000	15,516			L
755111-50-7	Raytheon Company	09/26/2002	Warburg Dillon Read LLC	400.000	12,992			L
812387-10-8	Sears Roebuck & Company	09/25/2002	Various	1,700.000	76,922			L
913017-10-9	United Technologies	09/26/2002	Factset Data Systems	500.000	29,575			L
941848-10-3	Waters Corporation	08/13/2002	Various	1,300.000	29,531			L
	United States				788,354	XXX	0	XXX
6899999.	Total - Common Stocks - Industrial & Miscellaneous				788,354	XXX	0	XXX
7099997.	Total - Common Stocks - Part 3				1,030,744	XXX	0	XXX
7099998.	Total - Common Stocks - Summary Item for Common Stocks Bought and Sold This Quarter				96,887	XXX		XXX
7099999.	Total - Common Stocks				1,127,631	XXX	0	XXX
7199999.	Total - Preferred and Common Stocks				1,127,631	XXX	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				2,305,901	XXX	19,309	XXX

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value At Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
Bonds - U.S. Government																
36209H-RH-0	GNMA Pool #472188 6.740% 04/15/34	09/01/2002	Paydown		706	706	722	721	(15)				0	8		1
36209P-FC-6	GNMA Pool #477263 6.750% 06/15/39	09/01/2002	Paydown		2,202	2,202	2,245	2,243	(41)				0	25		1
36210K-PS-8	GNMA Pool #494633 6.850% 05/15/34	09/01/2002	Paydown		4,234	4,234	4,370	4,363	(129)				0	48		1
36213N-GC-4	GNMA Pool #559195 7.600% 08/15/31	09/01/2002	Paydown		8,917	8,917	9,453	9,445	(527)				0	113		1
36219C-UP-7	GNMA Pool #245490 8.250% 05/15/32	09/01/2002	Paydown		1,905,676	1,905,676	1,986,667	1,977,454	(71,779)				0	39,281		1
36223J-LG-6	GNMA Pool #309127 8.500% 05/15/31	09/01/2002	Paydown		1,827	1,827	1,930	1,917	(91)				0	26		1
36223L-AT-5	GNMA Pool #310618 9.500% 10/15/21	09/01/2002	Paydown		58,030	58,030	61,584	61,501	(3,472)				0	1,371		1
0399999.	Total - Bonds - U.S. Government				1,981,592	1,981,592	2,066,971	2,057,644	(76,054)	0	0	0	0	40,872	0	XXX
Bonds - Public Utilities																
United States																
079867-AB-3	BellSouth Telecommuncat 7.875% 08/01/32	08/01/2002	Call 104.2900		2,346,525	2,250,000	2,308,770	2,306,979	128			39,418	39,418	88,594		1PE
	United States				2,346,525	2,250,000	2,308,770	2,306,979	128	0	0	39,418	39,418	88,594	0	XXX
3899999.	Total - Bonds - Public Utilities				2,346,525	2,250,000	2,308,770	2,306,979	128	0	0	39,418	39,418	88,594	0	XXX
Bonds - Industrial and Miscellaneous																
United States																
699216-AH-0	Paramount Communication 8.250% 08/01/22	08/01/2002	Call 103.4670		2,172,807	2,100,000	2,210,124	2,175,152	(2,282)			(63)	(63)	86,625		2PE
	United States				2,172,807	2,100,000	2,210,124	2,175,152	(2,282)	0	0	(63)	(63)	86,625	0	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				2,172,807	2,100,000	2,210,124	2,175,152	(2,282)	0	0	(63)	(63)	86,625	0	XXX
6099997.	Total - Bonds - Part 4				6,500,924	6,331,592	6,585,865	6,539,775	(78,208)	0	0	39,355	39,355	216,091	0	XXX
6099999.	Total - Bonds				6,500,924	6,331,592	6,585,865	6,539,775	(78,208)	0	0	39,355	39,355	216,091	0	XXX
Common Stocks - Public Utilities																
United States																
98157D-10-6	WorldCom Inc.	07/01/2002	Merrill Lynch	5,775.000	423		195,216	4,793	190,423			(194,793)	(194,793)			L
	United States				423	XXX	195,216	4,793	190,423	0	0	(194,793)	(194,793)	0	0	XXX
6699999.	Total - Common Stocks - Public Utilities				423	XXX	195,216	4,793	190,423	0	0	(194,793)	(194,793)	0	0	XXX
Common Stocks - Banks, Trust and Insurance Companies																
United States																
032165-10-2	AmSouth Bancorporation	09/17/2002	Goldman Sachs	2,000.000	42,592		39,872	44,760	(4,888)			2,720	2,720		440	L
060505-10-4	Bank Amer Corporation	08/20/2002	Warburg Dillon Read LLC	900.000	61,836		62,316	63,324	(1,008)			(480)	(480)			L
172967-10-1	Citigroup Inc.	09/18/2002	Various	2,800.000	82,632		51,990	101,589	(49,599)			30,641	30,641		504	L
172967-10-1	Citigroup Inc.	08/21/2002	Spin Off		9,509		9,509	13,821	(4,312)				0			L
929903-10-2	Wachovia Corp 2nd New	07/02/2002	Lehman Brothers	2,100.000	76,774		74,602	80,178	(5,576)			2,172	2,172			L
	United States				273,343	XXX	238,289	303,672	(65,383)	0	0	35,053	35,053	0	944	XXX
6799999.	Total - Common Stocks - Banks, Trust & Insurance Companies				273,343	XXX	238,289	303,672	(65,383)	0	0	35,053	35,053	0	944	XXX
Common Stocks - Industrial and Miscellaneous																
United States																
12189T-10-4	Burlington Northern San	07/24/2002	Various	1,800.000	48,119		48,301	54,000	(5,699)			(182)	(182)		216	L
134429-10-9	Campbell Soup	08/21/2002	Credit Suisse 1st Boston Corp	4,300.000	91,912		122,717	118,938	3,779			(30,805)	(30,805)		677	L
205887-10-2	ConAgra Incorporated	09/04/2002	Credit Suisse 1st Boston Corp	2,000.000	51,290		42,960	55,300	(12,340)			8,330	8,330		470	L
28336L-10-9	El Paso Corporation	09/25/2002	SEI Financial Services Inc	2,100.000	13,576		121,153	43,281	77,872			(107,578)	(107,578)		457	L
294429-10-5	Equifax Incorporated	08/08/2002	Various	4,500.000	91,371		111,279	121,500	(10,221)			(19,908)	(19,908)			L
460690-10-0	Interpublic Group	08/01/2002	SEI Financial Services Inc	3,650.000	76,848		95,547	90,374	5,173			(18,699)	(18,699)			L
532716-10-7	The Limited Incorporate	07/11/2002	Various	3,300.000	65,203		48,964	70,290	(21,326)			16,238	16,238			L
548661-10-7	Lowe's Companies Inc.	08/27/2002	Standard & Poor's Securities	700.000	29,472		15,505	31,780	(16,275)			13,967	13,967		14	L
574599-10-6	Masco Corporation	07/25/2002	Merrill Lynch	1,200.000	27,311		31,112	32,532	(1,420)			(3,801)	(3,801)		162	L
651229-10-6	Newell Rubbermaid Inc.	09/19/2002	Various	3,300.000	108,970		78,681	115,698	(37,017)			30,288	30,288		441	L
755111-50-7	Raytheon Company	07/02/2002	Lehman Brothers	1,100.000	40,933		29,779	44,825	(15,046)			11,155	11,155			L
786514-20-8	Safeway Incorporated	07/25/2002	Lehman Brothers	2,800.000	72,714		120,297	81,732	38,565			(47,583)	(47,583)			L
800907-10-7	Sanmina Corp	07/24/2002	Merrill Lynch	8,584.000	35,471		141,659	54,165	87,494			(106,188)	(106,188)			L

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarte

1 CUSIP Identification	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 Designation (a)
928497-10-6	Vitesse Semiconductor C	08/27/2002	Standard & Poor's Securities	4,700.000	6,502		101,215	14,617	86,598			(94,713)	(94,713)			L
	United States				759,692	XXX	1,109,169	929,032	180,137	0	0	(349,479)	(349,479)	0	2,437	XXX
6899999.	Total - Common Stocks - Industrial & Miscellaneous				759,692	XXX	1,109,169	929,032	180,137	0	0	(349,479)	(349,479)	0	2,437	XXX
7099997.	Total - Common Stocks - Part 4				1,033,458	XXX	1,542,674	1,237,497	305,177	0	0	(509,219)	(509,219)	0	3,381	XXX
7099998.	Total - Common Stocks - Summary Item for Common Stocks Bought and Sold This Quarter				87,465	XXX	96,887	96,887				(9,422)	(9,422)			XXX
7099999.	Total - Common Stocks				1,120,923	XXX	1,639,561	1,334,384	305,177	0	0	(518,641)	(518,641)	0	3,381	XXX
7199999.	Total - Preferred and Common Stocks				1,120,923	XXX	1,639,561	1,334,384	305,177	0	0	(518,641)	(518,641)	0	3,381	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				7,621,847	XXX	8,225,426	7,874,159	226,969	0	0	(479,286)	(479,286)	216,091	3,381	XXX

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

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	Book Balance at End of Each Month During Current Quarter			8
Depository		Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	5 First Month	6 Second Month	7 Third Month	*
Open Depositories								
Goldman Sachs Financial Square Money Market....	Minneapolis, MN....................................	....	....	....	210,053	207,591	223,314	......
Fidelity Instl Cash Portfolio Class I.........................	Boston, MA..	....	....	....	6,135,806	...10,151,381	...14,168,680	......
National City Bank...	Columbus, OH..	....	....	....	636,120	666,684	1,178,473	......
The One Group Prime Money Market Fund.............	Chicago, IL...	....	....	....	641,232	1,580,364	746,175	......
0199998. Deposits in.....6 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories.................................		......XXX.....	....	....	264,508	237,133	231,750	......
0199999. Total Open Depositories..		......XXX.....	0	0	7,887,718	...12,843,153	...16,548,393	XXX
0399999. Total Cash on Deposit..		......XXX.....	0	0	7,887,718	...12,843,153	...16,548,393	XXX
0499999. Cash in Company's Office..		......XXX.....	..........XXX.......	..........XXX.......	500	500	500	XXX
0599999. Total Cash..		......XXX.....	0	0	7,888,218	...12,843,653	...16,548,893	XXX

Overflow Page for Write-Ins

Overflow Page for Write-Ins