PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

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

Cincinnati Equitable Insurance Company

NAIC Group Code..... 838, NAIC Company Code..... 16721 Employer's ID Number..... 31-0239840
(Current Period) (Prior Period)

Organized under the Laws of Ohio State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated..... January 24, 1827 Commenced Business..... April 17, 1826

Statutory Home Office	525 Vine Street ..... Cincinnati ..... OH ..... 45202 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	525 Vine Street ..... Cincinnati ..... OH ..... 45202 *(Street and Number) (City or Town, State and Zip Code)*	513-621-1826 *(Area Code) (Telephone Number)*
Mail Address	P.O. Box 3428 ..... Cincinnati ..... OH ..... 45201-3428 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	525 Vine Street ..... Cincinnati ..... OH ..... 45202 *(Street and Number) (City or Town, State and Zip Code)*	513-621-1826 *(Area Code) (Telephone Number)*
Internet Website Address		
Statement Contact	Gregory Allen Baker *(Name)*	513-621-1826 *(Area Code) (Telephone Number) (Extension)*
	(E-Mail Address)	*(Fax Number)*
Policyowner Relations Contact	.... *(Street and Number) (City or Town, State and Zip Code)*	*(Area Code) (Telephone Number) (Extension)*

OFFICERS

President ..... James Wesley Ketring Treasurer ..... Gregory Allen Baker Secretary ..... Peter Allen Alpaugh

VICE PRESIDENTS

Janet Strausbaugh Brown Bryan David Williams William McAfee Sharp Teresa Grace Brown

DIRECTORS OR TRUSTEES

Walter George Alpaugh Peter Allen Alpaugh Gregory Allen Baker James Wesley Ketring
Robert Michael Hutzelman

State of.....Ohio .
County of.....Hamilton

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

(Signature)	(Signature)	(Signature)
James Wesley Ketring	Peter Allen Alpaugh	Gregory Allen Baker
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Treasurer

Subscribed and sworn to before me this

.....day of ....., 2002

.....

ASSETS

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
1. Bonds	12,583,340		12,583,340	11,801,967
2. Stocks:				
2.1 Preferred stocks	2,279,084		2,279,084	1,399,154
2.2 Common stocks	14,511,282		14,511,282	14,588,530
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 $.....0 encumbrances)			0	
5. Cash ($.....256,364) and short-term investments ($.....652,000)	908,364		908,364	929,232
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)	30,282,069	0	30,282,069	28,718,883
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	921,675	5,824	915,851	1,034,981
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)	3,375,418		3,375,418	3,096,628
10.3 Accrued retrospective premiums			0	
11. Funds held by or deposited with reinsured companies			0	
12. Bills receivable, taken for premiums	32,885		32,885	23,546
13. Amounts receivable under high deductible policies			0	
14. Reinsurance recoverables on loss and loss adjustment expense payments	225,467		225,467	712,094
15. Federal and foreign income tax recoverable and interest thereon (including $.....472,000 net deferred tax asset)	684,600		684,600	110,600
16. Guaranty funds receivable or on deposit			0	
17. Electronic data processing equipment and software	96,717		96,717	107,884
18. Interest, dividends and real estate income due and accrued	248,031		248,031	196,895
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Receivable from parent, subsidiaries and affiliates	5,606		5,606	154,437
21. Amounts due from/to protected cells			0	
22. Equities and deposits in pools and associations			0	
23. Amounts receivable relating to uninsured accident and health plans			0	
24. Other assets nonadmitted	354,980	354,980	0	
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding protected cell assets (Lines 9 through 25)	36,227,448	360,804	35,866,644	34,155,948
27. Protected cell assets			0	
28. TOTALS (Lines 26 and 27)	36,227,448	360,804	35,866,644	34,155,948

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. Receivable from MGAs			0	
2502.			0	
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)	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31, Prior Year
1.	Losses (current accident year $.....3,218,495)	4,530,112	3,051,457
2.	Reinsurance payable on paid losses and loss adjustment expenses		
3.	Loss adjustment expenses	815,822	594,181
4.	Commissions payable, contingent commissions and other similar charges	450,718	399,064
5.	Other expenses (excluding taxes, licenses and fees)	171,072	274,557
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	170,000	202,030
7.	Federal and foreign income taxes (including $.....0 on realized capital gains (losses) (including $.....0 net deferred tax liability)		
8.	Borrowed money $.....0 and interest thereon $.....0		
9.	Unearned premiums (after deducting unearned premiums for ceded reinsurance of $.....0 and including warranty reserves of $.....1,014,173)	6,815,108	4,962,723
10.	Advance premium		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		1,347,670
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others	6,554	8,450
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	163,805	186,284
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	1,445,912	1,460,676
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	14,569,103	12,487,092
25.	Protected cell liabilities		
26.	Total liabilities (Lines 24 and 25)	14,569,103	12,487,092
27.	Aggregate write-ins for special surplus funds	0	0
28.	Common capital stock	1,000,000	1,000,000
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	9,753,831	9,753,831
33.	Unassigned funds (surplus)	10,543,710	10,915,027
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)	21,297,540	21,668,858
36.	TOTALS	35,866,644	34,155,950

DETAILS OF WRITE-INS

2301.	Asset One Returnable Deposits	1,439,912	1,451,676
2302.	Premium Deficiency	6,000	9,000
2303.			
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	1,445,912	1,460,676
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 $.....16,001,072)	15,083,175	14,768,042	19,196,765
1.2 Assumed (written $.....0)			
1.3 Ceded (written $.....2,713,036)	3,647,525	4,911,601	6,228,518
1.4 Net (written $.....13,288,036)	11,435,651	9,856,441	12,968,247
DEDUCTIONS:			
2. Losses incurred (current accident year $.....9,087,669):			
2.1 Direct	10,770,797	8,496,255	11,329,887
2.2 Assumed			
2.3 Ceded	2,719,983	1,760,518	2,435,285
2.4 Net	8,050,814	6,735,737	8,894,601
3. Loss expenses incurred	1,131,661	696,557	956,389
4. Other underwriting expenses incurred	4,354,353	3,808,820	5,252,009
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	13,536,828	11,241,114	15,102,999
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(2,101,178)	(1,384,673)	(2,134,752)
INVESTMENT INCOME			
9. Net investment income earned	1,016,222	959,552	1,173,885
10. Net realized capital gains (losses)	(185,414)	(201,061)	(227,396)
11. Net investment gain (loss) (Lines 9 + 10)	830,808	758,491	946,489
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....0 amount charged off $.....0)	(33,803)	(49,945)	(49,544)
13. Finance and service charges not included in premiums	758,525	667,800	893,482
14. Aggregate write-ins for miscellaneous income	0	0	0
15. Total other income (Lines 12 through 14)	724,722	617,855	843,938
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	(545,648)	(8,327)	(344,325)
17. Dividends to policyholders			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	(545,648)	(8,327)	(344,325)
19. Federal and foreign income taxes incurred	(170,000)	7,862	(41,138)
20. Net income (Line 18 minus Line 19) (to Line 22)	(375,648)	(16,189)	(303,187)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year	21,668,856	21,930,552	21,930,552
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	(375,648)	(16,189)	(303,187)
23. Net unrealized capital gains or losses	(140,758)	137,493	155,607
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income taxes	404,000	30,600	99,600
26. Change in nonadmitted assets	(258,909)	(7,874)	(82,116)
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		(31,600)	(31,600)
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			(100,000)
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36)	(371,314)	112,430	(261,696)
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	21,297,542	22,042,982	21,668,856
DETAILS OF WRITE-INS			
0501.			
0502.			
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)	0	0	0
1401.			
1402.			
1403.			
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)	0	0	0
3601.			
3602.			
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)	0	0	0

CASH FLOW

		1 Current Year to Date	2 Prior Year Ended December 31
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	11,772,228	13,088,366
2.	Loss and loss adjustment expenses paid (net of salvage and subrogation)	6,995,552	10,013,139
3.	Underwriting expenses paid	4,438,214	5,338,303
4.	Other underwriting income (expenses)		
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	338,462	(2,263,076)
6.	Net investment income	983,054	1,188,468
7.	Other income (expenses):		
	7.1 Agents' balances charged off	(33,803)	(49,544)
	7.2 Net funds held under reinsurance treaties		
	7.3 Net amount withheld or retained for account of others	(1,896)	(4,433)
	7.4 Aggregate write-ins for miscellaneous items	758,525	893,482
	7.5 Total other income (Lines 7.1 to 7.4)	722,826	839,505
8.	Dividends to policyholders on direct business, less $.....0 dividends on reinsurance assumed or ceded (net)		
9.	Federal and foreign income taxes (paid) recovered	0	(137,462)
10.	Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	2,044,343	(372,565)
	CASH FROM INVESTMENTS		
11.	Proceeds from investments sold, matured or repaid:		
	11.1 Bonds	3,334,781	3,139,176
	11.2 Stocks	3,738,996	5,021,465
	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		307
	11.7 Miscellaneous proceeds		
	11.8 Total investment proceeds (Lines 11.1 to 11.7)	7,073,776	8,160,948
12.	Cost of investments acquired (long-term only):		
	12.1 Bonds	4,343,909	3,320,561
	12.2 Stocks	4,646,706	5,034,851
	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)	8,990,616	8,355,412
13.	Net cash from investments (Line 11.8 minus Line 12.7)	(1,916,839)	(194,464)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
14.	Cash provided:		
	14.1 Surplus notes, capital and surplus paid in	(0)	
	14.2 Capital notes $.....0 less amounts repaid $.....0		
	14.3 Net transfers from affiliates	148,832	45,895
	14.4 Borrowed funds received		
	14.5 Other cash provided	(185)	30,550
	14.6 Total (Lines 14.1 to 14.5)	148,646	76,445
15.	Cash applied:		
	15.1 Dividends to stockholders paid		100,000
	15.2 Net transfers to affiliates	22,479	
	15.3 Borrowed funds repaid		
	15.4 Other applications	274,534	96,883
	15.5 Total (Lines 15.1 to 15.4)	297,013	196,883
16.	Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(148,367)	(120,438)
	RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17.	Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	(20,863)	(687,467)
18.	Cash and short-term investments:		
	18.1 Beginning of year	929,228	1,616,695
	18.2 End of period (Line 17 plus Line 18.1)	908,365	929,228

DETAILS OF WRITE-INS

07.401	Service Fee Income	758,525	893,482
07.402			
07.403			
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)	758,525	893,482

NOTES TO FINANCIAL STATEMENTS

SECTION A

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Cincinnati Equitable Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The Ohio Insurance Department recognizes only statutory accounting practices prescribed or permitted by th stat of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The state of Ohio has not adopted prescribed or permitted practices that differ from NAIC SAP.

B. Use of Estimates in the Preperation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make certain estimates and assumptions that effect 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.

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are changed 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 interest method.

(3) Common Stocks at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20 % or more are carried on the equity basis.

(4) Preferred strocks are generally stated market value.

(5) Mortgage loans on real estate are stated at the aggregate carrying value less accrued interest.

(6) Loan-backed securities are stated at either amortized cost or the lower or amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities or securities *where the* yield had become negative, that are valued using the prospective method.

(7) The Company has no investments in Subsidiaries.

(8) The Company has no interest in Joint Ventures.

(9) All derivatives, if any, are stated at fair value.

(10) The Company does not anticipates investment income as a factor in the premium deficiency calculation.

(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 amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

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 [ ] 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 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). .....07/15/1999.....

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

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	$.....12,163,213	$.....12,451,468
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)	$.....12,163,213	$.....12,451,468
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
Fifth Third Bank	Cincinnati, OH
U.S. Bank	Cincinnati, OH

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 [X] No [ ]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Firstar Bank	U.S. Bank	06/01/2002	Name Change

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
Fifth Third Bank	Cincinnati Asset Management	4530 Glendale Milford Road, Cincinnati, OH 45242

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 [ ] N/A [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 [X] No [ ]

3.2 If yes, give full and complete information thereto:
We terminated a Quota Share Treaty on our Speciality Homeowners prgram and replaced it with an Excess Loss Treaty effective 1/1/02
We also terminated a Quota Share Treaty on our Non-Standard Auto program effective 7/1/02

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	8,978,040	2,505,243	2,487,756	241,660	9,189,310	8,978,040	9,237,188	9,530,991
2. Class 2	2,281,828	574,764	46,797	(252,609)	1,821,214	2,281,828	2,557,185	1,357,673
3. Class 3	672,848			(190,936)	577,816	672,848	481,911	832,462
4. Class 4	791,783	82,400	45,841	(14,899)	964,041	791,783	813,443	899,630
5. Class 5	19,275			110,138	70,225	19,275	129,413	74,600
6. Class 6	18,000			(1,800)		18,000	16,200	
7. Total Bonds	12,761,774	3,162,407	2,580,394	(108,446)	12,622,606	12,761,774	13,235,340	12,695,356
PREFERRED STOCK								
8. Class 1	640,964	883,278	280,875	(112,054)	826,497	640,964	1,131,312	491,268
9. Class 2	939,535	975,393	1,074,794	(29,894)	877,953	939,535	810,240	777,372
10. Class 3	126,906			165,389	75,234	126,906	292,295	73,969
11. Class 4	33,374			(3,834)	36,486	33,374	29,541	36,489
12. Class 5	13,080			2,616	22,236	13,080	15,696	20,056
13. Class 6								
14. Total Preferred Stock	1,753,859	1,858,671	1,355,669	22,223	1,838,406	1,753,859	2,279,084	1,399,154
15. Total Bonds and Preferred Stock	14,515,633	5,021,078	3,936,063	(86,223)	14,461,012	14,515,633	15,514,424	14,094,510

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
8099999. Totals	652,000	XXX	655,881	9,033	1,066

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	893,389	1,074,247	939,866	1,539,029
2. Cost of short-term investments acquired	589,043	383,243	475,775	2,647,309
3. Increase (decrease) by adjustment		(1,725)	(2,156)	3,365
4. Increase (decrease) by foreign exchange adjustment				
5. Total profit (loss) on disposal of short-term investments				307
6. Consideration received on disposal of short-term investments	408,185	515,899	761,485	3,296,621
7. Book/adjusted carrying value, current period	1,074,247	939,866	652,000	893,389
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	1,074,247	939,866	652,000	893,389
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	1,074,247	939,866	652,000	893,389
12. Income collected during period	2,284	(506)	5,816	49,308
13. Income earned during period	782	5,410	1,727	34,956

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. F
NONE

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	Direct Premiums Written 3 Prior Year to Date	Direct Losses Paid (Deducting Salvage) 4 Current Year to Date	Direct Losses Paid (Deducting Salvage) 5 Prior Year to Date	Direct Losses Unpaid 6 Current Year to Date	Direct Losses Unpaid 7 Prior Year to Date
1. Alabama AL	No						
2. Alaska AK	No						
3. Arizona AZ	Yes						
4. Arkansas AR	No						
5. California CA	No						
6. Colorado CO	No						
7. Connecticut CT	No						
8. Delaware DE	No						
9. District of Columbia DC	No						
10. Florida FL	No						
11. Georgia GA	No						
12. Hawaii HI	No						
13. Idaho ID	No						
14. Illinois IL	Yes						
15. Indiana IN	Yes	4,284,777	3,223,151	2,335,545	1,217,225	1,185,849	719,843
16. Iowa IA	No						
17. Kansas KS	No						
18. Kentucky KY	No						
19. Louisiana LA	No						
20. Maine ME	No						
21. Maryland MD	No						
22. Massachusetts MA	No						
23. Michigan MI	No						
24. Minnesota MN	No						
25. Mississippi MS	No						
26. Missouri MO	No						
27. Montana MT	No						
28. Nebraska NE	No						
29. Nevada NV	No						
30. New Hampshire NH	No						
31. New Jersey NJ	No						
32. New Mexico NM	No						
33. New York NY	No						
34. North Carolina NC	No						
35. North Dakota ND	No						
36. Ohio OH	Yes	10,798,398	12,019,403	7,144,843	9,060,454	5,409,347	4,583,606
37. Oklahoma OK	No						
38. Oregon OR	No						
39. Pennsylvania PA	No						
40. Rhode Island RI	No						
41. South Carolina SC	No						
42. South Dakota SD	No						
43. Tennessee TN	No						
44. Texas TX	No						
45. Utah UT	No						
46. Vermont VT	No						
47. Virginia VA	No						
48. Washington WA	No						
49. West Virginia WV	No						
50. Wisconsin WI	No						
51. Wyoming WY	No						
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) 4	15,083,175	15,242,554	9,480,388	10,277,679	6,595,196	5,303,449
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	129,595	74,355	57.4	67.1
2. Allied lines			0.0	
3. Farmowners multiple peril			0.0	
4. Homeowners multiple peril	2,288,801	1,924,472	84.1	82.0
5. Commercial multiple peril			0.0	
6. Mortgage guaranty			0.0	
8. Ocean marine			0.0	
9. Inland marine			0.0	
10. Financial guaranty			0.0	
11.1. Medical malpractice-occurrence			0.0	
11.2. Medical malpractice-claims made			0.0	
12. Earthquake			0.0	
13. Group accident and health			0.0	16.1
14. Credit accident and health			0.0	
15. Other accident and health	31,509		0.0	(68.2)
16. Workers' compensation			0.0	
17.1 Other liability-occurrence			0.0	
17.2 Other liability-claims made			0.0	
18.1 Products liability-occurrence			0.0	
18.2 Products liability-claims made			0.0	
19.1, 19.2 Private passenger auto liability	8,343,943	6,247,653	74.9	65.0
19.3, 19.4 Commercial auto liability			0.0	
21. Auto physical damage	4,289,328	2,524,317	58.9	62.9
22. Aircraft (all perils)			0.0	
23. Fidelity			0.0	
24. Surety			0.0	
26. Burglary and theft			0.0	
27. Boiler and machinery			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	0	0	0.0	0.0
34. Totals	15,083,175	10,770,797	71.4	57.5
DETAILS OF WRITE-INS				
3301.			0.0	
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)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	46,611	147,179	98,260
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril	1,012,757	2,596,680	1,958,701
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			2,364,299
14. Credit accident and health			
15. Other accident and health			70,030
16. Workers' compensation			
17.1. Other liability-occurrence	15,005	34,350	30,669
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	2,488,861	8,609,155	7,122,774
19.3, 19.4 Commercial auto liability			
21. Auto physical damage	1,516,449	4,613,708	3,597,820
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	0	0	0
34. Totals	5,079,683	16,001,072	15,242,553
DETAILS OF WRITE-INS			
3301.			
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	0

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	321	109	430	196	31	227	161	11	17	189	36	(50)	(14)
2. 2000	510	152	662	451	20	471	338	11	131	480	279	10	289
3. Subtotals 2000 + Prior	832	261	1,093	647	51	698	499	22	148	669	314	(40)	274
4. 2001	1,517	1,036	2,553	1,033	259	1,292	578	241	262	1,081	94	(274)	(180)
5. Subtotals 2001 + Prior	2,349	1,297	3,646	1,680	310	1,990	1,077	263	410	1,750	408	(314)	94
6. 2002	XXX	XXX	XXX	XXX	5,492	5,492	XXX	2,264	1,332	3,596	XXX	XXX	XXX
7. Totals	2,349	1,297	3,646	1,680	5,802	7,482	1,077	2,527	1,742	5,346	408	(314)	94
8. Prior Year-End's Surplus As Regards Policyholders	21,669												

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. 17.4 %	2. (24.2)%	3. 2.6 %

Col. 13, Line 7 Line 8
4. 0.4 %

(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

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:

N/A

N/A

BAR CODE:

Overflow Page
NONE

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 - States, Territories and Possessions								
United States								
3133MQ 6V 1	Federal Home Loan Bank	07/17/2002	Griffin,Kubik,Stephens,Th		199,875	200,000		1PE
38373V MF 4	GNMA REMIC 2002-60	09/03/2002	Mesirow Financial, Inc		327,810	321,876	1,229	1PE
	U.S.				527,685	521,876	1,229	XXX
	United States				527,685	521,876	1,229	XXX
1799999.	Total - Bonds - States, Territories & Possessions				527,685	521,876	1,229	XXX
Bonds - Special Revenue and Special Assessment								
United States								
3133MK ED 5	Federal Home Loan Bank	08/27/2002	Mesirow Financial, Inc		264,185	250,000	3,555	1PE
	U.S.				264,185	250,000	3,555	XXX
	United States				264,185	250,000	3,555	XXX
3199999.	Total - Bonds - Special Revenue & Special Assessments				264,185	250,000	3,555	XXX
Bonds - Industrial and Miscellaneous								
United States								
00206H H7 2	AT&T Capital Corp	08/13/2002	Mesirow Financial, Inc		228,344	225,000	3,754	1
031905 AA 0	Amoco Corp	07/23/2002	Mesirow Financial, Inc		367,125	330,000	10,427	1PE
25766C AH 7	Donaldson Lufkin & Jenrette	07/23/2002	Mesirow Financial, Inc		221,230	202,000	4,452	1PE
345397 SQ 7	Ford Motor Credit Company	08/12/2002	Raymond James & Associate		348,670	350,000	10,938	2
370425 SB 7	General Motors Credit Corp	07/16/2002	Mesirow Financial, Inc		226,094	225,000	6,431	2
441812 FL 3	Household Finance Co	09/13/2002	Griffin,Kubik,Stephens,Th		238,462	225,000	5,881	1PE
46284P AD 6	Iron Inc	09/19/2002	Alex Brown		41,200	40,000	1,692	4
758753 AB 3	Regal Cinemas Corp	09/01/2002	Meridian Capital Markets		41,200	40,000	333	4Z
87612E AG 1	Target Corp	07/23/2002	Mesirow Financial, Inc		182,438	175,000	3,019	1PE
	United States				1,894,763	1,812,000	46,927	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				1,894,763	1,812,000	46,927	XXX
6099997.	Total - Bonds - Part 3				2,686,633	2,583,876	51,711	XXX
6099999.	Total - Bonds				2,686,633	2,583,876	51,711	XXX
Preferred Stocks - Public Utilities								
United States								
842434 30 0	Southern California Gas	09/17/2002	Mesirow Financial, Inc	2,500.000	51,250	25		P2L
845739 20 0	Southwestern Public Service	08/07/2002	Mesirow Financial, Inc	2,600.000	50,700	25		P2L
98719V 20 6	Yorkshire Capital	08/05/2002	Mesirow Financial, Inc	3,200.000	78,720	25		P2U
	United States				180,670	75	0	XXX
6199999.	Total - Preferred Stocks - Public Utilities				180,670	75	0	XXX
Preferred Stocks - Industrial and Miscellaneous								
United States								
00206J 30 8	AT&T Capital	07/15/2002	Mesirow Financial, Inc	5,000.000	124,250	25		P1L
589977 20 6	Merrill Lynch	09/24/2002	Mesirow Financial, Inc	3,750.000	98,438	25		P1L
59021K 20 5	Merrill Lynch Capital	09/23/2002	Mesirow Financial, Inc	3,900.000	99,645	25		P1L
92930N 20 0	WPSR Capital	09/12/2002	Mesirow Financial, Inc	6,000.000	151,320	25		P1L
G98255 20 4	XL Capital Ltd	09/24/2002	Mesirow Financial, Inc	5,000.000	128,750	25		P1U
	United States				602,403	125	0	XXX
6399999.	Total - Preferred Stocks - Industrial & Miscellaneous				602,403	125	0	XXX
6599997.	Total - Preferred Stocks - Part 3				783,073	200	0	XXX
6599998.	Total - Preferred Stocks - Summary Item for Preferred Stocks Bought and Sold This Quarter				1,075,598			XXX
6599999.	Total - Preferred Stocks				1,858,671	200	0	XXX
Common Stocks - Banks, Trust and Insurance Companies								
United States								
001055 10 2	AFLAC Inc	07/25/2002	Salomon Bros	190.000	5,262			L
571748 10 2	Marsh & McLennan Cos	08/06/2002	A.G. Edwards	120.000	5,472			L
665859 10 4	Northern Trust Corp	08/01/2002	A.G. Edwards	155.000	5,994			L
	United States				16,728	XXX	0	XXX

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)
6799999.	Total - Common Stocks - Banks, Trust & Ins. Cos				16,728	XXX	0	XXX
Common Stocks - Industrial and Miscellaneous								
United States								
026874 10 7	American International Group	09/24/2002	VARIOUS	205.000	12,104			L
053611 10 9	Avery Dennison Corp	08/27/2002	VARIOUS	193.000	12,199			L
090613 10 0	Biomet Inc	08/27/2002	Prudential Bache	210.000	5,806			L
278865 10 0	Ecolab Inc	07/01/2002	Salomon Bros	145.000	6,550			L
281760 10 8	AG Edwards	08/27/2002	Lehman Brothers Securitie	160.000	6,148			L
291011 10 4	Emerson Electric	07/01/2002	Salomon Bros	125.000	6,675			L
30231G 10 2	Exxon Mobil Corp	07/26/2002	Salomon Bros	185.000	6,334			L
311900 10 4	Fastenal Company	08/06/2002	Instinet	175.000	5,969			L
319963 10 4	First Data Corp	08/27/2002	Prudential Bache	165.000	6,213			L
337738 10 8	Fiserv Inc	08/01/2002	Robt. W.Baird & Co	175.000	5,973			L
375766 10 2	Gillette Co	08/16/2002	J. P. Morgan Securities	380.000	11,884			L
452308 10 9	Illinois Tool Works	08/01/2002	Bank New York	90.000	5,945			L
585055 10 6	Medtronic Inc	08/14/2002	Bear Stern & Co	150.000	5,918			L
681919 10 6	Omnicom Group Inc	09/04/2002	Meridian Capital Markets	75.000	4,257			L
713448 10 8	Pepsico Inc	08/14/2002	Bank New York	130.000	5,689			L
871829 10 7	Sysco Corp	08/06/2002	Bernstein, Sanford	205.000	5,707			L
913017 10 9	United Technologies	08/06/2002	Fifth Third Securities	175.000	11,326			L
	United States				124,697	XXX	0	XXX
6899999.	Total - Common Stocks - Industrial & Miscellaneous				124,697	XXX	0	XXX
7099997.	Total - Common Stocks - Part 3				141,425	XXX	0	XXX
7099999.	Total - Common Stocks				141,425	XXX	0	XXX
7199999.	Total - Preferred and Common Stocks				2,000,096	XXX	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				4,686,729	XXX	51,711	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 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)
Bonds - U.S. Government																
36203C CX 8...	GNMA Pool #344886	09/16/2002	VARIOUS		227,456	222,141	216,172	218,147	506			9,309	9,309	10,653		1
36224T AC 4...	GNMA Pool #337603	09/16/2002	VARIOUS		111,286	106,135	109,986	109,450	(321)			1,836	1,836	6,475		1
912827 V8 2...	U.S. Treasury Note	08/27/2002	Mesirow Financial, Inc.		273,047	250,000	252,298	251,153	(211)			21,894	21,894	11,614		1PE
0399999.	Total - Bonds - U.S. Government				611,789	578,276	578,456	578,750	(26)	0	0	33,039	33,039	28,742	0	XXX
Bonds - States, Territories and Possessions																
Massachusetts																
575895 XR 3...	Massachusetts Port	07/16/2002	Mesirow Financial, Inc.		224,994	200,000	206,758	205,787	(237)			19,207	19,207	12,075		1PE
	Massachusetts				224,994	200,000	206,758	205,787	(237)	0	0	19,207	19,207	12,075	0	XXX
New Jersey																
646038 US 6...	New Jersey St Community Developmt	08/01/2002	CALLED @ 101.0000000		202,000	200,000	229,600	202,000	(2,313)				0	16,200		1
	New Jersey				202,000	200,000	229,600	202,000	(2,313)	0	0	0	0	16,200	0	XXX
New York																
649666 PJ 7...	New York NY Ser I	07/23/2002	Mesirow Financial, Inc.		225,894	200,000	216,774	212,827	(1,347)			13,068	13,068	9,757		1PE
	New York				225,894	200,000	216,774	212,827	(1,347)	0	0	13,068	13,068	9,757	0	XXX
Texas																
442436 SR 3...	Houston TX Water & Sewer	07/23/2002	Mesirow Financial, Inc.		277,908	250,000	265,520	264,556	(252)			13,351	13,351	10,118		1
548100 5J 1...	Lower Colorado River Authority	07/23/2002	Mesirow Financial, Inc.		280,313	250,000	266,228	262,351	(845)			17,962	17,962	10,458		1PE
	Texas				558,221	500,000	531,748	526,907	(1,097)	0	0	31,313	31,313	20,576	0	XXX
	United States				1,211,109	1,100,000	1,184,880	1,147,521	(4,994)	0	0	63,588	63,588	58,608	0	XXX
1799999.	Total - Bonds - States, Territories & Possessions				1,211,109	1,100,000	1,184,880	1,147,521	(4,994)	0	0	63,588	63,588	58,608	0	XXX
Bonds - Industrial and Miscellaneous																
United States																
726540 AE 7...	Plains Resources	08/02/2002	Called		46,538	45,000	46,588	45,841	396			696	696	4,062		4
741439 AE 3...	Price Communications Wireless	08/16/2002	Called		47,053	45,000	47,145	46,797	(213)			256	256	2,749		2
	United States				93,591	90,000	93,733	92,638	183	0	0	952	952	6,811	0	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				93,591	90,000	93,733	92,638	183	0	0	952	952	6,811	0	XXX
6099997.	Total - Bonds - Part 4				1,916,489	1,768,276	1,857,069	1,818,909	(4,837)	0	0	97,579	97,579	94,161	0	XXX
6099999.	Total - Bonds				1,916,489	1,768,276	1,857,069	1,818,909	(4,837)	0	0	97,579	97,579	94,161	0	XXX
Preferred Stocks - Industrial and Miscellaneous																
United States																
22080U 20 9...	Corts Trust Safeco Capital	07/29/2002	Mesirow Financial, Inc.	2,450.000	60,881	25	61,740	61,740				(859)	(859)		2,680	2PE
812404 20 0...	Sears Roebuck	07/10/2002	Mesirow Financial, Inc.	5,000.000	123,746	25	124,800	124,800				(1,054)	(1,054)		2,188	2W
G16547 16 1...	BSCH Finance LTD	09/12/2002	Mesirow Financial, Inc.	3,650.000	92,488	25	93,531	93,531				(1,043)	(1,043)		3,707	P2Z
	United States				277,115	75	280,071	280,071	0	0	0	(2,956)	(2,956)	0	8,575	XXX
6399999.	Total - Preferred Stocks - Industrial & Miscellaneous				277,115	75	280,071	280,071	0	0	0	(2,956)	(2,956)	0	8,575	XXX
6599997.	Total - Preferred Stocks - Part 4				277,115	75	280,071	280,071	0	0	0	(2,956)	(2,956)	0	8,575	XXX
6599998.	Total - Preferred Stocks - Summary Item for Preferred Stocks Bought and Sold This Quarter				1,086,926		1,075,598	1,075,598				11,328	11,328		12,679	XXX
6599999.	Total - Preferred Stocks				1,364,041	75	1,355,669	1,355,669	0	0	0	8,372	8,372	0	21,254	XXX
Common Stocks - Banks, Trust and Insurance Companies																
United States																
337162 10 1...	First Tennessee National Corp	08/27/2002	VARIOUS	410.000	15,372		10,258	10,258	(4,608)			5,114	5,114		308	L
844730 10 1...	Southtrust Corp	08/27/2002	Merrill Lynch	320.000	8,548		4,710	4,710	(3,184)			3,838	3,838		154	L
949746 10 1...	Wells Fargo & Co	08/02/2002	VARIOUS	180.000	8,785		8,310	8,310	485			475	475		97	L
	United States				32,705	XXX	23,278	23,278	(7,307)	0	0	9,427	9,427	0	559	XXX
6799999.	Total - Common Stocks - Banks, Trust & Insurance Companies				32,705	XXX	23,278	23,278	(7,307)	0	0	9,427	9,427	0	559	XXX
Common Stocks - Industrial and Miscellaneous																
United States																
02553E 10 6...	American Eagle Outfitters	08/14/2002	Lehman Brothers Securitie	450.000	7,043		12,197	12,197	421			(5,154)	(5,154)			L
032654 10 5...	Analog Devices	09/04/2002	Bear Stern & Co	275.000	6,105		19,535	19,535	7,328			(13,430)	(13,430)			L
038222 10 5...	Applied Materials Inc	08/01/2002	Instinet	350.000	5,280		8,598	8,598	1,581			(3,318)	(3,318)			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)
14040H 10 5	Capital One Financial	07/23/2002	Fifth Third Securities	160.000	5,018		11,126	11,126	2,494			(6,108)	(6,108)		9	L
17275R 10 2	Cisco Systems	08/01/2002	Bank New York	800.000	10,311		36,959	36,959	22,471			(26,648)	(26,648)			L
172967 10 1	Citigroup Inc	07/24/2002	Bank New York	240.000	6,758		12,268	12,268	153			(5,511)	(5,511)		85	L
268648 10 2	EMC Corp	07/23/2002	Bank New York	550.000	3,855		24,989	24,989	17,597			(21,133)	(21,133)			L
369604 10 3	General Electric Co	08/16/2002	Credit Suisse First Bosto	375.000	11,861		18,084	18,084	3,054			(6,223)	(6,223)		203	L
466313 10 3	Jabil Circuit Inc	07/23/2002	Fifth Third Securities	585.000	9,829		20,815	20,815	7,524			(10,986)	(10,986)			L
68389X 10 5	Oracle Corporation	08/01/2002	Prudential Bache	925.000	8,979		36,336	36,336	23,562			(27,357)	(27,357)			L
74144T 10 8	Price T Rowe Group Inc	07/26/2002	Morgan Stanley	330.000	8,126		12,973	12,973	1,512			(4,847)	(4,847)		158	L
808513 10 5	Schwab Charles Corp	07/23/2002	Bank New York	650.000	5,802		22,896	22,896	12,841			(17,094)	(17,094)		14	L
826170 10 2	Siebel Systems Inc	08/01/2002	Goldmanm Sachs & Co	215.000	2,077		9,025	9,025	3,010			(6,949)	(6,949)			L
860831 10 6	Stilwill Financial Inc	07/25/2002	Robt. W.Baird & Co	240.000	2,982		9,894	9,894	3,361			(6,912)	(6,912)		12	L
	United States				94,026	XXX	255,695	255,695	106,909	0	0	(161,670)	(161,670)	0	481	XXX
6899999.	Total - Common Stocks - Industrial & Miscellaneous				94,026	XXX	255,695	255,695	106,909	0	0	(161,670)	(161,670)	0	481	XXX
7099997.	Total - Common Stocks - Part 4				126,731	XXX	278,973	278,973	99,602	0	0	(152,243)	(152,243)	0	1,040	XXX
7099999.	Total - Common Stocks				126,731	XXX	278,973	278,973	99,602	0	0	(152,243)	(152,243)	0	1,040	XXX
7199999.	Total - Preferred and Common Stocks				1,490,772	XXX	1,634,642	1,634,642	99,602	0	0	(143,871)	(143,871)	0	22,294	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				3,407,261	XXX	3,491,711	3,453,551	94,765	0	0	(46,292)	(46,292)	94,161	22,294	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

Sch. E
NONE

Overflow Page for Write-Ins

Overflow Page for Write-Ins