



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

WESTERN RESERVE MUTUAL CASUALTY COMPANY

NAIC Group Code	0207 <small>(Current Period)</small>	0207 <small>(Prior Period)</small>	NAIC Company Code	26131	Employer's ID Number	34-0613930
Organized under the Laws of	Ohio			State of Domicile or Port of Entry	Ohio	
Country of Domicile	United States of America					
Incorporated	06/29/1937		Commenced Business	07/30/1937		
Statutory Home Office	1685 Cleveland Road <small>(Street and Number)</small>			Wooster, OH 44691-0036 <small>(City or Town, State and Zip Code)</small>		
Main Administrative Office	1685 Cleveland Road <small>(Street and Number)</small>			330-262-9060 <small>(Area Code) (Telephone Number) (Extension)</small>		
	Wooster, OH 44691-0036 <small>(City or Town, State and Zip Code)</small>					
Mail Address	1685 Cleveland Road <small>(Street and Number or P.O. Box)</small>			Wooster, OH 44691-0036 <small>(City or Town, State and Zip Code)</small>		
Primary Location of Books and Records	1685 Cleveland Road <small>(Street and Number)</small>			330-262-9060 <small>(Area Code) (Telephone Number)</small>		
	Wooster, OH 44691-0036 <small>(City or Town, State and Zip Code)</small>					
Internet Website Address	wrg-ins.com					
Statement Contact	Joseph E Wilford <small>(Name)</small>			330-262-9060-2437 <small>(Area Code) (Telephone Number) (Extension)</small>		
	Joe_Wilford@wrg-ins.com <small>(E-mail Address)</small>			330-264-7822 <small>(FAX Number)</small>		
Policyowner Relations Contact	1685 Cleveland Road <small>(Street and Number)</small>			330-262-9060 <small>(Area Code) (Telephone Number) (Extension)</small>		
	Wooster, OH 44691 <small>(City or Town, State and Zip Code)</small>					

OFFICERS

PRESIDENT	JOHN P. MURPHY	SECRETARY	JOHN P. MURPHY
VP			
FINANCE/CFO/TREASURER	KENNETH B. STOCKMAN		

VICE PRESIDENTS

WILLIAM J. BLINCOE	KEVIN W. DAY	F. EMERSON LOGEE
TIMOTHY A. PADDOCK	DANIEL J. PITCHER	KENNETH B. STOCKMAN

DIRECTORS OR TRUSTEES

ROBERT P. BOGNER	F. EMERSON LOGEE	BYRON F. MORRIS
JOHN P. MURPHY	C. MICHAEL REARDON	KENNETH G. RHODE

State of OHIO }  
County of WAYNE } 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 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.

JOHN P. MURPHY PRESIDENT	JOHN P. MURPHY SECRETARY	KENNETH B. STOCKMAN VP FINANCE/CFO/TREASURER
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Subscribed and sworn to before me this  
day of NOVEMBER, 2002

MARY LOU HART  
NOTARY PUBLIC  
MARCH 8, 2005

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	45,712,741		45,712,741	52,250,141
2. Stocks:				
2.1 Preferred stocks .....	811,040		811,040	812,080
2.2 Common stocks .....	28,723,871		28,723,871	47,976,994
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 \$ ..... encumbrances) .....	0			
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	0			
4.3 Properties held for sale (less \$ ..... encumbrances) .....	0			
5. Cash (\$ ..... (2,476,195) and short-term investments \$ ..... 24,655,661 ) .....	22,179,466		22,179,466	8,228,672
6. Other invested assets .....	1,113,021	15,323	1,097,698	1,124,434
7. Receivable for securities .....	0	0	0	
8. Aggregate write-ins for invested assets .....				
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	98,540,139	15,323	98,524,816	110,392,321
10. Agents' balances or uncollected premiums				
10.1 Premiums and agents' balances in course of collection .....	0			
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	15,570,021	155,729	15,414,292	9,328,739
10.3 Accrued retrospective premiums .....	0	0		
11. Funds held by or deposited with reinsured companies .....	0	0		
12. Bills receivable, taken for premiums .....	0	0		
13. Amounts billed and receivable under high deductible policies .....	0	0		
14. Reinsurance recoverables on loss and loss adjustment expense payments .....	428,497	0	428,497	184,490
15. Federal and foreign income tax recoverable and interest thereon (including \$ ..... 127,977 net deferred tax asset) .....	214,231	0	214,231	
16. Guaranty funds receivable or on deposit .....	0	0		
17. Electronic data processing equipment and software .....	0	0		
18. Interest, dividends and real estate income due and accrued .....	551,664	0	551,664	881,249
19. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0		
20. Receivable from parent, subsidiaries and affiliates .....	0	0	0	824,366
21. Amounts due from /to protected cells .....	0	0		
22. Equities and deposits in pools and associations .....	0	0		
23. Amounts receivable relating to uninsured accident and health plans .....	0	0		
24. Other assets nonadmitted .....		0		
25. Aggregate write-ins for other than invested assets .....	3,157		3,157	3,807
26. Total assets excluding protected cell assets (Lines 9 through 25) .....	115,307,709	171,052	115,136,657	121,614,972
27. Protected cell assets .....	0			
28. TOTALS (Lines 26 and 27)	115,307,709	171,052	115,136,657	121,614,972
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. ASSUMED REINSURANCE RECEIVABLE .....	3,157	0	3,157	3,807
2502. ....			0	0
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	3,157		3,157	3,807

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ ..... ) .....	24,084,689	23,531,854
2. Reinsurance payable on paid losses and loss adjustment expenses .....	0	
3. Loss adjustment expenses .....	2,835,200	2,835,200
4. Commissions payable, contingent commissions and other similar charges .....	1,427,541	1,110,021
5. Other expenses (excluding taxes, licenses and fees) .....	106,691	423,026
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	708,112	717,961
7. Federal and foreign income taxes [including \$ ..... on realized capital gains (losses)] (including \$ ..... net deferred tax liability) .....	0	4,569,565
8. Borrowed money \$ ..... and interest thereon \$ ..... .....	0	
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... ) .....	22,735,613	19,173,359
10. Advance premium .....	0	
11. Dividends declared and unpaid:		
11.1 Stockholders .....	0	
11.2 Policyholders .....	0	
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	343,236	589,032
13. Funds held by company under reinsurance treaties .....	0	
14. Amounts withheld or retained by company for account of others .....	2,216,659	1,805,151
15. Remittances and items not allocated .....	0	
16. Provision for reinsurance .....	0	
17. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	
18. Drafts outstanding .....	0	
19. Payable to parent, subsidiaries and affiliates .....	106,600	
20. Payable for securities .....	0	
21. Liability for amounts held under uninsured accident and health plans .....	0	
22. Capital notes \$ ..... and interest thereon \$ ..... .....	0	
23. Aggregate write-ins for liabilities .....	539,976	613,912
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	55,104,317	55,369,081
25. Protected cell liabilities .....	0	
26. Total liabilities (Lines 24 and 25) .....	55,104,317	55,369,081
27. Aggregate write-ins for special surplus funds .....		
28. Common capital stock .....	0	
29. Preferred capital stock .....	0	
30. Aggregate write-ins for other than special surplus funds .....		
31. Surplus notes .....	0	
32. Gross paid in and contributed surplus .....	0	
33. Unassigned funds (surplus) .....	60,032,340	66,245,891
34. Less treasury stock, at cost		
34.1 ..... shares common (value included in Line 28 \$ ..... ) .....	0	
34.2 ..... shares preferred (value included in Line 29 \$ ..... ) .....	0	
35. Surplus as regards policyholders (Lines 27 to 33, less 34) .....	60,032,340	66,245,891
36. TOTALS .....	115,136,657	121,614,972
<b>DETAILS OF WRITE-INS</b>		
2301. EMPLOYEE DISTRIBUTION.....	539,976	613,912
2302. ....		
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page .....		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above) .....	539,976	613,912
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....		
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) .....		
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page .....		
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above) .....		

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 56,834,631 )	52,229,203	44,564,194	60,711,661
1.2 Assumed (written \$ 52,954,907 )	35,312,503	31,052,663	41,907,008
1.3 Ceded (written \$ 67,131,028 )	48,457,757	41,880,665	56,737,473
1.4 Net (written \$ 42,658,510 )	39,083,949	33,736,192	45,881,196
DEDUCTIONS:			
2. Losses incurred (current accident year \$ )::			
2.1 Direct	34,131,321	34,940,891	49,300,538
2.2 Assumed	25,105,308	19,953,338	31,498,484
2.3 Ceded	32,650,641	30,046,495	46,929,400
2.4 Net	26,585,988	24,847,734	33,869,622
3. Loss expenses incurred	2,841,838	2,156,319	2,728,821
4. Other underwriting expenses incurred	12,368,696	10,553,907	13,943,801
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2.4 thru 5)	41,796,522	37,557,960	50,542,244
7. Net income of protected cells	0		
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(2,712,573)	(3,821,768)	(4,661,048)
INVESTMENT INCOME			
9. Net investment income earned	2,647,400	3,226,788	4,187,747
10. Net realized capital gains or (losses)	2,477,782	1,585,938	1,455,955
11. Net investment gain (loss) (Lines 9 + 10)	5,125,182	4,812,726	5,643,702
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 33,394 )	(33,394)	(25,409)	(32,419)
13. Finance and service charges not included in premiums	849,946	797,906	1,081,589
14. Aggregate write-ins for miscellaneous income	(516,785)	(731,032)	(531,167)
15. Total other income (Lines 12 through 14)	299,767	41,465	518,003
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	2,712,376	1,032,423	1,500,657
17. Dividends to policyholders	0		
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	2,712,376	1,032,423	1,500,657
19. Federal and foreign income taxes incurred	872,756	299,000	1,044,994
20. Net income (Line 18 minus Line 19)(to Line 22)	1,839,620	733,423	455,663
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	66,245,891	80,499,446	80,499,446
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	1,839,620	733,423	455,663
23. Net unrealized capital gains or losses	(12,655,507)	(12,823,273)	(9,281,595)
24. Change in net unrealized foreign exchange capital gain (loss)	0		
25. Change in net deferred income tax	4,656,224	4,503,179	3,787,506
26. Change in nonadmitted assets	(53,888)	69,066	60,564
27. Change in provision for reinsurance	0		
28. Change in surplus notes	0		
29. Surplus (contributed to) withdrawn from protected cells	0		
30. Cumulative effect of changes in accounting principles	0	(8,493,398)	(9,275,693)
31. Capital changes:			
31.1 Paid in	0		
31.2 Transferred from surplus (Stock Dividend)	0		
31.3 Transferred to surplus	0		
32. Surplus adjustments:			
32.1 Paid in	0		
32.2 Transferred to capital (Stock Dividend)	0		
32.3 Transferred from capital	0		
33. Net remittances from or (to) Home Office	0		
34. Dividends to stockholders	0		
35. Change in treasury stock	0		
36. Aggregate write-ins for gains and losses in surplus			
37. Change in surplus as regards policyholders (Lines 22 through 36)	(6,213,551)	(16,011,003)	(14,253,555)
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	60,032,340	64,488,443	66,245,891
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)			
1401. EMPLOYEE DISTRIBUTION	(540,000)	(720,003)	(524,959)
1402. OTHER	23,215	(11,029)	(6,208)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(516,785)	(731,032)	(531,167)
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 WESTERN RESERVE MUTUAL CASUALTY COMPANY

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	36,250,696	47,447,091
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....	29,118,992	34,293,942
3. Underwriting expenses paid .....	12,461,046	13,560,512
4. Other underwriting income (expenses) .....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	(5,329,342)	(407,363)
6. Net investment income .....	2,976,985	4,241,127
7. Other income (expenses):		
7.1 Agents' balances charged off .....	(33,394)	(32,419)
7.2 Net funds held under reinsurance treaties .....		
7.3 Net amount withheld or retained for account of others .....	411,508	953,106
7.4 Aggregate write-ins for miscellaneous items .....	469,098	(471,666)
7.5 Total other income (Lines 7.1 to 7.4) .....	847,212	449,021
8. Dividends to policyholders on direct business , less \$ ..... dividends on reinsurance assumed or ceded (net) .....		
9. Federal and foreign income taxes (paid) recovered .....	(1,000,328)	(936,824)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	(2,505,473)	3,345,961
<b>Cash from Investments</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....	11,484,095	17,127,678
11.2 Stocks .....	35,392,969	53,476,195
11.3 Mortgage loans .....		
11.4 Real estate .....		
11.5 Other invested assets .....	22,578	100,981
11.6 Net gains or (losses) on cash and short-term investments .....		
11.7 Miscellaneous proceeds .....		
11.8 Total investment proceeds (Lines 11.1 to 11.7) .....	46,899,642	70,704,854
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....	4,554,991	14,291,804
12.2 Stocks .....	26,547,417	55,438,073
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....	271,933	870,420
12.6 Miscellaneous applications .....		
12.7 Total investments acquired (Lines 12.1 to 12.6) .....	31,374,341	70,600,297
13. Net Cash from investments (Line 11.8 minus Line 12.7) .....	15,525,301	104,557
<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 .....	930,966	
14.4 Borrowed funds received .....		
14.5 Other cash provided .....		5,626
14.6 Total (Lines 14.1 to 14.5) .....	930,966	5,626
15. Cash applied:		
15.1 Dividends to stockholders paid .....		
15.2 Net transfers to affiliates .....		108,380
15.3 Borrowed funds repaid .....		
15.4 Other applications .....		
15.5 Total (Lines 15.1 to 15.4) .....		108,380
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	930,966	(102,754)
<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) .....	13,950,794	3,347,764
18. Cash and short-term investments:		
18.1 Beginning of year .....	8,228,672	4,880,908
18.2 End of year (Line 17 plus Line 18.1) .....	22,179,466	8,228,672
<b>DETAILS OF WRITE-INS</b>		
07.401 FINANCE AND SERVICE CHARGES.....	849,946	1,081,589
07.402 EMPLOYEE DISTRIBUTION.....	(404,063)	(1,547,047)
07.403 OTHER MISCELLANEOUS INCOME.....	23,215	(6,208)
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) .....	469,098	(471,666)

NOTES TO FINANCIAL STATEMENTS

01. Basis of Presentation.

The accompanying financial statement of the company has been prepared to conformity with accounting practices prescribed by the National Association of Insurance Commissioners' Codification Accounting Practices and Procedures and the state of Ohio.
02. Accounting Changes and Corrections of Errors.

Codification of statutory accounting principles resulted in adjustments to unassigned surplus at December 31, 2001 and Sept. 30, 2002 as follows:

	December 31, 2001	Sept. 30, 2002
Deferred tax on unrealized gains	\$(6,374,879)	\$(2,533,824)
Deferred tax benefit unearned premium reserve	1,303,788	1,546,031
Deferred tax benefit loss reserve discount	749,120	749,120
Deferred tax salvage and subrogation anticipated	(677,100)	(677,100)
Deferred tax benefit on deferred compensation	390,331	665,485
Deferred tax employee benefits	80,512	122,312
Postretirement health care benefits	(236,800)	(236,800)
Total	\$(4,765,028)	\$(364,806)
03. Business Combinations and Goodwill

The company has no goodwill from business combinations.
04. Discontinued Operations

The company has no discontinued operations.
05. Investments

The company has no mortgage loans, debt restructuring loans, reverse mortgages, loan-backed securities, or stock repurchase agreements.
06. Joint Ventures, Partnerships and Limited Liability Companies

The company has no joint ventures, partnerships, or limited liability companies.
07. Investment Income

The company has no uncollectible accrued investment income.
08. Derivative Instruments

The company has no derivatives.
09. Income Taxes

The company files an individual federal income tax return.

Current year tax expense \$872,756

No operating loss carryforwards exist. There would be available for recoupment, in the event of future loss, for income taxes incurred as follows:

Current year:	\$1,095,850
First preceding year:	\$1,517,104
Second preceding year:	\$1,394,012

Deferred tax assets	Sept. 2002	Deferred tax liabilities	Sept. 2002	
Unearned premium reserve	\$1,546,031	Unrealized gains		\$2,533,824
Loss reserve discount	749,120	Salvage and subrogation anticipated		677,101
Deferred compensation	665,485	Total		\$3,210,925
Employee benefits	122,312			
Total	\$3,082,948			

Net Liability Page 3 Line 7 Inset\$4,528,247

Net Liability Page 2 Line 15 Inset127,977

YTD Change Page 4 Line 25\$4,656,224

All deferred tax assets were admitted; all deferred liabilities were recognized.
10. Information Concerning Parent, Subsidiaries and Affiliates

The company participates in a pooling agreement with Lightning Rod Mutual Insurance Company ("Lightning") and Sonnenberg Mutual Insurance Company, ("Sonnenberg") whereby net premiums, losses, underwriting expenses and related balance sheet amounts are shared on a 40%/55%/5% basis, respectively. Lightning Rod assumes 100% of the business from Western and Sonnenberg and cedes 40% to Western and 5% to Sonnenberg.
11. Debt

The company has no loans outstanding or surplus notes..
12. Retirement Plans, Deferred Compensation, and Other Postretirement Plans.

Employee Retirement: The company has a 401(k) plan that is available to all employees on entry dates after the completion of one year of continuous service.  
Deferred Compensation: The company has a non-qualified Voluntary Deferred Compensation plan for senior executive officers. The plan allows for deferral of annual base salaries, payouts under the annual incentive plan, and payouts under the "Performance Share Plan for Key Executives".
13. Capital and Surplus and Shareholders' and Policyholders' Dividend Restrictions.

The company is a mutual company, thus no stock or surplus dividends are applicable.
14. Contingencies

The company has no material contingent liabilities, has committed no reserves to cover any contingent liabilities, and has no pending legal proceedings beyond the ordinary course of business.
15. Leases.

The company has no leases that would have a material financial effect.
16. Information about Financial Instruments With Off-Balance-Sheet Risk and Financial Instruments With Concentrations of Credit Risk.

The company has no off-balance-sheet risk or credit risk exposure.
17. Sale, Transfer, and Servicing of Financial Assets and Extinguishment of Liabilities

The company has no receivable transfer, financial asset servicing, or wash sale transactions.
18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

The company has a fully insured accident and health plan.
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The company has no managing general agents or third party administrators.
20. Other Items

The company has no extraordinary items or unusual items.
21. Events Subsequent.

There were no events occuring subsequent to the close of the books as of December 31, 2001 that would have a material effect on the financial condition of the company.
22. Reinsurance

There were no uncollectible reinsurance balances written off and no commutations of ceded reinsurance. The company has no retroactive reinsurance agreements.
23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

The company has no retrospectively rated contracts or contracts subject to redetermination.
24. Change in Incurred Losses and Loss Adjustment Expense

There were no changes to incurred losses or loss adjustment expenses expenses ascribed to insured events of prior years nor retrospective premiums.
25. Intercompany Pooling Agreements.

Lightning Rod, NAIC number 26123, 55%, Western Reserve, NAIC number 26131, 40%, and Sonnenberg, NAIC number 10271, 5%, participate in a pooling agreement for all lines of business. Lightning Rod is the lead company.
26. Structured Settlements.

The company has no structured settlements.
27. High Deductibles

The company has no reserve for high deductible credits.
28. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses.

The company does not discount any loss or adjustment expense reserves.
29. Asbestos/Environmental Reserves.

The company does not have asbestos or environmental reserves.
30. Subscriber Savings Accounts.

Not applicable.
31. Financial Guaranty Insurance Exposures.

The company does not write financial guaranty insurance.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES  
GENERAL

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

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

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

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

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

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

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

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

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

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

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [ ] NA [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. .... 12/31/2001

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. .... 12/31/2001

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). .... 09/15/2002

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

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

8.2 If yes, give full information: .....  
.....

GENERAL INTERROGATORIES

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

INVESTMENT

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

9.2 If yes, explain:

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

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

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

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

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

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds	\$	\$
13.22 Preferred Stock	\$	\$
13.23 Common Stock	\$ 237,503	\$ 237,503
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)	\$ 237,503	\$ 237,503
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 [ ]

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
Merrill Lynch	Columbus, Ohio

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 [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address



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 [X] NA [ ]  
If yes, attach an explanation.

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

3.1 Have any of the reporting entity' s primary reinsurance contracts been canceled?..... Yes [ ] No [X]  
3.2 If yes, give full and complete information thereto.  
.....

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

4.2 If yes, complete the following schedule:

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

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period .....	NONE			
2. Increase (decrease) by adjustment .....				
3. Cost of acquired .....				
4. Cost of additions to and permanent improvements .....				
5. Total profit (loss) on sales .....				
6. Increase (decrease) by foreign exchange adjustment .....				
7. Amount received on sales .....				
8. Book/adjusted carrying value at end of current period .....				
9. Total valuation allowance .....				
10. Subtotal (Lines 8 plus 9) .....				
11. Total nonadmitted amounts .....				
12. Statement value, current period (Page 2, real estate lines, current period)				

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period .....	NONE			
2. Amount loaned during period:				
2.1. Actual cost at time of acquisitions .....				
2.2. Additional investment made after acquisitions .....				
3. Accrual of discount and mortgage interest points and commitment fees .....				
4. Increase (decrease) by adjustment .....				
5. Total profit (loss) on sale .....				
6. Amounts paid on account or in full during the period .....				
7. Amortization of premium .....				
8. Increase (decrease) by foreign exchange adjustment .....				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....				
10. Total valuation allowance .....				
11. Subtotal (Lines 9 plus 10) .....				
12. Total nonadmitted amounts .....				
13. Statement value of mortgages owned at end of current period				

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA				
	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period .....	1,162,334	1,424,267	1,304,060	498,082
2. Cost of acquisitions during period:				
2.1. Actual cost at time of acquisitions .....	271,933		0	870,420
2.2. Additional investment made after acquisitions .....			0	
3. Accrual of discount .....			0	
4. Increase (decrease) by adjustment .....		(115,207)	(183,461)	(105,187)
5. Total profit (loss) on sale .....			0	
6. Amounts paid on account or in full during the period .....	10,000	5,000	7,578	100,981
7. Amortization of premium .....			0	
8. Increase (decrease) by foreign exchange adjustment .....			0	
9. Book/adjusted carrying value of long-term invested assets at end of current period .....	1,424,267	1,304,060	1,113,021	1,162,334
10. Total valuation allowance .....			0	
11. Subtotal (Lines 9 plus 10) .....	1,424,267	1,304,060	1,113,021	1,162,334
12. Total nonadmitted amounts .....	27,900	22,900	15,323	37,900
13. Statement value of long-term invested assets at end of current period	1,396,367	1,281,160	1,097,698	1,124,434

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 1B

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

	1 Statement Value Beginning of Current Quarter	2  Acquisitions During Current Quarter	3  Dispositions During Current Quarter	4  Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 .....	66,445,239	13,249,988	9,882,507	(52,042)	63,582,732	66,445,239	69,760,678	59,428,104
2. Class 2 .....	607,540			184	607,360	607,540	607,724	607,184
3. Class 3 .....								
4. Class 4 .....								
5. Class 5 .....								
6. Class 6 .....								
7. Total Bonds	67,052,779	13,249,988	9,882,507	(51,858)	64,190,092	67,052,779	70,368,402	60,035,288
<b>PREFERRED STOCK</b>								
8. Class 1 .....	638,640			(1,200)	616,800	638,640	637,440	638,080
9. Class 2 .....	169,600			4,000	158,400	169,600	173,600	174,000
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock	808,240			2,800	775,200	808,240	811,040	812,080
15. Total Bonds and Preferred Stock	67,861,019	13,249,988	9,882,507	(49,058)	64,965,292	67,861,019	71,179,442	60,847,368

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Amount of Interest Received Current Quarter	Paid for Accrued Interest
8099999 Totals	24,655,661	XXX	24,655,661	82,988	0

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned				
	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period .....	7,785,147	13,010,682	15,606,943	5,098,200
2. Cost of short-term investments acquired .....	14,428,557	7,525,976	12,707,633	30,062,639
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 .....	9,203,022	4,929,715	3,658,915	27,375,692
7. Book/adjusted carrying value, current period .....	13,010,682	15,606,943	24,655,661	7,785,147
8. Total valuation allowance .....				
9. Subtotal (Lines 7 plus 8) .....	13,010,682	15,606,943	24,655,661	7,785,147
10. Total nonadmitted amounts .....				
11. Statement value (Lines 9 minus 10) .....	13,010,682	15,606,943	24,655,661	7,785,147
12. Income collected during period .....	41,499	63,703	82,988	268,706
13. Income earned during period .....	41,499	63,703	82,988	268,706

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY**

## SCHEDULE FG EDED REINSURANCE

Showing all new reinsurers - Current Year to Date

[illegible]

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories							
States, etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		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	No					
12. Hawaii .....	HI	No					
13. Idaho .....	ID	No					
14. Illinois .....	IL	Yes					
15. Indiana .....	IN	Yes	11,139,678	8,756,313	6,285,070	3,768,453	
16. Iowa .....	IA	No					
17. Kansas .....	KS	No					
18. Kentucky .....	KY	No					
19. Louisiana .....	LA	No					
20. Maine .....	ME	No					
21. Maryland .....	MD	No					
22. Massachusetts .....	MA	No					
23. Michigan .....	MI	No					
24. Minnesota .....	MN	No					
25. Mississippi .....	MS	No					
26. Missouri .....	MO	No					
27. Montana .....	MT	No					
28. Nebraska .....	NE	No					
29. Nevada .....	NV	No					
30. New Hampshire .....	NH	No					
31. New Jersey .....	NJ	No					
32. New Mexico .....	NM	No					
33. New York .....	NY	No					
34. North Carolina .....	NC	No					
35. North Dakota .....	ND	No					
36. Ohio .....	OH	Yes	45,694,953	39,254,220	26,345,065	29,543,251	
37. Oklahoma .....	OK	No					
38. Oregon .....	OR	No					
39. Pennsylvania .....	PA	No					
40. Rhode Island .....	RI	No					
41. South Carolina .....	SC	No					
42. South Dakota .....	SD	No					
43. Tennessee .....	TN	Yes					
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. U.S. Virgin Islands .....	VI	No					
56. Canada .....	CN	No					
57. Aggregate Other Aliens .....	OT	XXX					
58. Totals	(a) 4	56,834,631	48,010,533		32,630,135		33,311,704
DETAILS OF WRITE-INS							
5701. ....	XXX						
5702. ....	XXX						
5703. ....	XXX						
5798. Summary of remaining write-ins for Line 57 from overflow page.	XXX						
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)	XXX						

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

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

**NONE**



PART 1 - LOSS EXPERIENCE

Lines of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire .....	767,141	284,721	37.1	59.5
2.	Allied Lines .....	326,928	291,341	89.1	64.3
3.	Farmowners multiple peril .....				
4.	Homeowners multiple peril .....	11,906,492	10,127,099	85.1	93.1
5.	Commercial multiple peril .....	5,360,505	1,704,091	31.8	52.2
6.	Mortgage guaranty .....	0			
8.	Ocean marine .....				
9.	Inland marine .....	428,596	117,119	27.3	62.4
10.	Financial guaranty .....				
11.1	Medical malpractice - occurrence .....				
11.2	Medical malpractice - claims-made .....				
12.	Earthquake .....	6,994			
13.	Group accident and health .....				
14.	Credit accident and health .....				
15.	Other accident and health .....				
16.	Workers' compensation .....	906,081	495,653	54.7	188.7
17.1	Other liability - occurrence .....	1,037,006	618,970	59.7	110.5
17.2	Other liability - claims-made .....		0		
18.1	Products liability - occurrence .....	50,795	(7,436)	(14.6)	11.8
18.2	Products liability - claims-made .....				
19.1,19.2	Private passenger auto liability .....	16,416,974	11,303,409	68.9	86.6
19.3,19.4	Commercial auto liability .....	2,373,765	896,517	37.8	10.4
21.	Auto physical damage .....	12,620,063	8,287,035	65.7	67.5
22.	Aircraft (all perils) .....				
23.	Fidelity .....				
24.	Surety .....				
26.	Burglary and theft .....	27,863	12,802	45.9	32.1
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 .....	52,229,203	34,131,321	65.3	78.4
DETAILS OF WRITE-INS					
3301.	.....				
3302.	.....				
3303.	.....				
3398.	Summary of remaining write-ins for Line 33 from overflow page .....				
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)				

PART 2 - DIRECT PREMIUMS WRITTEN

		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire .....	266,140	773,814	720,753
2.	Allied Lines .....	115,919	338,469	296,824
3.	Farmowners multiple peril .....			
4.	Homeowners multiple peril .....	5,023,660	12,721,958	11,056,198
5.	Commercial multiple peril .....	2,152,256	6,215,394	4,780,102
6.	Mortgage guaranty .....			
8.	Ocean marine .....			
9.	Inland marine .....	131,171	480,031	392,796
10.	Financial guaranty .....			
11.1	Medical malpractice - occurrence .....			
11.2	Medical malpractice - claims-made .....			
12.	Earthquake .....	4,102	9,187	6,270
13.	Group accident and health .....			
14.	Credit accident and health .....			
15.	Other accident and health .....			
16.	Workers' compensation .....	357,403	1,057,663	733,417
17.1	Other liability - occurrence .....	412,288	1,201,806	753,923
17.2	Other liability - claims-made .....			
18.1	Products liability - occurrence .....	16,960	65,397	42,996
18.2	Products liability - claims-made .....			
19.1,19.2	Private passenger auto liability .....	6,123,006	17,484,718	15,481,538
19.3,19.4	Commercial auto liability .....	797,549	2,771,503	2,054,608
21.	Auto physical damage .....	4,817,175	13,683,181	11,667,168
22.	Aircraft (all perils) .....			
23.	Fidelity .....			
24.	Surety .....			
26.	Burglary and theft .....	10,357	31,510	23,940
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 .....	20,227,986	56,834,631	48,010,533
DETAILS OF WRITE-INS				
3301.	.....			
3302.	.....			
3303.	.....			
3398.	Summary of remaining write-ins for Line 33 from overflow page .....			
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)			

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE WESTERN RESERVE MUTUAL CASUALTY COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2002 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (b) (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior	3,692	1,860	5,552	1,212	23	1,235	2,316	29	1,083	3,428	(164)	(725)	(889)
2. 2000	3,750	1,999	5,749	1,481	36	1,517	1,929	127	1,212	3,268	(340)	(624)	(964)
3. Subtotals 2000 + Prior	7,442	3,859	11,301	2,693	59	2,752	4,245	156	2,295	6,696	(504)	(1,349)	(1,853)
4. 2001	9,974	5,092	15,066	5,372	750	6,122	3,741	348	5,426	9,515	(861)	1,432	571
5. Subtotals 2001 + Prior	17,416	8,951	26,367	8,065	809	8,874	7,986	504	7,721	16,211	(1,365)	83	(1,282)
6. 2002	XXX	XXX	XXX	XXX	18,555	18,555	XXX	7,976	2,733	10,709	XXX	XXX	XXX
7. Totals	17,416	8,951	26,367	8,065	19,364	27,429	7,986	8,480	10,454	26,920	(1,365)	83	(1,282)
8. Prior Year-End's Surplus As Regards Policyholders	66,246										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. (7.8)	2. 0.9	3. (4.9)
											Col. 13, Line 7 As a % of Col. 1 Line 8		
											4. (1.9)		

(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 WESTERN RESERVE MUTUAL CASUALTY COMPANY

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 <sup>(a)</sup>
STATES, TERRITORIES, POSSESSIONS - U.S.								
NEW JERSEY								
646039-CZ-8	New Jersey St Var Purp	08/05/2002	Merrill Lynch		542,355	500,000	486	1
STATE TOTAL					542,355	500,000	486	XXX
COUNTRY TOTAL - U.S.					542,355	500,000	486	XXX
1799999 - Total - Bonds - States, Territories and Possessions					542,355	500,000	486	XXX
6099997 - Total - Bonds - Part 3					542,355	500,000	486	XXX
6099999 - Total - Bonds					542,355	500,000	486	XXX
6599999 - Total - Preferred Stocks					0	XXX	0	XXX
BANKS, TRUST AND INSURANCE COMPANIES - U.S.								
894206-10-9	Travelers Property Casualty Corp	08/20/2002	Stock Distribution	649,490	11,800		0	L
894206-40-6	Travelers Property Casualty Corp	08/20/2002	Stock Distribution	1,334,410	26,162		0	LZ
COUNTRY TOTAL - U.S.					37,962	XXX	0	XXX
6799999 - Total - Common Stocks - Banks, Trusts, Insurance					37,962	XXX	0	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.								
125670-10-9	CMA Money Fund	09/30/2002	Merrill Lynch	1,612,881.000	1,612,881		0	L
252430-20-5	Diageo Plc	07/23/2002	Merrill Lynch	4,600,000	197,335		0	L
302316-10-2	Exxon Mobil Corp	07/11/2002	Merrill Lynch	16,000,000	607,200		0	L
369550-10-8	Genl Dynamics Corp	09/04/2002	Merrill Lynch	6,100,000	479,225		0	L
437076-10-2	Home Depot Inc	07/23/2002	Merrill Lynch	7,200,000	202,634		0	L
459200-10-1	Intl Bus. Machines	07/23/2002	Merrill Lynch	1,200,000	80,628		0	L
465917-10-2	JDN Realty Corporation	07/26/2002	JDN Realty Corporation	1,104,000	0		0	L
548661-10-7	Lowe's Companies Inc	07/23/2002	Merrill Lynch	5,900,000	200,895		0	L
571748-10-2	Marsh & McLennan	07/01/2002	Stock Split / Dividend	3,300,000	0		0	L
580135-10-1	McDonalds Corp	09/04/2002	Merrill Lynch	9,000,000	198,900		0	L
590901-10-4	Merrill Lynch Inst'l Fd Inc	09/30/2002	Merrill Lynch	1,399,090	1,399		0	L
666807-10-2	Northrop Grumman Corp	07/23/2002	Merrill Lynch	1,200,000	121,200		0	L
717081-10-3	Pfizer, Inc	07/12/2002	Merrill Lynch	12,600,000	390,254		0	L
724479-10-0	Pitney Bowes Inc	09/04/2002	Merrill Lynch	5,700,000	199,785		0	L
78462F-10-3	Standard & Poors Dep Rpts	09/26/2002	Merrill Lynch	9,300,000	793,662		0	L
948741-10-3	Weingarten Rlty Invs SBI	08/09/2002	Merrill Lynch	5,600,000	200,536		0	L
950590-10-9	Wendys Intl Inc	07/23/2002	Merrill Lynch	5,700,000	198,219		0	L
COUNTRY TOTAL - U.S.					5,484,753	XXX	0	XXX
6899999 - Total - Common Stocks - Industrial, Misc.					5,484,753	XXX	0	XXX
7099997 - Total - Common Stocks - Part 3					5,522,715	XXX	0	XXX
7099998 - Total - Common Stock - Part 5					3,235,009	XXX	0	XXX
7099999 - Total - Common Stocks					8,757,724	XXX	0	XXX
7199999 - Total - Preferred and Common Stocks					8,757,724	XXX	0	XXX
7299999 - Totals					9,300,079	XXX	486	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 WESTERN RESERVE MUTUAL CASUALTY COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identi- fication	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designa- tion (a)
U.S. GOVERNMENT OBLIGATIONS - U.S.																
3134A3-K5-4	Federal Home Ln Mtg Corp.	09/09/2002	CALL@ 100.0000000		500,000	500,000	501,647	500,000	(441)	0	0	0	0	38,125		1PE
313646-KK-0	Federal Natl Mtg Assn	09/09/2002	CALL@ 100.0000000		500,000	500,000	500,000	500,000	0	0	0	0	0	26,475		1PE
36220M-ZN-8	GNMA P#282581	09/15/2002	PRINCIPAL RECEIPT	39	39	39	38	39	0	0	0	0	0	20		1
912810-DW-5	U S Treasury Bond	09/26/2002	Merrill Lynch		1,279,063	1,000,000	1,046,652	1,039,457	(1,282)	0	0	239,606	239,606	62,846		1PE
912827-56-3	U S Treasury Note	09/26/2002	Merrill Lynch		564,460	500,000	481,100	485,730	1,266	0	0	78,730	78,730	24,137		1PE
912827-05-5	U S Treasury Note	08/15/2002	MATURITY		1,500,000	1,500,000	1,555,686	1,500,000	(4,837)	0	0	0	0	95,625		1PE
912827-V8-2	U S Treasury Note	09/26/2002	Merrill Lynch		774,157	700,000	704,462	701,703	(360)	0	0	72,455	72,455	36,096		1PE
912827-W8-1	U S Treasury Note	09/26/2002	Merrill Lynch		1,654,219	1,500,000	1,491,783	1,496,664	644	0	0	157,554	157,554	94,234		1PE
COUNTRY TOTAL - U.S.					6,771,937	6,200,039	6,281,369	6,223,592	(5,009)	0	0	548,345	548,345	377,559	XXX	XXX
0399999 - Bonds - U.S. Governments					6,771,937	6,200,039	6,281,369	6,223,592	(5,009)	0	0	548,345	548,345	377,559	XXX	XXX
6099997 - Bonds - Part 4					6,771,937	6,200,039	6,281,369	6,223,592	(5,009)	0	0	548,345	548,345	377,559	XXX	XXX
6099999 - Total - Bonds					6,771,937	6,200,039	6,281,369	6,223,592	(5,009)	0	0	548,345	548,345	377,559	XXX	XXX
6599999 - Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	XXX	0	XXX
PUBLIC UTILITIES - U.S.																
65473P-10-5	NiSource, Inc.	09/05/2002	Merrill Lynch		10,500,000		199,764	241,975	(155)	0	0	(42,211)	(42,211)		9,135	L
COUNTRY TOTAL - U.S.					199,764	XXX	241,975	241,975	(155)	0	0	(42,211)	(42,211)	XXX	9,135	XXX
6699999 - Common Stocks - Public Utilities					199,764	XXX	241,975	241,975	(155)	0	0	(42,211)	(42,211)	XXX	9,135	XXX
BANKS, TRUST AND INSURANCE COMPANIES - U.S.																
172967-10-1	Citigroup Inc.	09/04/2002	VARIOUS		7,500,000		258,818	347,453	(48,053)	0	0	(88,635)	(88,635)		3,900	L
693475-10-5	PNC Financial Services	07/19/2002	Merrill Lynch		14,000,000		531,984	13,488	(773,312)	0	0	518,496	518,496		20,160	L
894206-10-9	Travelers Property Casualty Corp.	08/29/2002	CASH IN LIEU - FRAC'L SHR		0.490		7	9	0	0	0	(2)	(2)		0	L
894206-40-6	Travelers Property Casualty Corp.	08/29/2002	CASH IN LIEU - FRAC'L SHR		0.410		6	9	0	0	0	(2)	(2)		0	LZ
COUNTRY TOTAL - U.S.					790,815	XXX	360,959	360,959	(821,365)	0	0	429,856	429,856	XXX	24,060	XXX
6799999 - Common Stocks - Banks, Trust and Insurance Companies					790,815	XXX	360,959	360,959	(821,365)	0	0	429,856	429,856	XXX	24,060	XXX
INDUSTRIAL & MISCELLANEOUS - U.S.																
00209A-10-6	AT&T Wireless Service	07/10/2002	VARIOUS		7,764,000		40,527	253,713	142,144	0	0	(213,186)	(213,186)		0	L
090597-10-5	Biogen Inc.	07/10/2002	Merrill Lynch		2,100,000		76,104	200,681	80,246	0	0	(124,577)	(124,577)		0	L
111320-10-7	Broadcom Corp Calif	07/10/2002	Merrill Lynch		4,200,000		71,008	239,925	168,917	0	0	(168,917)	(168,917)		0	L
125670-10-9	CMA Money Fund	09/30/2002	Merrill Lynch		1,612,216,000		1,612,216	1,612,216	0	0	0	0	0		1	L
133131-10-2	Camden Property Trust	08/05/2002	Merrill Lynch		8,700,000		291,796	232,850	(86,440)	0	0	58,946	58,946		16,356	L
14149Y-10-8	Cardinal Health Inc.	07/02/2002	Merrill Lynch		16,650,000		853,703	668,083	(402,394)	0	0	185,620	185,620		753	L
195872-10-6	Colonial Properties Tr.	08/05/2002	Merrill Lynch		7,700,000		259,482	239,065	(790)	0	0	20,417	20,417		15,246	L
264411-50-5	Duke-Weeks Realty	08/05/2002	Merrill Lynch		15,000,000		363,895	324,010	(40,940)	0	0	39,885	39,885		13,500	L
291011-10-4	Emerson Electric	07/19/2002	Merrill Lynch		5,100,000		251,107	367,826	76,616	0	0	(116,719)	(116,719)		3,953	L
302316-10-2	Exxon Mobil Corp.	07/10/2002	Merrill Lynch		16,000,000		614,134	45,855	(582,945)	0	0	568,279	568,279		7,360	L
370442-83-2	Genl Motors Cl H	07/19/2002	Merrill Lynch		27,000,000		270,429	479,458	62,308	0	0	(209,029)	(209,029)		0	L
438516-10-6	Honeywell Int'l Inc.	09/13/2002	Merrill Lynch		11,700,000		274,942	439,738	18,720	0	0	(164,796)	(164,796)		4,631	L
501044-10-1	Kroger Co	09/17/2002	Merrill Lynch		9,000,000		142,646	200,141	0	0	0	(57,495)	(57,495)		0	L
532457-10-8	Lilly (Eli)	07/19/2002	Merrill Lynch		3,500,000		164,495	10,749	(264,141)	0	0	153,746	153,746		2,170	L
580031-20-1	McData Corp.	07/10/2002	Merrill Lynch		8,827		8,827	21,812	(1,340)	0	0	(12,985)	(12,985)		0	L
654902-20-4	Nokia Corp.	07/10/2002	Merrill Lynch		5,200,000		72,538	248,300	120,744	0	0	(175,762)	(175,762)		1,230	L
666807-10-2	Northrop Grumman Corp.	09/12/2002	Merrill Lynch		1,600,000		205,305	195,280	0	0	0	10,025	10,025		640	L
717081-10-3	Pfizer, Inc	07/10/2002	Merrill Lynch		12,600,000		388,824	10,799	(491,311)	0	0	378,025	378,025		3,276	L
71713U-10-2	Pharmacia Corp.	08/01/2002	Merrill Lynch		4,200,000		186,348	187,572	0	0	0	(1,224)	(1,224)		567	L
826170-10-2	Siebel Sys Inc.	07/10/2002	Merrill Lynch		1,500,000		18,661	121,969	79,999	0	0	(103,308)	(103,308)		0	L
92857W-10-0	Vodafone Grp Plc Spn.	07/10/2002	Merrill Lynch		5,300,000		72,820	240,819	104,715	0	0	(167,999)	(167,999)		1,272	L
COUNTRY TOTAL - U.S.					6,239,806	XXX	6,340,861	6,340,861	(1,116,539)	0	0	(101,054)	(101,054)	XXX	70,954	XXX
6899999 - Common Stocks - Industrial and Miscellaneous					6,239,806	XXX	6,340,861	6,340,861	(1,116,539)	0	0	(101,054)	(101,054)	XXX	70,954	XXX
7099997 - Common Stocks - Part 4					7,230,385	XXX	6,943,795	6,943,795	(1,938,059)	0	0	286,591	286,591	XXX	104,149	XXX
7099998 - Common Stocks - Part 5					3,196,924	XXX	3,235,009	3,235,009	0	0	0	(38,085)	(38,085)	XXX	1,280	XXX
7099999 - Total - Common Stocks					10,427,309	XXX	10,178,804	10,178,804	(1,938,059)	0	0	248,506	248,506	XXX	105,429	XXX
7199999 - Total - Preferred and Common Stocks					10,427,309	XXX	10,178,804	10,178,804	(1,938,059)	0	0	248,506	248,506	XXX	105,429	XXX
7299999 Totals					17,199,247	XXX	16,460,173	16,402,396	(1,943,068)	0	0	796,851	796,851	377,559	105,429	XXX

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

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 WESTERN RESERVE MUTUAL CASUALTY COMPANY**

## SCHEDULE E - PART 1 - CASH

[illegible]