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PROPERTY AND CASUALTY COMPANIES ASSOCIATION EDITION

# QUARTERLY STATEMENT

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

## Owners Insurance Company

NAIC Group Code	0280 (Current Period)	0280 (Prior Period)	NAIC Company Code	32700	Employer's ID Number	34-1172650
Organized under the Laws of		Ohio	State of Domicile or Port of Entry			
Country of Domicile						
Incorporated		May 13, 1975	Commenced Business	December 31, 1975		
Statutory Home Office		2325 North Cole Street (Street and Number)	Lima, OH 45801 (City or Town, State and Zip Code)			
Main Administrative Office		6101 Anacapri Boulevard (Street and Number)	517-323-1200 (Area Code) (Telephone Number) (Extension)			
Lansing, MI 48917-3999 (City or Town, State and Zip Code)		Lansing, MI 48909-8160 (City or Town, State and Zip Code)				
Mail Address		P.O. Box 30660 (Street and Number or P.O. Box)	517-323-1200 (Area Code) (Telephone Number)			
Primary Location of Books and Records		Lansing, MI 48917-3999 (City or Town, State and Zip Code)	6101 Anacapri Boulevard (Street and Number)			
Internet Website Address		517-323-1200 (Area Code) (Telephone Number)				
Statement Contact		Eileen Kay Phaner (Name)	517-323-1200 (Area Code) (Telephone Number) (Extension)			
		517-323-8796 (FAX Number)				
(E-mail Address)						
Policyowner Relations Contact		(Street and Number)				
		(Area Code) (Telephone Number) (Extension)				
(City or Town, State and Zip Code)						

## OFFICERS

Chairman of the Board and CEO	Herman Joseph Arends	President	John Walter Fisher
Executive Vice President	Roger Lee Looyenga		

## VICE PRESIDENTS

Thaddeus Joseph Buda, Jr.	Jeffrey Francis Harrold, Sr. Vice President	Gwendoline Ann Maisch, Vice President
Sr. V.P., Secretary, & General Counsel	Douglas Paul Marsh, Sr. Vice President	Mary Elizabeth Massey, Vice President
Stuart Roy Birn	Edgar Adolph Ploor, Sr. Vice President	Richard Stephen McCagh, Vice President
Sr. V.P. & Associate General Counsel	Rodney Jay Rupp, Sr. Vice President	Kenneth Richard Schroeder, Vice President
Gregg Lynn Cornell	Ronald Herman Simon, Sr. Vice President	Edwin Ray Skinner, Vice President
Sr. Vice President & Treasurer	Robert Irwin Buchanan, Vice President	Franklin Joseph Sweeney, Vice President
	Robert Joseph Bursch, Vice President	Daniel Jerome Thelen, Vice President
	Eileen Kay Phaner, Vice President	Ian Robert Ward, Vice President
	M. Dawn Hein, Vice President	Alan Robert Welter, Vice President
	Gerald Lee Jensen, Vice President	Jonathan Daniel Williams, Vice President

## DIRECTORS OR TRUSTEES

Herman Joseph Arends (CHM)	Stuart Roy Birn	James Franklin Anderton, IV
John Walter Fisher	Thaddeus Joseph Buda, Jr.	Phillip Vern Frederickson
Roger Lee Looyenga	Gregg Lynn Cornell	Mark Edward Hooper
Harry Edward Powell	Gloria Pearl Murchison	

State of Michigan

County of Eaton

{ 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.

Herman Joseph Arends  
Chairman of the Board and CEOJohn Walter Fisher  
PresidentRoger Lee Looyenga  
Executive Vice PresidentSubscribed and sworn to before me this  
18th day of October, 2002Meredith F. Kretschman  
Notary  
October 21, 2005

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE 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 .....	718,038,794		718,038,794	629,314,617
2. Stocks:				
2.1 Preferred stocks .....	.89,100		.89,100	.89,100
2.2 Common stocks .....	57,511,905		.57,511,905	68,911,639
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ .....620,886 and short-term investments \$ .....6,600,000 ) .....	7,220,886		7,220,886	408,218
6. Other invested assets .....				11,512,418
7. Receivable for securities .....				
8. Aggregate write-ins for invested assets .....				
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	782,860,685		782,860,685	710,235,992
10. Agents' balances or uncollected premiums				
10.1 Premiums and agents' balances in course of collection .....	41,320,421	.2,206,531	.39,113,890	29,911,062
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	107,182,110		107,182,110	75,957,217
10.3 Accrued retrospective premiums .....				
11. Funds held by or deposited with reinsured companies .....				
12. Bills receivable, taken for premiums .....				
13. Amounts billed and receivable under high deductible policies .....				
14. Reinsurance recoverables on loss and loss adjustment expense payments .....	8,344,757		8,344,757	8,391,777
15. Federal and foreign income tax recoverable and interest thereon (including \$ .....22,055,164 net deferred tax asset) .....	36,513,644	14,458,480	.22,055,164	17,829,228
16. Guaranty funds receivable or on deposit .....	1,308,137	.13,018	1,295,119	1,296,636
17. Electronic data processing equipment and software .....				
18. Interest, dividends and real estate income due and accrued .....	11,264,410		11,264,410	10,267,628
19. Net adjustments in assets and liabilities due to foreign exchange rates .....				
20. Receivable from parent, subsidiaries and affiliates .....	293,410		293,410	251,935
21. Amounts due from /to protected cells .....				
22. Equities and deposits in pools and associations .....	315,771		315,771	306,619
23. Amounts receivable relating to uninsured accident and health plans .....				
24. Other assets nonadmitted .....				
25. Aggregate write-ins for other than invested assets .....	14,063,330		14,063,330	
26. Total assets excluding protected cell assets (Lines 9 through 25) .....	1,003,466,676	16,678,029	.986,788,647	.854,448,095
27. Protected cell assets .....				
28. TOTALS (Lines 26 and 27) .....	1,003,466,676	16,678,029	.986,788,647	.854,448,095
<b>DETAILS OF WRITE-INS</b>				
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. Group Annuity .....	14,063,330		14,063,330	0
2502. .....				
2503. .....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0		0	
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) .....	14,063,330		14,063,330	

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE COMPANY**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 125,133,500 )	276,896,298	234,916,011
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	78,659,263	69,235,504
4. Commissions payable, contingent commissions and other similar charges	5,674,578	5,026,000
5. Other expenses (excluding taxes, licenses and fees)	6,597,606	11,918,100
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	7,446,350	8,079,652
7. Federal and foreign income taxes [including \$ on realized capital gains (losses)] (including \$ net deferred tax liability)	1,954,362	10,667,140
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 290,561,732 and including warranty reserves of \$ )	236,920,052	181,953,329
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	21,392,719	16,509,255
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	14,477,140	11,942,535
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	51,346,455	22,871,948
20. Payable for securities	3,524,484	
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$ and interest thereon \$		
23. Aggregate write-ins for liabilities	4,017,414	2,476,942
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	708,906,722	575,596,416
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	708,906,722	575,596,416
27. Aggregate write-ins for special surplus funds	803,219	
28. Common capital stock	4,900,000	4,900,000
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	121,649,472	121,649,472
33. Unassigned funds (surplus)	150,529,235	152,302,208
34. Less treasury stock, at cost		
34.1 shares common (value included in Line 28 \$ )		
34.2 shares preferred (value included in Line 29 \$ )		
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	277,881,926	278,851,679
36. TOTALS	986,788,647	854,448,095
<b>DETAILS OF WRITE-INS</b>		
2301. Pre-payments and unapplied payments	4,014,302	2,476,175
2302. Account Payable Pools	3,112	767
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page	0	
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	4,017,414	2,476,942
2701. 2002 North Carolina Private Passenger Auto Escrow	803,219	
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	803,219	
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)		

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE COMPANY**

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 526,657,435 )	461,238,007	364,673,701	499,982,012
1.2 Assumed (written \$ 422,490,868 )	367,556,902	285,584,820	391,018,392
1.3 Ceded (written \$ 549,837,144 )	484,450,474	380,488,350	521,727,953
1.4 Net (written \$ 399,311,158 )	344,344,435	269,770,171	369,272,450
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ 255,133,882 ):			
2.1 Direct	316,249,971	296,902,364	389,520,158
2.2 Assumed	258,149,659	242,246,971	310,962,368
2.3 Ceded	332,914,327	334,449,184	449,362,389
2.4 Net	241,485,303	204,700,151	251,120,137
3. Loss expenses incurred	36,105,949	36,169,122	43,019,795
4. Other underwriting expenses incurred	77,176,503	58,105,201	87,802,629
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2.4 thru 5)	354,767,755	298,974,474	381,942,561
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(10,423,320)	(29,204,303)	(12,670,111)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	28,749,040	25,344,712	34,456,940
10. Net realized capital gains or (losses)	1,103,651	1,377,451	1,413,226
11. Net investment gain (loss) (Lines 9 + 10)	29,852,691	26,722,163	35,870,166
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 477,385 )	(477,385)	(279,970)	(418,767)
13. Finance and service charges not included in premiums	2,606,971	2,079,265	2,890,422
14. Aggregate write-ins for miscellaneous income	126,535	1,236,950	(39,540)
15. Total other income (Lines 12 through 14)	2,256,121	3,036,245	2,432,115
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	21,685,493	554,105	25,632,170
17. Dividends to policyholders			
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	21,685,493	554,105	25,632,170
19. Federal and foreign income taxes incurred	9,140,116	487,264	10,899,432
20. Net income (Line 18 minus Line 19)(to Line 22)	12,545,376	66,840	14,732,737
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	278,851,679	245,583,449	245,583,449
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20)	12,545,376	66,840	14,732,737
23. Net unrealized capital gains or losses	(11,014,081)	(14,599,290)	(6,273,674)
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax	9,198,928	5,567,162	6,925,554
26. Change in nonadmitted assets	(11,699,978)	(3,499,827)	(4,042,376)
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		25,446,557	21,925,990
31. Capital changes:			
31.1 Paid in			
31.2 Transferred from surplus (Stock Dividend)			
31.3 Transferred to surplus			
32. Surplus adjustments:			
32.1 Paid in			
32.2 Transferred to capital (Stock Dividend)			
32.3 Transferred from capital			
33. Net remittances from or (to) Home Office			
34. Dividends to stockholders			
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus			
37. Change in surplus as regards policyholders (Lines 22 through 36)	(969,754)	12,981,443	33,268,231
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	277,881,926	258,564,891	278,851,679
<b>DETAILS OF WRITE-INS</b>			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)			
1401. Miscellaneous income and expense	126,535	1,236,950	(39,540)
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	126,535	1,236,950	(39,540)
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 OWNERS INSURANCE 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 .....	363,218,253	382,071,779
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....	226,140,187	253,314,268
3. Underwriting expenses paid .....	82,481,720	73,368,012
4. Other underwriting income (expenses) .....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	54,596,346	55,389,499
6. Net investment income .....	28,868,850	34,598,429
7. Other income (expenses):		
7.1 Agents' balances charged off .....	(477,385)	(418,767)
7.2 Net funds held under reinsurance treaties .....		
7.3 Net amount withheld or retained for account of others .....	2,534,605	8,207,379
7.4 Aggregate write-ins for miscellaneous items .....	2,724,354	2,757,389
7.5 Total other income (Lines 7.1 to 7.4) .....	4,781,575	10,546,000
8. Dividends to policyholders on direct business, less \$ dividends on reinsurance assumed or ceded (net) .....		
9. Federal and foreign income taxes (paid) recovered .....	(17,852,894)	13,621,251
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	70,393,877	114,155,179
<b>Cash from Investments</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....	48,738,418	58,130,752
11.2 Stocks .....	2,970,174	4,876,204
11.3 Mortgage loans .....		
11.4 Real estate .....		
11.5 Other invested assets .....		
11.6 Net gains or (losses) on cash and short-term investments .....		
11.7 Miscellaneous proceeds .....		
11.8 Total investment proceeds (Lines 11.1 to 11.7) .....	51,708,591	63,006,956
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....	140,006,768	157,240,261
12.2 Stocks .....	6,226,212	8,442,973
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....		11,512,418
12.6 Miscellaneous applications .....	(3,524,484)	
12.7 Total investments acquired (Lines 12.1 to 12.6) .....	142,708,495	177,195,652
13. Net Cash from investments (Line 11.8 minus Line 12.7) .....	(90,999,903)	(114,188,696)
<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 .....	28,433,033	
14.4 Borrowed funds received .....		
14.5 Other cash provided .....	1,540,472	
14.6 Total (Lines 14.1 to 14.5) .....	29,973,505	
15. Cash applied:		
15.1 Dividends to stockholders paid .....		
15.2 Net transfers to affiliates .....	0	10,178,160
15.3 Borrowed funds repaid .....		
15.4 Other applications .....	2,554,810	1,271,528
15.5 Total (Lines 15.1 to 15.4) .....	2,554,810	11,449,688
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	27,418,694	(11,449,688)
<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) .....	6,812,668	(11,483,205)
18. Cash and short-term investments:		
18.1 Beginning of year .....	408,218	11,891,423
18.2 End of year (Line 17 plus Line 18.1) .....	7,220,886	408,218
<b>DETAILS OF WRITE-INS</b>		
07.401 Finance and service fee income .....	2,606,971	2,890,422
07.402 Miscellaneous income/expense .....	126,535	(39,540)
07.403 Equities in pools .....	(9,152)	(93,493)
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) .....	2,724,354	2,757,389

## STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE COMPANY

# NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of Owners Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the State of Ohio prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner.

#### B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### C. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies

1. Short-term investments are stated at amortized cost.
2. Bonds not backed by other loans are stated at amortized cost using the scientific method.
3. Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at market.
4. Preferred stocks are sinking funds carried at cost.
5. The Company does not have mortgage loans.
6. Loan-backed securities are stated at amortized cost including anticipated prepayments at the date of purchase and updated for any significant changes in estimated prepayments since the original date of purchase.
7. The Company does not have investments in subsidiaries, controlled and affiliated companies.
8. The Company does not have investments in joint ventures, partnerships and limited liability companies.
9. The Company does not have any derivatives.
10. The Company does not record a premium deficiency reserve.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

### 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities.

- A. N/A
- B. N/A
- C. N/A

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE COMPANY****GENERAL INTERROGATORIES**

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

**PART 1 - COMMON INTERROGATORIES  
GENERAL**

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

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

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

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

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

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

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. ..... 12/31/1999

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. ..... 12/31/1999

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). ..... 05/06/2002

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

8.2 If yes, give full information:

.....

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE COMPANY****GENERAL INTERROGATORIES**

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

**INVESTMENT**

9.1 Has there been any change in the reporting entity's own preferred or common stock? ..... Yes [ ] No [X]  
 9.2 If yes, explain:  
 \_\_\_\_\_

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

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

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

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 .....	\$ .....	\$ .....
13.22 Preferred Stock .....	\$ .....	\$ .....
13.23 Common Stock .....	\$ .....	\$ .....
13.24 Short-term Investments .....	\$ .....	\$ .....
13.25 Mortgages, Loans or Real Estate .....	\$ .....	\$ .....
13.26 All Other .....	\$ .....	\$ .....
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26) .....	\$ .....	\$ .....
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....

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

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

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
The Northern Trust .....	50 S. LaSalle Street, Chicago IL 60675 .....

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

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE COMPANY****GENERAL INTERROGATORIES**

(continued)

**PART 2  
PROPERTY & CASUALTY INTERROGATORIES**

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

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

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

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

4.2 If yes, complete the following schedule:

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

**NONE****SCHEDULE B - VERIFICATION**

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period .....				
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 .....	11,512,418	13,735,961	0	
2. Cost of acquisitions during period:				11,512,418
2.1. Actual cost at time of acquisitions .....				
2.2. Additional investment made after acquisitions .....				
3. Accrual of discount .....				
4. Increase (decrease) by adjustment .....	2,223,543	(13,735,961)		
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 .....	13,735,961	0	0	11,512,418
10. Total valuation allowance .....				
11. Subtotal (Lines 9 plus 10) .....	13,735,961	0	0	11,512,418
12. Total nonadmitted amounts .....				
13. Statement value of long-term invested assets at end of current period	13,735,961	0	0	11,512,418

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE COMPANY**

**SCHEDULE D - PART 1B**

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

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1	660,182,211	160,017,478	135,167,287	(382,429)	624,578,201	660,182,211	684,649,972	589,577,039
2. Class 2	39,102,658		1,253,665	(22,046)	39,816,239	39,102,658	37,826,947	37,441,855
3. Class 3	2,276,250			(376,875)	2,493,750	2,276,250	1,899,375	2,495,723
4. Class 4								
5. Class 5	307,500			(307,500)		307,500	0	
6. Class 6				262,500			262,500	
7. Total Bonds	701,868,619	160,017,478	136,420,953	(826,351)	666,888,190	701,868,619	724,638,794	629,514,617
<b>PREFERRED STOCK</b>								
8. Class 1	93,150			(4,050)	93,150	93,150	89,100	93,150
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	93,150			(4,050)	93,150	93,150	89,100	93,150
15. Total Bonds and Preferred Stock	701,961,769	160,017,478	136,420,953	(830,401)	666,981,340	701,961,769	724,727,894	629,607,767

**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
80999999 Totals	6,600,000	XXX	6,600,000	60,720	

**SCHEDULE DA - PART 2- 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 .....	200,000	4,700,000	10,450,000	11,660,000
2. Cost of short-term investments acquired .....	52,280,000	78,090,000	108,200,000	210,930,000
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 .....	47,780,000	72,340,000	112,050,000	222,390,000
7. Book/adjusted carrying value, current period .....	4,700,000	10,450,000	6,600,000	200,000
8. Total valuation allowance .....				
9. Subtotal (Lines 7 plus 8) .....	4,700,000	10,450,000	6,600,000	200,000
10. Total nonadmitted amounts .....				
11. Statement value (Lines 9 minus 10) .....	4,700,000	10,450,000	6,600,000	200,000
12. Income collected during period .....	34,320	25,174	60,720	212,061
13. Income earned during period	35,846	25,760	59,680	209,960

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**

Schedule F

**NONE**

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE COMPANY**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

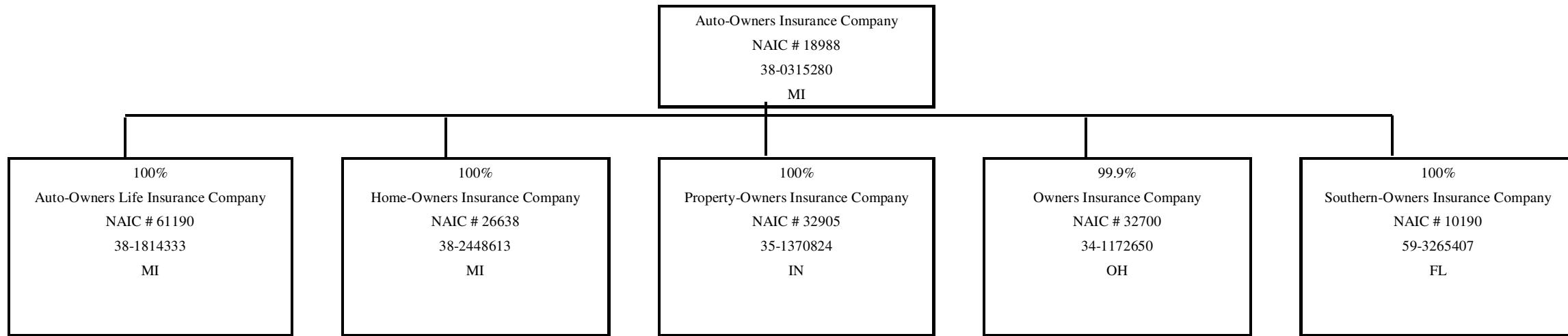
**Current Year to Date - Allocated by States and Territories**

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	Yes	30,292,199	21,214,861	15,353,412	12,910,454	16,013,518
2. Alaska	AK	No					9,915,969
3. Arizona	AZ	Yes	33,901,154	30,039,501	24,550,565	18,451,495	60,081,240
4. Arkansas	AR	No					59,360,402
5. California	CA	No					
6. Colorado	CO	Yes	12,082,859	6,728,390	4,869,620	2,259,812	4,681,596
7. Connecticut	CT	No					
8. Delaware	DE	No					
9. District of Columbia	DC	No					
10. Florida	FL	Yes	50,073,661	45,594,836	27,023,931	24,098,182	44,680,528
11. Georgia	GA	Yes	26,641,717	18,796,786	8,353,974	5,733,323	23,286,690
12. Hawaii	HI	No					
13. Idaho	ID	No					
14. Illinois	IL	Yes	29,721,051	18,745,528	12,751,368	9,500,817	22,295,405
15. Indiana	IN	Yes					19,914,491
16. Iowa	IA	Yes	25,424,974	18,595,639	12,345,048	16,630,115	14,397,560
17. Kansas	KS	Yes	59,344	34,256	1,490	.996	44,021
18. Kentucky	KY	Yes	15,753,684	12,213,677	10,837,267	5,842,993	11,039,769
19. Louisiana	LA	No					8,557,616
20. Maine	ME	No					
21. Maryland	MD	No					
22. Massachusetts	MA	No					
23. Michigan	MI	Yes					
24. Minnesota	MN	Yes	91,410,501	69,820,096	43,594,603	54,265,490	60,021,898
25. Mississippi	MS	Yes					51,517,859
26. Missouri	MO	Yes	10,233,581	6,962,407	3,179,271	2,974,621	10,351,866
27. Montana	MT	No					7,660,507
28. Nebraska	NE	Yes	11,701,744	8,910,248	10,733,772	13,748,598	8,120,871
29. Nevada	NV	Yes					6,546,290
30. New Hampshire	NH	No					
31. New Jersey	NJ	No					
32. New Mexico	NM	Yes					
33. New York	NY	No					
34. North Carolina	NC	Yes	32,322,215	23,415,942	17,516,481	11,591,202	13,027,915
35. North Dakota	ND	Yes	5,827,056	4,083,623	2,634,729	4,660,063	2,255,526
36. Ohio	OH	Yes	77,885,753	68,494,022	47,085,307	44,003,552	63,747,010
37. Oklahoma	OK	No					59,117,722
38. Oregon	OR	Yes					
39. Pennsylvania	PA	Yes					
40. Rhode Island	RI	No					
41. South Carolina	SC	Yes	27,598,383	20,494,677	12,807,834	10,341,511	26,942,683
42. South Dakota	SD	Yes	3,652,914	1,740,008	1,078,316	.922,518	1,925,089
43. Tennessee	TN	Yes	10,919,273	8,025,322	2,677,577	2,800,001	8,544,711
44. Texas	TX	No					6,459,840
45. Utah	UT	Yes	16,993,666	14,093,088	7,360,508	.8,237,918	10,963,295
46. Vermont	VT	No					7,765,424
47. Virginia	VA	Yes	4,223,124	2,183,626	1,855,355	2,045,521	2,013,069
48. Washington	WA	Yes					1,452,865
49. West Virginia	WV	No					
50. Wisconsin	WI	Yes	9,938,580	6,562,225	3,983,168	.6,163,959	5,625,573
51. Wyoming	WY	No					4,399,478
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)	29	526,657,435	406,748,757	270,593,594	257,183,140	410,059,833
<b>DETAILS OF WRITE-INS</b>							359,346,742
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.

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE COMPANY

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



**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE COMPANY**

**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	1,361,894	243,597	17.9	30.9
2. Allied Lines	1,716,560	772,990	45.0	78.9
3. Farmowners multiple peril	484,198	209,939	43.4	84.3
4. Homeowners multiple peril	71,568,800	69,823,055	97.6	110.7
5. Commercial multiple peril	116,339,615	74,480,613	64.0	98.6
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	19,048,779	9,903,702	52.0	66.3
10. Financial guaranty				
11.1 Medical malpractice - occurrence				
11.2 Medical malpractice - claims-made				
12. Earthquake	1,255,960	400	0.0	(0.2)
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation	30,546,435	13,705,184	44.9	73.7
17.1 Other liability - occurrence	9,793,191	2,080,426	21.2	18.0
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	90,716,798	60,061,455	66.2	63.6
19.3,19.4 Commercial auto liability	30,786,689	28,945,550	94.0	65.6
21. Auto physical damage	87,214,616	55,957,358	64.2	74.5
22. Aircraft (all perils)				
23. Fidelity	185,656	9,803	5.3	15.0
24. Surety	1,304	(5,579)	(428.0)	67.8
26. Burglary and theft	217,513	61,478	28.3	50.9
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	461,238,007	316,249,971	68.6	81.4
<b>DETAILS OF WRITE-INS</b>				
3301.				
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)				

**PART 2 - DIRECT PREMIUMS WRITTEN**

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	678,141	1,609,449	1,234,931
2. Allied Lines	689,235	1,897,299	1,594,198
3. Farmowners multiple peril	168,122	522,334	452,890
4. Homeowners multiple peril	31,671,767	82,155,162	63,226,900
5. Commercial multiple peril	47,241,681	135,459,040	103,974,535
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	7,171,338	21,451,152	18,379,440
10. Financial guaranty			
11.1 Medical malpractice - occurrence			
11.2 Medical malpractice - claims-made			
12. Earthquake	570,318	1,439,922	1,137,847
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation	12,465,920	37,302,513	26,657,363
17.1 Other liability - occurrence	3,535,586	10,922,991	9,725,337
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	33,988,354	98,000,804	81,020,165
19.3,19.4 Commercial auto liability	12,611,004	37,238,609	25,756,653
21. Auto physical damage	34,506,719	98,242,476	73,145,598
22. Aircraft (all perils)			
23. Fidelity	71,494	200,014	186,855
24. Surety	1,344	(6,888)	24,084
26. Burglary and theft	77,992	222,558	231,961
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	185,449,015	526,657,435	406,748,757
<b>DETAILS OF WRITE-INS</b>			
3301.			
3302.			
3303.			
3398. Summary of remaining write-ins for Line 33 from overflow page			
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)			

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE COMPANY**

**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 or reopened and open as of Prior Year-End	8 Q.S. Date IBNR Loss and LAE Reserves Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves (b) (Cols. 7 + 8 + 9)	10 Total Q.S. Loss and LAE Reserves (b) (Cols. 4 + 7 minus Col. 1)	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 Reserve Developed (Savings)/ Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior	71,564	19,205	90,769	20,070	1,591	21,661	45,956	10,053	17,705	73,714	(5,538)	10,144	4,606
2. 2000	36,823	26,933	63,756	10,219	1,758	11,976	24,244	7,472	16,403	48,118	(2,361)	(1,301)	(3,661)
3. Subtotals 2000 + Prior	108,387	46,138	154,525	30,289	3,348	33,637	70,200	17,525	34,108	121,833	(7,899)	8,843	945
4. 2001	76,875	72,748	149,623	36,988	13,024	50,012	31,752	11,088	33,918	76,758	(8,135)	(14,718)	(22,853)
5. Subtotals 2001 + Prior	185,262	118,886	304,148	67,276	16,373	83,649	101,952	28,613	68,026	198,591	(16,034)	(5,874)	(21,908)
6. 2002	XXX	XXX	XXX	XXX	142,538	142,538	XXX	82,454	74,511	156,965	XXX	XXX	XXX
7. Totals	185,262	118,886	304,148	67,276	158,911	226,187	101,952	111,067	142,537	355,556	(16,034)	(5,874)	(21,908)
8. Prior Year-End's Surplus As Regards Policyholders											Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
	278,852										1. (8.7)	2. (4.9)	3. (7.2)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. (7.9)

(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

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### 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:**

Trusted 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 OWNERS INSURANCE 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 (a)
<b>BONDS</b>								
U.S. GOVERNMENT								
UNITED STATES								
912828-AJ-9	U S TREASURY NOTES	08/14/2002	SALOMON SMITH BARNEY		5,661,563	5,500,000		1PE
<b>TOTAL UNITED STATES</b>						5,661,563	5,500,000	0 XXX
0399999 - Total - Bonds - U.S. Government					5,661,563	5,500,000	0	XXX
STATES, TERRITORIES, POSSESSIONS								
UNITED STATES								
246380-UA-5	ST OF DELAWARE UTGO SER A	08/06/2002	STEPHENS INC		.974,130	1,000,000	.4,354	1PE
341150-NJ-5	ST OF FLORIDA UTGO BONDS	09/12/2002	SALOMON SMITH BARNEY		1,077,640	1,000,000	3,333	1PE
373383-RL-4	ST OF GEORGIA UTGO SER B	07/18/2002	ADVEST INC		1,053,670	1,000,000	11,389	1PE
646039-DM-6	NEW JERSEY UTGO VAR PURP	08/01/2002	M L P F & S		1,069,730	1,000,000	.875	1PE
<b>TOTAL UNITED STATES</b>						4,175,170	4,000,000	19,951 XXX
1799999 - Total - Bonds - States, Territories and Possessions					4,175,170	4,000,000	19,951	XXX
POLITICAL SUBDIVISIONS								
UNITED STATES								
.46613P-CP-9	JACKSONVILLE FL UTGO SER B FSA	08/22/2002	DEAN WITTER		984,990	1,000,000		1PE
150519-W3-6	CEDAR RAPIDS IOWA UTGO SER A	08/15/2002	PAINE WEBBER		998,750	1,000,000	1,075	1PE
815626-EA-0	SEDWICK CO KAN SD UTGO	07/18/2002	WACHOVIA SECURITIES INC		1,049,000	1,000,000	19,722	1
890546-CD-4	TOPEKA & SHAWNEE CO KS UTGO AMBAC	09/20/2002	BERHOFF & CO., INC		588,543	590,000	.473	1PE
729429-HM-5	PLYMOUTH-CANTON MI COMM SD UTGO	08/13/2002	WACHOVIA SECURITIES INC		1,023,580	1,000,000	13,854	1
955023-JR-8	WEST OTTAWA MI PUB SD UTGO	07/19/2002	A. G. EDWARDS		1,071,030	1,000,000		1PE
181054-M8-7	CLARK CO NEV SD LTGO RFDG FSA	07/16/2002	COMMERCE BANK		1,035,350	1,000,000	4,722	1
737050-RZ-9	PORTSMOUTH NH UTGO	09/24/2002	DAIN RAUSCHER		549,725	500,000	1,042	1PE
479340-HV-6	JOHNSTON CO NC UTGO FGIC	09/24/2002	STEPHENS INC		947,901	950,000	1,478	1PE
584002-EG-0	MECKLENBURG CO NC UTGO SER B	07/16/2002	PAINE WEBBER		1,000,000	1,000,000	.750	1PE
01016M-BF-7	AKRON-SUMMIT CO OHIO UTGO FGIC	08/08/2002	A. G. EDWARDS		983,120	1,000,000	2,479	1PE
26371G-CX-2	DUBLIN OHIO CITY SD UTGO	08/07/2002	FIFTH THIRD SECURITIES		1,095,460	1,000,000	2,837	1PE
529063-HB-8	LEXINGTON CO SC UTGO SD	08/20/2002	WACHOVIA SECURITIES INC		1,044,650	1,000,000	2,994	1
052396-BR-8	AUSTIN TEXAS LTGO PUB IMP	08/29/2002	STEPHENS INC		985,490	1,000,000	4,840	1PE
052396-BR-8	AUSTIN TEXAS LTGO PUB IMP	09/10/2002	BERHOFF & CO., INC		1,193,724	1,200,000	5,808	1PE
02108T-MK-4	ALPINE UTAH SD UTGO	07/16/2002	SALOMON SMITH BARNEY		1,083,250	1,000,000	2,188	1PE
392643-NV-0	GREEN BAY WISC SD UTGO FSA	09/06/2002	ROBERT W. BAIRD		992,230	1,000,000	.114	1PE
627627-LP-5	MUSKEGO-NORWAY WISC SD UTGO (FSA)	07/18/2002	DEUTSCHE BANK		1,038,910	1,000,000	.569	1PE
<b>TOTAL UNITED STATES</b>						17,665,702	17,240,000	64,946 XXX
2499999 - Total - Bonds - Political Subdivisions					17,665,702	17,240,000	64,946	XXX
SPECIAL REVENUE & ASSESSMENT								
UNITED STATES								
246428-PZ-3	DELAWARE TRANSP REV AMBAC	08/06/2002	M L P F & S		1,062,420	1,000,000	.1,944	1PE
341426-EH-3	ST OF FLORIDA REV	08/27/2002	LEHMAN		1,090,970	1,000,000	5,972	1PE
59455R-D9-4	MICH MUNI REV RYLV	08/08/2002	DEAN WITTER		1,078,820	1,000,000	3,135	1PE
880557-ZD-8	TENNESSE ST SCH REV SER A FSA	07/18/2002	DEUTSCHE BANK		939,947	.890,000	11,743	1PE
882135-UV-6	TEXAS A & M UN REV	09/04/2002	DEAN WITTER		1,000,000	1,000,000	.1,100	1PE
31392E-ZB-9	FNMIA FNR 2002-63 EP	08/27/2002	DAIN RAUSCHER		2,014,063	2,000,000	.7,653	1
31392K-LD-6	FHILMC FHR 2447 CB	07/08/2002	COMMERCE BANK		2,040,000	2,000,000	3,056	1PE
31392M-SX-1	FHILMC FHR 2462 CB	07/12/2002	MESIROW FINANCIAL		1,734,672	1,675,000	4,094	1
31392M-SX-1	FHILMC FHR 2462 CB	08/06/2002	COMMERCE BANK		1,356,212	1,300,000	1,589	1
31392R-A9-2	FHILMC FHR 2475 VM	08/02/2002	COMMERCE BANK		2,625,472	2,472,487	2,472	1PE
31392R-A9-2	FHILMC FHR 2475 VM	08/02/2002	COMMERCE BANK		14,644	13,791	.14	1PE
31392V-KP-6	FHILMC FHR 2497 NR	09/10/2002	COMMERCE BANK		1,020,000	1,000,000	.4,028	1PE
31392V-W7-3	FHILMC FHR 2495 PB	09/18/2002	COMMERCE BANK		2,112,500	2,000,000	.8,861	1
<b>TOTAL UNITED STATES</b>						18,089,719	17,351,278	55,662 XXX
3199999 - Total - Bonds - Special Revenue					18,089,719	17,351,278	55,662	XXX
INDUSTRIAL & MISC								
UNITED STATES								
126410-JD-2	CSX TRANSP EQUIP TRUST	08/23/2002	BB&T CAPITAL MKTS		1,800,096	1,700,000	.3,444	1
166760-AA-6	CHEVRON TEXACO CAPITAL CO NOTES	09/05/2002	GOLDMAN SACHS		696,871	.700,000		1PE
43811N-AD-0	HONDA AUTO REC TR SER 2002-3 ABS	07/15/2002	BANC ONE CAPITAL		999,980	1,000,000		1PE
524660-AK-6	144 A LEGGETT & PLATT INC NOTES	07/10/2002	DAIN RAUSCHER		1,169,113	1,100,000	.20,115	1
881685-BF-7	TEXACO CAP INC	07/18/2002	DAIN RAUSCHER		1,559,264	1,400,000	.47,424	1PE
<b>TOTAL UNITED STATES</b>						6,225,324	5,900,000	70,983 XXX
4599999 - Total - Bonds - Industrial, Misc.						6,225,324	5,900,000	70,983 XXX

## STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE 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 (a)
6099997 - Total - Bonds - Part 3					51,817,478	49,991,278	211,543	XXX
6099999 - Total - Bonds					51,817,478	49,991,277	211,543	XXX
6599999 - Total - Preferred Stocks						XXX		XXX
STOCKS								
COMMON STOCKS								
BANKS, TRUSTS & INSURANCE CO								
UNITED STATES								
.037389-10-3.....	AON CORPORATION.....	08/22/2002.....	CAPITAL INSTITUTIONAL SERVICES.....	10,200,000.....	200,614.....			
.037389-10-3.....	AON CORPORATION.....	09/25/2002.....	M L P F & S.....	4,800,000.....	.98,208.....			L
635405-10-3.....	NATIONAL CITY CORP.....	07/29/2002.....	SALOMON SMITH BARNEY.....	5,000,000.....	150,040.....			L
665859-10-4.....	NORTHERN TRUST CORP.....	08/08/2002.....	SALOMON SMITH BARNEY.....	3,800,000.....	155,651.....			L
665859-10-4.....	NORTHERN TRUST CORP.....	08/09/2002.....	SALOMON SMITH BARNEY.....	3,800,000.....	152,238.....			L
665859-10-4.....	NORTHERN TRUST CORP.....	09/13/2002.....	SALOMON SMITH BARNEY.....	5,100,000.....	201,188.....			L
902973-30-4.....	U S BANCORP (NEW).....	09/12/2002.....	CAPITAL INSTITUTIONAL SERVICES.....	6,800,000.....	139,594.....			L
TOTAL UNITED STATES					1,097,534.....	XXX	0	XXX
6799999 - Total - Common Stocks - Banks, Trusts, Insurance					1,097,534.....	XXX	0	XXX
INDUSTRIAL & MISC								
UNITED STATES								
.053015-10-3.....	AUTOMATIC DATA PROCESSING.....	07/12/2002.....	M L P F & S.....	3,700,000.....	150,893.....			L
115236-10-1.....	BROWN & BROWN INC.....	07/11/2002.....	CAPITAL INSTITUTIONAL SERVICES.....	5,800,000.....	162,119.....			L
166764-10-0.....	CHEVRONTEXACO CORPORATION.....	09/17/2002.....	CREDIT SUISSE/FIRST BOSTON.....	3,100,000.....	223,076.....			L
254687-10-6.....	WALT DISNEY CO.....	08/15/2002.....	CAPITAL INSTITUTIONAL SERVICES.....	10,000,000.....	149,819.....			L
302316-10-2.....	EXXON MOBIL CORPORATION.....	07/22/2002.....	CAPITAL INSTITUTIONAL SERVICES.....	5,000,000.....	154,339.....			L
319963-10-4.....	FIRST DATA CORPORATION.....	09/26/2002.....	M L P F & S.....	3,400,000.....	.96,131.....			L
713448-10-8.....	PEPSICO INC.....	07/22/2002.....	CAPITAL INSTITUTIONAL SERVICES.....	4,000,000.....	143,994.....			L
TOTAL UNITED STATES					1,080,371.....	XXX	0	XXX
OTHER								
.806857-10-8.....	SCHLUMBERGER LIMITED.....	08/20/2002.....	CAPITAL INSTITUTIONAL SERVICES.....	3,500,000.....	144,597.....			L
TOTAL OTHER COUNTRIES					144,597.....	XXX	0	XXX
6899999 - Total - Common Stocks - Industrial, Misc.					1,224,967.....	XXX	0	XXX
7099997 - Total - Common Stocks - Part 3					2,322,501.....	XXX	0	XXX
7099999 - Total - Common Stocks					2,322,501.....	XXX	0	XXX
7199999 - Total - Preferred and Common Stocks					2,322,501.....	XXX	0	XXX
7299999 - Totals					54,139,978.....	XXX	211,543	XXX

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

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE COMPANY**

**SCHEDULE D - PART 4**

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

1 CUSIP Identifi- cation	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 Designa- tion (a)
<b>BONDS</b>																
<b>U.S. GOVERNMENT</b>																
<b>UNITED STATES</b>																
36202B-NS-0	GNMA PASS THRU #1301	07/22/2002	MORTGAGE PRINCIPAL-PAYMENT		297	.297	.305	.297	0			(1)	(1)	17		1
36202B-NS-0	GNMA PASS THRU #1301	08/20/2002	MORTGAGE PRINCIPAL-PAYMENT	1,775	1,775	1,824	1,780	1				(4)	(4)	118		
36202B-NS-0	GNMA PASS THRU #1301	09/20/2002	MORTGAGE PRINCIPAL-PAYMENT	240	240	.247	.240					(1)	(1)	18		1
912827-65-5	U S TREASURY NOTES	08/15/2002	MATURED	500,000	.500,000	.496,094	.500,000	.326				0	0	.31,875		1
912827-65-5	U S TREASURY NOTES	08/15/2002	MATURED	1,000,000	1,000,000	.962,500	1,000,000	.3,197				0	0	.63,750		1
912827-65-5	U S TREASURY NOTES	08/15/2002	MATURED	500,000	.500,000	.490,625	.500,000	.802				0	0	.31,875		1
912827-65-5	U S TREASURY NOTES	08/15/2002	MATURED	1,000,000	1,000,000	.999,063	1,000,000	.109				0	0	.63,750		1
912827-65-5	U S TREASURY NOTES	08/15/2002	MATURED	2,500,000	2,478,125	2,500,000	2,478,125	.2,587				0	0	159,375		
<b>TOTAL UNITED STATES</b>					5,502,312	5,502,312	5,428,782	5,502,317	7,022	0	0	(5)	(5)	350,779	XXX	XXX
<b>0399999 - Bonds - U.S. Governments</b>					5,502,312	5,502,312	5,428,782	5,502,317	7,022	0	0	(5)	(5)	350,779	XXX	XXX
<b>POLITICAL SUBDIVISIONS</b>																
<b>UNITED STATES</b>																
567505-CJ-9	MARICOPA CO AZ UHSD #210 SER E	07/01/2002	CALLED AR 101.00	505,000	.500,000	.532,530	.511,604	(1,777)				(6,604)	(6,604)	30,250		1
721799-PE-8	PIMA CO AZ UNIFIED SD	07/01/2002	MATURED	500,000	.500,000	.573,360	.500,000	(4,744)				0	0	.37,500		1PE
588144-CF-8	MEMPHIS TENN UTGO	08/01/2002	CALLED AT 101.00	707,000	700,000	.728,742	.714,314	(1,879)				(7,314)	(7,314)	.37,800		1
590759-NK-8	MESQUITE TEX IND SD 1	08/15/2002	CALLED AT 100	500,000	.500,000	.518,665	.500,000	(2,110)				0	0	.28,750		1PE
779222-PB-8	ROUND ROCK TEX LTGO BOND	08/15/2002	CALLED AT 100	500,000	.500,000	.518,180	.500,000	(1,968)				0	0	.26,500		1PE
796235-6H-7	SAN ANTONIO TEX LTGO RFDC	08/01/2002	CALLED AR 100	700,000	700,000	.723,436	.700,000	(2,788)				0	0	.39,200		1PE
165321-E9-7	CHESAPEAKE VA UTGO	08/01/2002	CALLED AT 100.50	502,500	.500,000	.538,435	.505,858	(3,322)				(3,358)	(3,358)	.29,000		1PE
165321-F2-1	CHESAPEAKE VA PUB IMP UTGO SER 92	08/01/2002	CALLED AT 101.00	505,000	.500,000	.536,080	.509,392	(2,588)				(4,392)	(4,392)	.29,500		1PE
602244-2E-4	MILWAUKEE CO WISC UTGO RFDG SER A	09/01/2002	CALLED AT 100	500,000	.500,000	.522,990	.500,000	(2,574)				0	0	.28,250		1PE
<b>TOTAL UNITED STATES</b>					4,919,500	4,900,000	5,192,418	4,941,167	(23,749)	0	0	(21,667)	(21,667)	286,750	XXX	XXX
<b>2499999 - Bonds - Political Subdivisions</b>					4,919,500	4,900,000	5,192,418	4,941,167	(23,749)	0	0	(21,667)	(21,667)	286,750	XXX	XXX
<b>SPECIAL REVENUE &amp; ASSESSMENT</b>																
<b>UNITED STATES</b>																
613105-DQ-5	MONTGOMERY ALA WTR & SWR REV	09/01/2002	CALLED AT 102	408,000	.400,000	.412,244	.402,982	(922)				5,018	5,018	23,600		1
246428-ER-3	DELAWARE TRANSP REV (MBIA)	07/01/2002	CALLED AT 102.00	510,000	.500,000	.517,580	.510,775	(758)				(775)	(775)	.28,750		1PE
647831-AJ-5	NEW PALESTINE IND HS BLDG CORP 1ST MTG	07/15/2002	MATURED	260,000	260,000	.260,000	.260,000					0	0	.13,000		1PE
472904-ET-4	JEFFERSON CO KY SD FIN CORP SCH BLDG	07/01/2002	CALLED AT 102.00	663,000	.650,000	.680,089	.650,000	(2,846)				13,000	13,000	.39,000		1PE
647310-RU-7	NEW MEXICO ST SEV TAX REV	07/01/2002	MATURED	500,000	500,000	.500,000	.500,000					0	0	.23,500		1PE
76218K-BS-1	RHODE ISLAND DEPOSITOR ECON PROTECT	08/01/2002	CALLED AT 102	510,000	.500,000	.565,135	.515,460	(4,241)				(5,460)	(5,460)	.34,500		1PE
928168-HA-4	VIRGINIA PUB BLDG AUTH SER C	08/01/2002	CALLED AT 101.00	505,000	.500,000	.529,595	.506,768	(1,873)				(1,768)	(1,768)	.26,500		1
812642-XU-5	A	08/01/2002	CALLED AT 102.0	510,000	.500,000	.517,135	.504,446	(1,221)				5,554	5,554	.28,125		1PE
977123-EZ-7	WISCONSIN ST TRANS REV SER A	07/01/2002	CALLED AT 100.00	700,000	.700,000	.708,988	.700,000	(849)				0	0	.39,200		1PE
312913-NW-2	FHLMC 1433 VA CMO	07/15/2002	MORTGAGE PRINCIPAL-PAYMENT	7,646	7,646	7,796	7,654	1				(9)	(9)	.297		1
312913-NW-2	FHLMC 1433 VA CMO	08/15/2002	MORTGAGE PRINCIPAL-PAYMENT	7,690	7,690	.7,842	.7,697	(1)				(7)	(7)	.341		
312913-NW-2	FHLMC 1433 VA CMO	09/16/2002	MORTGAGE PRINCIPAL-PAYMENT	7,735	7,735	.7,887	.7,740	(3)				(5)	(5)	.386		1
312915-HF-1	FHLMC FHR 1502B	08/15/2002	FINAL MORTGAGE PAYMENT	6,444	6,444	6,436	6,444					0	0	.259		
312915-HF-1	FHLMC FHR 1502B	07/15/2002	MORTGAGE PRINCIPAL-PAYMENT	15,974	15,974	15,954	15,974					0	0	.559		1
312915-HG-9	FHLMC FHR 1502-C	08/15/2002	MORTGAGE PRINCIPAL-PAYMENT	7,961	7,961	7,690	7,911	38				49	49	.345		
312915-HG-9	FHLMC FHR 1502-C	09/16/2002	MORTGAGE PRINCIPAL-PAYMENT	13,370	13,370	12,914	13,293	.70				76	76	.652		1
31337U-NZ-7	FHLMC FHR 2363 BV	07/15/2002	MORTGAGE PRINCIPAL-PAYMENT	6,308	6,308	6,543	6,514	(19)				(206)	(206)	.239		1
31337U-NZ-7	FHLMC FHR 2363 BV	08/15/2002	MORTGAGE PRINCIPAL-PAYMENT	6,342	6,342	6,578	6,546	(22)				(204)	(204)	.275		1
31337U-NZ-7	FHLMC FHR 2363 BV	09/16/2002	MORTGAGE PRINCIPAL-PAYMENT	6,376	6,376	6,614	6,578	(26)				(202)	(202)	.311		
313373-MP-0	FHLMC FHR 1662GB	07/15/2002	MORTGAGE PRINCIPAL-PAYMENT	7,253	7,253	7,339	7,263	0				(11)	(11)	.264		1
313373-MP-0	FHLMC FHR 1662GB	08/15/2002	MORTGAGE PRINCIPAL-PAYMENT	7,290	7,290	7,377	7,300	(1)				(10)	(10)	.304		1
313373-MP-0	FHLMC FHR 1662GB	09/16/2002	MORTGAGE PRINCIPAL-PAYMENT	7,328	7,328	7,415	7,337	(2)				(9)	(9)	.344		
313375-CU-5	FHLMC FHR 1725 G	07/15/2002	MORTGAGE PRINCIPAL-PAYMENT	14,893	14,893	14,604	14,878	(1)				15	15	.608		1
313375-CU-5	FHLMC FHR 1725 G	08/15/2002	MORTGAGE PRINCIPAL-PAYMENT	14,980	14,980	14,689	14,969	2				11	11	.699		
313375-CU-5	FHLMC FHR 1725 G	09/16/2002	MORTGAGE PRINCIPAL-PAYMENT	15,067	15,067	14,775	15,060	.6				7	7	.791		1
313375-KX-0	FHLMC FHR 1730H	07/15/2002	MORTGAGE PRINCIPAL-PAYMENT	27,087	27,087	26,008	27,057	38				29	29	.1,106		1
313375-KX-0	FHLMC FHR 1730H	08/15/2002	MORTGAGE PRINCIPAL-PAYMENT	27,245	27,245	27,245	26,159	53				15	15	.1,271		1
313375-KX-0	FHLMC FHR 1730H	09/16/2002	MORTGAGE PRINCIPAL-PAYMENT	27,404	27,404	26,312	27,404	.68				0	0	.1,439		1
31339G-AM-3	FHLMC REMIC FHR 2371 VA	07/15/2002	MORTGAGE PRINCIPAL-PAYMENT	7,780	7,780	8,101	8,060	(30)</								

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE COMPANY**

## **SCHEDULE D - PART 4**

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

Show All Long Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter																
1 CUSIP Identifi- cation	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 Desig- nation (a)
31339G-AM-3...	FHLMC REMIC FHR 2371 VA...	09/16/2002...	MORTGAGE PRINCIPAL-PAYMENT		.7,858	7,858	8,182	8,131	(41)			(273)	(273)	.354		1
313398-TB-5...	FHLMC FHR 2335 VA PAC 11...	07/15/2002...	MORTGAGE PRINCIPAL-PAYMENT		11,421	11,421	11,780	11,735	(26)			(314)	(314)	.433		1
313398-TB-5...	FHLMC FHR 2335 VA PAC 11...	08/15/2002...	MORTGAGE PRINCIPAL-PAYMENT		11,483	11,483	11,844	11,794	(31)			(311)	(311)	.498		1
313398-TB-5...	FHLMC FHR 2335 VA PAC 11...	09/16/2002...	MORTGAGE PRINCIPAL-PAYMENT		11,545	11,545	11,908	11,854	(35)			(308)	(308)	.563		1
31358Q-4E-2...	FNMA REMIC TRUST 1992-188PL CMO	07/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.8,817	8,817	8,836	8,817	0			0	0	.339		1
31358Q-4E-2...	FNMA REMIC TRUST 1992-188PL CMO	08/26/2002...	MORTGAGE PRINCIPAL-PAYMENT		.8,872	8,872	8,891	8,872	0			0	0	.390		1
31358Q-4E-2...	FNMA REMIC TRUST 1992-188PL CMO	09/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.8,927	8,927	8,947	8,927	0			0	0	.442		1
31358R-EW-9...	FNMA 1992-202L CMO	07/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.9,703	9,703	9,558	9,703	1			0	0	.396		1
31358R-EW-9...	FNMA 1992-202L CMO	08/26/2002...	MORTGAGE PRINCIPAL-PAYMENT		.9,764	9,764	9,618	9,764	1			0	0	.456		1
31358R-EW-9...	FNMA 1992-202L CMO	09/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.9,825	9,825	9,678	9,825	1			0	0	.516		1
31358U-RH-1...	FNMA REMIC 1993-44VB	07/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.9,337	9,337	9,710	9,350	0			(13)	(13)	.381		1
31358U-RH-1...	FNMA REMIC 1993-44VB	08/26/2002...	MORTGAGE PRINCIPAL-PAYMENT		.9,391	9,391	9,767	9,400	(4)			(8)	(8)	.438		1
31358U-RH-1...	FNMA REMIC 1993-44VB	09/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.9,446	9,446	9,824	9,450	(9)			(4)	(4)	.496		1
31359E-VD-0...	FNMA REMIC 1993-192E	07/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		14,936	14,936	14,887	14,936				0	0	.518		1
31359E-VD-0...	FNMA REMIC 1993-192E	08/26/2002...	MORTGAGE PRINCIPAL-PAYMENT		14,546	14,546	14,498	14,546				0	0	.577		1
31359E-VD-0...	FNMA REMIC 1993-192E	09/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		14,165	14,165	14,119	14,165				0	0	.632		1
31392A-FD-5...	FNMA FNR 2001 64 VE VADM	07/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		5,746	5,746	5,926	5,908	(14)			(162)	(162)	.201		1
31392A-FD-5...	FNMA FNR 2001 64 VE VADM	08/26/2002...	MORTGAGE PRINCIPAL-PAYMENT		5,775	5,775	5,956	5,935	(17)			(160)	(160)	.231		1
31392A-FD-5...	FNMA FNR 2001 64 VE VADM	09/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		5,804	5,804	5,986	5,963	(19)			(159)	(159)	.261		1
31392A-F8-6...	FNMA FNR 2001-73 VA	07/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.7,150	7,150	7,417	7,387	(26)			(237)	(237)	.250		1
31392A-F8-6...	FNMA FNR 2001-73 VA	08/26/2002...	MORTGAGE PRINCIPAL-PAYMENT		.7,185	7,185	7,454	7,420	(30)			(235)	(235)	.287		1
31392A-F8-6...	FNMA FNR 2001-73 VA	09/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.7,221	7,221	7,491	7,453	(34)			(232)	(232)	.325		1
31392A-UM-8...	FNMA FNR 2001-63	07/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.7,150	7,150	7,366	7,342	(21)			(193)	(193)	.286		1
31392A-UM-8...	FNMA FNR 2001-63	08/26/2002...	MORTGAGE PRINCIPAL-PAYMENT		.7,185	7,185	7,403	7,376	(25)			(190)	(190)	.323		1
31392A-UM-8...	FNMA FNR 2001-63	09/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.7,221	7,221	7,440	7,410	(28)			(188)	(188)	.361		1
31392A-YJ-1...	FNMA FNR 2001-68 VA	07/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.9,320	9,320	9,664	9,615	(43)			(295)	(295)	.326		1
31392A-YJ-1...	FNMA FNR 2001-68 VA	08/26/2002...	MORTGAGE PRINCIPAL-PAYMENT		.9,366	9,366	9,712	9,656	(50)			(290)	(290)	.375		1
31392A-YJ-1...	FNMA FNR 2001-68 VA	09/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.9,413	9,413	9,760	9,698	(57)			(285)	(285)	.424		1
31392A-ZS-0...	FNMA FNR 2001-68 QU	07/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		17,068	17,068	17,652	17,521	(115)			(453)	(453)	.548		1
31392A-ZS-0...	FNMA FNR 2001-68 QU	08/26/2002...	MORTGAGE PRINCIPAL-PAYMENT		17,146	17,146	17,733	17,582	(134)			(436)	(436)	.629		1
31392A-ZS-0...	FNMA FNR 2001-68 QU	09/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		17,225	17,225	17,814	17,646	(152)			(421)	(421)	.711		1
31392B-CQ-7...	FNMA FNR 2001-70 VL	07/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.9,340	9,340	9,724	9,670	(48)			(330)	(330)	.327		1
31392B-CQ-7...	FNMA FNR 2001-70 VL	08/26/2002...	MORTGAGE PRINCIPAL-PAYMENT		.9,387	9,387	9,773	9,710	(56)			(324)	(324)	.375		1
31392B-CQ-7...	FNMA FNR 2001-70 VL	09/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.9,434	9,434	9,821	9,752	(63)			(318)	(318)	.425		1
31392K-KA-3...	FHLMC FHR 2453 VN	07/15/2002...	MORTGAGE PRINCIPAL-PAYMENT		.6,267	6,267	6,566	6,561	(5)			(294)	(294)	.34	1PE	
31392K-KA-3...	FHLMC FHR 2453 VN	08/15/2002...	MORTGAGE PRINCIPAL-PAYMENT		.6,301	6,301	6,601	6,592	(9)			(291)	(291)	.68	1PE	
31392K-KA-3...	FHLMC FHR 2453 VN	09/16/2002...	MORTGAGE PRINCIPAL-PAYMENT		.6,335	6,335	6,637	6,623	(14)			(288)	(288)	.103	1PE	
31392R-A9-2...	FHLMC FHR 2475 VM	09/16/2002...	MORTGAGE PRINCIPAL-PAYMENT		13,791	13,791	14,644	14,632	(12)			(841)	(841)	.69	1PE	
313921-FP-8...	FNMA FNR 2001-56 VA	07/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.5,690	5,690	5,935	5,907	(19)			(217)	(217)	.216		1
313921-FP-8...	FNMA FNR 2001-56 VA	08/26/2002...	MORTGAGE PRINCIPAL-PAYMENT		.5,720	5,720	5,967	5,936	(22)			(215)	(215)	.248		1
313921-FP-8...	FNMA FNR 2001-56 VA	09/25/2002...	MORTGAGE PRINCIPAL-PAYMENT		.5,751	5,751	6,000	5,965	(25)			(214)	(214)	.280		1
38373R-AE-9...	GNMA REMIC SER 2001-22	07/22/2002...	MORTGAGE PRINCIPAL-PAYMENT		.7,335	7,335	7,476	7,449	(12)			(114)	(114)	.278		1
38373R-AE-9...	GNMA REMIC SER 2001-22	08/20/2002...	MORTGAGE PRINCIPAL-PAYMENT		.7,375	7,375	7,516	7,487	(14)			(113)	(113)	.320		1
38373R-AE-9...	GNMA REMIC SER 2001-22	09/20/2002...	MORTGAGE PRINCIPAL-PAYMENT		.7,415	7,415	7,557	7,526	(16)			(111)	(111)	.361		1
TOTAL UNITED STATES					5,226,142	5,170,142	5,358,977	5,220,428	(13,798)	0	0	5,714	5,714	283,320	XXX	XXX
319999 - Bonds - Special Revenues					5,226,142	5,170,142	5,358,977	5,220,428	(13,798)	0	0	5,714	5,714	283,320	XXX	XXX
PUBLIC UTILITIES																
UNITED STATES																
594185-AS-9...	MICHIGAN BELL TELEPHONE CO NOTES	09/15/2002...	MATURED		250,000	250,000	224,040	250,000	3,087			0	0	15,938		1PE
84534E-AN-8...	SOUTHWESTERN BELL TELEPHONE MTN	08/26/2002...	MATURED		500,000	500,000	501,065	500,000	(122)			0	0	27,319		1PE
912220-AJ-4...	US WEST COMM NOTES	07/08/2002...	GOLDMAN SACHS		1,170,313	1,250,000	1,296,738	1,253,665	(6,990)			(83,353)	(83,353)	.58,216		2
956279-AT-0...	WEST TEXAS UTILITIES CO 1ST MTG SERIES S	07/08/2002...	LEHMAN		.629,070	.600,000	.549,342	.588,445	3,564			40,625	40,625	34,402		1PE
956279-AV-5...	WEST TEXAS UTILITIES CO 1ST MTG	07/08/2002...	LEHMAN		.967,284	.900,000	.925,506	.909,468	(1,911)			.57,816	.57,816	.48,475		1PE
TOTAL UNITED STATES					3,516,667	3,500,000	3,496,691	3,501,579	(2,372)	0	0	15,088	15,088	184,350	XXX	XXX
389999 - Bonds - Public Utilities					3,516,667	3,500,000	3,496,691	3,501,579	(2,372)	0	0	15,088	15,088	184,350	XXX	XXX
INDUSTRIAL & MISC																
UNITED STATES																
045903-WU-1...	ASSOC CORP NA MTN	09/25/2002...	MATURED		.700,000	.700,000	.717,724	.700,000	(2,954)			0	0	44,289		1PE
05946D-AA-5...	BANC ONE STONEHENGE CAP WISC NOTES	09/15/2002...	PR IN PAY DUE		10,697	10,697	10,697	10,697				0	0	839		1PE

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**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE OWNERS INSURANCE COMPANY**

## SCHEDULE D - PART 4

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

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter																	
1 CUSIP Identifi- cation	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 Designa- tion (a)	
195869-AA-0...	144A COLONIAL PIPELINE NOTE	08/15/2002	MATURED		1,000,000	1,000,000	985,260	1,000,000	4,304			0	0	71,250		1PE	
24422E-HZ-5...	JOHN DEERE CORP MTN	09/19/2002	MATURED		500,000	500,000	485,135	500,000	4,789			0	0	31,951		1PE	
46014H-CF-4...	INTL PAPER CO MTN	07/26/2002	MATURED		1,250,000	1,250,000	1,303,975	1,250,000	(7,553)			0	0	72,726		1PE	
534187-AF-6...	LINCOLN NATIONAL CORP NOTES	07/15/2002	MATURED		300,000	300,000	324,843	300,000	(1,913)			0	0	22,875		1PE	
66938F-JE-5...	NORWEST CORP MTN	09/15/2002	MATURED		500,000	500,000	484,705	500,000	2,096			0	0	31,875		1PE	
669383-DM-0...	NORWEST FIN SR NOTES	09/15/2002	MATURED		900,000	900,000	917,892	900,000	(3,001)			0	0	57,375		1PE	
TOTAL UNITED STATES					5,160,697	5,160,697	5,230,231	5,160,697	(4,231)	0	0	0	0	333,180	XXX	XXX	
459999 - Bonds - Industrial and Miscellaneous					5,160,697	5,160,697	5,230,231	5,160,697	(4,231)	0	0	0	0	333,180	XXX	XXX	
6099997 - Bonds - Part 4					24,325,318	24,233,151	24,707,099	24,326,188	(37,128)	0	0	(870)	(870)	1,438,379	XXX	XXX	
6099998 - Bonds - Part 5					44,765	44,765	44,765	44,765						1,129	XXX	XXX	
6099999 - Total - Bonds					24,370,082	24,277,916	24,751,863	24,370,953	(37,128)	0	0	(870)	(870)	1,439,508	XXX	XXX	
6599999 - Total - Preferred Stocks					XXX									XXX		XXX	
STOCKS																	
COMMON STOCKS																	
INDUSTRIAL & MISC																	
UNITED STATES																	
427866-10-8...	HERSHEY FOODS CORPORATION	08/02/2002	CAPITAL INSTITUTIONAL SERVICES	3,200,000	236,946		65,054	236,953	(151,596)			171,891	171,891		1,936	L	
427866-10-8...	HERSHEY FOODS CORPORATION	08/02/2002	CAPITAL INSTITUTIONAL SERVICES	3,400,000	251,755		67,354	251,762	(162,826)			184,401	184,401		2,057	L	
427866-10-8...	HERSHEY FOODS CORPORATION	08/02/2002	CAPITAL INSTITUTIONAL SERVICES	3,000,000	222,136		62,918	222,143	(140,183)			159,219	159,219		1,815	L	
427866-10-8...	HERSHEY FOODS CORPORATION	08/02/2002	CAPITAL INSTITUTIONAL SERVICES	1,200,000	88,855		30,198	88,857	(51,042)			58,657	58,657		726	L	
427866-10-8...	HERSHEY FOODS CORPORATION	08/02/2002	CAPITAL INSTITUTIONAL SERVICES	2,200,000	162,900		48,563	162,905	(100,377)			114,337	114,337		1,331	L	
427866-10-8...	HERSHEY FOODS CORPORATION	08/02/2002	CAPITAL INSTITUTIONAL SERVICES	2,400,000	177,709		135,808	177,714	(26,672)			41,901	41,901		1,452	L	
TOTAL UNITED STATES					1,140,300	XXX	409,895	1,140,335	(632,685)	0	0	730,405	730,405		9,317	XXX	
OTHER																	
G3921A-10-0...	GLOBAL CROSSING LTD	08/20/2002	M L P F & S	2,000,000	.44		101,500	50	99,820			(101,456)	(101,456)			L	
TOTAL OTHER COUNTRIES					44	XXX	101,500	50	99,820	0	0	(101,456)	(101,456)		0	XXX	
689999 - Common Stocks - Industrial and Miscellaneous					1,140,344	XXX	511,395	1,140,385	(532,865)	0	0	628,949	628,949		9,317	XXX	
7099997 - Common Stocks - Part 4					1,140,344	XXX	511,395	1,140,385	(532,865)	0	0	628,949	628,949		9,317	XXX	
7099998 - Common Stocks - Part 5					2	XXX	6	2				(3)	(3)			XXX	
7099999 - Total - Common Stocks					1,140,346	XXX	511,401	1,140,387	(532,865)	0	0	628,946	628,946		9,317	XXX	
7199999 - Total - Preferred and Common Stocks					1,140,346	XXX	511,401	1,140,387	(532,865)	0	0	628,946	628,946		9,317	XXX	
7299999 Totals					25,510,429	XXX	25,263,264	25,511,340	(569,993)	0	0	628,075	628,075		1,439,508	9,317	XXX

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

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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 OWNERS INSURANCE COMPANY

**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			8 *
				5 First Month	6 Second Month	7 Third Month	
Standard Federal Bank.....Lansing, Michigan.....				55,297	1,258,441	714,784	
The Northern Trust.....Chicago, Illinois.....				1,082,925	0	(93,898)	
0199998 Deposits in ..... depositories which do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX						XXX
0199999 Totals - Open Depositories	XXX			1,138,222	1,258,441	620,886	XXX
0399999 Total Cash on Deposit	XXX			1,138,222	1,258,441	620,886	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX				XXX
05999999 Total Cash	XXX			1,138,222	1,258,441	620,886	XXX