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QUARTERLY STATEMENT

As of September 30, 2002

of the Condition and Affairs of the

STATE AUTO NATIONAL INSURANCE COMPANY

NAIC Group Code..... 175, 175 (Current Period) (Prior Period) NAIC Company Code..... 19530 Employer's ID Number..... 31-1334827

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

Country of Domicile US

Incorporated..... October 4, 1991 Commenced Business..... January 10, 1992

Statutory Home Office	518 EAST BROAD STREET ..... COLUMBUS ..... OH ..... 43215 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	518 EAST BROAD STREET ..... COLUMBUS ..... OH ..... 43215 *(Street and Number) (City or Town, State and Zip Code)*	614-464-5200 *(Area Code) (Telephone Number)*
Mail Address	518 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	518 EAST BROAD STREET ..... COLUMBUS ..... OH ..... 43215 *(Street and Number) (City or Town, State and Zip Code)*	614-464-5000 *(Area Code) (Telephone Number)*
Internet Website Address	STATEAUTO.COM	
Statement Contact	CYNTHIA ANN POWELL *(Name)*	614-464-5000 ext. 5473 *(Area Code) (Telephone Number) (Extension)*
	cindy.powell@stateauto.com *(E-Mail Address)*	614-719-0342 *(Fax Number)*
Policyowner Relations Contact	518 EAST BROAD STREET ..... COLUMBUS ..... OH ..... 43215-3976 *(Street and Number) (City or Town, State and Zip Code)*	614-464-5000 ext 5017 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

President ..... ROBERT HARLON MOONE Treasurer ..... STEVEN JUSTUS JOHNSTON Secretary ..... JOHN ROBERT LOWTHER

VICE PRESIDENTS

MARK ALLEN BLACKBURN, SVP	TERRENCE LEE BOWSHIER	JAMES ELIAS DUEMEY	WILLIAM DUANE HANSEN
STEVEN RAY HAZELBAKER	TERRENCE PAUL HIGERD	NOREEN WILLS JOHNSON	STEVEN JUSTUS JOHNSTON, SVP
ROBERT ALAN LETT	JOHN ROBERT LOWTHER, SVP	NELSON EDWARD MCCANTS	JOHN BUCHANAN MELVIN
CATHY BERNATH MILEY	RICHARD LEE MILEY	JOHN MICHAEL PETRUCCI	CYNTHIA ANN POWELL

DIRECTORS OR TRUSTEES

DAVID JAMES D'ANTONI	URLIN GILBERT HARRIS, JR.	PAUL WILLIAM HUESMAN	WILLIAM JOHN LHOTA
JOHN ROBERT LOWTHER	GEORGE ROBERT MANSER	ROBERT HARLON MOONE	RICHARD KEITH SMITH, JR.

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.

(Signature)	(Signature)	(Signature)
ROBERT HARLON MOONE	JOHN ROBERT LOWTHER	STEVEN JUSTUS JOHNSTON
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Treasurer

Subscribed and sworn to before me this

....11TH.....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	36,118,271	0	36,118,271	30,069,690
2. Stocks:				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	2,434,919	0	2,434,919	0
3. Mortgage loans on real estate:				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less $.....0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less $.....0 encumbrances)	0	0	0	0
5. Cash ($.....7,622) and short-term investments ($.....6,575,159)	6,582,781	0	6,582,781	5,281,109
6. Other invested assets	0	0	0	0
7. Receivable for securities	1,006	0	1,006	5,688
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8)	45,136,977	0	45,136,977	35,356,487
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	23,647,438	1,578,040	22,069,398	11,721,389
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)	0	0	0	0
10.3 Accrued retrospective premiums	0	0	0	0
11. Funds held by or deposited with reinsured companies	0	0	0	0
12. Bills receivable, taken for premiums	0	0	0	0
13. Amounts receivable under high deductible policies	0	0	0	0
14. Reinsurance recoverables on loss and loss adjustment expense payments	1,590,183	0	1,590,183	1,269,072
15. Federal and foreign income tax recoverable and interest thereon (including $.....2,005,604 net deferred tax asset)	3,135,651	1,130,047	2,005,604	1,263,646
16. Guaranty funds receivable or on deposit	32,666	0	32,666	51,175
17. Electronic data processing equipment and software	0	0	0	0
18. Interest, dividends and real estate income due and accrued	518,241	0	518,241	463,386
19. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
20. Receivable from parent, subsidiaries and affiliates	0	0	0	653,394
21. Amounts due from/to protected cells	0	0	0	0
22. Equities and deposits in pools and associations	55	0	55	117
23. Amounts receivable relating to uninsured accident and health plans	0	0	0	0
24. Other assets nonadmitted	0	0	0	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)	74,061,211	2,708,087	71,353,124	50,778,666
27. Protected cell assets	0	0	0	0
28. TOTALS (Lines 26 and 27)	74,061,211	2,708,087	71,353,124	50,778,666

DETAILS OF WRITE-INS

0801.	0	0	0	0
0802.	0	0	0	0
0803.	0	0	0	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.	0	0	0	0
2502.	0	0	0	0
2503.	0	0	0	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 $.....0)	19,416,965	11,805,006
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	4,130,027	2,924,987
4. Commissions payable, contingent commissions and other similar charges	387,000	175,000
5. Other expenses (excluding taxes, licenses and fees)	185,194	108,224
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,326,209	868,192
7. Federal and foreign income taxes (including $.....0 on realized capital gains (losses) (including $.....0 net deferred tax liability)	1,284,643	327,208
8. Borrowed money $.....0 and interest thereon $.....0	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of $.....3,973,092 and including warranty reserves of $.....0)	24,033,408	12,932,547
10. Advance premium	154,053	84,386
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	2,180,054	1,177,322
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	(13,642)	5,189
15. Remittances and items not allocated	0	0
16. Provision for reinsurance	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	1,479,467	1,437,864
20. Payable for securities	0	0
21. Liability for amounts held under uninsured accident and health plans	0	0
22. Capital notes $.....0 and interest thereon $.....0	0	0
23. Aggregate write-ins for liabilities	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	54,563,378	31,845,925
25. Protected cell liabilities	0	0
26. Total liabilities (Lines 24 and 25)	54,563,378	31,845,925
27. Aggregate write-ins for special surplus funds	0	0
28. Common capital stock	2,400,000	2,400,000
29. Preferred capital stock	0	0
30. Aggregate write-ins for other than special surplus funds	0	0
31. Surplus notes	0	0
32. Gross paid in and contributed surplus	12,600,000	12,600,000
33. Unassigned funds (surplus)	1,789,746	3,932,741
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 $.....0)	0	0
34.2 .....0.000 shares preferred (value included in Line 29 $.....0)	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	16,789,746	18,932,741
36. TOTALS	71,353,124	50,778,666

DETAILS OF WRITE-INS

2301.	0	0
2302.	0	0
2303.	0	0
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)	0	0
2701.	0	0
2702.	0	0
2703.	0	0
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.	0	0
3002.	0	0
3003.	0	0
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 $.....64,466,649)	51,585,564	25,317,696	31,105,160
1.2 Assumed (written $.....25,987)	34,654	24,461	0
1.3 Ceded (written $.....9,191,103)	7,419,547	3,765,900	0
1.4 Net (written $.....55,301,533)	44,200,671	21,576,257	31,105,160
DEDUCTIONS:			
2. Losses incurred (current accident year $.....0):			
2.1 Direct	37,387,117	16,874,620	21,629,338
2.2 Assumed	27,829	13,699	0
2.3 Ceded	5,297,633	2,422,605	0
2.4 Net	32,117,313	14,465,714	21,629,338
3. Loss expenses incurred	5,108,270	2,276,628	3,080,707
4. Other underwriting expenses incurred	12,707,375	7,409,310	10,031,680
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	49,932,958	24,151,652	34,741,725
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(5,732,287)	(2,575,395)	(3,636,565)
INVESTMENT INCOME			
9. Net investment income earned	1,368,893	1,112,501	1,511,361
10. Net realized capital gains (losses)	406,174	35,971	61,397
11. Net investment gain (loss) (Lines 9 + 10)	1,775,067	1,148,472	1,572,758
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....47,190 amount charged off $.....652,857)	(605,667)	(306,768)	(415,182)
13. Finance and service charges not included in premiums	4,129,661	1,899,958	2,688,291
14. Aggregate write-ins for miscellaneous income	4,063	2,732	4,826
15. Total other income (Lines 12 through 14)	3,528,057	1,595,922	2,277,935
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	(429,163)	168,999	214,128
17. Dividends to policyholders	0	0	0
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	(429,163)	168,999	214,128
19. Federal and foreign income taxes incurred	957,435	236,012	327,208
20. Net income (Line 18 minus Line 19) (to Line 22)	(1,386,598)	(67,013)	(113,080)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year	18,932,740	14,071,654	14,071,654
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	(1,386,598)	(67,013)	(113,080)
23. Net unrealized capital gains or losses	(361,585)	0	0
24. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
25. Change in net deferred income taxes	1,301,182	232,433	427,991
26. Change in nonadmitted assets	(1,695,993)	9,097	(202,948)
27. Change in provision for reinsurance	0	0	0
28. Change in surplus notes	0	0	0
29. Surplus (contributed to) withdrawn from protected cells	0	0	0
30. Cumulative effect of changes in accounting principles	0	749,123	749,123
31. Capital changes:			
31.1 Paid in	0	0	0
31.2 Transferred from surplus (Stock Dividend)	0	0	0
31.3 Transferred to surplus	0	0	0
32. Surplus adjustments:			
32.1 Paid in	0	0	4,000,000
32.2 Transferred to capital (Stock Dividend)	0	0	0
32.3 Transferred from capital	0	0	0
33. Net remittances from or (to) Home Office	0	0	0
34. Dividends to stockholders	0	0	0
35. Change in treasury stock	0	0	0
36. Aggregate write-ins for gains and losses in surplus	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36)	(2,142,994)	923,640	4,861,086
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	16,789,746	14,995,294	18,932,740

DETAILS OF WRITE-INS

0501.	0	0	0
0502.	0	0	0
0503.	0	0	0
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. SECURITIES LENDING INCOME	4,063	2,732	4,826
1402.	0	0	0
1403.	0	0	0
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)	4,063	2,732	4,826
3601. Lines 23 and 29 from 2000 Annual Statement	0	0	0
3602.	0	0	0
3603.	0	0	0
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	45,083,851	31,716,498
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	28,729,695	21,716,540
3. Underwriting expenses paid	11,960,388	9,500,388
4. Other underwriting income (expenses)	0	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	4,393,768	499,570
6. Net investment income	1,361,775	1,504,637
7. Other income (expenses):		
7.1 Agents' balances charged off	(605,667)	(415,182)
7.2 Net funds held under reinsurance treaties	0	0
7.3 Net amount withheld or retained for account of others	(18,831)	5,189
7.4 Aggregate write-ins for miscellaneous items	4,152,295	2,641,826
7.5 Total other income (Lines 7.1 to 7.4)	3,527,797	2,231,832
8. Dividends to policyholders on direct business, less $.....0 dividends on reinsurance assumed or ceded (net)	0	0
9. Federal and foreign income taxes (paid) recovered	0	184,435
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	9,283,340	4,420,474
CASH FROM INVESTMENTS		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	15,348,334	5,911,914
11.2 Stocks	229,075	0
11.3 Mortgage loans	0	0
11.4 Real estate	0	0
11.5 Other invested assets	0	0
11.6 Net gains or (losses) on cash and short-term investments	0	0
11.7 Miscellaneous proceeds	4,682	0
11.8 Total investment proceeds (Lines 11.1 to 11.7)	15,582,091	5,911,914
12. Cost of investments acquired (long-term only):		
12.1 Bonds	21,040,049	9,764,403
12.2 Stocks	3,218,707	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Miscellaneous applications	0	5,688
12.7 Total investments acquired (Lines 12.1 to 12.6)	24,258,756	9,770,091
13. Net cash from investments (Line 11.8 minus Line 12.7)	(8,676,665)	(3,858,177)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in	0	4,000,000
14.2 Capital notes $.....0 less amounts repaid $.....0	0	0
14.3 Net transfers from affiliates	694,997	0
14.4 Borrowed funds received	0	0
14.5 Other cash provided	0	0
14.6 Total (Lines 14.1 to 14.5)	694,997	4,000,000
15. Cash applied:		
15.1 Dividends to stockholders paid	0	0
15.2 Net transfers to affiliates	0	96,657
15.3 Borrowed funds repaid	0	0
15.4 Other applications	0	0
15.5 Total (Lines 15.1 to 15.4)	0	96,657
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	694,997	3,903,343
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	1,301,672	4,465,640
18. Cash and short-term investments:		
18.1 Beginning of year	5,281,109	815,469
18.2 End of period (Line 17 plus Line 18.1)	6,582,781	5,281,109

DETAILS OF WRITE-INS

07.401 FINANCE AND SERVICE CHARGES	4,129,661	2,688,291
07.402 MISCELLANEOUS INCOME	4,063	4,826
07.403 EQUITY IN POOLS AND ASSOCIATIONS	62	(117)
07.498 Summary of remaining write-ins for Line 7.4 from overflow page	18,509	(51,175)
07.499 Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above)	4,152,295	2,641,826

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

A. The accompanying quarterly condensed financial statements of State Auto National Insurance Company (the "Company) have been prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance. In accordance with the *NAIC Annual Statement Instructions* for quarterly presentation, these financial statements do not include all of the information and footnotes required under an annual presentation. For further information, the reader is referred to the Company's annual statement filed for the period ended December 31, 2001.

9. Income Taxes:

A. The components of the net deferred tax asset/(liability) at September 30, 2002 are as follows:

Description	Amount ($)
Gross deferred tax assets	3,138,844
Gross deferred tax liabilities	3,193
Net deferred tax assets	3,135,651
Nonadmitted deferred tax assets	1,130,047
Admitted deferred tax assets	2,005,604
Increase (decrease) in nonadmitted deferred tax asets	753,922

B. Unrecognized deferred tax liabilities: Not applicable.

C. Current Tax and Change in Deferred Tax

Current income taxes incurred consist of the following major components:

	Amount ($)	
Description	2002	2001
Current income tax expense	950,418	327,208
Prior Year underaccrual	7,017	-
Current income taxes incurred	957,435	327,208

The main components of the 2002 deferred tax amounts are as follows:

	Amount ($)			
DTAs	Statutory	Tax	Difference	Tax Effect
Loss and LAE reserves	23,546,992	21,500,758	2,046,234	716,182
Unearned premiums	24,033,408	19,187,150	4,846,258	1,696,190
Investments	556,284	0	556,284	194,699
Salvage and subrogation	0	(1,464,966)	1,464,966	512,738
Other	54,384	0	54,384	19,034
Total DTAs	48,191,068	39,222,942	8,968,126	3,138,843
DTAs Nonadmitted				1,130,047

	Amount ($)			
DTLs	Statutory	Tax	Difference	Tax Effect
Investments	36,118,271	36,111,309	6,962	2,437
Other	2,160	0	2,160	756
Total DTLs	36,120,431	36,111,309	9,122	3,193

The changes in main components of DTAs and DTLs are as follows:

	Amounts ($)		
DTAs Resulting from Book/Tax Differences in	September 30, 2002	December 31, 2001	Change
Losses and LAE reserves	716,182	470,967	245,215
Unearned premiums	1,696,190	933,174	763,016
Investments	194,699	0	194,699
Salvage and subrogation	512,738	225,864	286,874
Other	19,034	17,465	1,569
AMT credit carryforward	0	4,854	(4,854)
Total DTAs	3,138,843	1,652,324	1,486,519
DTAs Nonadmitted	1,130,047	376,125	753,922

	Amount ($)		
DTLs Resulting from Book/Tax Differences in	September 30, 2002	January 1, 2001	Change
Investments	2,437	2,452	(15)
Other	756	10,101	(9,345)
Total DTLs	3,193	12,553	(9,360)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant book to tax adjustments were as follows:

Description	Amount ($)	Tax Effect at 35% Amount ($)
Income (loss) before taxes	(429,162)	(150,207)
Book over tax reserves	766,146	268,151
Unearned premiums	2,246,734	786,357
Salvage and subrogation	819,641	286,874
Tax exempt interest & dividends received	(684,333)	(239,517)
Other	(3,545)	(1,241)
Total other adjustments	2,378,497	832,473
Taxable income (loss)	2,715,481	950,417

E. Operating Loss and Tax CreditCarryforwards

1. At December 31, 2001 the Company did not have any unused operating loss carryfowards available to offset against future taxable income.

2. The following is income tax expense for 2001, 2000, and 1999 that is available for recoupment in the event of future net losses:

Year	Amount ($)
2001	334,226
2000	0
1999	189,398

F. Consolidated Federal Income TaxReturn

1. For 2002, the Company's federal income tax return will be consolidated with the following entities:

State Auto Financial Corporation
State Auto Property and Casualty Insurance Company
Farmers Casualty Insurance Company
State Auto Insurance Company of Ohio
Milbank Insurance Company
Mid-Plains Insurance Company
Stateco Financial Services
Strategic Insurance Software, Inc.

2. The method of allocation among the companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return.

17. Sale, Transfer and Servicing of Financial Instruments and Extinguishments of Liabilities:

C. Wash Sales: Not applicable.

20. Other Items

At September 30, 2002, the Company's statutory net written premium to surplus ratio was 3.94 to 1.00. This increase is the result of the Company's unusually large increase in its top line growth during the current year. To improve this statutory leverage position, the Company's parent, State Auto Financial, is pursuing bank debt or other forms of financing to infuse additional capital into the Company. Management anticipates that a financing arrangement will be obtained and the statutory leverage position of the Company will be addressed by December 31, 2002.

Certain items in the 2001 financial statements have been reclassified to conform to the 2002 presentation.

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 [X] No [ ]

2.2 If yes, has the report been filed with the domiciliary state? Yes [X] 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). .....07/13/2000.....

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: $.....0

12. Amount of real estate and mortgages held in short-term investments: $.....0

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

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds	$.....0	$.....0
13.22 Preferred Stock	$.....0	$.....0
13.23 Common Stock	$.....0	$.....0
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)	$.....0	$.....0
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
Bank One Columbus	1111 Polaris Parkway, Bldg. 54101-2B, Columbus, OH 43240

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)
N/A		

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

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

15.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
N/A		

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 [ ] 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	0.0	0	0	0	0	0	0	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	0
2. Increase (decrease) by adjustment	0	0	0	0
3. Cost of acquired	0	0	0	0
4. Cost of additions to and permanent improvements	0	0	0	0
5. Total profit (loss) on sales	0	0	0	0
6. Increase (decrease) by foreign exchange adjustment	0	0	0	0
7. Amount received on sales	0	0	0	0
8. Book/adjusted carrying value at end of current period	0	0	0	0
9. Total valuation allowance	0	0	0	0
10. Subtotal (Lines 8 plus 9)	0	0	0	0
11. Total nonadmitted amounts	0	0	0	0
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	0
2. Amount loaned during period:				
2.1 Actual cost at time of acquisitions	0	0	0	0
2.2 Additional investment made after acquisitions	0	0	0	0
3. Accrual of discount and mortgage interest points and commitment fees	0	0	0	0
4. Increase (decrease) by adjustment	0	0	0	0
5. Total profit (loss) on sale	0	0	0	0
6. Amounts paid on account or in full during the period	0	0	0	0
7. Amortization of premium	0	0	0	0
8. Increase (decrease) by foreign exchange adjustment	0	0	0	0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0	0	0
10. Total valuation allowance	0	0	0	0
11. Subtotal (Lines 9 plus 10)	0	0	0	0
12. Total nonadmitted amounts	0	0	0	0
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	0
2. Cost of acquisitions during period:				
2.1 Actual cost at time of acquisitions	0	0	0	0
2.2 Additional investment made after acquisitions	0	0	0	0
3. Accrual of discount	0	0	0	0
4. Increase (decrease) by adjustment	0	0	0	0
5. Total profit (loss) on sale	0	0	0	0
6. Amounts paid on account or in full during the period	0	0	0	0
7. Amortization of premium	0	0	0	0
8. Increase (decrease) by foreign exchange adjustment	0	0	0	0
9. Book/adjusted carrying value of long-term invested assets at end of current period	0	0	0	0
10. Total valuation allowance	0	0	0	0
11. Subtotal (Lines 9 plus 10)	0	0	0	0
12. Total nonadmitted amounts	0	0	0	0
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	39,283,833	23,047,800	19,615,578	(22,624)	35,717,200	39,283,833	42,693,431	34,781,649
2. Class 2	0	0	0	0	503,153	0	0	503,273
3. Class 3	0	0	0	0	0	0	0	0
4. Class 4	0	0	0	0	0	0	0	0
5. Class 5	0	0	0	0	0	0	0	0
6. Class 6	0	0	0	0	0	0	0	0
7. Total Bonds	39,283,833	23,047,800	19,615,578	(22,624)	36,220,353	39,283,833	42,693,431	35,284,922
PREFERRED STOCK								
8. Class 1	0	0	0	0	0	0	0	0
9. Class 2	0	0	0	0	0	0	0	0
10. Class 3	0	0	0	0	0	0	0	0
11. Class 4	0	0	0	0	0	0	0	0
12. Class 5	0	0	0	0	0	0	0	0
13. Class 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	39,283,833	23,047,800	19,615,578	(22,624)	36,220,353	39,283,833	42,693,431	35,284,922

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	6,575,159	XXX	6,575,159	0	0

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	5,215,231	129,654	6,178,251	764,138
2. Cost of short-term investments acquired	6,322,005	11,430,928	11,762,101	17,496,084
3. Increase (decrease) by adjustment	0	0	0	0
4. Increase (decrease) by foreign exchange adjustment	0	0	0	0
5. Total profit (loss) on disposal of short-term investments	0	0	0	0
6. Consideration received on disposal of short-term investments	11,407,582	5,382,331	11,365,193	13,044,991
7. Book/adjusted carrying value, current period	129,654	6,178,251	6,575,159	5,215,231
8. Total valuation allowance	0	0	0	0
9. Subtotal (Lines 7 plus 8)	129,654	6,178,251	6,575,159	5,215,231
10. Total nonadmitted amounts	0	0	0	0
11. Statement value (Lines 9 minus 10)	129,654	6,178,251	6,575,159	5,215,231
12. Income collected during period	11,835	4,868	10,982	42,517
13. Income earned during period	4,948	12,427	10,270	45,655

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)
All Other Insurers				
00000	AA-3194130	Endurance Specialty Insurance Limited	Bermuda	yes

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
	Is Insurer Licensed? (Yes or No)	2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama AL	YES	3,463,994	3,488,980	1,826,678	2,158,537	1,819,368	153,179
2. Alaska AK	NO	0	0	0	0	0	0
3. Arizona AZ	NO	0	0	0	0	0	0
4. Arkansas AR	YES	2,321,835	1,318,101	1,318,547	757,758	1,036,803	993,943
5. California CA	NO	0	0	0	0	0	0
6. Colorado CO	NO	0	0	0	0	0	0
7. Connecticut CT	NO	0	0	0	0	0	0
8. Delaware DE	NO	0	0	0	0	0	0
9. District of Columbia DC	NO	0	0	0	0	0	0
10. Florida FL	YES	1,541,448	130,650	341,809	16,865	535,199	0
11. Georgia GA	YES	912,185	904,510	530,607	553,603	581,113	496,575
12. Hawaii HI	NO	0	0	0	0	0	0
13. Idaho ID	NO	0	0	0	0	0	0
14. Illinois IL	YES	915,553	291,346	353,066	94,751	227,224	124,777
15. Indiana IN	YES	1,318,133	275,945	411,553	70,945	233,412	74,379
16. Iowa IA	NO	0	0	0	0	0	1,461,610
17. Kansas KS	NO	0	0	0	0	0	0
18. Kentucky KY	YES	16,842,905	4,442,660	7,098,332	1,934,507	6,167,787	1,461,610
19. Louisiana LA	NO	0	0	0	0	0	0
20. Maine ME	NO	0	0	0	0	0	0
21. Maryland MD	YES	758,218	359,714	306,564	163,349	182,188	127,847
22. Massachusetts MA	NO	0	0	0	0	0	0
23. Michigan MI	NO	0	0	0	0	0	0
24. Minnesota MN	YES	7,782,291	2,446,027	2,424,361	756,764	2,959,555	976,466
25. Mississippi MS	YES	1,308,889	1,103,467	753,139	442,846	439,852	459,543
26. Missouri MO	YES	2,099,128	623,596	823,686	321,521	598,448	337,372
27. Montana MT	NO	0	0	0	0	0	0
28. Nebraska NE	NO	0	0	0	0	0	0
29. Nevada NV	NO	0	0	0	0	0	0
30. New Hampshire NH	NO	0	0	0	0	0	0
31. New Jersey NJ	NO	0	0	0	0	0	0
32. New Mexico NM	NO	0	0	0	0	0	0
33. New York NY	NO	0	0	0	0	0	0
34. North Carolina NC	YES	0	0	0	0	0	0
35. North Dakota ND	YES	0	0	0	0	0	0
36. Ohio OH	YES	6,929,649	3,636,730	3,564,530	1,473,530	3,213,064	1,759,185
37. Oklahoma OK	YES	0	0	0	0	0	0
38. Oregon OR	NO	0	0	0	0	0	0
39. Pennsylvania PA	YES	3,892,358	2,865,273	1,829,531	1,197,220	1,821,079	1,255,264
40. Rhode Island RI	NO	0	0	0	0	0	0
41. South Carolina SC	YES	4,454,816	4,232,040	2,651,650	2,135,285	2,746,538	2,953,758
42. South Dakota SD	YES	110,983	81,709	60,404	30,894	82,170	25,754
43. Tennessee TN	YES	4,969,133	1,992,092	1,923,103	1,115,655	1,489,740	1,291,178
44. Texas TX	NO	0	0	0	0	0	0
45. Utah UT	YES	1,039,073	276,766	278,805	186,271	209,383	107,514
46. Vermont VT	NO	0	0	0	0	0	0
47. Virginia VA	NO	0	0	0	0	0	0
48. Washington WA	NO	0	0	0	0	0	0
49. West Virginia WV	YES	2,063,714	1,070,095	999,632	431,915	932,247	483,094
50. Wisconsin WI	YES	1,742,344	1,300,163	1,122,738	440,131	590,935	516,155
51. Wyoming WY	NO	0	0	0	0	0	0
52. American Samoa AS	NO	0	0	0	0	0	0
53. Guam GU	NO	0	0	0	0	0	0
54. Puerto Rico PR	NO	0	0	0	0	0	0
55. US Virgin Islands VI	NO	0	0	0	0	0	0
56. Canada CN	NO	0	0	0	0	0	0
57. Aggregate Other Alien OT	XXX	0	0	0	0	0	0
58. Totals	(a) 22	64,466,649	30,839,864	28,618,735	14,282,347	25,866,105	15,059,203

DETAILS OF WRITE-INS

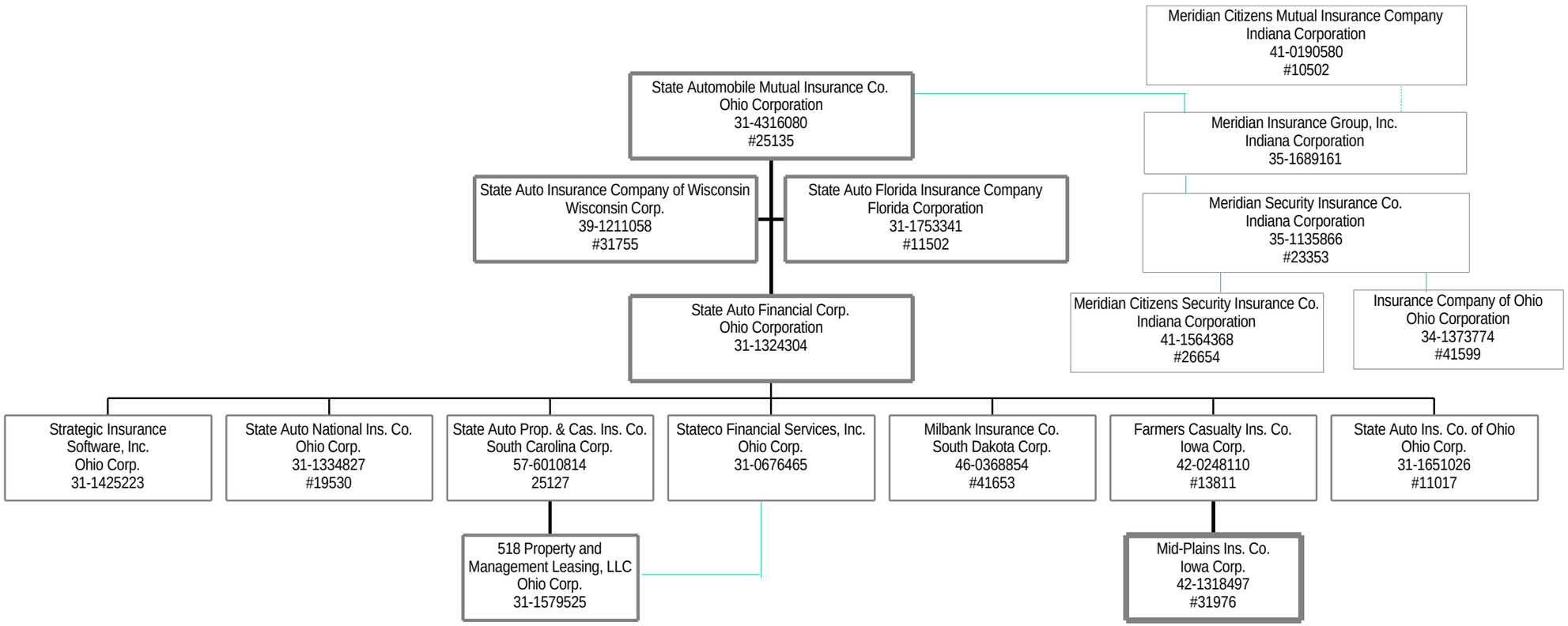
5701.	XXX	0	0	0	0	0	0
5702.	XXX	0	0	0	0	0	0
5703.	XXX	0	0	0	0	0	0
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 above)	XXX	0	0	0	0	0	0

(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

ORGANIZATIONAL STRUCTURE OF STATE AUTO HOLDING COMPANY SYSTEM State Auto Group #175



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	0	0	0.0	0.0
2. Allied lines	0	0	0.0	0.0
3. Farmowners multiple peril	0	0	0.0	0.0
4. Homeowners multiple peril	0	0	0.0	0.0
5. Commercial multiple peril	0	0	0.0	0.0
6. Mortgage guaranty	0	0	0.0	0.0
8. Ocean marine	0	0	0.0	0.0
9. Inland marine	0	0	0.0	0.0
10. Financial guaranty	0	0	0.0	0.0
11.1. Medical malpractice-occurrence	0	0	0.0	0.0
11.2. Medical malpractice-claims made	0	0	0.0	0.0
12. Earthquake	0	0	0.0	0.0
13. Group accident and health	0	0	0.0	0.0
14. Credit accident and health	0	0	0.0	0.0
15. Other accident and health	0	0	0.0	0.0
16. Workers' compensation	0	0	0.0	0.0
17.1 Other liability-occurrence	0	0	0.0	0.0
17.2 Other liability-claims made	0	0	0.0	0.0
18.1 Products liability-occurrence	0	0	0.0	0.0
18.2 Products liability-claims made	0	0	0.0	0.0
19.1, 19.2 Private passenger auto liability	36,066,513	27,178,323	75.4	66.2
19.3, 19.4 Commercial auto liability	0	0	0.0	0.0
21. Auto physical damage	15,519,051	10,208,797	65.8	67.6
22. Aircraft (all perils)	0	0	0.0	0.0
23. Fidelity	0	0	0.0	0.0
24. Surety	0	0	0.0	0.0
26. Burglary and theft	0	0	0.0	0.0
27. Boiler and machinery	0	0	0.0	0.0
28. Credit	0	0	0.0	0.0
29. International	0	0	0.0	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	51,585,564	37,387,120	72.5	66.7
DETAILS OF WRITE-INS				
3301.	0	0	0.0	0.0
3302.	0	0	0.0	0.0
3303.	0	0	0.0	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	0	0	0
2. Allied lines	0	0	0
3. Farmowners multiple peril	0	0	0
4. Homeowners multiple peril	0	0	0
5. Commercial multiple peril	0	0	0
6. Mortgage guaranty	0	0	0
8. Ocean marine	0	0	0
9. Inland marine	0	0	0
10. Financial guaranty	0	0	0
11.1. Medical malpractice-occurrence	0	0	0
11.2. Medical malpractice-claims made	0	0	0
12. Earthquake	0	0	0
13. Group accident and health	0	0	0
14. Credit accident and health	0	0	0
15. Other accident and health	0	0	0
16. Workers' compensation	0	0	0
17.1. Other liability-occurrence	0	0	0
17.2. Other liability-claims made	0	0	0
18.1. Products liability-occurrence	0	0	0
18.2. Products liability-claims made	0	0	0
19.1, 19.2 Private passenger auto liability	16,830,380	45,934,696	20,481,806
19.3, 19.4 Commercial auto liability	0	0	0
21. Auto physical damage	6,761,354	18,531,953	10,358,057
22. Aircraft (all perils)	0	0	0
23. Fidelity	0	0	0
24. Surety	0	0	0
26. Burglary and theft	0	0	0
27. Boiler and machinery	0	0	0
28. Credit	0	0	0
29. International	0	0	0
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	23,591,734	64,466,649	30,839,863
DETAILS OF WRITE-INS			
3301.	0	0	0
3302.	0	0	0
3303.	0	0	0
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	1,075	240	1,315	630	30	660	807	28	(2)	833	362	(184)	178
2. 2000	1,329	519	1,848	817	46	863	989	69	156	1,214	477	(248)	229
3. Subtotals 2000 + Prior	2,404	759	3,163	1,447	76	1,523	1,796	97	154	2,047	839	(432)	407
4. 2001	7,264	4,302	11,566	3,848	1,895	5,743	2,190	889	893	3,972	(1,226)	(625)	(1,851)
5. Subtotals 2001 + Prior	9,668	5,061	14,729	5,295	1,971	7,266	3,986	986	1,047	6,019	(387)	(1,057)	(1,444)
6. 2002	XXX	XXX	XXX	XXX	18,016	18,016	XXX	11,788	5,741	17,529	XXX	XXX	XXX
7. Totals	9,668	5,061	14,729	5,295	19,987	25,282	3,986	12,774	6,788	23,548	(387)	(1,057)	(1,444)
8. Prior Year-End's Surplus As Regards Policyholders	18,933										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. (4.0)%	2. (20.9)%	3. (9.8)%
													Col. 13, Line 7 Line 8
													4. (7.6)%

(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:

1953020024900000003

1953020024500000003

Overflow Page for Write-Ins

Additional Write-ins for Cash Flow:

	1 Current Year to Date	2 Prior Year Ended December 31
07.404 GUARANTY FUNDS RECEIVABLE	18,509	(51,175)
07.497 Summary of remaining write-ins for Line 7.4 from Cash Flow	18,509	(51,175)

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 - U.S. Government								
312925-ZE-3	FHLMC 6.250% 07/31/17	07/10/2002	Legg Mason		996,250	1,000,000	0	1PE
31331L-CX-4	FEDERAL FARM CREDIT BAN 6.000% 03/07/11	07/18/2002	McDonald & Co.		1,059,219	1,000,000	22,000	1PE
31331L-V7-0	FEDERAL FARM CREDIT BAN 6.000% 06/14/12	07/23/2002	McDonald & Co.		1,031,250	1,000,000	6,667	1PE
3133ME-AB-7	FEDERAL HOME LOAN BANK 6.000% 02/12/16	09/12/2002	Stephens Inc.		768,565	700,000	3,733	1PE
3133MP-Z9-0	FHLB 6.300% 07/25/17	07/11/2002	Legg Mason		1,000,000	1,000,000	0	1PE
912827-6J-6	US TREASURY NOTES 5.750% 08/15/10	07/24/2002	Red Capital Markets		1,665,938	1,500,000	38,122	1
0399999.	Total - Bonds - U.S. Government				6,521,222	6,200,000	70,522	XXX
Bonds - Special Revenue and Special Assessment								
Ohio								
677519-DA-5	OHIO ST MENTAL HLTH CAP 5.250% 06/01/14	08/14/2002	Stephens Inc.		552,290	500,000	1,313	1PE
677659-KS-2	OHIO ST REV WTR DEV FRE 5.375% 12/01/16	08/28/2002	Stephens Inc.		546,525	500,000	0	1PE
	Ohio				1,098,815	1,000,000	1,313	XXX
United States								
31331H-5L-7	FEDERAL FARM CREDIT BAN 6.125% 12/29/15	07/23/2002	Legg Mason		1,057,800	1,000,000	4,253	1PE
31331H-6B-8	FEDERAL FARM CREDIT BAN 5.750% 01/18/11	07/10/2002	McDonald & Co.		1,041,563	1,000,000	27,632	1PE
	U.S.				2,099,363	2,000,000	31,885	XXX
	United States				3,198,178	3,000,000	33,198	XXX
3199999.	Total - Bonds - Special Revenue & Special Assessments				3,198,178	3,000,000	33,198	XXX
Bonds - Industrial and Miscellaneous								
United States								
22541L-AC-7	CREDIT SUISSE FB USA 6.500% 01/15/12	07/23/2002	Merrill Lynch		1,027,300	1,000,000	1,986	1
724479-AC-4	PITNEY BOWES INC 5.950% 02/01/05	09/25/2002	Stephens Inc.		539,000	500,000	4,876	1PE
	United States				1,566,300	1,500,000	6,862	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				1,566,300	1,500,000	6,862	XXX
6099997.	Total - Bonds - Part 3				11,285,700	10,700,000	110,582	XXX
6099999.	Total - Bonds				11,285,700	10,700,000	110,582	XXX
Common Stocks - Industrial and Miscellaneous								
United States								
458140-10-0	INTEL CORP	08/21/2002	McDonald & Co.	5,000.000	95,850		0	L
478160-10-4	JOHNSON & JOHNSON	08/21/2002	McDonald & Co.	1,800.000	98,802		0	L
539830-10-9	LOCKHEED MARTIN CORPORA	08/21/2002	McDonald & Co.	1,500.000	96,510		0	L
589331-10-7	MERCK & CO INC	08/21/2002	McDonald & Co.	2,000.000	103,470		0	L
717081-10-3	PFIZER INC	08/21/2002	McDonald & Co.	3,000.000	102,679		0	L
89420G-10-9	TRAVELERS PROP CASUALTY	08/21/2002	Spin Off	129.000	2,488		0	L
89420G-40-6	TRAVELERS PROP CASUALTY	08/21/2002	Spin Off	266.000	5,536		0	L
	United States				505,335	XXX	0	XXX
6899999.	Total - Common Stocks - Industrial & Miscellaneous				505,335	XXX	0	XXX
7099997.	Total - Common Stocks - Part 3				505,335	XXX	0	XXX
7099998.	Total - Common Stocks - Summary Item for Common Stocks Bought and Sold This Quarter				18	XXX	0	XXX
7099999.	Total - Common Stocks				505,353	XXX	0	XXX
7199999.	Total - Preferred and Common Stocks				505,353	XXX	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				11,791,053	XXX	110,582	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																
3133ML-H3-2	FEDERAL HOME LOAN BANK 6.250% 02/06/12	07/24/2002	McDonald & Co.		1,017,031	1,000,000	998,750	998,711	54	0	0	18,266	18,266	29,340		1PE
31364F-W4-9	FNMA 6.190% 07/07/08	07/24/2002	McDonald & Co.		513,750	500,000	505,000	501,267	(94)	0	0	12,578	12,578	17,023		1PE
31364G-E2-1	FNMA 6.260% 04/08/09	07/24/2002	McDonald & Co.		519,063	500,000	502,500	502,197	(16)	0	0	16,881	16,881	9,303		1PE
3136F1-LD-0	FNMA 6.250% 02/06/12	08/01/2002	McDonald & Co.		1,013,750	1,000,000	997,500	997,498	81	0	0	16,171	16,171	30,556		1PE
36205T-JL-8	GNMA POOL# 399967 8.000% 05/15/26	09/01/2002	Paydown		743	743	749	748	(5)	0	0	0	0	10		1
912827-G5-5	US TREASURY NOTES 6.375% 08/15/02	08/15/2002	Maturity		1,500,000	1,500,000	1,528,125	1,500,225	(225)	0	0	0	0	47,813		1PE
0399999.	Total - Bonds - U.S. Government				4,564,337	4,500,743	4,532,624	4,500,646	(205)	0	0	63,896	63,896	134,045	0	XXX
Bonds - Political Subdivisions of States																
Michigan																
490303-EF-7	KENT CNTY MI GO 5.000% 06/01/14	08/14/2002	Stephens Inc.		527,405	500,000	501,875	501,492	(29)	0	0	25,942	25,942	5,417		1PE
670029-NP-8	NOVI MI GO 5.125% 05/01/18	09/12/2002	Stephens Inc.		736,757	700,000	716,842	715,796	(298)	0	0	21,259	21,259	13,553		1PE
	Michigan				1,264,162	1,200,000	1,218,717	1,217,288	(327)	0	0	47,201	47,201	18,970	0	XXX
	United States				1,264,162	1,200,000	1,218,717	1,217,288	(327)	0	0	47,201	47,201	18,970	0	XXX
2499999.	Total - Bonds - Political Subdivisions				1,264,162	1,200,000	1,218,717	1,217,288	(327)	0	0	47,201	47,201	18,970	0	XXX
Bonds - Special Revenue and Special Assessment																
Arkansas																
041085-CK-5	ARKANSAS ST REV 5.500% 12/01/13	07/11/2002	Stephens Inc.		557,505	500,000	545,145	542,771	(127)	0	0	14,861	14,861	3,438		1Z
	Arkansas				557,505	500,000	545,145	542,771	(127)	0	0	14,861	14,861	3,438	0	XXX
Texas																
915137-GS-6	UNIVERSITY OF TEXAS REV 5.375% 08/15/17	08/27/2002	Stephens Inc.		529,250	500,000	485,440	486,600	115	0	0	42,534	42,534	14,781		1PE
	Texas				529,250	500,000	485,440	486,600	115	0	0	42,534	42,534	14,781	0	XXX
Virginia																
927793-AT-6	VIRGINIA COMWLTH TRANSN 5.000% 05/15/15	08/28/2002	Stephens Inc.		524,050	500,000	508,170	505,048	(168)	0	0	19,169	19,169	7,500		1PE
	Virginia				524,050	500,000	508,170	505,048	(168)	0	0	19,169	19,169	7,500	0	XXX
United States																
3133MF-AR-9	FEDERAL HOME LOAN BANK 6.555% 06/06/11	08/01/2002	McDonald & Co.		1,015,000	1,000,000	998,750	998,785	(42)	0	0	16,257	16,257	10,197		1PE
	U.S.				1,015,000	1,000,000	998,750	998,785	(42)	0	0	16,257	16,257	10,197	0	XXX
	United States				2,625,805	2,500,000	2,537,505	2,533,204	(222)	0	0	92,821	92,821	35,916	0	XXX
3199999.	Total - Bonds - Special Revenue & Assessment				2,625,805	2,500,000	2,537,505	2,533,204	(222)	0	0	92,821	92,821	35,916	0	XXX
6099997.	Total - Bonds - Part 4				8,454,304	8,200,743	8,288,846	8,251,138	(754)	0	0	203,918	203,918	188,931	0	XXX
6099999.	Total - Bonds				8,454,304	8,200,743	8,288,846	8,251,138	(754)	0	0	203,918	203,918	188,931	0	XXX
Common Stocks - Banks, Trust and Insurance Companies																
United States																
172967-10-1	CITIGROUP INC.	08/21/2002	Spin Off	0.000	8,041		8,041	8,252	(210)	0	0	0	0		0	L
	United States				8,041	XXX	8,041	8,252	(210)	0	0	0	0	0	0	XXX
6799999.	Total - Common Stocks - Banks, Trust & Insurance Companies				8,041	XXX	8,041	8,252	(210)	0	0	0	0	0	0	XXX
7099997.	Total - Common Stocks - Part 4				8,041	XXX	8,041	8,252	(210)	0	0	0	0	0	0	XXX
7099998.	Total - Common Stocks - Summary Item for Common Stocks Bought and Sold This Quarter				13	XXX	18	18	0	0	0	(5)	(5)		0	XXX
7099999.	Total - Common Stocks				8,054	XXX	8,059	8,270	(210)	0	0	(5)	(5)	0	0	XXX
7199999.	Total - Preferred and Common Stocks				8,054	XXX	8,059	8,270	(210)	0	0	(5)	(5)	0	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				8,462,358	XXX	8,296,905	8,259,408	(964)	0	0	203,913	203,913	188,931	0	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								
National City Bank	Columbus, Ohio	0.000	0	0	73,913	73,913	2,622	
Park National Bank	Mt Vermon, Ohio	0.000	0	0	5,000	5,000	5,000	
0199999. Total Open Depositories		XXX	0	0	78,913	78,913	7,622	XXX
0399999. Total Cash on Deposit		XXX	0	0	78,913	78,913	7,622	XXX
0599999. Total Cash		XXX	0	0	78,913	78,913	7,622	XXX

Overflow Page for Write-Ins

Overflow Page for Write-Ins