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QUARTERLY STATEMENT

As of September 30, 2002

of the Condition and Affairs of the

SAFE AUTO INSURANCE COMPANY

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

NAIC Company Code..... 25405

Employer's ID Number..... 31-1379882

Organized under the Laws of OHIO

State of Domicile or Port of Entry OHIO

Country of Domicile US

Incorporated..... May 28, 1993

Commenced Business..... August 25, 1993

Statutory Home Office	3883 East Broad Street ….. Columbus ..... OH ..... 43213 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	3883 East Broad Street ….. Columbus ..... OH ..... 43213 *(Street and Number) (City or Town, State and Zip Code)*	614-231-0200 *(Area Code) (Telephone Number)*
Mail Address	3883 East Broad Street ….. Columbus ..... OH ..... 43213 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	3883 East Broad Street ….. Columbus ..... OH ..... 43213 *(Street and Number) (City or Town, State and Zip Code)*	614-231-0200 *(Area Code) (Telephone Number)*
Internet Website Address	www.safeauto.com	
Statement Contact	Melinda S Fry *(Name)*	614-231-0200-7701 *(Area Code) (Telephone Number) (Extension)*
	Melinda@safeauto.com *(E-Mail Address)*	614-235-3800 *(Fax Number)*
Policyowner Relations Contact	3883 East Broad Street ….. Columbus ..... OH ..... 43213 *(Street and Number) (City or Town, State and Zip Code)*	*(Area Code) (Telephone Number) (Extension)*

OFFICERS

President ..... Jon P Diamond

Treasurer ..... Melinda S Fry

Secretary ..... April D Miller

VICE PRESIDENTS

Thomas Boyd	Jack H Coolidge	Todd E Friedman	Melinda S Fry
April D Miller	Pamela Pond	Mary M Puskus	Gregory A Sutton
Jon L Trickey	Kristin Watkins		

DIRECTORS OR TRUSTEES

Charles A Bryan	Peter Cohen	Ari Deshe	Jon P Diamond
Oded Gur-Arie	Ralph A Kaparos	Thomas Ketteler	Jay Schottenstein
Jim Schultz			

State of........ OHIO
County of..... FRANKLIN

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

(Signature)	(Signature)	(Signature)
Jon P Diamond	April D Miller	Melinda S Fry
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Treasurer

Subscribed and sworn to before me this

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

....

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31, Prior Year Net Admitted Assets
1. Bonds	45,664,652		45,664,652	27,027,280
2. Stocks:				
2.1 Preferred stocks	1,060,075		1,060,075	1,000,000
2.2 Common stocks	4,598,320		4,598,320	6,826,385
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $..........0 encumbrances)	948,384		948,384	
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....7,099,167) and short-term investments ($.....5,129,943)	12,229,110		12,229,110	22,046,013
6. Other invested assets			0	1,358,253
7. Receivable for securities			0	
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8)	64,500,541	0	64,500,541	58,257,931
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	6,254,405		6,254,405	4,485,480
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	27,059,016		27,059,016	17,799,248
10.3 Accrued retrospective premiums			0	
11. Funds held by or deposited with reinsured companies			0	
12. Bills receivable, taken for premiums			0	
13. Amounts receivable under high deductible policies			0	
14. Reinsurance recoverables on loss and loss adjustment expense payments	3,317,748		3,317,748	1,108,166
15. Federal and foreign income tax recoverable and interest thereon (including $.....3,630,737 net deferred tax asset)	3,630,737		3,630,737	2,332,818
16. Guaranty funds receivable or on deposit			0	
17. Electronic data processing equipment and software	466,508		466,508	545,851
18. Interest, dividends and real estate income due and accrued	500,985		500,985	350,507
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Receivable from parent, subsidiaries and affiliates	285,596		285,596	3,000,000
21. Amounts due from/to protected cells			0	
22. Equities and deposits in pools and associations			0	
23. Amounts receivable relating to uninsured accident and health plans			0	
24. Other assets nonadmitted	207,068	207,068	0	
25. Aggregate write-ins for other than invested assets	190,485	0	190,485	0
26. Total assets excluding protected cell assets (Lines 9 through 25)	106,413,089	207,068	106,206,021	87,880,001
27. Protected cell assets			0	
28. TOTALS (Lines 26 and 27)	106,413,089	207,068	106,206,021	87,880,001

DETAILS OF WRITE-INS

	1	2	3	4
0801.			0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0
2501. Foreign Tax Withheld	552		552	
2502. COLI	108,720		108,720	
2503. Deposits on Leased Equipment	81,213		81,213	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	190,485	0	190,485	0

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31, Prior Year
1.	Losses (current accident year $..........0)	29,339,341	22,906,539
2.	Reinsurance payable on paid losses and loss adjustment expenses		
3.	Loss adjustment expenses	5,633,040	5,012,358
4.	Commissions payable, contingent commissions and other similar charges	(8,818,178)	(694,527)
5.	Other expenses (excluding taxes, licenses and fees)	4,826,119	3,368,484
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	1,553,362	1,400,815
7.	Federal and foreign income taxes (including $..........0 on realized capital gains (losses) (including $..... net deferred tax liability)	896,127	1,191,298
8.	Borrowed money $..........0 and interest thereon $..........0		
9.	Unearned premiums (after deducting unearned premiums for ceded reinsurance of $.....11,886,135 and including warranty reserves of $..........0)	27,733,767	18,031,745
10.	Advance premium		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	8,740,025	9,501,512
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others		
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	73,125	1,358,253
20.	Payable for securities	1,992,527	
21.	Liability for amounts held under uninsured accident and health plans		
22.	Capital notes $..... and interest thereon $		
23.	Aggregate write-ins for liabilities	0	0
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	71,969,255	62,076,477
25.	Protected cell liabilities		
26.	Total liabilities (Lines 24 and 25)	71,969,255	62,076,477
27.	Aggregate write-ins for special surplus funds	0	0
28.	Common capital stock	1,500,000	1,500,000
29.	Preferred capital stock		
30.	Aggregate write-ins for other than special surplus funds	0	0
31.	Surplus notes		
32.	Gross paid in and contributed surplus	7,900,000	7,900,000
33.	Unassigned funds (surplus)	24,836,766	16,403,524
34.	Less treasury stock, at cost:		
	34.1 ....0.000 shares common (value included in Line 28 $..........0)		
	34.2 ....0.000 shares preferred (value included in Line 29 $..........0)		
35.	Surplus as regards policyholders (Lines 27 to 33, less 34)	34,236,766	25,803,524
36.	TOTALS	106,206,021	87,880,001

DETAILS OF WRITE-INS

2301.			
2302.			
2303.			
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	0	0
2701.			
2702.			
2703.			
2798.	Summary of remaining write-ins for Line 27 from overflow page	0	0
2799.	Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
3001.			
3002.			
3003.			
3098.	Summary of remaining write-ins for Line 30 from overflow page	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $.....107,117,706)	93,257,440	53,359,008	64,734,302
1.2 Assumed (written $..........0)			
1.3 Ceded (written $.....32,169,944)	28,011,699	4,565,444	
1.4 Net (written $.....74,947,762)	65,245,741	48,793,564	64,734,302
DEDUCTIONS:			
2. Losses incurred (current accident year $..........0):			
2.1 Direct	51,963,099	27,134,584	35,726,958
2.2 Assumed			
2.3 Ceded	11,871,592	226,920	
2.4 Net	40,091,507	26,907,664	35,726,958
3. Loss expenses incurred	6,415,682	2,509,733	6,398,019
4. Other underwriting expenses incurred	11,854,144	13,712,845	17,406,701
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	58,361,333	43,130,242	59,531,678
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	6,884,408	5,663,322	5,202,624
INVESTMENT INCOME			
9. Net investment income earned	1,647,948	881,573	1,756,486
10. Net realized capital gains (losses)	107,094	233,809	(1,435,517)
11. Net investment gain (loss) (Lines 9 + 10)	1,755,042	1,115,382	320,969
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $..........0 amount charged off $..........0)	(1,616,453)		(1,244,278)
13. Finance and service charges not included in premiums	8,150,122	1,333,692	3,851,516
14. Aggregate write-ins for miscellaneous income	822	0	0
15. Total other income (Lines 12 through 14)	6,534,491	1,333,692	2,607,238
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	15,173,941	8,112,396	8,130,832
17. Dividends to policyholders			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	15,173,941	8,112,396	8,130,832
19. Federal and foreign income taxes incurred	6,249,548	3,529,926	3,529,926
20. Net income (Line 18 minus Line 19) (to Line 22)	8,924,393	4,582,470	4,600,906
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year	25,803,524	16,717,588	16,717,588
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	8,924,393	4,582,470	4,600,906
23. Net unrealized capital gains or losses	(2,348,526)	(2,776,587)	(413,632)
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income taxes	1,517,418	459,291	781,243
26. Change in nonadmitted assets	80,275	(64,452)	283,360
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		1,332,076	999,771
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			3,005,000
32.2 Transferred to capital (Stock Dividend)			
32.3 Transferred from capital			
33. Net remittances from or (to) Home Office			
34. Dividends to stockholders			
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus	259,682	(239,729)	(170,712)
37. Change in surplus as regards policyholders (Lines 22 through 36)	8,433,242	3,293,069	9,085,936
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	34,236,766	20,010,657	25,803,524

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0
1401. Miscellaneous Income	822		
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	822	0	0
3601. Prior Period Adjustment to correct ST Accrued Inv. Income on Bonds at 12/31/00		(239,729)	(170,712)
3602. Monroe Building Payment expensed in 2001	259,682		
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)	259,682	(239,729)	(170,712)

CASH FLOW

		1 Current Year to Date	2 Prior Year Ended December 31
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	63,157,583	68,866,043
2.	Loss and loss adjustment expenses paid (net of salvage and subrogation)	41,663,287	35,688,577
3.	Underwriting expenses paid	18,367,613	16,391,181
4.	Other underwriting income (expenses)		
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	3,126,683	16,786,285
6.	Net investment income	1,441,455	1,592,955
7.	Other income (expenses):		
7.1	Agents' balances charged off	(1,616,453)	(1,244,278)
7.2	Net funds held under reinsurance treaties		
7.3	Net amount withheld or retained for account of others		
7.4	Aggregate write-ins for miscellaneous items	8,150,944	3,851,516
7.5	Total other income (Lines 7.1 to 7.4)	6,534,491	2,607,238
8.	Dividends to policyholders on direct business, less $...............0 dividends on reinsurance assumed or ceded (net)		
9.	Federal and foreign income taxes (paid) recovered	(6,325,220)	(2,930,000)
10.	Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	4,777,409	18,056,479
	CASH FROM INVESTMENTS		
11.	Proceeds from investments sold, matured or repaid:		
11.1	Bonds	5,342,423	4,357,881
11.2	Stocks	9,816	834,148
11.3	Mortgage loans		
11.4	Real estate		
11.5	Other invested assets	1,358,253	
11.6	Net gains or (losses) on cash and short-term investments		10,819
11.7	Miscellaneous proceeds		
11.8	Total investment proceeds (Lines 11.1 to 11.7)	6,710,492	5,202,848
12.	Cost of investments acquired (long-term only):		
12.1	Bonds	24,127,169	10,875,476
12.2	Stocks	69,858	3,145,792
12.3	Mortgage loans		
12.4	Real estate	713,020	
12.5	Other invested assets		(10,000)
12.6	Miscellaneous applications	(1,992,527)	
12.7	Total investments acquired (Lines 12.1 to 12.6)	22,917,520	14,011,268
13.	Net cash from investments (Line 11.8 minus Line 12.7)	(16,207,028)	(8,808,420)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
14.	Cash provided:		
14.1	Surplus notes, capital and surplus paid in		3,005,000
14.2	Capital notes $..........0 less amounts repaid $..........0		
14.3	Net transfers from affiliates	2,714,404	1,336,021
14.4	Borrowed funds received		
14.5	Other cash provided	373,925	138,098
14.6	Total (Lines 14.1 to 14.5)	3,088,329	4,479,119
15.	Cash applied:		
15.1	Dividends to stockholders paid		
15.2	Net transfers to affiliates	1,285,128	2,982,903
15.3	Borrowed funds repaid		
15.4	Other applications	190,485	170,228
15.5	Total (Lines 15.1 to 15.4)	1,475,613	3,153,131
16.	Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	1,612,716	1,325,988
	RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17.	Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	(9,816,903)	10,574,047
18.	Cash and short-term investments:		
18.1	Beginning of year	22,046,013	11,471,966
18.2	End of period (Line 17 plus Line 18.1)	12,229,110	22,046,013

DETAILS OF WRITE-INS

07.401	Other Income	8,150,122	3,851,516
07.402	Miscellaneous Income	822	
07.403			
07.498	Summary of remaining write-ins for Line 7.4 from overflow page	0	0
07.499	Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above)	8,150,944	3,851,516

	2002	2001
Total of all deferred tax liabilities	$ (258,152)	$ (219,499)

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

	2002	2001
Total of all deferred tax assets (admitted and nonadmitted)	$ 4,279,748	$ 2,631,433
Total of all deferred tax liabilities	$ (258,152)	$ (219,499)
Net deferred tax asset	$ 4,021,596	$ 2,411,934

Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	$ (390,859)	$ (298,615)
Net admitted deferred tax asset	$ 3,630,736	$ 2,113,319

Increase (decrease) in deferred tax assets nonadmitted	$ 92,244	$ 298,615

3. Deferred tax liabilies are not recognized for the following amounts:

Not applicable

C. The components of the net deferred tax asset at September 30, 2002 are as follows:

	9/30/02	12/31/01	Change
Deferred tax assets:			
Unpaid losses and loss adjustment expenses	$ 1,017,	$ 811,9	$ 205,14

NOTES TO FINANCIAL STATEMENTS

	125	84	1
Unearned premium reserves	$ 1,508,717	$ 980,927	$ 527,790
Salvage and subrogation	$ 414,306	$ 330,746	$ 83,560
Accrued taxes	$ 528,143	$ 476,277	$ 51,866
Unrealized loss on investments	$ 291,882	$ -	$ 291,882
Accrued vacation	$ 31,499	$ 31,499	$ (0)
Capital loss carryover	$ 48	$	$ 488

	8,076	-	,076
Deferred taxes nonadmitted	$ (390,859)	$ (298,615)	$ (92,244)
Total deferred tax assets:	$ 3,888,889	$ 2,332,818	$ 1,556,071

Deferred tax liabilities:

Accrued market discount	$ (16,411)	$ (29,589)	$ 13,178
Fixed assets	$ (241,741)	$ (148,921)	$ (92,820)
Unrealized gain on investments	$ -	$ (40,98	$ 40,989

		9)	
Total deferred tax liabilities:	$ (258,152)	$ (219,499)	$ (38,653)
Net admitted deferred tax asset	$ 3,630,736	$ 2,113,319	$ 1,517,417
Tax effect of unrealized gain/loss on investments			$ 332,871
Change in net deferred tax asset			$ 1,184,546

D. The federal income tax expense differs from the amount obtained by applying the federal statutory rate of 34% to earnings before income tax for the following reasons:

D.

	9/	12/31

NOTES TO FINANCIAL STATEMENTS

	30/02	/01
Expected federal income tax expense	$ 5,160,160	$ 2,742,254
Tax exempt income	$ (96,120)	$ (144,156)
20% of unearned premium	$ 527,790	$ 262,570
Loss reserve discounting	$ 205,141	$ 215,185
Salvage and subrogation	$ 83,560	$ 60,167
Accrued market	$	$

NOTES TO FINANCIAL STATEMENTS

discount on bonds, net	13,178	(29,589)
Depreciation	$ (92,820)	$ (47,121)
Accrued Taxes	$ 501,866	$ 300,639
Other amounts	$ 396,793	$ 169,977
Total incurred income tax expense	$ 6,249,548	$ 3,529,926

The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

NOTES TO FINANCIAL STATEMENTS

2001 (current year)	$ 6,249,548
2000	$ 3,529,926
1999	$ 1,625,892

(1) The Company's federal income tax return is consolidated with the following entities:

Safe Auto Group, Inc. and Safe Auto Group Agency, Inc.

(2) The Company files a consolidated federal income tax return with its parent, Safe Auto Group, Inc. The Company has a tax sharing agreement with its parent whereby federal income tax expense is determined as if the Company filed a separate federal income tax return and

NOTES TO FINANCIAL STATEMENTS

payments for this liability are made to the parent.

Net deferred tax asset	$ 4,021,596	$ 2,411,934
Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	$ (390,859)	$ (298,615)
Net admitted deferred tax asset	$ 3,630,736	$ 2,113,319
Increase (decrease) in deferred tax assets nonadmitted	$ 92,244	$ 298,615

Deferred tax liabilies are not

recognized for the following amounts:

Not applicable

C. The components of the net deferred tax asset at September 30, 2002 are as follows:

	9/30/02	12/31/01	Change
Deferred tax assets:			
Unpaid losses and loss adjustment expenses	$ 1,017,125	$ 811,984	$ 205,141
Unearned premium reserves	$ 1,508,717	$ 980,927	$ 527,790
Salvage and subrogation	$ 414,30	$ 330,74	$ 83,560

	6	6	
Accrued taxes	$ 528,143	$ 476,277	$ 51,866
Unrealized loss on investments	$ 291,882	$ -	$ 291,882
Accrued vacation	$ 31,499	$ 31,499	$ (0)
Capital loss carryover	$ 488,076	$ -	$ 488,076
Deferred taxes nonadmitted	$ (390	$ (298,	$ (92,2

	,859)	615)	44)
Total deferred tax assets:	$ 3,888,889	$ 2,332,818	$ 1,556,071
Deferred tax liabilities:			
Accrued market discount	$ (16,411)	$ (29,589)	$ 13,178
Fixed assets	$ (241,741)	$ (148,921)	$ (92,820)
Unrealized gain on investments	$ -	$ (40,989	$ 40,989

)

Total deferred tax liabilities:	$ (258,152)	$ (219,499)	$ (38,653)
Net admitted deferred tax asset	$ 3,630,736	$ 2,113,319	$ 1,517,417
Tax effect of unrealized gain/loss on investments			$ 332,871
Change in net deferred tax asset			$ 1,184,546

D. The federal income tax expense differs from the amount obtained by applying the federal statutory rate of 34% to earnings before income tax for the following reasons:

D.

	9/30/02	12/31/01
Expected federal income tax expense	$ 5,160,160	$ 2,742,254
Tax exempt income	$ (96,120)	$ (144,156)
20% of unearned premium	$ 527,790	$ 262,570

NOTES TO FINANCIAL STATEMENTS

Loss reserve discounting	$ 205,141	$ 215,185
Salvage and subrogation	$ 83,560	$ 60,167
Accrued market discount on bonds, net	$ 13,178	$ (29,589)
Depreciation	$ (92,820)	$ (47,121)
Accrued Taxes	$ 51,8	$ 300,6

NOTES TO FINANCIAL STATEMENTS

	66	39
Other amounts	$ 396,793	$ 169,977
Total incurred income tax expense	$ 6,249,548	$ 3,529,926

The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

2001 (current year)	$ 6,249,548
2000	$ 3

,529,926

1999 $ 1,625,892

(1) The Company's federal income tax return is consolidated with the following entities:

Safe Auto Group, Inc. and Safe Auto Group Agency, Inc.

(2) The Company files a consolidated federal income tax return with its parent, Safe Auto Group, Inc. The Company has a tax sharing agreement with its parent whereby federal income tax expense is determined as if the Company filed a

separate federal income tax return and payments for this liability are made to the parent.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

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

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

3.2 If yes, date of change: ....05/23/2002.....................
If not previously filed, furnish herewith a certified copy of the instrument as amended.

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

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

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

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

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

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. ....12/31/2000.....................

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. ....12/31/2000.....................

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). ....02/27/2002.....................

7.4 By what department or departments?................................. Ohio Department of Insurance

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

8.2 If yes, give full information:

GENERAL INTERROGATORIES (continued)

INVESTMENT

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

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

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

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

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

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

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

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

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds	$..............................0	$..0
13.22 Preferred Stock	$..............................0	$..0
13.23 Common Stock	$..............................0	$..0
13.24 Short-Term Investments	$..............................0	$..0
13.25 Mortgages, Loans or Real Estate	$..............................0	$..0
13.26 All Other	$..................1,358,102	$..0
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	$..................1,358,102	$..0
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	$..............................0	$..0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	$..............................0	$..0

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

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

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

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

1 Name of Custodian(s)	2 Custodian Address
U.S. Bank	425 Walnut Street, 6th Floor, Cincinnati, OH 45202
AmSouth Capital Markets	315 Deaderick Street, Nashville, TN 37237
Whitney National Bank	228 Saint Charles Avenue, New Orleans, LA 70130
Prudential Securities Inc.	One Seaport Plaza, New York, NY 10292
Merill Lynch	65 East State Street, Suite 2600, Columbus, OH 43215
UBS PaineWebber Inc.	The Huntington Center, 33rd Floor, 41 South High Street, Columbus, OH 43215

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

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

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

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Firstar Bank	US Bank		Name Change

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

1 Central Registration Depository	2 Name(s)	3 Address
105900	General Re/New England Asset Management	76 Batterson Park Road, Farmington, CT 06032
8174	UBS PaineWebber	41 S. High Street, Columbus, OH 43215
7691	Merrill Lynch	65 E. State Street, Columbus, OH 43215
7471	Prudential Securities	500 Plum Street, Syracuse, NY 13204

GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

1	2	3	Total Discount				Discount Taken During Period			
			4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Disc. Rate	Unpaid Losses	Unpaid LAE	IBNR	Total	Unpaid Losses	Unpaid LAE	IBNR	Total
....	....	....	....	....	....	0	....	....	....	0
Total..................................	........XXX.......	........XXX.......	0	0	0	0	0	0	0	0

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	0	946,920	1,000,531	
2. Increase (decrease) by adjustment			(24,318)	
3. Cost of acquired	946,920			
4. Cost of additions to and permanent improvements		53,611	(27,829)	
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	946,920	1,000,531	948,384	0
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	946,920	1,000,531	948,384	0
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	946,920	1,000,531	948,384	0

SCHEDULE B - VERIFICATION

NONE

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

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period	1,358,253	1,358,253	0	1,247,696
2. Cost of acquisitions during period:				
2.1 Actual cost at time of acquisitions				
2.2 Additional investment made after acquisitions				(10,000)
3. Accrual of discount				
4. Increase (decrease) by adjustment		(1,358,253)		120,557
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	1,358,253	0	0	1,358,253
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	1,358,253	0	0	1,358,253
12. Total nonadmitted amounts				
13. Statement value of long-term invested assets at end of current period	1,358,253	0	0	1,358,253

SCHEDULE D - PART 1B

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

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS								
1. Class 1	42,099,698	12,533,280	4,039,854	(50,879)	38,926,220	42,099,698	50,542,246	31,568,287
2. Class 2	252,536			(186)	252,718	252,536	252,350	252,877
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	42,352,234	12,533,280	4,039,854	(51,065)	39,178,938	42,352,234	50,794,596	31,821,164
PREFERRED STOCK								
8. Class 1	1,000,000				1,000,000	1,000,000	1,000,000	1,000,000
9. Class 2		60,075		(7,493)			52,583	
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	1,000,000	60,075	0	(7,493)	1,000,000	1,000,000	1,052,583	1,000,000
15. Total Bonds and Preferred Stock	43,352,234	12,593,355	4,039,854	(58,558)	40,178,938	43,352,234	51,847,179	32,821,164

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. Totals	5,129,943	XXX	5,129,943	26,605	

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	4,793,884	3,965,265	2,732,395	
2. Cost of short-term investments acquired	5,939,946	215,743	3,657,144	4,793,884
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	6,768,565	1,448,613	1,259,595	
7. Book/adjusted carrying value, current period	3,965,265	2,732,395	5,129,944	4,793,884
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	3,965,265	2,732,395	5,129,944	4,793,884
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	3,965,265	2,732,395	5,129,944	4,793,884
12. Income collected during period	40,007	18,594	15,554	
13. Income earned during period	40,438	18,164	15,554	168,905

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. F
NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
States, Etc.	Is Insurer Licensed? (Yes or No)	2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama AL	NO						
2. Alaska AK	NO						
3. Arizona AZ	NO						
4. Arkansas AR	NO						
5. California CA	NO						
6. Colorado CO	NO						
7. Connecticut CT	NO						
8. Delaware DE	NO						
9. District of Columbia DC	NO						
10. Florida FL	NO						
11. Georgia GA	YES	6,474,323	4,287,614	2,480,658	949,653	2,118,219	764,267
12. Hawaii HI	NO						
13. Idaho ID	NO						
14. Illinois IL	NO						
15. Indiana IN	YES	10,924,795	6,949,365	4,137,752	2,536,825	3,770,028	2,596,790
16. Iowa IA	NO						
17. Kansas KS	NO						
18. Kentucky KY	YES	16,541,114	9,194,251	8,010,342	3,130,494	7,160,783	3,355,382
19. Louisiana LA	YES						
20. Maine ME	NO						
21. Maryland MD	NO						
22. Massachusetts MA	NO						
23. Michigan MI	NO						
24. Minnesota MN	NO						
25. Mississippi MS	YES						
26. Missouri MO	NO						
27. Montana MT	NO						
28. Nebraska NE	NO						
29. Nevada NV	NO						
30. New Hampshire NH	NO						
31. New Jersey NJ	NO						
32. New Mexico NM	NO						
33. New York NY	NO						
34. North Carolina NC	NO						
35. North Dakota ND	NO						
36. Ohio OH	YES	40,498,569	26,750,535	17,329,547	10,777,396	16,976,904	14,321,638
37. Oklahoma OK	NO						
38. Oregon OR	NO						
39. Pennsylvania PA	YES	21,152,291	11,762,687	5,899,419	2,559,286	4,401,756	2,224,900
40. Rhode Island RI	NO						
41. South Carolina SC	YES	11,508,026	4,716,649	4,106,340	607,663	3,128,607	1,101,048
42. South Dakota SD	NO						
43. Tennessee TN	YES	18,588					
44. Texas TX	NO						
45. Utah UT	NO						
46. Vermont VT	NO						
47. Virginia VA	NO						
48. Washington WA	NO						
49. West Virginia WV	NO						
50. Wisconsin WI	NO						
51. Wyoming WY	NO						
52. American Samoa AS	NO						
53. Guam GU	NO						
54. Puerto Rico PR	NO						
55. US Virgin Islands VI	NO						
56. Canada CN	NO						
57. Aggregate Other Alien OT	XXX	0	0	0	0	0	0
58. Totals	(a) 9	107,117,706	63,661,101	41,964,058	20,561,317	37,556,297	24,364,025

DETAILS OF WRITE-INS

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

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

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

PART 1 – ORGANIZATIONAL CHART

SAFE AUTO GROUP, INC.
Ari & Ann Deshe 39.09%
Jon & Susan Diamone 39.09%
31-1400020

100%
SAFE AUTO INSURANCE COMPANY
31-1379882

100%
SAFE AUTO GROUP AGENCY
31-1400303

99% 1%
SAGI REALTY
31-1459717

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date Direct Loss Percentage
1. Fire			0.0	
2. Allied lines			0.0	
3. Farmowners multiple peril			0.0	
4. Homeowners multiple peril			0.0	
5. Commercial multiple peril			0.0	
6. Mortgage guaranty			0.0	
8. Ocean marine			0.0	
9. Inland marine			0.0	
10. Financial guaranty			0.0	
11.1. Medical malpractice-occurrence			0.0	
11.2. Medical malpractice-claims made			0.0	
12. Earthquake			0.0	
13. Group accident and health			0.0	
14. Credit accident and health			0.0	
15. Other accident and health			0.0	
16. Workers' compensation			0.0	
17.1 Other liability-occurrence			0.0	
17.2 Other liability-claims made			0.0	
18.1 Products liability-occurrence			0.0	
18.2 Products liability-claims made			0.0	
19.1, 19.2 Private passenger auto liability	64,559,929	34,080,211	52.8	44.4
19.3, 19.4 Commercial auto liability			0.0	
21. Auto physical damage	28,697,511	17,882,888	62.3	56.6
22. Aircraft (all perils)			0.0	
23. Fidelity			0.0	
24. Surety			0.0	
26. Burglary and theft			0.0	
27. Boiler and machinery			0.0	
28. Credit			0.0	
29. International			0.0	
30. Reinsurance-nonproportional assumed property	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	0.0	0.0
34. Totals	93,257,440	51,963,099	55.7	
DETAILS OF WRITE-INS				
3301.			0.0	
3302.			0.0	
3303.			0.0	
3398. Sum. of remaining write-ins for Line 33 from overflow page	0	0	0.0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
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	26,864,492	74,060,034	44,567,558
19.3, 19.4 Commercial auto liability			
21. Auto physical damage	11,980,064	33,057,673	19,093,543
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Reinsurance-nonproportional assumed property	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	0
34. Totals	38,844,556	107,117,707	63,661,101
DETAILS OF WRITE-INS			
3301.			
3302.			
3303.			
3398. Sum. of remaining write-ins for Line 33 from overflow page	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33)	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	4 2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2002 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (b) (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserves Developed (Savings)/Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior	2,369	2,274	4,643	687	1	688	1,517	2	2,385	3,904	(165)	114	(51)
2. 2000	3,688	960	4,648	2,046	36	2,082	1,765	14	431	2,210	123	(479)	(356)
3. Subtotals 2000 + Prior	6,057	3,234	9,291	2,733	37	2,770	3,282	16	2,816	6,114	(42)	(365)	(407)
4. 2001	14,466	4,162	18,628	10,947	587	11,534	4,746	275	523	5,544	1,227	(2,777)	(1,550)
5. Subtotals 2001 + Prior	20,523	7,396	27,919	13,680	624	14,304	8,028	291	3,339	11,658	1,185	(3,142)	(1,957)
6. 2002	XXX	XXX	XXX	XXX	25,148	25,148	XXX	14,780	8,534	23,314	XXX	XXX	XXX
7. Totals	20,523	7,396	27,919	13,680	25,772	39,452	8,028	15,071	11,873	34,972	1,185	(3,142)	(1,957)
8. Prior Year-End's Surplus As Regards Policyholders	25,804												

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. 5.8 %	2. (42.5)%	3. (7.0)%

Col. 13, Line 7 Line 8
4. (7.6)%

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

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	RESPONSE
1. Will the SVO Compliance Certification be filed with this statement?	YES
2. Will the Trusteed Surplus Statement be filed with the State of Domicile and the NAIC with this statement?	NO
3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?	NO

EXPLANATIONS:

BAR CODE:

25405200249000003

25405200245000003

Overflow Page
NONE

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
Bonds - U.S. Government								
3133MR-W5-7	FEDERAL HOME LOAN BANK 3.500 10/07/2005	09/10/2002	MERRILL LYNCH		1,000,000	1,000,000		1PE
3134A4-HG-2	FEDERAL HOME LOAN MTG C 3.500 09/15/2003	07/16/2002	MERRILL LYNCH		2,032,500	2,000,000	23,917	1PE
0399999.	Total - Bonds - U.S. Government				3,032,500	3,000,000	23,917	XXX
Bonds - Political Subdivisions of States								
Colorado								
101565-RT-8	BOULDER LARIMER & WELD 4.875 12/15/2011	07/17/2002	MERRILL LYNCH		266,868	250,000	1,253	1PE
	Colorado				266,868	250,000	1,253	XXX
Kansas								
967243-FY-7	WICHITA KS 4.300 12/01/2006	08/19/2002	DIRECT		152,391	150,000	1,451	1PE
	Kansas				152,391	150,000	1,451	XXX
Washington								
495224-ZL-4	KING COUNTY SCHOOL DIST 5.000 12/01/2010	09/05/2002	SALOMON SMITH BARNEY		211,499	190,000	2,613	1PE
	Washington				211,499	190,000	2,613	XXX
Wisconsin								
602364-4C-2	MILWAUKEE WI 5.000 09/01/2010	08/22/2002	GOLDMAN SACHS		137,150	125,000	52	1PE
	Wisconsin				137,150	125,000	52	XXX
	United States				767,908	715,000	5,369	XXX
2499999.	Total - Bonds - Political Subdivision				767,908	715,000	5,369	XXX
Bonds - Special Revenue and Special Assessment								
Illinois								
452226-G3-1	ILLINOIS ST SALES TAX R 5.500 06/15/2010	09/12/2002	PAINE WEBBER		284,920	250,000	3,514	1PE
	Illinois				284,920	250,000	3,514	XXX
Maine								
56052E-ML-9	MAINE STATE HOUSING AUT 3.750 11/15/2019	08/29/2002	PAINE WEBBER		225,000	225,000	961	1PE
	Maine				225,000	225,000	961	XXX
New Jersey								
646135-XG-3	NEW JERSEY ST TRANS 5.500 12/15/2010	09/09/2002	RAYMOND JAMES		172,506	150,000	1,994	1PE
	New Jersey				172,506	150,000	1,994	XXX
United States								
76110V-LB-2	RESIDENTIAL FDG MTG SE 5.250 05/01/2018	09/17/2002	BEAR STEARNS		149,742	150,000	547	1PE
	U.S.				149,742	150,000	547	XXX
	United States				832,168	775,000	7,016	XXX
3199999.	Total - Bonds - Special Revenue & Special Assessments				832,168	775,000	7,016	XXX
Bonds - Public Utilities								
United States								
373334-FF-3	GEORGIA POWER COMPANY 6.200 02/01/2006	08/29/2002	BONDS DIRECT / JEFFRIES		133,216	125,000	710	1PE
693304-AD-9	PECO ENERGY 4.750 10/01/2012	09/16/2002	SALOMON SMITH BARNEY, INC		99,244	100,000		1PE
69351U-AB-9	PPL ELECTRIC UTILITIES 6.250 08/15/2009	08/27/2002	BLAYLOCK & PARTNERS, L.P		258,815	250,000	651	1PE
693627-AH-4	PSI ENERGY INC 8.000 07/15/2009	09/19/2002	MORGAN STANLEY & CO		464,752	400,000	6,133	1PE
	United States				956,027	875,000	7,494	XXX
3899999.	Total - Bonds - Public Utilities				956,027	875,000	7,494	XXX
Bonds - Industrial and Miscellaneous								
United States								
12489W-FB-5	CREDIT-BASED ASSET SERV 4.527 01/01/2008	08/14/2002	FIRST UNION CAPITAL MARKETS CORP		400,000	400,000	1,308	1PE
22160K-AA-3	COSTCO WHOLESALE 5.500 03/15/2007	09/05/2002	MORGAN KEEGAN		161,205	150,000	3,781	1PE
23383V-BS-8	DAIMLER CHRYSLER AUTO T 3.530 09/06/2006	07/12/2002	FIRST ALBANY		149,958	150,000		1PE
270319-AC-0	EARTHGRAINS CO 8.500 08/01/2005	08/30/2002	BANC ONE CAPITAL MARKETS, INC		398,045	350,000	2,810	1PE
291011-AH-7	EMERSON ELECTRIC COMPAN 5.850 03/15/2009	08/29/2002	PARIBAS CORPORATION		132,216	125,000	3,433	1PE
31392R-SF-9	FHLMC STRUCTURED PT SEC 2.910 03/01/2005	08/01/2002	BANK OF AMERICA		300,000	300,000	679	1PE
43811N-AC-2	HONDA AUTO REC OWN TR 2 3.000 03/18/2005	07/16/2002	BANK OF AMERICA		299,993	300,000		1
65473L-AC-8	NISSAN AUTO REC OWN TR 2.600 07/15/2005	08/08/2002	MORGAN STANLEY & CO		299,989	300,000		1PE
81234C-CH-2	SEARS CR ACCT MTR TR 20 1.970 08/15/2005	09/04/2002	MERRILL LYNCH		125,000	125,000		1PE
89604K-AG-3	TRIBUNE COMPANY 5.500 10/06/2008	09/06/2002	DEUTSCHE BANK		209,464	200,000	3,544	1PE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
92926E-AA-5	WFS FIN OWNER TR 2002-3 1.732 03/20/2003	08/08/2002	SALOMON SMITH BARNEY, INC.		100,000	100,000		1PE
92926E-AD-9	WFS FIN OWNER TR 2002-3 3.500 01/20/2007	08/08/2002	SALOMON SMITH BARNEY, INC.		299,942	300,000		1PE
92926E-AE-7	WFS FIN OWNER TR 2002-3 3.290 01/20/2007	08/08/2002	SALOMON SMITH BARNEY, INC.		299,957	300,000		1PE
	United States				3,175,769	3,100,000	15,555	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				3,175,769	3,100,000	15,555	XXX
6099997.	Total - Bonds - Part 3				8,764,372	8,465,000	59,351	XXX
6099999.	Total - Bonds				8,764,372	8,465,000	59,351	XXX
Preferred Stocks - Industrial and Miscellaneous								
United States								
025537-20-0	AMERICAN ELECTRIC PWR CO 9.250% SER A	08/30/2002	PAINE WEBBER	1,350.000	60,075			P2A
	United States				60,075	0	0	XXX
6399999.	Total - Preferred Stocks - Industrial & Miscellaneous				60,075	0	0	XXX
6599997.	Total - Preferred Stocks - Part 3				60,075	0	0	XXX
6599999.	Total - Preferred Stocks				60,075	0	0	XXX
Common Stocks - Banks, Trust and Insurance Companies								
United States								
89420G-10-9	TRAVELERS PROPERTY CASUALTY CORP CL A	08/20/2002	SPINOFF	143,999.000	2,632			L
89420G-40-6	TRAVELERS PROPERTY CASUALTY CORP CL B	08/20/2002	SPINOFF	295,855.000	5,835			L
	United States				8,467	XXX	0	XXX
6799999.	Total - Common Stocks - Banks, Trust & Ins. Cos.				8,467	XXX	0	XXX
7099997.	Total - Common Stocks - Part 3				8,467	XXX	0	XXX
7099999.	Total - Common Stocks				8,467	XXX	0	XXX
7199999.	Total - Preferred and Common Stocks				68,542	XXX	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				8,832,914	XXX	59,351	XXX

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

Statement as of September 30, 2002 of the **SAFE AUTO 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 Quarte

1 CUSIP Identification	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value At Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designation (a)
Bonds - U.S. Government																
3133ML-QG-3	FEDERAL HOME LOAN BANK 5.000 08/28/2006	08/28/2002	SECURITY CALLED BY ISSUER at 100.00		250,000	250,000	250,000	250,000					0	6,250		1PE
3133MN-PD-7	FEDERAL HOME LOAN BANK 5.350 11/28/2007	08/28/2002	SECURITY CALLED BY ISSUER at 100.00		1,000,000	1,000,000	1,000,000	1,000,000					0	13,375		1PE
912827-3J-9	UNITED STATES TREASURY 5.875 09/30/2002	09/30/2002	MATURITY		250,000	250,000	249,844	249,961	39				0	14,688		1PE
0399999.	Total - Bonds - U.S. Government				1,500,000	1,500,000	1,499,844	1,499,961	39	0	0	0	0	34,313	0	XXX
Bonds - Political Subdivisions of States																
Maine																
736559-W5-0	PORTLAND ME 4.750 09/01/2002	09/01/2002	MATURITY		250,000	250,000	254,965	250,734	(734)				0	11,875		1PE
	Maine				250,000	250,000	254,965	250,734	(734)	0	0	0	0	11,875	0	XXX
	United States				250,000	250,000	254,965	250,734	(734)	0	0	0	0	11,875	0	XXX
2499999.	Total - Bonds - Political Subdivisions				250,000	250,000	254,965	250,734	(734)	0	0	0	0	11,875	0	XXX
Bonds - Special Revenue and Special Assessment																
Utah																
45884A-HQ-9	INTERMOUNTAIN PWR AGY U 4.700 07/01/2002	07/01/2002	MATURITY		250,000	250,000	251,670	250,184	(184)				0	11,750		1PE
	Utah				250,000	250,000	251,670	250,184	(184)	0	0	0	0	11,750	0	XXX
United States																
251237-TM-5	DETROIT MI SEW DISP REV 4.400 07/01/2002.	07/01/2002	MATURITY		250,000	250,000	248,893	249,877	123				0	11,000		1PE
31339G-KY-6	FEDERAL HOME LN MTG COR 6.000 08/01/2012	09/01/2002	PAYDOWN		4,306	4,306	4,360	4,311	(5)				0	172		1PE
31339L-BR-0	FEDERAL HOME LN MTG COR 5.250 06/01/2014	09/01/2002	PAYDOWN		10,478	10,478	9,931	9,931	53				0	229		1PE
31339N-VR-4	FEDERAL HOME LN MTG COR 5.500 02/01/2012	09/01/2002	PAYDOWN		38	38	37	37					0	1		1PE
31339N-X9-2	FEDERAL HOME LN MTG COR 5.500 03/01/2013	09/01/2002	PAYDOWN		5,665	5,665	5,629	5,629	2				0	113		1PE
3133TR-TL-9	FEDERAL HOME LN MTG COR 6.000 09/01/2009	09/01/2002	PAYDOWN		76,151	76,151	75,687	75,687	220				0	2,813		1PE
31388L-EA-4	FEDERAL NATIONAL MTG AS 5.500 11/01/2031	09/01/2002	PAYDOWN		12,955	12,955	12,755	12,944	11				0	518		1
31388U-QA-1	FEDERAL NATIONAL MTG AS 5.000 11/01/2016	09/01/2002	PAYDOWN		19,154	19,154	18,641	19,109	45				0	669		1
31388V-E8-7	FEDERAL NATIONAL MTG AS 5.500 12/01/2016	09/01/2002	PAYDOWN		3,123	3,123	3,091	3,091	1				0	72		1
31388V-E9-5	FEDERAL NATIONAL MTG AS 6.000 12/01/2016	09/01/2002	PAYDOWN		1,342	1,342	1,350	1,350	(1)				0	27		1
31389D-M6-1	FEDERAL NATIONAL MTG AS 5.500 12/01/2016	09/01/2002	PAYDOWN		3,191	3,191	3,159	3,159	1				0	73		1
31389D-M8-7	FEDERAL NATIONAL MTG AS 6.000 11/01/2016	09/01/2002	PAYDOWN		13,886	13,886	13,859	13,859	1				0	332		1
31389R-B4-7	FEDERAL NATIONAL MTG AS 6.000 02/01/2017	09/01/2002	PAYDOWN		8,578	8,578	8,562	8,562					0	185		1
31389R-BU-9	FEDERAL NATIONAL MTG AS 6.000 01/01/2017	09/01/2002	PAYDOWN		12,870	12,870	12,845	12,845	1				0	268		1
920284-DQ-6	VALPARAISO IN MULTI-SCH 6.300 07/01/2003.	07/01/2002	SECURITY CALLED BY ISSUER at 102.00		204,000	200,000	217,400	205,463	(2,501)			1,038	1,038	12,600		1PE
	U.S.				625,737	621,737	636,199	625,854	(2,049)	0	0	1,038	1,038	29,072	0	XXX
	United States				875,737	871,737	887,869	876,038	(2,233)	0	0	1,038	1,038	40,822	0	XXX
3199999.	Total - Bonds - Special Revenue & Assessment				875,737	871,737	887,869	876,038	(2,233)	0	0	1,038	1,038	40,822	0	XXX
Bonds - Industrial and Miscellaneous																
United States																
12669C-NV-8	COUNTRYWIDE HOME LOANS 5.844 12/01/2032	09/01/2002	PAYDOWN		1,907	1,907	1,811	1,811	4				0	56		1PE
16162T-G5-9	CHASE MTG FINANCE CORP 6.000 01/01/2017	09/01/2002	PAYDOWN		22,308	22,308	22,151	22,151	17				0	820		1PE
16162T-UA-2	CHASE MTG FINANCE CORP 8.000 04/01/2030	09/01/2002	PAYDOWN		588	588	620	588	1				0	38		1PE
22540V-L4-2	CSFB MTG SECS CORP 02 S 5.682 03/01/2012	09/01/2002	PAYDOWN		25,347	25,347	25,347	25,347					0	492		1PE
304376-AB-2	FAIRFIELD FDG CORP III 5.300 03/15/2005	09/15/2002	VARIOUS		9,380	9,380	9,488	9,418	(38)				0	321		1PE
36170M-AC-3	GGP MALL PROP TR 01 A A 5.007 11/15/2006	09/15/2002	PAYDOWN		421	421	421	421					0	14		1PE
36185H-DH-3	GMAC MTG CORP LN TR 01 5.550 08/01/2022	09/01/2002	PAYDOWN		19,363	19,363	19,356	19,363					0	714		1PE
45660N-DN-2	RESIDENTIAL ASSET SECS 6.221 06/01/2006.	09/01/2002	PAYDOWN		234	234	234	234					0	4		1PE
52108H-JQ-8	LB UBS COMM MRT TR 02 C 3.834 01/11/2007	09/11/2002	PAYDOWN		12,551	12,551	12,614	12,614	(1)				0	89		1PE
59022H-AA-0	MERRILL LYNCH MTG TR 02 3.889 02/01/2007	09/01/2002	PAYDOWN		6,237	6,237	6,237	6,237					0	30		1PE
59549P-AA-6	MIDSTATE TR 4 A 8.330 04/01/2013	07/01/2002	PAYDOWN		1,415	1,415	1,496	1,496	(1)				0	59		1PE
61746W-QC-7	MORGAN STANLEY DWC I 02 4.090 05/01/2007	09/01/2002	PAYDOWN		3,369	3,369	3,370	3,370					0	23		1
66937R-EU-9	NORWEST ASSET SECS CORP 6.000 02/01/2013	09/01/2002	PAYDOWN		28,282	28,282	28,211	28,270	12				0	1,151		1PE
86358R-XZ-5	STRUCTURED ASSET SECS C 3.450 08/01/2029	09/01/2002	PAYDOWN		3,889	3,889	3,438	3,438	17				0	45		1PE
86358R-YC-5	SASCO 02 AL1 CLB1 3.450 07/01/2029	09/01/2002	PAYDOWN		2,210	2,210	1,820	1,820	16				0	38		1PE

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value At Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designation (a)
92926E-AA-5	WFS FIN OWNER TR 2002-3 1.732 03/20/2003.	09/20/2002	PAYDOWN		8,795	8,795	8,795	8,795					0	15		1PE
929766-AA-1	WACHOVIA BK COMM MTG TR 4.539 12/01/200(	09/01/2002	PAYDOWN		9,265	9,265	9,265	9,265					0	102		1PE
	United States				155,561	155,561	154,674	154,638	27	0	0	0	0	4,011	0	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				155,561	155,561	154,674	154,638	27	0	0	0	0	4,011	0	XXX
6099997.	Total - Bonds - Part 4				2,781,298	2,777,298	2,797,352	2,781,371	(2,901)	0	0	1,038	1,038	91,021	0	XXX
6099999.	Total - Bonds				2,781,298	2,777,298	2,797,352	2,781,371	(2,901)	0	0	1,038	1,038	91,021	0	XXX
Common Stocks - Banks, Trust and Insurance Companies																
United States																
172967-10-1	CITIGROUP INC	08/20/2002	RETURN OF CAPITAL		8,467		8,467		8,467				0			L
89420G-10-9	TRAVELERS PROPERTY CASUALTY CORP CL	08/21/2002	CASH IN LIEU FRACTIONAL SHARES	999.000	16		18	18				(2)	(2)			L
89420G-40-6	TRAVELERS PROPERTY CASUALTY CORP CL	08/21/2002	CASH IN LIEU FRACTIONAL SHARES	855.000	15		16	16				(2)	(2)			L
	United States				8,498	XXX	8,501	34	8,467	0	0	(4)	(4)	0	0	XXX
6799999.	Total - Common Stocks - Banks, Trust & Insurance Companies				8,498	XXX	8,501	34	8,467	0	0	(4)	(4)	0	0	XXX
7099997.	Total - Common Stocks - Part 4				8,498	XXX	8,501	34	8,467	0	0	(4)	(4)	0	0	XXX
7099999.	Total - Common Stocks				8,498	XXX	8,501	34	8,467	0	0	(4)	(4)	0	0	XXX
7199999.	Total - Preferred and Common Stocks				8,498	XXX	8,501	34	8,467	0	0	(4)	(4)	0	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				2,789,796	XXX	2,805,853	2,781,405	5,566	0	0	1,034	1,034	91,021	0	XXX

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

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Rate of Interest	3 Amount of Interest Received During Current Quarter	4 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter 5 First Month	6 Second Month	7 Third Month	8 *
Open Depositories							
1730E1JH7 Citicorp Commercial Paper	1.751				1,069,168		
36959JH71 General Electric Capital Corporation..	1.751			2,499,271			
36959JJR5 General Electric Capital Corporation..	1.762				2,497,067		
36959JKG7 General Electric Capital Corporation..	1.751					899,344	
National City Bank				6,092,261	2,885,999	1,839,123	
US Bank						4,000,000	
National City Bank Certificate of Deposit					360,000	360,000	
0199999. Total Open Depositories	XXX	0	0	8,591,532	6,812,234	7,098,467	XXX
0399999. Total Cash on Deposit	XXX	0	0	8,591,532	6,812,234	7,098,467	XXX
0499999. Cash in Company's Office	XXX	XXX	XXX	700	700	700	XXX
0599999. Total Cash	XXX	0	0	8,592,232	6,812,934	7,099,167	XXX

Overflow Page for Write-Ins

Overflow Page for Write-Ins