



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2002  
OF THE CONDITION AND AFFAIRS OF THE

AMERICAN COMMERCE INSURANCE COMPANY

NAIC Group Code	0816 <small>(Current Period)</small>	0816 <small>(Prior Period)</small>	NAIC Company Code	19941	Employer's ID Number	31-4361173
Organized under the Laws of	Ohio			State of Domicile or Port of Entry	Ohio	
Country of Domicile	United States of America					
Incorporated	09/18/1946			Commenced Business	03/19/1947	
Statutory Home Office	3590 Twin Creeks Drive <small>(Street and Number)</small>			,	Columbus, OH 43218-2579 <small>(City or Town, State and Zip Code)</small>	
Main Administrative Office	211 Main Street <small>(Street and Number)</small>			508-949-4310 <small>(Area Code) (Telephone Number)</small>		
Webster, Massachusetts 01570-0758 <small>(City or Town, State and Zip Code)</small>						
Mail Address	211 Main Street <small>(Street and Number or P.O. Box)</small>			,	Webster, Massachusetts 01570-0758 <small>(City or Town, State and Zip Code)</small>	
Primary Location of Books and Records	211 Main Street <small>(Street and Number)</small>			508-949-4310 <small>(Area Code) (Telephone Number)</small>		
Webster, Massachusetts 01570-0758 <small>(City or Town, State and Zip Code)</small>						
Internet Website Address	www.commerceinsurance.com					
Statement Contact	Brian Keith Germain <small>(Name)</small>			508-949-4310 <small>(Area Code) (Telephone Number) (Extension)</small>		
bgermai@commerceinsurance.com <small>(E-mail Address)</small>				508-949-4246 <small>(FAX Number)</small>		

OFFICERS

President and Chief Executive Officer	Regan Paul Remillard	Secretary	James Anthony Ermilio
Treasurer	Randall Vaughn Becker#		

VICE PRESIDENTS

Gregory Scott Clark	Joseph Brian Phillips Jr	
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DIRECTORS OR TRUSTEES

Patrick William Doherty	Terry Robert Farias	Gerald Fels
Richard Sidney Hamilton	Charles Borromeo Liekweg	Donald James McDowell
Peter Carl Ohlheiser	Regan Paul Remillard	Henry Thomas Rowles
Mark Allen Shaw	Otto Tillman Wright	John David Porter #

State of .....Ohio.....  
County of .....Franklin.....  
} ss

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 thirtieth day of September 2002, 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 insurer as of the thirtieth day ofSeptember 2002, and of its income and deductions therefrom for the nine months ended on that date, 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.

Regan Paul Remillard President and Chief Executive Officer	James Anthony Ermilio Secretary	Randall Vaughn Becker # Treasurer
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Subscribed and sworn to before me this _____ day of _____, 2002	a. Is this an original filing? Yes [ X ] No [ ] b. If no, 1. State the amendment number _____ 2. Date filed _____ 3. Number of pages attached _____
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ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1  Assets	2  Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	97,245,400		97,245,400	86,702,827
2. Stocks:				
2.1 Preferred stocks .....	31,494,428		31,494,428	24,207,198
2.2 Common stocks .....	22,880,080		22,880,080	24,915,733
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	1,735,696		1,735,696	1,796,432
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... (5,717,969) and short-term investments \$ .....210,284 ) .....	(5,507,685)		(5,507,685)	7,558,167
6. Other invested assets .....				
7. Receivable for securities .....	15,971		15,971	85,713
8. Aggregate write-ins for invested assets .....				
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	147,863,890		147,863,890	145,266,070
10. Agents' balances or uncollected premiums				
10.1 Premiums and agents' balances in course of collection .....	17,225,233		17,225,233	12,103,295
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
10.3 Accrued retrospective premiums .....				
11. Funds held by or deposited with reinsured companies .....				
12. Bills receivable, taken for premiums .....				
13. Amounts billed and receivable under high deductible policies .....				
14. Reinsurance recoverables on loss and loss adjustment expense payments .....	3,078,792		3,078,792	2,044,938
15. Federal and foreign income tax recoverable and interest thereon (including \$ .....3,794,742 net deferred tax asset).....	6,050,818		6,050,818	5,679,438
16. Guaranty funds receivable or on deposit.....				
17. Electronic data processing equipment and software.....	698,463		698,463	1,009,641
18. Interest, dividends and real estate income due and accrued .....	1,689,084		1,689,084	1,767,806
19. Net adjustments in assets and liabilities due to foreign exchange rates .....				
20. Receivable from parent, subsidiaries and affiliates .....				
21. Amounts due from /to protected cells .....				
22. Equities and deposits in pools and associations .....				
23. Amounts receivable relating to uninsured accident and health plans.....				
24. Other assets nonadmitted .....	669,938	669,938		
25. Aggregate write-ins for other than invested assets .....	5,200	5,200		0
26. Total assets excluding protected cell assets (Lines 9 through 25) .....	177,281,418	675,138	176,606,280	167,871,188
27. Protected cell assets .....				
28. TOTALS (Lines 26 and 27)	177,281,418	675,138	176,606,280	167,871,188
DETAILS OF WRITE-INS				
0801. ....				
0802. ....				
0803. ....				
0898. Summary of remaining write-ins for Line 8 from overflow page .....				
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)				
2501. Other assets.....	5,200	5,200	0	0
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	5,200	5,200		0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....20,089,351 ) .....	44,061,836	36,457,677
2. Reinsurance payable on paid losses and loss adjustment expenses .....		
3. Loss adjustment expenses .....	9,837,137	10,163,633
4. Commissions payable, contingent commissions and other similar charges .....	3,408,851	3,070,942
5. Other expenses (excluding taxes, licenses and fees) .....	1,722,765	2,153,857
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	570,364	724,444
7. Federal and foreign income taxes [including \$ ..... on realized capital gains (losses)] (including \$ ..... net deferred tax liability) .....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....11,052,505 and including warranty reserves of \$ ..... ) .....	35,162,325	26,042,723
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	3,697,109	2,387,829
13. Funds held by company under reinsurance treaties .....		
14. Amounts withheld or retained by company for account of others .....	12,780	305,195
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 .....	1,719,165	2,370,410
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 .....	415,490	823
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	100,607,822	83,677,533
25. Protected cell liabilities .....		
26. Total liabilities (Lines 24 and 25) .....	100,607,822	83,677,533
27. Aggregate write-ins for special surplus funds .....		
28. Common capital stock .....	2,688,450	2,688,450
29. Preferred capital stock .....		
30. Aggregate write-ins for other than special surplus funds .....		
31. Surplus notes .....		
32. Gross paid in and contributed surplus .....	26,725,837	26,725,837
33. Unassigned funds (surplus) .....	46,584,171	54,779,368
34. Less treasury stock, at cost		
34.1 ..... shares common (value included in Line 28 \$ ..... ) .....		
34.2 ..... shares preferred (value included in Line 29 \$ ..... ) .....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) .....	75,998,458	84,193,655
36. TOTALS	176,606,280	167,871,188
<b>DETAILS OF WRITE-INS</b>		
2301. Misc Liabilities.....	415,490	0
2302. Premiums and subrogation collections in process .....		823
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page .....		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	415,490	823
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....		
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)		
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page .....		
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)		

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 103,215,748 )	90,854,148	73,697,561	99,679,583
1.2 Assumed (written \$ )			
1.3 Ceded (written \$ 15,770,165 )	12,528,165	10,034,561	13,661,276
1.4 Net (written \$ 87,445,583 )	78,325,983	63,663,000	86,018,307
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 51,663,884 ):			
2.1 Direct	67,551,499	46,934,736	66,231,481
2.2 Assumed			
2.3 Ceded	10,187,480	6,631,056	9,162,173
2.4 Net	57,364,019	40,303,680	57,069,308
3. Loss expenses incurred	9,445,968	12,205,165	15,563,735
4. Other underwriting expenses incurred	27,594,406	21,209,931	29,254,707
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2.4 thru 5)	94,404,393	73,718,776	101,887,750
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(16,078,410)	(10,055,776)	(15,869,443)
INVESTMENT INCOME			
9. Net investment income earned	7,489,617	7,337,872	9,534,387
10. Net realized capital gains or (losses)	(434,321)	500,389	(27,026)
11. Net investment gain (loss) (Lines 9 + 10)	7,055,296	7,838,261	9,507,361
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ )			
13. Finance and service charges not included in premiums	684,672	534,054	735,137
14. Aggregate write-ins for miscellaneous income	10,974	71,742	(7,635)
15. Total other income (Lines 12 through 14)	695,646	605,796	727,502
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	(8,327,468)	(1,611,719)	(5,634,580)
17. Dividends to policyholders			
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	(8,327,468)	(1,611,719)	(5,634,580)
19. Federal and foreign income taxes incurred	(2,271,960)	(1,648,716)	(3,136,897)
20. Net income (Line 18 minus Line 19)(to Line 22)	(6,055,508)	36,997	(2,497,683)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	84,193,655	92,806,898	92,806,898
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	(6,055,508)	36,997	(2,497,683)
23. Net unrealized capital gains or losses	(3,298,239)	938,427	857,281
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax	(50,296)	(515,795)	(5,961)
26. Change in nonadmitted assets	1,208,846	590,843	223,148
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		2,090,501	2,090,501
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		(9,280,529)	(9,280,529)
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus			
37. Change in surplus as regards policyholders (Lines 22 through 36)	(8,195,197)	(6,139,556)	(8,613,243)
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	75,998,458	86,667,342	84,193,655
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)			
1401. Miscellaneous income (expense)	10,974	71,742	(7,635)
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	10,974	71,742	(7,635)
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page			
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)			

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	83,632,925	89,719,741
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....	60,566,178	72,637,052
3. Underwriting expenses paid .....	27,841,669	27,401,884
4. Other underwriting income (expenses) .....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	(4,774,922)	(10,319,195)
6. Net investment income .....	7,350,101	9,537,702
7. Other income (expenses):		
7.1 Agents' balances charged off .....		
7.2 Net funds held under reinsurance treaties .....		
7.3 Net amount withheld or retained for account of others .....	(292,415)	(78,343)
7.4 Aggregate write-ins for miscellaneous items .....	1,196,017	675,575
7.5 Total other income (Lines 7.1 to 7.4) .....	903,602	597,232
8. Dividends to policyholders on direct business , less \$ ..... dividends on reinsurance assumed or ceded (net) .....		
9. Federal and foreign income taxes (paid) recovered .....	2,136,195	2,582,792
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	5,614,976	2,398,531
<b>Cash from Investments</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....	17,313,787	27,996,834
11.2 Stocks .....	69,662	7,064,549
11.3 Mortgage loans .....		
11.4 Real estate .....		
11.5 Other invested assets .....		
11.6 Net gains or (losses) on cash and short-term investments .....		
11.7 Miscellaneous proceeds .....	(15,971)	
11.8 Total investment proceeds (Lines 11.1 to 11.7) .....	17,367,478	35,061,383
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....	29,807,357	14,732,888
12.2 Stocks .....	7,109,728	7,725,674
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) .....	36,917,085	22,458,562
13. Net Cash from investments (Line 11.8 minus Line 12.7) .....	(19,549,607)	12,602,821
<b>Cash from Financing and Miscellaneous Sources</b>		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in .....		
14.2 Capital notes \$ ..... less amounts repaid \$ .....		
14.3 Net transfers from affiliates .....	0	1,444,153
14.4 Borrowed funds received .....	0	
14.5 Other cash provided .....	1,520,024	638,178
14.6 Total (Lines 14.1 to 14.5) .....	1,520,024	2,082,331
15. Cash applied:		
15.1 Dividends to stockholders paid .....		9,280,529
15.2 Net transfers to affiliates .....	651,245	
15.3 Borrowed funds repaid .....		
15.4 Other applications .....		11,410
15.5 Total (Lines 15.1 to 15.4) .....	651,245	9,291,939
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	868,779	(7,209,608)
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16) .....	(13,065,852)	7,791,744
18. Cash and short-term investments:		
18.1 Beginning of year .....	7,558,167	(233,577)
18.2 End of year (Line 17 plus Line 18.1) .....	(5,507,685)	7,558,167
<b>DETAILS OF WRITE-INS</b>		
07.401 Miscellaneous Assets.....	96,678	(59,562)
07.402 Service fee income.....	684,672	735,137
07.403 Misc Liabilities.....	414,667	0
07.498 Summary of remaining write-ins for Line 7.4 from overflow page .....		
07.499 Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above) .....	1,196,017	675,575

NOTES TO FINANCIAL STATEMENTS

1.) Summary of Significant Accounting Policies:

The accompanying financial statements of the American Commerce Insurance Company (“Company”) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the laws of the State of Ohio. The 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.

2.) The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the State prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual – Version effective January 1, 2001.

9. Income Taxes

The components of the net deferred income tax asset recognized in the Company’s assets were as follows:

	<u>Sept. 30, 2002</u>	<u>Dec. 31, 2001</u>
Total of gross deferred tax assets	\$ 5,827,712	\$ 3,999,118
Total of deferred tax liabilities	<u>(2,032,970)</u>	<u>(439,989)</u>
Net deferred tax assets	3,794,742	3,559,129
Deferred tax asset not admitted	<u>-</u>	<u>(1,131,380)</u>
Net admitted deferred tax asset	<u>\$ 3,794,742</u>	<u>\$ 2,427,749</u>
Decrease in deferred tax assets non-admitted	<u>\$ 1,131,380</u>	

The provision for incurred tax benefits on losses for the nine months ended September 30, 2002 and the year ended December 31, 2001 were:

	<u>Sept. 30, 2002</u>	<u>Dec. 31, 2001</u>
Federal	\$ (2,289,329)	\$ (3,155,263)
Foreign	<u>17,369</u>	<u>18,366</u>
Total	<u>\$ (2,271,960)</u>	<u>\$ (3,136,897)</u>

The main components of the 2002 deferred tax assets/liabilities were as follows:

	<u>Statutory</u>	<u>Tax</u>	<u>Difference</u>	<u>Tax Effect</u>
Deferred tax assets:				
Unearned premiums	\$ 35,162,325	\$ 28,129,860	\$ 7,032,465	\$ 2,461,363
Unpaid losses & LAE	58,998,718	54,665,498	4,333,220	1,516,627
OPEB liability	1,511,538	-	1,511,538	529,039
Unrealized losses:				
Preferred stock mutual				
Funds- Change in NAV	3,108,716	-	3,108,716	1,088,051
Investment writedowns	564,654	-	564,654	197,629
Deferred tax liabilities				
Book/tax depreciation difference	3,861,478	5,989,570	(2,128,092)	(744,832)
Salvage & subrogation	5,099,745	4,725,189	(374,556)	(131,095)
Unrealized gains	2,013,969	-	(2,013,969)	(704,890)

Statutory deferred tax assets and liabilities at September 30, 2002 and December 31, 2001 and the change in those amounts were comprised of the following:

	<u>Sept. 30, 2002</u>	<u>Dec. 31, 2001</u>	<u>Change</u>
Deferred tax assets:			
Unearned premiums	\$ 2,461,363	\$ 1,822,991	\$ 638,372
Discounting of loss reserves	1,516,627	1,209,515	307,112
Unrealized losses	1,285,680	366,301	919,379
OPEB liability	529,039	592,173	(63,134)
Other	<u>35,003</u>	<u>8,138</u>	<u>26,865</u>
Total deferred tax assets	5,827,712	3,999,118	1,828,594
Non-admitted deferred tax assets	<u>-</u>	<u>(1,131,380)</u>	<u>1,131,380</u>
Admitted deferred tax assets	<u>5,827,712</u>	<u>2,867,738</u>	<u>2,959,974</u>
Deferred tax liabilities:			
Book/tax depreciation difference	744,832	225,198	519,634
Salvage & subrogation discount	131,095	-	131,095
Investment related deferred items	452,153	143,371	308,782
Unrealized gains	<u>704,890</u>	<u>71,420</u>	<u>633,470</u>
Deferred tax liabilities	<u>2,032,970</u>	<u>439,989</u>	<u>1,592,981</u>
Net deferred tax assets	<u>\$ 3,794,742</u>	<u>\$ 2,427,749</u>	<u>\$ 1,366,993</u>

NOTES TO FINANCIAL STATEMENTS

The major 2002 items affecting the difference between the Statutory rate of 35% and the effective rate were as follows:

Federal income tax at statutory rate	\$ (2,914,615)
Increase (decrease) resulting from:	
Tax exempt interest	(708,315)
Dividends received deduction	(496,865)
15% haircut on investment income received	176,940
20% of change in unearned premiums	638,372
Discounting of loss reserves	217,222
Sliding scale commission on reinsurance	622,482
Investment writedowns	197,629
Other	<u>(22,179)</u>
	<u>625,286</u>
Federal income tax at effective rate	\$ <u>(2,289,329)</u>

At September 30, 2002, the Company did not have any unused operating loss carryforwards available to offset future taxable income.

As a member of a consolidated group for tax purposes, Commerce Holdings, Inc., The Commerce Insurance Company, Citation Insurance Company, Commerce West Insurance Company, ACIC Holding Co., Inc., American Commerce Insurance Company and The Commerce Group, Inc. and its subsidiaries (said parties constituting an “Affiliated Group” as defined in and for purposes of the Internal Revenue Code) are jointly and severally liable for federal income taxes of the Affiliated Group and have entered into an agreement establishing an allocation of tax liability and for compensation of the respective members of the Affiliated Group for use of their tax losses and credits.

The Company is included in the consolidated federal tax return of The Commerce Group, Inc. Current taxes are allocated among all affiliated companies based on a written tax-sharing agreement. Under this agreement, allocation is made primarily on a separate return basis with current payment for losses and other tax items utilized in the consolidated return. However, to the extent that a payor member of the group has future net operating losses which cannot be absorbed in the year incurred, other members within the group will refund payments to the payor.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES  
GENERAL

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

1.2 If yes, explain: .....  
.....

2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State 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 the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....
.....	.....	.....
.....	.....	.....

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [X] NA [ ]  
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. .... 12/31/1997

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. .... 12/31/1997

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). .... 04/15/1999

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

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

INVESTMENT

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

9.2 If yes, explain:  
.....

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

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

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: .....\$ .....0

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

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

13.2 If yes, please complete the following:

	1	2
	Prior Year-End	Current Quarter
	Statement Value	Statement Value
13.21 Bonds .....	\$ .....	\$ .....
13.22 Preferred Stock .....	\$ .....3,368,562	\$ .....
13.23 Common Stock .....	\$ .....23,855,783	\$ .....21,852,319
13.24 Short-term Investments .....	\$ .....	\$ .....
13.25 Mortgages, Loans or Real Estate .....	\$ .....	\$ .....
13.26 All Other .....	\$ .....	\$ .....
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26).....	\$ .....27,224,345	\$ .....21,852,319
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....

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

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

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	2
Name of Custodian(s)	Custodian Address
THE BANK OF NEW YORK.....	1 WALL STREET NEW YORK, NEW YORK 10286.....

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

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

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

1	2	3	4
Old Custodian	New Custodian	Date of Change	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	2	3
Central Registration Depository	Name(s)	Address

GENERAL INTERROGATORIES  
(continued)

PART 2  
PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? ..... Yes [ ] No [ ] NA [X]

If yes, attach an explanation.

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

If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? ..... Yes [ ] No [X]

3.2 If yes, give full and complete information thereto.

.....

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

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
TOTAL			.....	.....	.....	.....	.....	.....	.....	.....

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period .....	1,796,432	1,776,186	1,755,941	1,886,806
2. Increase (decrease) by adjustment .....	(20,246)	(20,245)	(20,245)	(90,374)
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 .....	1,776,186	1,755,941	1,735,696	1,796,432
9. Total valuation allowance .....				
10. Subtotal (Lines 8 plus 9) .....	1,776,186	1,755,941	1,735,696	1,796,432
11. Total nonadmitted amounts .....				
12. Statement value, current period (Page 2, real estate lines, current period)	1,776,186	1,755,941	1,735,696	1,796,432

SCHEDULE B - VERIFICATION

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

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period .....				
2. Cost of acquisitions during period:				
2.1. Actual cost at time of acquisitions .....				
2.2. Additional investment made after acquisitions .....				
3. Accrual of discount .....				
4. Increase (decrease) by adjustment .....				
5. Total profit (loss) on sale .....				
6. Amounts paid on account or in full during the period .....				
7. Amortization of premium .....				
8. Increase (decrease) by foreign exchange adjustment .....				
9. Book/adjusted carrying value of long-term invested assets at end of current period .....				
10. Total valuation allowance .....				
11. Subtotal (Lines 9 plus 10) .....				
12. Total nonadmitted amounts .....				
13. Statement value of long-term invested assets at end of current period				

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 .....	77,101,170	15,463,813	9,897,671	127,392	79,609,528	77,101,170	82,794,704	82,320,557
2. Class 2 .....	14,388,019			(3,677,283)	14,382,585	14,388,019	10,710,736	12,581,994
3. Class 3 .....	2,236,874			1,503,086	2,292,331	2,236,874	3,739,960	2,178,680
4. Class 4 .....								
5. Class 5 .....								
6. Class 6 .....								
7. Total Bonds	93,726,063	15,463,813	9,897,671	(2,046,805)	96,284,444	93,726,063	97,245,400	97,081,231
<b>PREFERRED STOCK</b>								
8. Class 1 .....	12,907,282			270,901	11,913,760	12,907,282	13,178,183	8,198,490
9. Class 2 .....	12,593,681	2,095,600		217,326	12,511,397	12,593,681	14,906,607	12,508,708
10. Class 3 .....	3,315,037			(415,399)	2,971,100	3,315,037	2,899,638	2,846,000
11. Class 4 .....	585,000			(75,000)	663,300	585,000	510,000	654,000
12. Class 5 .....							0	
13. Class 6 .....								
14. Total Preferred Stock	29,401,000	2,095,600		(2,172)	28,059,557	29,401,000	31,494,428	24,207,198
15. Total Bonds and Preferred Stock	123,127,063	17,559,413	9,897,671	(2,048,977)	124,344,001	123,127,063	128,739,828	121,288,429

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Amount of Interest Received Current Quarter	Paid for Accrued Interest
8099999 Totals	210,284	XXX	210,284		586

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned				
	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period .....	10,378,404	248,656	361,359	4,075,833
2. Cost of short-term investments acquired .....	0	112,703		33,209,771
3. Increase (decrease) by adjustment .....				
4. Increase (decrease) by foreign exchange adjustment .....				
5. Total profit (loss) on disposal of short-term investments .....				
6. Consideration received on disposal of short-term investments .....	10,129,748		151,075	26,907,200
7. Book/adjusted carrying value, current period .....	248,656	361,359	210,284	10,378,404
8. Total valuation allowance .....				
9. Subtotal (Lines 7 plus 8) .....	248,656	361,359	210,284	10,378,404
10. Total nonadmitted amounts .....				
11. Statement value (Lines 9 minus 10) .....	248,656	361,359	210,284	10,378,404
12. Income collected during period .....	1,498	935	586	369,460
13. Income earned during period .....	1,759	849	411	369,460

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule F

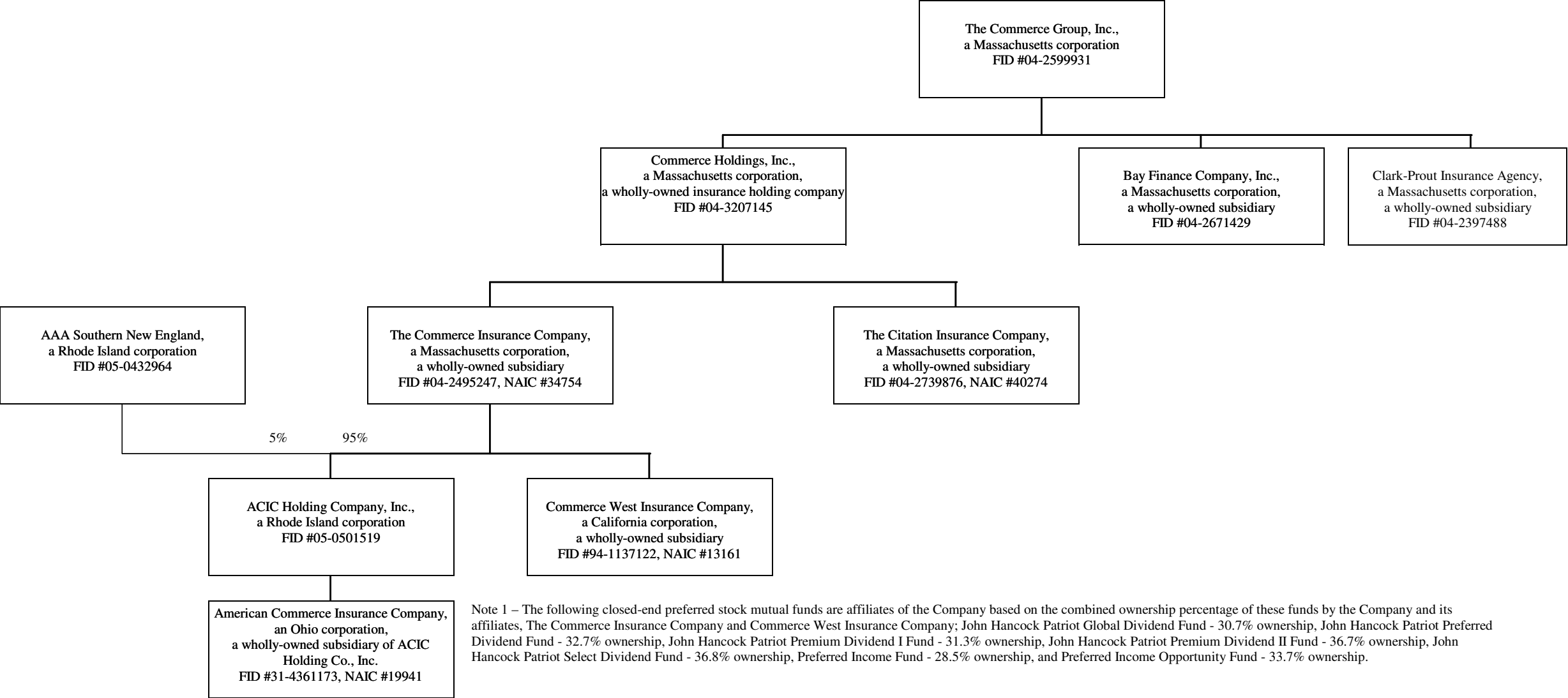
NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories								
		1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2	3	4	5	6	7
States, etc.			Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama	AL	Yes	971,585	910,891	486,379	648,648	354,186	400,143
2. Alaska	AK	No						
3. Arizona	AZ	Yes	21,765,915	16,017,005	11,316,508	9,437,181	7,611,422	6,239,369
4. Arkansas	AR	Yes						
5. California	CA	No						
6. Colorado	CO	Yes						
7. Connecticut	CT	Yes	239,939	41,927	41,444	2,691	7,141	1,171
8. Delaware	DE	Yes						
9. District of Columbia	DC	Yes						
10. Florida	FL	Yes	1,238,292	1,440,650	1,107,534	847,794	530,162	523,338
11. Georgia	GA	Yes			(360)	(140)	175	
12. Hawaii	HI	Yes						
13. Idaho	ID	Yes	2,308,213	1,956,893	1,347,091	954,381	1,839,477	1,058,476
14. Illinois	IL	No						
15. Indiana	IN	Yes	4,460,747	3,120,136	2,213,436	2,538,235	1,433,754	1,044,359
16. Iowa	IA	Yes						
17. Kansas	KS	Yes						
18. Kentucky	KY	Yes	6,200,182	4,496,547	4,934,872	3,422,900	3,871,609	2,891,799
19. Louisiana	LA	Yes						
20. Maine	ME	Yes	9,660	11,038	28,846	51,734	186,694	143,082
21. Maryland	MD	Yes	102,842	105,844	68,436	81,667	81,657	40,390
22. Massachusetts	MA	Yes	1,059	1,059				47
23. Michigan	MI	No			(1,048)			
24. Minnesota	MN	Yes				(450)	(74)	
25. Mississippi	MS	Yes						
26. Missouri	MO	No						
27. Montana	MT	Yes	1,167,103	827,608	550,221	643,186	438,521	383,546
28. Nebraska	NE	Yes					129	
29. Nevada	NV	No						
30. New Hampshire	NH	No						
31. New Jersey	NJ	Yes						
32. New Mexico	NM	Yes	444	713	195,157	322,683	467,571	803,304
33. New York	NY	Yes						
34. North Carolina	NC	Yes						
35. North Dakota	ND	Yes						
36. Ohio	OH	Yes	12,728,006	9,609,787	8,454,155	6,737,779	7,494,485	4,809,861
37. Oklahoma	OK	Yes	9,571,724	5,751,508	4,958,988	3,618,784	2,934,152	2,213,112
38. Oregon	OR	Yes	9,879,171	8,191,326	4,314,445	4,492,962	4,311,706	2,924,494
39. Pennsylvania	PA	Yes	256,358	204,371	165,055	198,173	143,308	134,643
40. Rhode Island	RI	Yes	13,165,650	10,899,594	6,773,288	5,047,320	9,195,200	6,155,943
41. South Carolina	SC	Yes						
42. South Dakota	SD	Yes	752,337	752,340	472,564	483,481	534,990	265,779
43. Tennessee	TN	Yes	2,430,700	1,863,824	1,852,774	979,783	1,101,848	875,011
44. Texas	TX	Yes	13,100	52,730	68,922	744,787	34,504	287,991
45. Utah	UT	Yes	(503)	1,128,956	809,833	1,999,456	1,450,410	2,108,693
46. Vermont	VT	Yes		492	202,462	61,964	(3,929)	122,000
47. Virginia	VA	Yes	976,202	818,074	495,866	478,383	741,355	421,969
48. Washington	WA	Yes	12,395,930	6,005,466	4,294,774	3,552,510	5,035,080	4,014,646
49. West Virginia	WV	Yes	2,167,573	1,991,385	1,778,528	1,408,130	1,188,791	1,024,422
50. Wisconsin	WI	Yes	820	663	477	59,799	224,959	225,001
51. Wyoming	WY	Yes	412,699	410,193	283,058	126,790	229,454	128,720
52. American Samoa	AS	No						
53. Guam	GU	No						
54. Puerto Rico	PR	No						
55. U.S. Virgin Islands	VI	No						
56. Canada	CN	No						
57. Aggregate Other Aliens	OT	XXX						
58. Totals	(a) 44		103,215,748	76,611,020	57,213,705	48,940,611	51,438,737	39,241,309
DETAILS OF WRITE-INS								
5701.		XXX						
5702.		XXX						
5703.		XXX						
5798.	Summary of remaining write-ins for Line 57 from overflow page.	XXX						
5799.	Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)	XXX						

(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



Note 1 – The following closed-end preferred stock mutual funds are affiliates of the Company based on the combined ownership percentage of these funds by the Company and its affiliates, The Commerce Insurance Company and Commerce West Insurance Company; John Hancock Patriot Global Dividend Fund - 30.7% ownership, John Hancock Patriot Preferred Dividend Fund - 32.7% ownership, John Hancock Patriot Premium Dividend I Fund - 31.3% ownership, John Hancock Patriot Premium Dividend II Fund - 36.7% ownership, John Hancock Patriot Select Dividend Fund - 36.8% ownership, Preferred Income Fund - 28.5% ownership, and Preferred Income Opportunity Fund - 33.7% ownership.



PART 1 - LOSS EXPERIENCE

Lines of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire .....	387,453	368,016	95.0	32.2
2.	Allied Lines .....	215,167	36,287	16.9	
3.	Farmowners multiple peril .....				
4.	Homeowners multiple peril .....	15,860,127	13,409,191	84.5	66.2
5.	Commercial multiple peril .....				
6.	Mortgage guaranty .....				
8.	Ocean marine .....				
9.	Inland marine .....				
10.	Financial guaranty .....				
11.1	Medical malpractice - occurrence .....				
11.2	Medical malpractice - claims-made .....				
12.	Earthquake .....				
13.	Group accident and health .....				
14.	Credit accident and health .....				
15.	Other accident and health .....				
16.	Workers' compensation .....				
17.1	Other liability - occurrence .....				
17.2	Other liability - claims-made .....				
18.1	Products liability - occurrence .....				
18.2	Products liability - claims-made .....				
19.1,19.2	Private passenger auto liability .....	43,332,591	33,479,687	77.3	64.3
19.3,19.4	Commercial auto liability .....				
21.	Auto physical damage .....	31,058,810	20,258,318	65.2	62.2
22.	Aircraft (all perils) .....				
23.	Fidelity .....				
24.	Surety .....				
26.	Burglary and theft .....				
27.	Boiler and machinery .....				
28.	Credit .....				
29.	International .....				
30.	Reinsurance - Nonproportional Assumed Property .....	XXX	XXX	XXX	XXX
31.	Reinsurance - Nonproportional Assumed Liability .....	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Financial Lines .....	XXX	XXX	XXX	XXX
33.	Aggregate write-ins for other lines of business .....				
34.	Totals .....	90,854,148	67,551,499	74.4	63.7
DETAILS OF WRITE-INS					
3301.	.....				
3302.	.....				
3303.	.....				
3398.	Summary of remaining write-ins for Line 33 from overflow page .....				
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)				

PART 2 - DIRECT PREMIUMS WRITTEN

		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire .....	195,306	515,688	283,850
2.	Allied Lines .....	63,782	232,800	174,579
3.	Farmowners multiple peril .....			
4.	Homeowners multiple peril .....	7,623,803	19,995,092	13,934,797
5.	Commercial multiple peril .....			
6.	Mortgage guaranty .....			
8.	Ocean marine .....			
9.	Inland marine .....			
10.	Financial guaranty .....			
11.1	Medical malpractice - occurrence .....			
11.2	Medical malpractice - claims-made .....			
12.	Earthquake .....			
13.	Group accident and health .....			
14.	Credit accident and health .....			
15.	Other accident and health .....			
16.	Workers' compensation .....			
17.1	Other liability - occurrence .....			
17.2	Other liability - claims-made .....			
18.1	Products liability - occurrence .....			
18.2	Products liability - claims-made .....			
19.1,19.2	Private passenger auto liability .....	17,699,437	47,771,448	36,804,352
19.3,19.4	Commercial auto liability .....			
21.	Auto physical damage .....	13,067,427	34,700,720	25,413,442
22.	Aircraft (all perils) .....			
23.	Fidelity .....			
24.	Surety .....			
26.	Burglary and theft .....			
27.	Boiler and machinery .....			
28.	Credit .....			
29.	International .....			
30.	Reinsurance - Nonproportional Assumed Property .....	XXX	XXX	XXX
31.	Reinsurance - Nonproportional Assumed Liability .....	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Financial Lines .....	XXX	XXX	XXX
33.	Aggregate write-ins for other lines of business .....			
34.	Totals .....	38,649,755	103,215,748	76,611,020
DETAILS OF WRITE-INS				
3301.	.....			
3302.	.....			
3303.	.....			
3398.	Summary of remaining write-ins for Line 33 from overflow page .....			
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)			

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2002 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (b) (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior .....	11,098	2,395	13,493	2,941		2,941	7,666	31	388	8,085	(491)	(1,976)	(2,467)
2. 2000 .....	7,477	2,311	9,788	4,565	2	4,566	6,826	174	469	7,469	3,914	(1,667)	2,247
3. Subtotals 2000 + Prior .....	18,575	4,706	23,281	7,506	2	7,508	14,493	204	857	15,554	3,424	(3,643)	(219)
4. 2001 .....	19,029	4,311	23,340	12,871	81	12,952	12,534	120	1,117	13,771	6,375	(2,993)	3,383
5. Subtotals 2001 + Prior .....	37,604	9,017	46,621	20,377	83	20,460	27,026	324	1,974	29,325	9,799	(6,636)	3,163
6. 2002 .....	XXX	XXX	XXX	XXX	39,073	39,073	XXX	21,814	2,760	24,574	XXX	XXX	XXX
7. Totals .....	37,604	9,017	46,621	20,377	39,156	59,532	27,026	22,138	4,735	53,899	9,799	(6,636)	3,163
8. Prior Year-End's Surplus As Regards Policyholders	84,194										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. 26.1	2. (73.6)	3. 6.8
											Col. 13, Line 7 As a % of Col. 1 Line 8		
											4. 3.8		

(a) Should Equal Prior Year-End Annual Statement; Page 3, Col. 1, Lines 1 + 3

(b) Should Equal Q.S. Page 3, Col. 1, Lines 1 and 3.

(c) Should Also Equal Cols. 6 + 10 less Col. 3 for Lines 1 through 5 only.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

RESPONSES

1.

Will the SVO Compliance Certification be filed with this statement?

.....Yes.....
2.

Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?

.....No.....
3.

Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?

.....No.....

Explanations:

Bar Codes:

Trusteed Surplus Statement (Document Identifier 490) here:



Supplement A to Schedule T (Document Identifier 450) here:



**OVERFLOW PAGE FOR WRITE-INS**

---

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

# STATEMENT AS OF SEPTEMBER 30, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

## SCHEDULE D - PART 3

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

[illegible]

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

E04

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identi- fication	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Design- ation (a)
US GOVERNMENT OBLIGATIONS - U.S.																
36201C-4H-4	GNMA POOL#0579624	09/15/2002	PAYDOWN OF PRINCIPAL		672,145	672,145	693,569	693,470	(100)	0	0	(21,325)	(21,325)	23,490		1
36204K-TW-3	GNMA POOL #372365	09/15/2002	PRINCIPAL RECEIPT		32,214	32,214	33,195	32,214	(914)	0	0	0	0	5,045		1
36206A-KN-2	GNMA POOL #405401	09/15/2002	PRINCIPAL RECEIPT		1,967	1,967	2,064	1,967	(89)	0	0	0	0	351		1
36206A-LB-7	GNMA POOL #405422	09/15/2002	PRINCIPAL RECEIPT		79	79	83	79	(4)	0	0	0	0	259		1
36206A-LK-7	GNMA POOL #405430	09/15/2002	PRINCIPAL RECEIPT		416	416	437	416	(19)	0	0	0	0	71		1
362076-A6-8	GNMA GTD PASS THRU CERT #45029	09/15/2002	PRINCIPAL RECEIPT		94	94	100	94	(3)	0	0	0	0	13		1
36207A-BD-3	GNMA POOL #425836	09/15/2002	PRINCIPAL RECEIPT		32,252	32,252	33,482	32,252	(1,170)	0	0	0	0	2,522		1
362090-6Z-3	GNMA POOL #478888	09/15/2002	PRINCIPAL RECEIPT		441,914	441,914	451,442	441,914	(9,244)	0	0	0	0	42,434		1
36211U-BH-4	GNMA POOL #523040	09/15/2002	PRINCIPAL RECEIPT		135,274	135,274	141,023	135,274	(5,620)	0	0	0	0	23,261		1
36219P-7C-3	GNMA GTD PASS THRU CERT #255691	09/15/2002	PRINCIPAL RECEIPT		44	44	43	44	0	0	0	0	0	5		1
36225B-GW-2	GNMA POOL #0781113	09/15/2002	PAYDOWN OF PRINCIPAL		710,462	710,462	736,438	735,732	(585)	0	0	(25,270)	(25,270)	59,478		1
COUNTRY TOTAL - U.S.					2,026,860	2,026,860	2,091,877	2,073,454	(17,747)	0	0	(46,595)	(46,595)	156,927	XXX	XXX
0399999 - Bonds - U.S. Governments					2,026,860	2,026,860	2,091,877	2,073,454	(17,747)	0	0	(46,595)	(46,595)	156,927	XXX	XXX
STATES, TERRITORIES, POSSESSIONS (D&C) - U.S.																
CALIFORNIA																
13033K-JE-0	CALIFORNIA HSG FIN AGY REV	08/01/2002	CALLED		1,123,302	6,490,000	892,290	1,044,887	38,302	0	0	78,415	78,415	0		1PE
STATE TOTAL					1,123,302	6,490,000	892,290	1,044,887	38,302	0	0	78,415	78,415	0	XXX	XXX
FLORIDA																
34073M-2T-8	FLORIDA HSG FIN CORP REV	07/01/2002	CALLED		4,451	25,000	3,776	4,477	136	0	0	(27)	(27)	0		1PE
34073M-VF-6	FLORIDA HSG FIN CORP REV	07/01/2002	CALLED		971	5,000	745	876	27	0	0	95	95	0		1PE
STATE TOTAL					5,422	30,000	4,521	5,354	164	0	0	68	68	0	XXX	XXX
COUNTRY TOTAL - U.S.					1,128,724	6,520,000	896,810	1,050,241	38,466	0	0	78,483	78,483	0	XXX	XXX
1799999 - Bonds - States, Territories and Possessions					1,128,724	6,520,000	896,810	1,050,241	38,466	0	0	78,483	78,483	0	XXX	XXX
POLITICAL SUBDIVISIONS (D&C) - U.S.																
CALIFORNIA																
130330-FS-7	CALIFORNIA HSG FIN AGY SINGLE FAM	08/01/2002	CALLED		106,717	275,000	88,198	105,085	3,513	0	0	1,631	1,631	0		1PE
13033K-ML-0	CALIFORNIA HSG FIN AGY REV	08/01/2002	CALLED		243,191	1,610,000	209,059	243,818	9,029	0	0	(627)	(627)	0		1PE
STATE TOTAL					349,907	1,885,000	297,257	348,903	12,542	0	0	1,004	1,004	0	XXX	XXX
INDIANA																
407219-DT-8	HAMILTON CNTY IND PUB BLDG CORP	07/20/2002	CALLED		2,040,000	2,000,000	2,183,100	2,065,680	(4,495)	0	0	(25,680)	(25,680)	125,000		1PE
STATE TOTAL					2,040,000	2,000,000	2,183,100	2,065,680	(4,495)	0	0	(25,680)	(25,680)	125,000	XXX	XXX
COUNTRY TOTAL - U.S.					2,389,907	3,885,000	2,480,357	2,414,582	8,046	0	0	(24,675)	(24,675)	125,000	XXX	XXX
2499999 - Bonds - Political Subdivisions					2,389,907	3,885,000	2,480,357	2,414,582	8,046	0	0	(24,675)	(24,675)	125,000	XXX	XXX
SPECIAL REVENUE & ASSESSMENT OBLIGATIONS - U.S.																
IDAHO																
45129T-HW-0	IDAHO HOUSING & FINANCE ASSN	07/01/2002	CALLED		30,000	30,000	30,000	30,000	0	0	0	0	0	2,260		1PE
STATE TOTAL					30,000	30,000	30,000	30,000	0	0	0	0	0	2,260	XXX	XXX
UTAH																
91755N-BU-8	UTAH STATE HOUSING FIN AGENCY	07/01/2002	CALLED		30,000	30,000	30,000	30,000	0	0	0	0	0	2,633		1PE
91755N-DB-8	UTAH HOUSING FIN AGENCY	07/01/2002	CALLED		70,000	70,000	70,000	70,000	0	0	0	0	0	6,038		1PE
91755N-HE-8	UTAH ST HSG FIN AGENCY	07/01/2002	CALLED		10,000	10,000	10,000	10,000	0	0	0	0	0	520		1PE
STATE TOTAL					110,000	110,000	110,000	110,000	0	0	0	0	0	9,190	XXX	XXX
WISCONSIN																
977123-JY-5	WI ST TRANSN REV SERV-B	07/01/2002	CALLED		2,000,000	2,000,000	1,913,400	1,922,541	1,018	0	0	77,459	77,459	110,000		1PE
STATE TOTAL					2,000,000	2,000,000	1,913,400	1,922,541	1,018	0	0	77,459	77,459	110,000	XXX	XXX
U.S. GOVERNMENT																
313401-4E-8	FHLM POOL#170247	09/13/2002	PRINCIPAL RECEIPT		2,834	2,834	3,255	2,834	(344)	0	0	0	0	2,050		1
31342D-AY-9	FHLM POOL#220023	08/21/2002	VARIOUS		62,124	62,124	66,628	62,124	(229)	0	0	0	0	4,159		1
31354B-SS-2	FHLM POOL #545029	09/13/2002	PRINCIPAL RECEIPT		320	320	327	320	(5)	0	0	0	0	1,541		1
STATE TOTAL					65,278	65,278	70,210	65,278	(578)	0	0	0	0	7,750	XXX	XXX
COUNTRY TOTAL - U.S.					2,205,278	2,205,278	2,123,610	2,127,819	440	0	0	77,459	77,459	129,200	XXX	XXX
3199999 - Bonds - Special Revenues					2,205,278	2,205,278	2,123,610	2,127,819	440	0	0	77,459	77,459	129,200	XXX	XXX
INDUSTRIAL & MISCELLANEOUS(UNAFFILIATED) - U.S.																
918204-AF-5	VF CORPORATION	09/27/2002	CALLED		2,090,400	2,000,000	2,258,040	2,231,574	(3,547)	0	0	(141,174)	(141,174)	167,528		1PE
COUNTRY TOTAL - U.S.					2,090,400	2,000,000	2,258,040	2,231,574	(3,547)	0	0	(141,174)	(141,174)	167,528	XXX	XXX
4599999 - Bonds - Industrial and Miscellaneous					2,090,400	2,000,000	2,258,040	2,231,574	(3,547)	0	0	(141,174)	(141,174)	167,528	XXX	XXX

## SCHEDULE D - PART 4

[illegible]

## E05.1



Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

