

**QUARTERLY STATEMENT**AS OF SEPTEMBER 30, 2002  
OF THE CONDITION AND AFFAIRS OF THE**AMERICAN COMMERCE INSURANCE COMPANY**

|                                       |                          |   |                                    |       |   |            |
|---------------------------------------|--------------------------|---|------------------------------------|-------|---|------------|
| NAIC Group Code                       | 0816<br>(Current Period) | 0816<br>(Prior Period)  | 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                   |                          |   |                                    |       |   |            |
| Incorporated                          |                          | 09/18/1946  | Commenced Business                 |       | 03/19/1947  |            |
| Statutory Home Office                 |                          | 3590 Twin Creeks Drive<br>(Street and Number)                           |                                    |       | Columbus, OH 43218-2579<br>(City or Town, State and Zip Code)           |            |
| Main Administrative Office            |                          | 211 Main Street<br>(Street and Number)                                  |                                    |       |   |            |
|                                       |                          | Webster, Massachusetts 01570-0758<br>(City or Town, State and Zip Code) |                                    |       | 508-949-4310<br>(Area Code) (Telephone Number)                          |            |
| Mail Address                          |                          | 211 Main Street<br>(Street and Number or P.O. Box)                      |                                    |       | Webster, Massachusetts 01570-0758<br>(City or Town, State and Zip Code) |            |
| Primary Location of Books and Records |                          | 211 Main Street<br>(Street and Number)                                  |                                    |       |   |            |
|                                       |                          | Webster, Massachusetts 01570-0758<br>(City or Town, State and Zip Code) |                                    |       | 508-949-4310<br>(Area Code) (Telephone Number)                          |            |
| Internet Website Address              |                          | www.commerceinsurance.com   |                                    |       |   |            |
| Statement Contact                     |                          | Brian Keith Germain<br>(Name)   |                                    |       | 508-949-4310<br>(Area Code) (Telephone Number) (Extension)              |            |
|                                       |                          | bgermai@commerceinsurance.com<br>(E-mail Address)                       |                                    |       | 508-949-4246<br>(FAX Number)  |            |

**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 |
|---------------------|--------------------------|

**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 of September 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<br>President and Chief Executive Officer | James Anthony Ermilio<br>Secretary | Randall Vaughn Becker #<br>Treasurer |
|---|------------------------------------|--------------------------------------|

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 \_\_\_\_\_

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

**ASSETS**

|  | Current Statement Date |                            |  | 4<br>December 31,<br>Prior Year Net<br>Admitted Assets |
|--|------------------------|----------------------------|--|--|
|  | 1<br>Assets            | 2<br>Nonadmitted<br>Assets | 3<br>Net Admitted<br>Assets<br>(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<br>\$ ..... encumbrances) .....   | 1,735,696              |                            | 1,735,696                                    | 1,796,432  |
| 4.2 Properties held for the production of income (less<br>\$ ..... encumbrances) .....   |                        |                            |  |  |
| 4.3 Properties held for sale (less \$ .....<br>encumbrances) .....   |                        |                            |  |  |
| 5. Cash (\$ .....(5,717,969) and short-term investments<br>\$ ..... 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<br>and not yet due (including \$ ..... earned but unbilled<br>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<br>\$ .....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            |                            | 176,606,280                                  | 167,871,188  |
| 27. Protected cell assets .....  |                        |                            |  |  |
| 28. TOTALS (Lines 26 and 27) .....   | 177,281,418            |                            | 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  |
| 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  |

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

**LIABILITIES, SURPLUS AND OTHER FUNDS**

|   | 1<br>Current<br>Statement Date | 2<br>December 31,<br>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 \$  | 415,490                        | 823                             |
| 23. Aggregate write-ins for liabilities   |                                |                                 |
| 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 AS OF SEPTEMBER 30, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY

STATEMENT OF INCOME

|   | 1<br>Current Year<br>to Date | 2<br>Prior Year<br>to Date | 3<br>Prior Year Ended<br>December 31 |
|---|------------------------------|----------------------------|--------------------------------------|
| <b>UNDERWRITING INCOME</b>  |                              |                            |                                      |
| 1. Premiums earned:   |                              |                            |                                      |
| 1.1 Direct (written \$ 103,215,748 )  | 90,854,148                   | 73,697,561                 | 99,679,583                           |
| 1.2 Assumed (written \$ 15,770,165 )  | 12,528,165                   | 10,034,561                 | 13,661,276                           |
| 1.3 Ceded (written \$ 87,445,583 )  | 78,325,983                   | 63,663,000                 | 86,018,307                           |
| <b>DEDUCTIONS:</b>  |                              |                            |                                      |
| 2. Losses incurred (current accident year \$ 51,663,884 ):  | 67,551,499                   | 46,934,736                 | 66,231,481                           |
| 2.1 Direct  | 10,187,480                   | 6,631,056                  | 9,162,173                            |
| 2.2 Assumed   | 57,364,019                   | 40,303,680                 | 57,069,308                           |
| 2.3 Ceded   | 9,445,968                    | 12,205,165                 | 15,563,735                           |
| 2.4 Net   | 27,594,406                   | 21,209,931                 | 29,254,707                           |
| 3. Loss expenses incurred   |                              |                            |                                      |
| 4. Other underwriting expenses incurred   |                              |                            |                                      |
| 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)                         |
| <b>INVESTMENT INCOME</b>  |                              |                            |                                      |
| 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                            |
| <b>OTHER INCOME</b>   |                              |                            |                                      |
| 12. Net gain or (loss) from agents' or premium balances charged off<br>(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)                          |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>  |                              |                            |                                      |
| 21. Surplus as regards policyholders, December 31 prior year  | 84,193,655                   | 92,806,898                 | 92,806,898                           |
| <b>GAINS AND (LOSSES) IN SURPLUS</b>  |                              |                            |                                      |
| 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                           |
| <b>DETAILS OF WRITE-INS</b>   |                              |                            |                                      |
| 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)   |                              |                            |                                      |

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

**CASH FLOW**

|  | 1<br>Current<br>Year to<br>Date | 2<br>Prior Year<br>Ended<br>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><u>\$ 3,794,742</u></u> | <u><u>\$ 2,427,749</u></u> |
| Decrease in deferred tax assets non-admitted | <u><u>\$ 1,131,380</u></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><u>\$ (2,271,960)</u></u> | <u><u>\$ (3,136,897)</u></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         | <u>5,827,712</u>           | <u>3,999,118</u>           | <u>1,828,594</u>           |
| 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><u>\$ 3,794,742</u></u> | <u><u>\$ 2,427,749</u></u> | <u><u>\$ 1,366,993</u></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.

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE AMERICAN COMMERCE INSURANCE COMPANY****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 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<br>Name of Entity | 2<br>NAIC Company Code | 3<br>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?

OH|0.....

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:

.....

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

**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<br>Prior Year-End<br>Statement Value | 2<br>Current Quarter<br>Statement Value |
|---|--|---|
| 13.21 Bonds .....   | \$ .....                               | \$ .....                                |
| 13.22 Preferred Stock .....   | \$ .....                               | \$ .....                                |
| 13.23 Common Stock .....  | \$ .....                               | \$ .....                                |
| 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) ..... | \$ .....                               | \$ .....                                |
| 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<br>Name of Custodian(s)  | 2<br>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<br>Name(s) | 2<br>Location(s) | 3<br>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<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>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<br>Central Registration Depository | 2<br>Name(s) | 3<br>Address |
|--------------------------------------|--------------|--------------|
| .....                                | .....        | .....        |

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

**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:

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

**SCHEDULE A - VERIFICATION**

|   | 1<br>First Quarter<br>Current Year | 2<br>Second Quarter<br>Current Year | 3<br>Third Quarter<br>Current Year | 4<br>Prior Year Ended<br>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<br>First Quarter<br>Current Year | 2<br>Second Quarter<br>Current Year | 3<br>Third Quarter<br>Current Year | 4<br>Prior Year Ended<br>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  |                                    |                                     |                                    |                                      |

**NONE****SCHEDULE BA - VERIFICATION**

Other Invested Assets Included in Schedule BA

|   | 1<br>First Quarter<br>Current Year | 2<br>Second Quarter<br>Current Year | 3<br>Third Quarter<br>Current Year | 4<br>Prior Year Ended<br>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                     |                                    |                                     |                                    |                                      |

**NONE**

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<br>Statement<br>Value<br>Beginning<br>of Current Quarter | 2<br>Acquisitions<br>During Current Quarter | 3<br>Dispositions<br>During Current Quarter | 4<br>Non-Trading<br>Activity<br>During Current Quarter | 5<br>Statement<br>Value<br>End of<br>First Quarter | 6<br>Statement<br>Value<br>End of<br>Second Quarter | 7<br>Statement<br>Value<br>End of<br>Third Quarter | 8<br>Statement<br>Value<br>December 31<br>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                         |  |   |   |  |  |   |  |  |
| 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<br>Book/Adjusted<br>Carrying Value | 2<br>Par Value | 3<br>Actual Cost | 4<br>Amount of Interest<br>Received Current<br>Quarter | 5<br>Paid for<br>Accrued<br>Interest |
| 80999999 Totals                                     | 210,284                              | XXX            | 210,284          |  | 586                                  |

**SCHEDULE DA - PART 2- Verification**

| Short-Term Investments Owned  |                                    |                                     |                                    |                                      |  |
|---|------------------------------------|-------------------------------------|------------------------------------|--------------------------------------|--|
|   | 1<br>First Quarter<br>Current Year | 2<br>Second Quarter<br>Current Year | 3<br>Third Quarter<br>Current Year | 4<br>Prior Year Ended<br>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**

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

## **SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

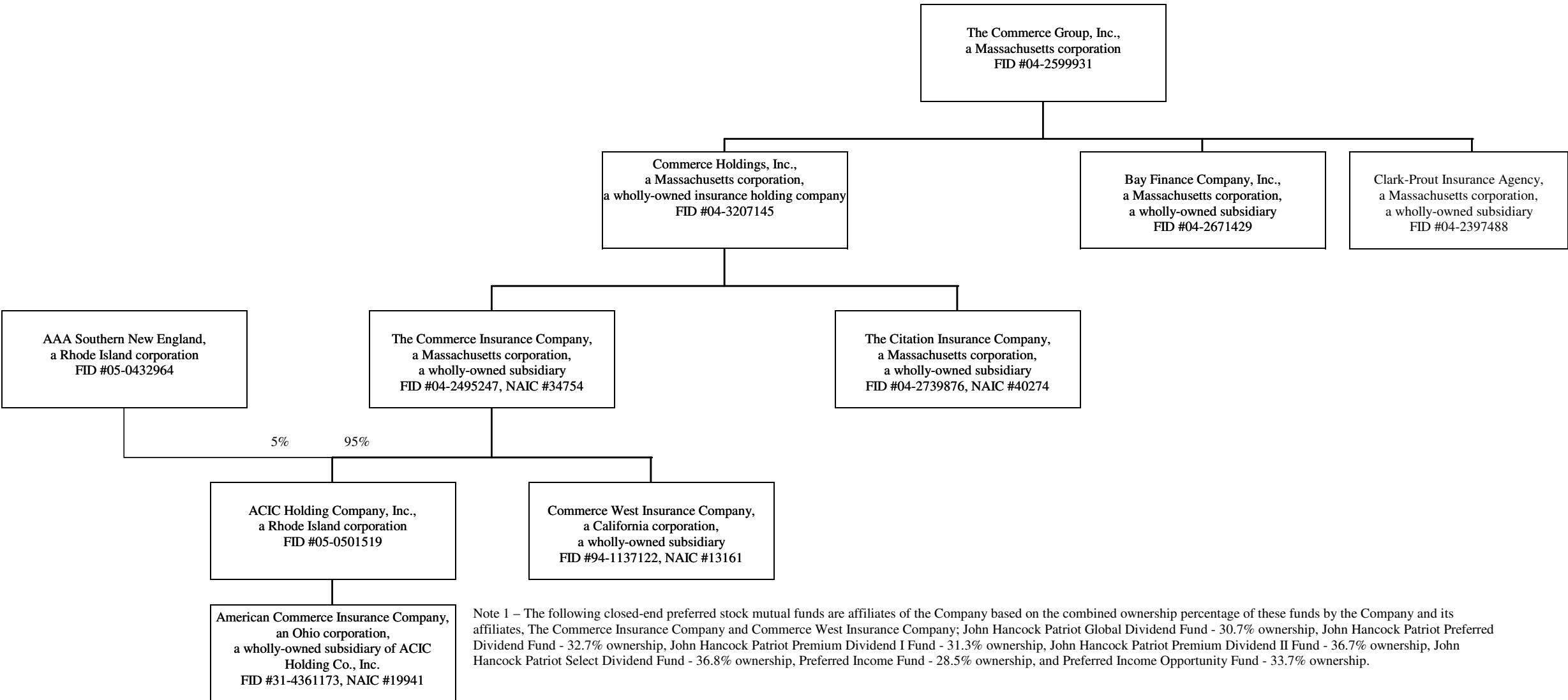
### **Current Year to Date - Allocated by States and Territories**

| States, etc.                | 1<br>Is Insurer<br>Licensed?<br>(Yes or<br>No)                    | Direct Premiums Written      |                            | Direct Losses Paid (Deducting Salvage) |                            | Direct Losses Unpaid         |                            |
|-----------------------------|---|------------------------------|----------------------------|--|----------------------------|------------------------------|----------------------------|
|                             |   | 2<br>Current Year<br>To Date | 3<br>Prior Year<br>To Date | 4<br>Current Year<br>To Date           | 5<br>Prior Year<br>To Date | 6<br>Current Year<br>To Date | 7<br>Prior Year<br>To Date |
| 1. Alabama                  | AL  | Yes                          | 971,585                    | 910,891                                | 486,379                    | 648,648                      | 354,186                    |
| 2. Alaska                   | AK  | No                           |                            |  |                            |                              | 400,143                    |
| 3. Arizona                  | AZ  | Yes                          | 21,765,915                 | 16,017,005                             | 11,316,508                 | 9,437,181                    | 7,611,422                  |
| 4. Arkansas                 | AR  | Yes                          |                            |  |                            |                              | 6,239,369                  |
| 5. California               | CA  | No                           |                            |  |                            |                              |                            |
| 6. Colorado                 | CO  | Yes                          |                            |  |                            |                              |                            |
| 7. Connecticut              | CT  | Yes                          | 239,939                    | 41,927                                 | 41,444                     | 2,691                        | 7,141                      |
| 8. Delaware                 | DE  | Yes                          |                            |  |                            |                              | 1,171                      |
| 9. District of Columbia     | DC  | Yes                          |                            |  |                            |                              |                            |
| 10. Florida                 | FL  | Yes                          | 1,238,292                  | 1,440,650                              | 1,107,534                  | 847,794                      | 530,162                    |
| 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                  |
| 14. Illinois                | IL  | No                           |                            |  |                            |                              | 1,058,476                  |
| 15. Indiana                 | IN  | Yes                          | 4,460,747                  | 3,120,136                              | 2,213,436                  | 2,538,235                    | 1,433,754                  |
| 16. Iowa                    | IA  | Yes                          |                            |  |                            |                              | 1,044,359                  |
| 17. Kansas                  | KS  | Yes                          |                            |  |                            |                              |                            |
| 18. Kentucky                | KY  | Yes                          | 6,200,182                  | 4,496,547                              | 4,934,872                  | 3,422,900                    | 3,871,609                  |
| 19. Louisiana               | LA  | Yes                          |                            |  |                            |                              | 2,891,799                  |
| 20. Maine                   | ME  | Yes                          | 9,660                      | 11,038                                 | 28,846                     | 51,734                       | 186,694                    |
| 21. Maryland                | MD  | Yes                          | 102,842                    | 105,844                                | 68,436                     | 81,667                       | 81,657                     |
| 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                    |
| 28. Nebraska                | NE  | Yes                          |                            |  |                            |                              | 383,546                    |
| 29. Nevada                  | NV  | No                           |                            |  |                            |                              | 129                        |
| 30. New Hampshire           | NH  | No                           |                            |  |                            |                              |                            |
| 31. New Jersey              | NJ  | Yes                          |                            |  |                            |                              |                            |
| 32. New Mexico              | NM  | Yes                          | .444                       | 713                                    | 195,157                    | 322,683                      | 467,571                    |
| 33. New York                | NY  | Yes                          |                            |  |                            |                              | 803,304                    |
| 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                  |
| 37. Oklahoma                | OK  | Yes                          | 9,571,724                  | 5,751,508                              | 4,958,988                  | 3,618,784                    | 2,934,152                  |
| 38. Oregon                  | OR  | Yes                          | 9,879,171                  | 8,191,326                              | 4,314,445                  | 4,492,962                    | 2,911,706                  |
| 39. Pennsylvania            | PA  | Yes                          | 256,358                    | 204,371                                | 165,055                    | 198,173                      | 143,308                    |
| 40. Rhode Island            | RI  | Yes                          | 13,165,650                 | 10,899,594                             | 6,773,288                  | 5,047,320                    | 9,195,200                  |
| 41. South Carolina          | SC  | Yes                          |                            |  |                            |                              | 6,155,943                  |
| 42. South Dakota            | SD  | Yes                          | 752,337                    | 752,340                                | 472,564                    | 483,481                      | 534,990                    |
| 43. Tennessee               | TN  | Yes                          | 2,430,700                  | 1,863,824                              | 1,852,774                  | 979,783                      | 1,101,848                  |
| 44. Texas                   | TX  | Yes                          | 13,100                     | 52,730                                 | 68,922                     | 744,787                      | 34,504                     |
| 45. Utah                    | UT  | Yes                          | (503)                      | 1,128,956                              | 809,833                    | 1,999,456                    | 1,450,410                  |
| 46. Vermont                 | VT  | Yes                          |                            | 492                                    | 202,462                    | 61,964                       | (3,929)                    |
| 47. Virginia                | VA  | Yes                          | 976,202                    | 818,074                                | 495,866                    | 478,383                      | 741,355                    |
| 48. Washington              | WA  | Yes                          | 12,395,930                 | 6,005,466                              | 4,294,774                  | 3,552,510                    | 5,035,080                  |
| 49. West Virginia           | WV  | Yes                          | 2,167,573                  | 1,991,385                              | 1,778,528                  | 1,408,130                    | 1,188,791                  |
| 50. Wisconsin               | WI  | Yes                          | .820                       | .663                                   | .477                       | .59,799                      | 224,959                    |
| 51. Wyoming                 | WY  | Yes                          | 412,699                    | 410,193                                | .283,058                   | 126,790                      | 229,454                    |
| 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                 |
| <b>DETAILS OF WRITE-INS</b> |   |                              |                            |  |                            |                              |                            |
| 5701.                       |   | XXX                          |                            |  |                            |                              |                            |
| 5702.                       |   | XXX                          |                            |  |                            |                              |                            |
| 5703.                       |   | XXX                          |                            |  |                            |                              |                            |
| 5798.                       | Summary of remaining write-ins<br>for Line 57 from overflow page. | XXX                          |                            |  |                            |                              |                            |
| 5799.                       | Totals (Lines 5701 thru 5703<br>plus 5798) (Line 57 above)        | XXX                          |                            |  |                            |                              |                            |

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

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

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**



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

**PART 1 - LOSS EXPERIENCE**

| Lines of Business   | Current Year to Date           |                                |                                | 4<br>Prior Year to<br>Date Direct Loss<br>Percentage |
|---|--------------------------------|--------------------------------|--------------------------------|--|
|   | 1<br>Direct Premiums<br>Earned | 2<br>Direct Losses<br>Incurred | 3<br>Direct Loss<br>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   |
| <b>DETAILS OF WRITE-INS</b>   |                                |                                |                                |  |
| 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<br>Current<br>Quarter | 2<br>Current<br>Year to Date | 3<br>Prior Year<br>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                      |
| <b>DETAILS OF WRITE-INS</b>   |                         |                              |                                 |
| 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

| Years in Which Losses Occurred                       | 1<br>Prior Year-End Known Case Loss and LAE Reserves | 2<br>Prior Year-End IBNR Loss and LAE Reserves | 3<br>Total Prior Year-End Loss and LAE Reserves<br>(a)<br>(Cols. 1 + 2) | 4<br>2002 Loss and LAE Payments on Claims Reported as of Prior Year-End | 5<br>2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End | 6<br>Total 2002 Loss and LAE Payments<br>(Cols. 4 + 5) | 7<br>Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened as of Prior Year-End | 8<br>Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End | 9<br>Q.S. Date IBNR Loss and LAE Reserves<br>(b)<br>(Cols. 7 + 8 + 9) | 10<br>Total Q.S. Loss and LAE Reserves<br>(b)<br>(Cols. 4 + 7 minus Col. 1) | 11<br>Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1) | 12<br>Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2) | 13<br>Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (c)<br>(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 |  |  |   |   |   |  |   |   |   |   | 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

| 1<br>CUSIP<br>Identification                                       | 2<br>Description                        | 3<br>Date Acquired | 4<br>Name of Vendor           | 5<br>Number of<br>Shares of Stock | 6<br>Actual<br>Cost | 7<br>Par Value | 8<br>Paid for Accrued<br>Interest and Dividends | 9<br>NAIC<br>Designation (a) |
|--|---|--------------------|-------------------------------|-----------------------------------|---------------------|----------------|---|------------------------------|
| SPECIAL REVENUE & ASSESSMENT OBLIGATIONS - U.S.<br>U.S. GOVERNMENT |   |                    |                               |                                   |                     |                |   |                              |
| 31298Y-EU-1.....   | FHLM POOL#C60147.....                   | .09/19/2002.....   | BEAR STEARNS.....             | 4,572,801                         | 4,368,701           | 18,688         | 1.....  |                              |
| 31371K-JZ-5.....   | FNMA POOL#0254180.....                  | .09/04/2002.....   | BEAR STEARNS.....             | 10,891,012                        | 10,329,354          | 32,279         | 1.....  |                              |
| STATE TOTAL  |   |                    |                               | 15,463,813                        | 14,698,054          | 50,968         | XXX   |                              |
| COUNTRY TOTAL - U.S.   |   |                    |                               | 15,463,813                        | 14,698,054          | 50,968         | XXX   |                              |
| 3199999 - Total - Bonds - Special Revenue                          |   |                    |                               | 15,463,813                        | 14,698,054          | 50,968         | XXX   |                              |
| 6099997 - Total - Bonds - Part 3                                   |   |                    |                               | 15,463,813                        | 14,698,054          | 50,968         | XXX   |                              |
| 6099999 - Total - Bonds  |   |                    |                               | 15,463,813                        | 14,698,054          | 50,968         | XXX   |                              |
| PUBLIC UTILITIES (UNAFFILIATED) - U.S.                             |   |                    |                               |                                   |                     |                |   |                              |
| 341081-79-2.....   | FLORIDA POWER & LIGHT 6.98% SER. S..... | .07/16/2002.....   | SALOMON SMITH BARNEY INC..... | 10,000,000                        | 1,046,800           | 100.00         | 0.....  | P2L                          |
| 873170-80-0.....   | TXU ELECTRIC CO. \$7.98.....            | .07/17/2002.....   | DEUTSCHE BANK SECURITIES..... | 10,000,000                        | 1,048,800           | 100.00         | 0.....  | P2L                          |
| COUNTRY TOTAL - U.S.   |   |                    |                               | 2,095,600                         | XXX                 | 0              | XXX   |                              |
| 6199999 - Total - Preferred Stocks - Public Utilities              |   |                    |                               | 2,095,600                         | XXX                 | 0              | XXX   |                              |
| 6599997 - Total - Preferred Stocks - Part 3                        |   |                    |                               | 2,095,600                         | XXX                 | 0              | XXX   |                              |
| 6599999 - Total - Preferred Stocks                                 |   |                    |                               | 2,095,600                         | XXX                 | 0              | XXX   |                              |
| 7099999 - Total - Common Stocks                                    |   |                    |                               | 0                                 | XXX                 | 0              | XXX   |                              |
| 7199999 - Total - Preferred and Common Stocks                      |   |                    |                               | 2,095,600                         | XXX                 | 0              | XXX   |                              |
| 7299999 - Totals   |   |                    |                               |                                   | 17,559,413          | XXX            | 50,968  | XXX                          |

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

**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<br>CUSIP<br>Identifi-<br>cation                           | 2<br>Description                     | 3<br>Disposal<br>Date | 4<br>Name of Purchaser | 5<br>Number of<br>Shares of<br>Stock | 6<br>Consideration | 7<br>Par Value | 8<br>Actual Cost | 9<br>Book/Adjusted<br>Carrying Value at<br>Disposal Date | 10<br>Increase<br>(Decrease)<br>by<br>Adjustment | 11<br>Increase<br>(Decrease)<br>by Foreign<br>Exchange<br>Adjustment | 12<br>Foreign<br>Exchange<br>Gain (Loss)<br>on Disposal | 13<br>Realized Gain<br>(Loss) on<br>Disposal | 14<br>Total Gain<br>(Loss) on<br>Disposal | 15<br>Interest on<br>Bonds<br>Received<br>During<br>Year | 16<br>Dividends on<br>Stocks<br>Received<br>During<br>Year | 17<br>NAIC<br>Designa-<br>tion<br>(a) |     |
|---|--------------------------------------|-----------------------|------------------------|--------------------------------------|--------------------|----------------|------------------|--|--|--|---|--|---|--|--|---------------------------------------|-----|
| <b>U.S GOVERNMENT OBLIGATIONS - U.S.</b>                    |                                      |                       |                        |                                      |                    |                |                  |  |  |  |   |  |   |  |  |                                       |     |
| 36201C-4H-4...  | GNMA POOL#0579624...                 | 09/15/2002...         | PAYOUT 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   | 0  | 351  | 1                                     |     |
| 36206A-LB-7...  | GNMA POOL #405422...                 | 09/15/2002...         | PRINCIPAL RECEIPT      |                                      | 79                 | 79             | .83              | .79  | (4)  | 0  | 0   | 0  | 0   | 0  | 259  |                                       |     |
| 36206A-LK-7...  | GNMA POOL #405430...                 | 09/15/2002...         | PRINCIPAL RECEIPT      |                                      | .416               | .416           | .437             | .416   | (19)   | 0  | 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   | 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   | 0  | .2,522   |                                       |     |
| 362090-GZ-3...  | GNMA POOL #478888...                 | 09/15/2002...         | PRINCIPAL RECEIPT      |                                      | 441,914            | 441,914        | 451,442          | 441,914  | (9,244)  | 0  | 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   | 0  | .23,261  |                                       |     |
| 36219P-7C-3...  | GNMA GTD PASS THRU CERT #255691...   | 09/15/2002...         | PRINCIPAL RECEIPT      |                                      | .44                | .44            | .43              | .44  | 0  | 0  | 0   | 0  | 0   | .5   |  |                                       |     |
| 36225B-GW-2...  | GNMA POOL #0781113...                | 09/15/2002...         | PAYOUT OF PRINCIPAL    |                                      | 710,462            | .710,462       | .736,438         | .735,732   | (585)  | 0  | 0   | (25,270)                                     | (25,270)                                  | .59,478  |  | 1                                     |     |
| <b>COUNTRY TOTAL - U.S.</b>                                 |                                      |                       |                        |                                      | 2,026,860          | 2,026,860      | 2,091,877        | 2,073,454  | (17,747)   | 0  | 0   | (46,595)                                     | (46,595)                                  | 156,927  | XXX  | XXX                                   |     |
| 039999 - 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                                   |     |
| <b>STATES, TERRITORIES, POSSESSIONS (D&amp;G) - U.S.</b>    |                                      |                       |                        |                                      |                    |                |                  |  |  |  |   |  |   |  |  |                                       |     |
| <b>CALIFORNIA</b>   |                                      |                       |                        |                                      |                    |                |                  |  |  |  |   |  |   |  |  |                                       |     |
| 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                                   |     |
| <b>FLORIDA</b>  |                                      |                       |                        |                                      |                    |                |                  |  |  |  |   |  |   |  |  |                                       |     |
| 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                                   |     |
| <b>COUNTRY TOTAL - U.S.</b>                                 |                                      |                       |                        |                                      | 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                                   |     |
| <b>POLITICAL SUBDIVISIONS (D&amp;G) - U.S.</b>              |                                      |                       |                        |                                      |                    |                |                  |  |  |  |   |  |   |  |  |                                       |     |
| 13033O-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                                   |     |
| <b>INDIANA</b>  |                                      |                       |                        |                                      |                    |                |                  |  |  |  |   |  |   |  |  |                                       |     |
| 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                                   |     |
| <b>COUNTRY TOTAL - U.S.</b>                                 |                                      |                       |                        |                                      | 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                                   |     |
| <b>SPECIAL REVENUE &amp; ASSESSMENT OBLIGATIONS - U.S.</b>  |                                      |                       |                        |                                      |                    |                |                  |  |  |  |   |  |   |  |  |                                       |     |
| <b>IDAHO</b>  |                                      |                       |                        |                                      |                    |                |                  |  |  |  |   |  |   |  |  |                                       |     |
| 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                                   |     |
| <b>UTAH</b>   |                                      |                       |                        |                                      |                    |                |                  |  |  |  |   |  |   |  |  |                                       |     |
| 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                                   |     |
| <b>WISCONSIN</b>  |                                      |                       |                        |                                      |                    |                |                  |  |  |  |   |  |   |  |  |                                       |     |
| 977123-JY-5...  | WI ST TRANSH 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                                   |     |
| <b>U.S. GOVERNMENT</b>                                      |                                      |                       |                        |                                      |                    |                |                  |  |  |  |   |  |   |  |  |                                       |     |
| 313401-4E-8...  | FHLW POOL#170247...                  | 09/13/2002...         | PRINCIPAL RECEIPT      |                                      | .2,834             | .2,834         | .3,255           | .2,834   | (344)  | 0  | 0   | 0  | 0   | 0  | .2,050   | 1                                     |     |
| 31342D-AY-9...  | FHLW POOL#220023...                  | 08/21/2002...         | VARIOUS                |                                      | .62,124            | .62,124        | .66,628          | .62,124  | (229)  | 0  | 0   | 0  | 0   | 0  | .4,159   |                                       |     |
| 31354B-SS-2...  | FHLW POOL #545029...                 | 09/13/2002...         | PRINCIPAL RECEIPT      |                                      | .320               | .320           | .327             | .320   | (5)  | 0  | 0   | 0  | 0   | 0  | .1,541   | 1                                     |     |
| STATE TOTAL   |                                      |                       |                        |                                      | 65,278             | 65,278         | .70,210          | .65,278  | (578)  | 0  | 0   | 0  | 0   | 0  | .7,750   | XXX                                   | XXX |
| <b>COUNTRY TOTAL - U.S.</b>                                 |                                      |                       |                        |                                      | 2,205,278          | 2,205,278      | 2,123,610        | 2,127,819  | 440  | 0  | 0   | 0  | 0   | 0  | .129,200   | XXX                                   | XXX |
| 3199999 - Bonds - Special Revenues                          |                                      |                       |                        |                                      | 2,205,278          | 2,205,278      | 2,123,610        | 2,127,819  | 440  | 0  | 0   | 0  | 0   | 0  | .129,200   | XXX                                   | XXX |
| <b>INDUSTRIAL &amp; MISCELLANEOUS (UNAFFILIATED) - U.S.</b> |                                      |                       |                        |                                      |                    |                |                  |  |  |  |   |  |   |  |  |                                       |     |
| 918204-AF-5...  | IVF 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                                   |     |
| STATE TOTAL   |                                      |                       |                        |                                      | 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                                   |     |

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<br>CUSIP<br>Identifi-<br>cation            | 2<br>Description | 3<br>Disposal<br>Date | 4<br>Name of Purchaser | 5<br>Number of<br>Shares of<br>Stock | 6<br>Consideration | 7<br>Par Value | 8<br>Actual Cost | 9<br>Book/Adjusted<br>Carrying Value at<br>Disposal Date | 10<br>Increase<br>(Decrease)<br>by<br>Adjustment | 11<br>Increase<br>(Decrease)<br>by Foreign<br>Exchange<br>Adjustment | 12<br>Foreign<br>Exchange<br>Gain (Loss)<br>on Disposal | 13<br>Realized Gain<br>(Loss) on<br>Disposal | 14<br>Total Gain<br>(Loss) on<br>Disposal | 15<br>Interest on<br>Bonds<br>Received<br>During<br>Year | 16<br>Dividends on<br>Stocks<br>Received<br>During<br>Year | 17<br>NAIC<br>Desig-<br>nation<br>(a) |
|--|------------------|-----------------------|------------------------|--------------------------------------|--------------------|----------------|------------------|--|--|--|---|--|---|--|--|---------------------------------------|
| 609997 - Bonds - Part 4                      |                  |                       |                        | 9,841,168                            | 16,637,138         | 9,850,694      | 9,897,671        | 25,658   | 0  | 0  | (56,502)  | (56,502)                                     | 578,655                                   | XXX  | XXX  |                                       |
| 609999 - Total - Bonds                       |                  |                       |                        | 9,841,168                            | 16,637,138         | 9,850,694      | 9,897,671        | 25,658   | 0  | 0  | (56,502)  | (56,502)                                     | 578,655                                   | XXX  | XXX  |                                       |
| 659999 - Total - Preferred Stocks            |                  |                       |                        | 0                                    | XXX                | 0              | 0                | 0  | 0  | 0  | 0   | 0  | 0   | XXX  | 0  | XXX                                   |
| 709999 - Total - Common Stocks               |                  |                       |                        | 0                                    | XXX                | 0              | 0                | 0  | 0  | 0  | 0   | 0  | 0   | XXX  | 0  | XXX                                   |
| 719999 - Total - Preferred and Common Stocks |                  |                       |                        | 0                                    | XXX                | 0              | 0                | 0  | 0  | 0  | 0   | 0  | 0   | XXX  | 0  | XXX                                   |
| 7299999 Totals                               |                  |                       |                        | 9,841,168                            | XXX                | 9,850,694      | 9,897,671        | 25,658   | 0  | 0  | (56,502)  | (56,502)                                     | 578,655                                   | 0  | XXX  |                                       |

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

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**

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

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

| 1<br>Depository   | 2<br>Rate<br>of<br>Interest | 3<br>Amount of<br>Interest<br>Received<br>During<br>Current<br>Quarter | 4<br>Amount of<br>Interest<br>Accrued at<br>Current<br>Statement<br>Date | Book Balance at End of Each<br>Month During Current Quarter |                   |                  | 8<br>* |
|---|-----------------------------|--|--|---|-------------------|------------------|--------|
|   |                             |  |  | 5<br>First Month  | 6<br>Second Month | 7<br>Third Month |        |
| BANK ONE.....   | 1.210                       | .4,008   | .995   | (6,882,851)   | (4,090,314)       | (6,244,296)      |        |
| WELLS FARGO.....  | 0.000                       |  |  | 4,946   | 4,940             | 4,934            |        |
| WELLS FARGO.....  | 0.000                       |  |  | 18,223  | 17,154            | 15,669           |        |
| WELLS FARGO.....  | 0.000                       |  |  | 9,469   | 9,364             | 9,268            |        |
| FIRST NATIONAL BANK.....  | 0.000                       |  |  | .5,000  | 4,973             | 4,946            |        |
| CITIZENS BANK.....  | 0.000                       |  |  | 2,000   | 2,000             | 2,110            |        |
| FEDERATED INVESTORS.....  | 1.670                       | 17,880   |  | 5,043,606   | 5,050,825         | 13,261           |        |
| HUNTINGTON BANK.....  | 0.810                       | .744   |  | 983,294   | 394,075           | 454,100          |        |
| FIDELITY.....   | 1.660                       | .6,231   |  | 51,940  | 1,929,585         | 7,316            |        |
| PROVIDENT.....  | 1.650                       | .6,231   | 1,163  | 1,704,857   | 1,707,519         | 9,925            |        |
| FEDERATED INVESTORS TREASURER.....  | 1.620                       | 15,845   |  | 4,929,130   | 4,451,908         | 4,798            |        |
| 0199998 Deposits in ..... depositaries which do<br>not exceed the allowable limit in any one depository<br>(See Instructions) - Open Depositories | XXX                         |  |  |   |                   |                  | XXX    |
| 0199999 Totals - Open Depositories  | XXX                         | 50,939   | 2,158  | 5,869,614   | 9,482,029         | (5,717,969)      | XXX    |
| 0399999 Total Cash on Deposit   | XXX                         | 50,939   | 2,158  | 5,869,614   | 9,482,029         | (5,717,969)      | XXX    |
| 0499999 Cash in Company's Office  | XXX                         | XXX  | XXX  |   |                   |                  | XXX    |
| 0599999 Total Cash  | XXX                         | 50,939   | 2,158  | 5,869,614   | 9,482,029         | (5,717,969)      | XXX    |