32786200220100103

QUARTERLY STATEMENT

As of September 30, 2002

of the Condition and Affairs of the

PROGRESSIVE SPECIALTY INSURANCE COMPANY

NAIC Group Code..... 155, 155 (Current Period) (Prior Period) NAIC Company Code..... 32786 Employer's ID Number..... 34-1172685

Organized under the Laws of OHIO State of Domicile or Port of Entry OHIO Country of Domicile US

Incorporated..... August 4, 1975 Commenced Business..... May 26, 1976

Statutory Home Office	6300 WILSON MILLS ROAD, W33 ….. MAYFIELD VILLAGE ..... OH ..... 44143-2182 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	6300 WILSON MILLS ROAD, W33 ….. MAYFIELD VILLAGE ..... OH ..... 44143-2182 *(Street and Number) (City or Town, State and Zip Code)*	440-461-5000 *(Area Code) (Telephone Number)*
Mail Address	6300 WILSON MILLS ROAD, W33 ….. MAYFIELD VILLAGE ..... OH ..... 44143-2182 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	6300 WILSON MILLS ROAD, W33 ….. MAYFIELD VILLAGE ..... OH ..... 44143-2182 *(Street and Number) (City or Town, State and Zip Code)*	440-461-5000 *(Area Code) (Telephone Number)*
Internet Website Address	PROGRESSIVE.COM	
Statement Contact	ROBERT WILLIAM HEIN *(Name)*	440-395-4460 *(Area Code) (Telephone Number) (Extension)*
	Financial_Reporting@Progressive.com *(E-Mail Address)*	440-446-7168 *(Fax Number)*
Policyowner Relations Contact	6300 WILSON MILLS ROAD, E61 ….. MAYFIELD VILLAGE ..... OH ..... 44143-2182 *(Street and Number) (City or Town, State and Zip Code)*	*(Area Code) (Telephone Number) (Extension)*

POLICYHOLDER SERVICES AND CLAIMS REPORTING -- 1-800-PROGRESSIVE (1-800-776-4737)

OFFICERS

President ..... GLENN MORRIS RENWICK Treasurer ..... STEPHEN DAVID PETERSON Secretary ..... DANE ALLEN SHRALLOW

VICE PRESIDENTS

JEFFREY WAYNE BASCH (VICE PRESIDENT)
WILLIAM THOMAS FORRESTER, II (VICE PRESIDENT)
TIMOTHY FRANCIS KASELONIS (ASST.VICE PRESIDENT)
JAMES LEE KUSMER (VP/ASST.TREASURER)
KATHLEEN MARY CERNY (ASST.SECRETARY)
CHARLES ELWOOD JARRETT (VICE PRESIDENT)
THOMAS ALFRED KING (VICE PRESIDENT)
DANE ALLEN SHRALLOW (VICE PRESIDENT)

DIRECTORS OR TRUSTEES

JEFFREY WAYNE BASCH
WILLIAM THOMAS FORRESTER, II
CHARLES ELWOOD JARRETT
THOMAS ALFRED KING
MOIRA GAMBRILL LARDAKIS
GLENN MORRIS RENWICK
MICHAEL ROBERT UTH
RICHARD HENRY WATTS
ROBERT THOMAS WILLIAMS, JR.

State of........ Ohio
County of..... Cuyahoga

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

(Signature)	(Signature)	(Signature)
GLENN MORRIS RENWICK	KATHLEEN MARY CERNY	JAMES LEE KUSMER
(Printed Name)	(Printed Name)	(Printed Name)
President	Assistant Secretary	VP/Assistant Treasurer

Subscribed and sworn to before me this

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

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31, Prior Year Net Admitted Assets
1. Bonds	405,486,074		405,486,074	321,652,771
2. Stocks:				
2.1 Preferred stocks	8,287,875		8,287,875	33,523,271
2.2 Common stocks	59,398,944		59,398,944	45,151,759
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $..........0 encumbrances)			0	
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....554,105) and short-term investments ($.....428,601)	982,706		982,706	382,414
6. Other invested assets			0	
7. Receivable for securities			0	
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8)	474,155,599	0	474,155,599	400,710,215
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	6,672,114	2,315,909	4,356,205	4,646,055
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	114,336,155		114,336,155	125,839,571
10.3 Accrued retrospective premiums			0	
11. Funds held by or deposited with reinsured companies			0	
12. Bills receivable, taken for premiums			0	
13. Amounts receivable under high deductible policies			0	
14. Reinsurance recoverables on loss and loss adjustment expense payments	10,053		10,053	52,330
15. Federal and foreign income tax recoverable and interest thereon (including $.....29,117,670 net deferred tax asset)	36,528,087	7,410,417	29,117,670	23,720,181
16. Guaranty funds receivable or on deposit			0	
17. Electronic data processing equipment and software			0	
18. Interest, dividends and real estate income due and accrued	5,321,578		5,321,578	4,137,342
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Receivable from parent, subsidiaries and affiliates	52,751,346		52,751,346	21,340,031
21. Amounts due from/to protected cells			0	
22. Equities and deposits in pools and associations	1,086,791		1,086,791	1,047,038
23. Amounts receivable relating to uninsured accident and health plans			0	
24. Other assets nonadmitted			0	
25. Aggregate write-ins for other than invested assets	200,086	200,086	0	1,715
26. Total assets excluding protected cell assets (Lines 9 through 25)	691,061,809	9,926,412	681,135,397	581,494,478
27. Protected cell assets			0	
28. TOTALS (Lines 26 and 27)	691,061,809	9,926,412	681,135,397	581,494,478

DETAILS OF WRITE-INS

	1	2	3	4
0801.			0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0
2501. PREPAID EXPENSES	195,709	195,709	0	
2502. MISCELLANEOUS OTHER ASSETS	4,377	4,377	0	1,715
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	200,086	200,086	0	1,715

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31, Prior Year
1.	Losses (current accident year $.....91,314,545)	182,707,289	162,857,047
2.	Reinsurance payable on paid losses and loss adjustment expenses		
3.	Loss adjustment expenses	41,797,535	36,655,085
4.	Commissions payable, contingent commissions and other similar charges	987,984	845,437
5.	Other expenses (excluding taxes, licenses and fees)	21,062,928	11,816,191
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	3,217,629	3,458,962
7.	Federal and foreign income taxes (including $..........0 on realized capital gains (losses) (including $..........0 net deferred tax liability)		
8.	Borrowed money $..........0 and interest thereon $..........0		
9.	Unearned premiums (after deducting unearned premiums for ceded reinsurance of $.....204,402,720 and including warranty reserves of $..........0)	212,100,546	172,614,133
10.	Advance premium	5,909,078	5,189,008
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	50,251	68,947
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others	1,327	3,344
15.	Remittances and items not allocated		
16.	Provision for reinsurance	20,876	115,200
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding	26,096,388	25,827,300
19.	Payable to parent, subsidiaries and affiliates	8,169,548	
20.	Payable for securities		
21.	Liability for amounts held under uninsured accident and health plans		
22.	Capital notes $..... and interest thereon $		
23.	Aggregate write-ins for liabilities	391,913	609,701
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	502,513,292	420,060,355
25.	Protected cell liabilities		
26.	Total liabilities (Lines 24 and 25)	502,513,292	420,060,355
27.	Aggregate write-ins for special surplus funds	0	0
28.	Common capital stock	3,500,000	3,500,000
29.	Preferred capital stock		
30.	Aggregate write-ins for other than special surplus funds	0	0
31.	Surplus notes		
32.	Gross paid in and contributed surplus	52,633,331	52,633,331
33.	Unassigned funds (surplus)	122,488,774	105,300,792
34.	Less treasury stock, at cost:		
	34.1 ....0.000 shares common (value included in Line 28 $..........0)		
	34.2 ....0.000 shares preferred (value included in Line 29 $..........0)		
35.	Surplus as regards policyholders (Lines 27 to 33, less 34)	178,622,105	161,434,123
36.	TOTALS	681,135,397	581,494,478

DETAILS OF WRITE-INS

2301.	UNEARNED FEE RESERVE	164,178	149,893
2302.	ESCHEATABLE PROPERTY	121,699	272,942
2303.	OTHER LIABILITIES	106,036	186,866
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	391,913	609,701
2701.			
2702.			
2703.			
2798.	Summary of remaining write-ins for Line 27 from overflow page	0	0
2799.	Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
3001.			
3002.			
3003.			
3098.	Summary of remaining write-ins for Line 30 from overflow page	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $.....441,295,029)	443,554,599	388,119,299	529,574,080
1.2 Assumed (written $.....457,256,825)	417,770,412	343,237,483	466,582,485
1.3 Ceded (written $.....441,295,029)	443,554,599	388,119,299	529,574,080
1.4 Net (written $.....457,256,825)	417,770,412	343,237,483	466,582,485
DEDUCTIONS:			
2. Losses incurred (current accident year $.....238,399,014):			
2.1 Direct	265,005,427	231,134,630	316,017,420
2.2 Assumed	238,267,150	204,715,454	277,032,352
2.3 Ceded	265,005,427	231,134,630	316,017,420
2.4 Net	238,267,150	204,715,454	277,032,352
3. Loss expenses incurred	55,931,042	50,247,143	66,562,379
4. Other underwriting expenses incurred	96,983,374	77,968,539	106,558,485
5. Aggregate write-ins for underwriting deductions	23,688	0	0
6. Total underwriting deductions (Lines 2 through 5)	391,205,254	332,931,136	450,153,216
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	26,565,158	10,306,347	16,429,269
INVESTMENT INCOME			
9. Net investment income earned	18,258,406	17,861,367	24,246,908
10. Net realized capital gains (losses)	1,142,330	4,859,824	6,899,600
11. Net investment gain (loss) (Lines 9 + 10)	19,400,736	22,721,191	31,146,508
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....319,205 amount charged off $.....4,604,442)	(4,285,237)	(4,469,252)	(5,937,646)
13. Finance and service charges not included in premiums	10,819,272	11,278,869	14,947,807
14. Aggregate write-ins for miscellaneous income	935,380	971,164	1,307,045
15. Total other income (Lines 12 through 14)	7,469,415	7,780,781	10,317,206
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	53,435,309	40,808,319	57,892,983
17. Dividends to policyholders			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	53,435,309	40,808,319	57,892,983
19. Federal and foreign income taxes incurred	22,641,238	13,882,035	19,662,526
20. Net income (Line 18 minus Line 19) (to Line 22)	30,794,071	26,926,284	38,230,457
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year	161,434,123	160,198,039	160,198,039
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	30,794,071	26,926,284	38,230,457
23. Net unrealized capital gains or losses	(12,489,432)	(3,680,709)	1,882,763
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income taxes	5,700,514	4,357,875	(455,262)
26. Change in nonadmitted assets	(6,911,495)	(1,175,414)	1,373,036
27. Change in provision for reinsurance	94,324	93,444	146,800
28. Change in surplus notes			
29. Surplus (contributed to) withdrawn from protected cells			
30. Cumulative effect of changes in accounting principles		23,058,290	23,058,290
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			(63,000,000)
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36)	17,187,982	49,579,770	1,236,084
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	178,622,105	209,777,809	161,434,123

DETAILS OF WRITE-INS

0501. 2002 PRIVATE PASSENGER AUTO ESCROW	23,688		
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	23,688	0	0
1401. INTEREST INCOME ON INTERCOMPANY BALANCES	469,167	693,019	894,914
1402. SERVICE BUSINESS REVENUE	368,380	220,705	323,791
1403. MISCELLANEOUS INCOME	97,833	57,440	88,340
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	935,380	971,164	1,307,045
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page	0	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)	0	0	0

CASH FLOW

		1 Current Year to Date	2 Prior Year Ended December 31
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	469,413,964	472,802,917
2.	Loss and loss adjustment expenses paid (net of salvage and subrogation)	268,894,135	319,146,512
3.	Underwriting expenses paid	87,835,423	103,206,850
4.	Other underwriting income (expenses)	(23,688)	
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	112,660,718	50,449,555
6.	Net investment income	20,864,836	29,369,533
7.	Other income (expenses):		
	7.1 Agents' balances charged off	(4,408,022)	(6,025,622)
	7.2 Net funds held under reinsurance treaties		
	7.3 Net amount withheld or retained for account of others	(2,017)	1,695
	7.4 Aggregate write-ins for miscellaneous items	11,714,899	16,199,995
	7.5 Total other income (Lines 7.1 to 7.4)	7,304,860	10,176,068
8.	Dividends to policyholders on direct business, less $...............0 dividends on reinsurance assumed or ceded (net)		
9.	Federal and foreign income taxes (paid) recovered	(22,641,238)	(19,662,526)
10.	Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	118,189,176	70,332,630
	CASH FROM INVESTMENTS		
11.	Proceeds from investments sold, matured or repaid:		
	11.1 Bonds	179,706,469	279,698,052
	11.2 Stocks	26,272,286	75,043,342
	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		241,767
	11.8 Total investment proceeds (Lines 11.1 to 11.7)	205,978,755	354,983,161
12.	Cost of investments acquired (long-term only):		
	12.1 Bonds	267,961,367	301,576,480
	12.2 Stocks	32,725,325	49,901,819
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Miscellaneous applications		
	12.7 Total investments acquired (Lines 12.1 to 12.6)	300,686,692	351,478,299
13.	Net cash from investments (Line 11.8 minus Line 12.7)	(94,707,937)	3,504,862
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
14.	Cash provided:		
	14.1 Surplus notes, capital and surplus paid in		
	14.2 Capital notes $..........0 less amounts repaid $..........0		
	14.3 Net transfers from affiliates	8,169,548	
	14.4 Borrowed funds received		
	14.5 Other cash provided	720,070	1,700,782
	14.6 Total (Lines 14.1 to 14.5)	8,889,618	1,700,782
15.	Cash applied:		
	15.1 Dividends to stockholders paid		63,000,000
	15.2 Net transfers to affiliates	31,411,315	12,719,643
	15.3 Borrowed funds repaid		
	15.4 Other applications	359,250	40,334
	15.5 Total (Lines 15.1 to 15.4)	31,770,565	75,759,977
16.	Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(22,880,947)	(74,059,195)
	RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17.	Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	600,292	(221,703)
18.	Cash and short-term investments:		
	18.1 Beginning of year	382,414	604,117
	18.2 End of period (Line 17 plus Line 18.1)	982,706	382,414

DETAILS OF WRITE-INS

07.401	FINANCE & SERVICE CHARGES NOT INCLUDED IN PREMIUMS	10,819,272	14,947,807
07.402	INTEREST INCOME ON INTERCOMPANY BALANCES	469,167	894,914
07.403	SERVICE BUSINESS REVENUE	368,380	323,791
07.498	Summary of remaining write-ins for Line 7.4 from overflow page	58,080	33,483
07.499	Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above)	11,714,899	16,199,995

9. Income Taxes

A. Current Tax

The significant components of the provision for Federal income tax are as follows:

Description	2002	2001
Current income tax expense	$ 22,919,576	$ 20,530,896
Audit adjustment : 1997-98 IRS examination	--	(174,656)
Prior year underaccrual (overaccrual)	(278,338)	(693,714)
Current income taxes incurred	$ 22,641,238	$ 19,662,526

B. Operating Loss and Tax Credit Carryforwards

1) Progressive Specialty Insurance Company (the “Company”) has no operating loss or tax credit carryforwards available.

2) The amount of Federal income taxes incurred and available for recoupment by the Company in the event of future net losses is equal to approximately $22,919,576 for the current tax year and $18,659,451 for the first preceding year. The amounts that can be recouped may be subject to the alternative minimum tax rules, and therefore may be limited.

C. Consolidated Federal Income Tax Return

1) The Company’s Federal income tax return is consolidated with The Progressive Corporation (“TPC”), a publicly traded holding company incorporated in Ohio, and all of its wholly-owned United States subsidiaries as detailed in Schedule Y, Part 1.

2) The method of allocation between the companies is subject to written agreement and is jointly approved by an officer of TPC and the Company. The allocation is based upon separate tax return calculations with current credit for net losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled monthly.

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

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfer and Servicing of Financial Assets

Not applicable

C. Wash Sales

The Company had no wash sales of securities with a NAIC rating of 3 or below during the year.

32. Agents’ Balances Certification, Florida Statute 625.012 (5):

The Company reported net admitted premiums and agents’ balances in course of collection of $4,356,205 at September 30, 2002. Of this amount there were no premiums due from a controlled or controlling person.

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

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

3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] 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 [X] 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 [X]

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

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

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

If yes, attach an explanation.

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/1997.....................

7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....12/31/1997.....................

7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....01/06/2000.....................

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

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

8.2 If yes, give full information:

GENERAL INTERROGATORIES (continued)

INVESTMENT

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

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

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

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

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

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

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

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

13.2 If yes, please complete the following:

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian Address
STATE STREET	801 PENNSYLVANIA AVENUE KANSAS CITY, MO 64105

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
30107	STATE STREET GLOBAL MARKETS, LLC	225 FRANKLIN STREET BOSTON, MA 02110

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] N/A [ ]
   If yes, attach an explanation.

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

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

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	0	0	0	
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	0	0	0	0
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	0	0	0	0
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	0	0	0	0

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

NONE

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	0	0	0	
2. Cost of acquisitions during period:				
2.1 Actual cost at time of acquisitions				
2.2 Additional investment made after acquisitions				
3. Accrual of discount				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book/adjusted carrying value of long-term invested assets at end of current period	0	0	0	0
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	0	0	0	0
12. Total nonadmitted amounts				
13. Statement value of long-term invested assets at end of current period	0	0	0	0

NONE

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS								
1. Class 1	291,902,118	84,705,308	45,544,343	(1,455,731)	271,950,189	291,902,118	329,607,352	240,833,690
2. Class 2	66,531,746	10,151,136	7,000,000	(55,559)	73,602,035	66,531,746	69,627,323	81,097,950
3. Class 3	7,571,355			(891,355)		7,571,355	6,680,000	
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	366,005,219	94,856,444	52,544,343	(2,402,645)	345,552,224	366,005,219	405,914,675	321,931,640
PREFERRED STOCK								
8. Class 1	16,447,875		8,196,188	36,188	23,151,884	16,447,875	8,287,875	23,120,880
9. Class 2	10,629,127		10,629,127		10,454,122	10,629,127		10,402,391
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	27,077,002	0	18,825,315	36,188	33,606,006	27,077,002	8,287,875	33,523,271
15. Total Bonds and Preferred Stock	393,082,221	94,856,444	71,369,658	(2,366,457)	379,158,230	393,082,221	414,202,550	355,454,911

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. Totals	428,601	XXX	428,601	174	

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	278,869	99,387	641,117	
2. Cost of short-term investments acquired	87,214	20,121,317	12,150,076	1,440,947
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	266,696	19,579,587	12,362,592	1,162,078
7. Book/adjusted carrying value, current period	99,387	641,117	428,601	278,869
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	99,387	641,117	428,601	278,869
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	99,387	641,117	428,601	278,869
12. Income collected during period	2,311	2,066	5,065	51,107
13. Income earned during period	1,879	2,066	5,065	50,673

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. F
NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

		1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
	States, Etc.	Is Insurer Licensed? (Yes or No)	2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1.	Alabama AL	YES	141,870,034	132,852,012	73,839,679	72,166,777	49,691,242	40,836,351
2.	Alaska AK	YES	6,757,644	6,605,358	4,510,302	4,652,411	5,632,354	6,996,678
3.	Arizona AZ	YES		(258)	6,939	79,832	7,683	59,797
4.	Arkansas AR	YES	1,455,881	2,123,979	1,284,470	1,633,115	585,100	781,701
5.	California CA	YES	(1,037)	36	(1,747)	226		(42)
6.	Colorado CO	YES	33,509,539	30,835,651	21,738,812	24,206,987	20,410,744	19,284,966
7.	Connecticut CT	YES						
8.	Delaware DE	YES						
9.	District of Columbia DC	YES	622,621		105,604		165,290	
10.	Florida FL	YES	307	408	174,790	721,181	564,515	903,367
11.	Georgia GA	YES	(760)	46,416	11,799	11,042	933	16,615
12.	Hawaii HI	YES	2,900,174	1,679,543	924,571	418,251	994,912	390,059
13.	Idaho ID	YES						
14.	Illinois IL	YES	15,151,189	7,300,604	5,755,972	1,318,780	3,165,941	996,993
15.	Indiana IN	YES	24,421,971	62,942,181	27,802,151	27,850,251	17,606,975	14,262,479
16.	Iowa IA	YES	3,111,587	1,916,805	1,460,783	518,103	653,894	254,921
17.	Kansas KS	YES	552	540	(4,569)	(185)	92	591
18.	Kentucky KY	YES	7,653,474	10,412,701	5,660,872	5,331,362	5,186,456	4,250,101
19.	Louisiana LA	NO			9,450	27,745		27,132
20.	Maine ME	YES						
21.	Maryland MD	YES						
22.	Massachusetts MA	NO						
23.	Michigan MI	YES	15,522	18,015	282		1,335	1,080
24.	Minnesota MN	YES	46,418,062	34,716,179	19,408,234	17,528,802	15,244,519	13,529,635
25.	Mississippi MS	YES						
26.	Missouri MO	YES	10,265,479	11,570,897	6,008,049	7,919,795	3,377,740	3,748,998
27.	Montana MT	YES	4,538,135	3,434,738	1,759,882	1,944,028	1,656,464	795,539
28.	Nebraska NE	YES						
29.	Nevada NV	YES	15,763,684	17,706,526	10,647,331	10,467,165	7,552,629	10,779,641
30.	New Hampshire NH	NO						
31.	New Jersey NJ	YES						
32.	New Mexico NM	YES	7,598,317	7,719,474	4,511,656	5,851,140	3,267,661	3,158,232
33.	New York NY	YES	1,736,049	1,701,951	575,371	906,256	1,222,889	1,900,919
34.	North Carolina NC	NO						
35.	North Dakota ND	YES						
36.	Ohio OH	YES	32,029,000	4,105,356	9,736,294	537,747	7,542,305	826,092
37.	Oklahoma OK	YES	12,637,502	5,166,907	5,962,449	934,836	2,399,449	749,654
38.	Oregon OR	YES	736,500	992,323	633,563	814,581	575,606	466,617
39.	Pennsylvania PA	YES						
40.	Rhode Island RI	YES						
41.	South Carolina SC	YES	12,689,719	11,849,873	6,108,118	4,883,703	4,448,411	3,764,919
42.	South Dakota SD	YES	5,130,216	3,562,429	2,285,814	1,748,662	2,012,754	1,337,495
43.	Tennessee TN	YES	1,238	(87,669)	198,406	983,889	485,244	972,703
44.	Texas TX	YES						
45.	Utah UT	YES	4,211,788	4,921,170	2,548,704	2,886,392	1,946,074	2,204,207
46.	Vermont VT	YES	11,891,527	10,655,589	5,200,785	5,054,709	7,592,710	5,972,380
47.	Virginia VA	YES	31,413,291	24,097,398	15,931,669	10,197,957	10,532,828	6,976,694
48.	Washington WA	YES	6,765,825	6,886,147	6,120,243	6,187,451	4,415,510	4,380,358
49.	West Virginia WV	YES						
50.	Wisconsin WI	YES						
51.	Wyoming WY	NO						
52.	American Samoa AS	NO						
53.	Guam GU	NO						
54.	Puerto Rico PR	NO						
55.	US Virgin Islands VI	NO						
56.	Canada CN	NO						
57.	Aggregate Other Alien OT	XXX	0	0	0	0	0	0
58.	Totals	(a) 46	441,295,030	405,733,279	240,916,728	217,782,991	178,940,259	150,626,872

DETAILS OF WRITE-INS

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

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

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

PART 1 – ORGANIZATIONAL CHART

PETER B. LEWIS - 11.3%
THE PROGRESSIVE CORPORATION
(OH) 34-0963169

OWNERSHIP	COMPANY	STATE OF INCORPORATION	FEDERAL IDENTIFICATION NO.	NAIC GROUP AND COMPANY CODES
1	MOUNTAIN LAUREL ASSURANCE COMPANY	PA	23-2599971	155-44180
1	NATIONAL CONTINENTAL INSURANCE COMPANY	NY	06-0281045	155-10243
1	PROGRESSIVE AMERICAN INSURANCE COMPANY	FL	34-1094197	155-24252
1	BAYSIDE UNDERWRITERS INSURANCE AGENCY, INC.	FL	59-2179894	
1	PROGRESSIVE AMERICAN LIFE INSURANCE COMPANY	OH	34-1022982	155-71161
1	PROGRESSIVE LIFE INSURANCE, LTD.	CAICOS		
1	PROGRESSIVE AUTO PRO INSURANCE COMPANY	FL	59-3213815	155-10192
1	PROGRESSIVE CASUALTY INSURANCE COMPANY	OH	34-6513736	155-24260
1	PC INVESTMENT COMPANY	DE	34-1576555	
2	PROGRESSIVE COUNTY MUTUAL INSURANCE COMPANY	TX	74-1082840	155-29203
1	PROGRESSIVE GULF INSURANCE COMPANY	MS	34-1374634	155-42412
2	PROGRESSIVE HOME UNDERWRITERS INSURANCE COMPANY	TX	74-2991115	155-11085
1	PROGRESSIVE SPECIALTY INSURANCE COMPANY	OH	34-1172685	155-32786
1	PROGRESSIVE BAYSIDE INSURANCE COMPANY	FL	31-1193845	155-17350
1	PROGRESSIVE CLASSIC INSURANCE COMPANY	WI	39-1453002	155-42994
1	PROGRESSIVE CONSUMERS INSURANCE COMPANY	FL	59-3213819	155-10194
1	PROGRESSIVE EXPRESS INSURANCE COMPANY	FL	59-3213719	155-10193
1	PROGRESSIVE HALCYON INSURANCE COMPANY	OH	34-1524319	155-16322
1	PROGRESSIVE HAWAII INSURANCE CORP.	OH	99-0311930	155-10067
1	PROGRESSIVE MARATHON INSURANCE COMPANY	CA	33-0350911	155-37605
1	PROGRESSIVE MAX INSURANCE COMPANY	OH	34-0472535	155-24279
1	PROGRESSIVE MICHIGAN INSURANCE COMPANY	MI	34-1787734	155-10187
1	PROGRESSIVE MOUNTAIN INSURANCE COMPANY	CO	93-0935623	155-35190
1	PROGRESSIVE NORTHEASTERN INSURANCE COMPANY	NY	11-3096103	155-10042
1	PROGRESSIVE NORTHERN INSURANCE COMPANY	WI	34-1318335	155-38628
1	PROGRESSIVE PREMIER INSURANCE COMPANY OF ILLINOIS	IL	36-3789786	155-21735
1	PROGRESSIVE UNIVERSAL INSURANCE COMPANY OF ILLINOIS	IL	36-3789787	155-21727
1	PROGRESSIVE NORTHWESTERN INSURANCE COMPANY	WA	91-1187829	155-42919
1	PROGRESSIVE PALOVERDE INSURANCE COMPANY	AZ	86-0686869	155-44695
1	PROGRESSIVE PREFERRED INSURANCE COMPANY	OH	34-1287020	155-37834
1	PROGRESSIVE SECURITY INSURANCE COMPANY	LA	72-1269745	155-10050
1	PROGRESSIVE SOUTHEASTERN INSURANCE COMPANY	FL	59-1951700	155-38784
1	PROGRESSIVE WEST INSURANCE COMPANY	CA	95-2676519	155-27804
1	UNITED FINANCIAL CASUALTY COMPANY	MO	36-3298008	155-11770
1	PCIC CANADA HOLDINGS, LTD.	CAN		
1	3841189 CANADA, INC.	CAN		
1	1890 INSURANCE AGENCY, INC	WY	83-0322664	

Ownership: 1. Wholly owned and controlled 2. Affiliate - Controlled, not owned

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

PART 1 – ORGANIZATIONAL CHART

OWNERSHIP	COMPANY	STATE OF INCORPORATION	FEDERAL IDENTIFICATION NO.	NAIC GROUP AND COMPANY CODES
1	MIDLAND FINANCIAL GROUP, INC.	TN	62-1104818	
2	AGENTS FINANCIAL SERVICES, INC.	FL	65-0121341	
1	MIDLAND RISK SERVICES, INC.	TN	62-1346765	
1	MIDLAND RISK SERVICES-ARIZONA, INC	AZ	86-0688693	
1	PROGRESSIVE HOME INSURANCE COMPANY	OH	62-0484104	155-11851
1	SPECIALTY RISK INSURANCE COMPANY	OH	62-1444848	155-44288
1	AIRY INSURANCE CENTER, INC.	PA	23-2523368	
1	EXPRESS QUOTE SERVICES, INC.	FL	65-0288746	
1	GARDEN SUN INSURANCE SERVICES, INC.	HI	99-0311966	
1	GREENBERG FINANCIAL INSURANCE SERVICES, INC.	CA	31-1119149	
1	HUSKY SUN INSURANCE SERVICES, INC.	WA	91-1700619	
1	INSURANCE CONFIRMATION SERVICES, INC.	DE	38-2788841	
1	LAKESIDE INSURANCE AGENCY, INC.	OH	34-6521173	
1	MARYLAND AUTO INSURANCE SOLUTIONS, INC.	MD	52-1519929	
1	MOUNTAINSIDE INSURANCE AGENCY, INC.	CO	84-1080317	
1	PACIFIC MOTOR CLUB	CA	95-2706008	
1	PROGNY AGENCY, INC.	NY	11-3203413	
1	PROGRESSIVE ADJUSTING COMPANY, INC.	OH	34-1574447	
1	PROGRESSIVE AGENCY HOLDINGS CORP.	OH	31-1559175	
1	PROGRESSIVE AUTO PRO INSURANCE AGENCY, INC.	FL	58-1772717	
1	PROGRESSIVE CAPITAL MANAGEMENT CORP.	NY	13-3673368	
1	PROGRESSIVE DIRECTRAC SERVICE CORP.	TX	74-2870646	
1	PROGRESSIVE INSURANCE AGENCY, INC.	OH	34-6513737	
1	PROGRESSIVE INVESTMENT COMPANY, INC.	DE	34-1378861	
1	RRM HOLDINGS, INC.	DE	52-2066127	
1	PROGRESSIVE PREMIUM BUDGET, INC.	OH	34-6530101	
1	PROGRESSIVE RESOURCE SERVICES COMPANY	OH	34-1574448	
1	PROGRESSIVE SPECIALTY INSURANCE AGENCY, INC.	OH	34-1804869	
1	SILVER KEY INSURANCE AGENCY, INC.	NV	88-0342601	
1	THE PROGRESSIVE AGENCY, INC.	VA	54-1394194	
1	THE PROGRESSIVE INSURANCE FOUNDATION	OH	30-0013138	
1	UNITED FINANCIAL INSURANCE AGENCY, INC.	WA	91-1709749	
1	VILLAGE TRANSPORT CORP.	DE	51-0295493	
1	WILSON MILLS LAND CO.	OH	34-1324270	

Ownership: 1. Wholly owned and controlled 2. Affiliate - Controlled, not owned

PART 1 - LOSS EXPERIENCE

	Current Year to Date			4
Lines of Business	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	Prior Year to Date Direct Loss Percentage
1. Fire			0.0	
2. Allied lines			0.0	
3. Farmowners multiple peril			0.0	
4. Homeowners multiple peril			0.0	
5. Commercial multiple peril			0.0	
6. Mortgage guaranty			0.0	
8. Ocean marine			0.0	
9. Inland marine	2,587,304	1,518,540	58.7	57.8
10. Financial guaranty			0.0	
11.1. Medical malpractice-occurrence			0.0	
11.2. Medical malpractice-claims made			0.0	
12. Earthquake			0.0	
13. Group accident and health			0.0	
14. Credit accident and health			0.0	
15. Other accident and health			0.0	
16. Workers' compensation			0.0	
17.1 Other liability-occurrence	1,218,307	191,604	15.7	13.8
17.2 Other liability-claims made			0.0	
18.1 Products liability-occurrence			0.0	
18.2 Products liability-claims made			0.0	
19.1, 19.2 Private passenger auto liability	248,300,157	157,422,249	63.4	60.8
19.3, 19.4 Commercial auto liability	17,969,702	11,556,419	64.3	68.7
21. Auto physical damage	173,479,128	94,316,616	54.4	57.3
22. Aircraft (all perils)			0.0	
23. Fidelity			0.0	
24. Surety			0.0	
26. Burglary and theft			0.0	
27. Boiler and machinery			0.0	
28. Credit			0.0	
29. International			0.0	
30. Reinsurance-nonproportional assumed property	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	0.0	0.0
34. Totals	443,554,598	265,005,428	59.7	59.6
DETAILS OF WRITE-INS				
3301.			0.0	
3302.			0.0	
3303.			0.0	
3398. Sum. of remaining write-ins for Line 33 from overflow page	0	0	0.0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	1,184,623	3,556,665	2,749,498
10. Financial guaranty			
11.1. Medical malpractice-occurrence			
11.2. Medical malpractice-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1. Other liability-occurrence	591,148	1,717,284	1,284,242
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	79,865,242	245,578,419	227,483,571
19.3, 19.4 Commercial auto liability	6,649,943	20,087,857	14,920,291
21. Auto physical damage	55,059,313	170,354,804	159,295,677
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Reinsurance-nonproportional assumed property	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	0
34. Totals	143,350,269	441,295,029	405,733,279
DETAILS OF WRITE-INS			
3301.			
3302.			
3303.			
3398. Sum. of remaining write-ins for Line 33 from overflow page	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33)	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	4 2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2002 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (b) (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserves Developed (Savings)/Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior	28,208	6,401	34,609	12,940	1,235	14,175	14,809	2,794	3,434	21,037	(459)	1,062	603
2. 2000	38,851	9,176	48,027	18,424	982	19,406	20,934	4,098	5,247	30,279	507	1,151	1,658
3. Subtotals 2000 + Prior	67,059	15,577	82,636	31,364	2,217	33,581	35,743	6,892	8,681	51,316	48	2,213	2,261
4. 2001	88,269	28,608	116,877	44,014	8,884	52,898	38,250	9,561	13,421	61,232	(6,005)	3,258	(2,747)
5. Subtotals 2001 + Prior	155,328	44,185	199,513	75,378	11,101	86,479	73,993	16,453	22,102	112,548	(5,957)	5,471	(486)
6. 2002	XXX	XXX	XXX	XXX	182,726	182,726	XXX	83,201	28,756	111,957	XXX	XXX	XXX
7. Totals	155,328	44,185	199,513	75,378	193,827	269,205	73,993	99,654	50,858	224,505	(5,957)	5,471	(486)
8. Prior Year-End's Surplus As Regards Policyholders	161,434										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. (3.8)%	2. 12.4 %	3. (0.2)%
													Col. 13, Line 7 Line 8
													4. (0.3)%

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

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

EXPLANATIONS:

BAR CODE:

* 3 2 7 8 6 2 0 0 2 4 9 0 0 0 0 0 3 *

* 3 2 7 8 6 2 0 0 2 4 5 0 0 0 0 0 3 *

Overflow Page for Write-Ins

Additional Write-ins for Cash Flow:

	1 Current Year to Date	2 Prior Year Ended December 31
07.404 MISCELLANEOUS INCOME	97,833	88,340
07.405 EQUITY IN POOLS AND ASSOCIATIONS	(39,753)	(54,857)
07.497 Summary of remaining write-ins for Line 7.4 from Cash Flow	58,080	33,483

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
Bonds - U.S. Government								
31359M-NP-4	FANNIE MAE 4.250% 07/15/07	07/31/2002	Goldman Sachs		25,279,500	25,000,000	26,563	1
0399999.	Total - Bonds - U.S. Government				25,279,500	25,000,000	26,563	XXX
Bonds - States, Territories and Possessions								
New Jersey								
646039-AV-9	NEW JERSEY ST 5.250% 07/01/14	07/31/2002	JP Morgan Securities		5,532,200	5,000,000	24,792	1PE
	New Jersey				5,532,200	5,000,000	24,792	XXX
	United States				5,532,200	5,000,000	24,792	XXX
1799999.	Total - Bonds - States, Territories & Possessions				5,532,200	5,000,000	24,792	XXX
Bonds - Special Revenue and Special Assessment								
New Jersey								
646135-XP-3	NEW JERSEY ST TRANSN TR 5.750% 12/15/14	07/31/2002	JP Morgan Securities		5,782,950	5,000,000	39,931	1PE
	New Jersey				5,782,950	5,000,000	39,931	XXX
	United States				5,782,950	5,000,000	39,931	XXX
3199999.	Total - Bonds - Special Revenue & Special Assessments				5,782,950	5,000,000	39,931	XXX
Bonds - Industrial and Miscellaneous								
United States								
097014-AG-9	BOEING CAPITAL CORP 6.500% 02/15/12	09/24/2002	Various		1,699,212	1,600,000	11,917	1PE
17305E-AG-0	CCCIT 2000-A3 A3 6.875% 11/16/09	07/31/2002	Lehman Brothers		11,143,750	10,000,000	152,778	1PE
22541L-AD-5	CREDIT SUISSE FB USA IN 5.750% 04/15/07	08/20/2002	CSFBdirect		8,338,480	8,000,000	172,500	1PE
233835-AB-3	DAIMLERCHRYSLER NA HLDG 6.900% 09/01/04	09/01/2002	Casualty		10,151,136	9,600,000		2
617446-HC-6	MORGAN STANLEY 6.600% 04/01/12	09/16/2002	Morgan Stanley		9,723,240	9,000,000	273,900	1PE
	United States				41,055,818	38,200,000	611,095	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				41,055,818	38,200,000	611,095	XXX
6099997.	Total - Bonds - Part 3				77,650,468	73,200,000	702,381	XXX
6099998.	Total - Bonds - Summary Item for Bonds Bought and Sold This Quarter				5,055,900	5,000,000	5,313	XXX
6099999.	Total - Bonds				82,706,368	78,200,000	707,694	XXX
Common Stocks - Public Utilities								
United States								
69331C-10-8	PG&E CORP	09/10/2002	State Street Bank	67,700.000	835,973			L
	United States				835,973	XXX	0	XXX
6699999.	Total - Common Stocks - Public Utilities				835,973	XXX	0	XXX
Common Stocks - Banks, Trust and Insurance Companies								
United States								
14057C-10-6	CAPITOL FEDERAL FINANCI	07/22/2002	State Street Bank	17,000.000	431,195			L
89420G-10-9	TRAVELERS PROPERTY CASU	08/20/2002	Spin Off	432.000	8,834			L
89420G-40-6	TRAVELERS PROPERTY CASU	08/20/2002	Spin Off	887.000	19,600			L
902973-30-4	US BANCORP	09/10/2002	State Street Bank	74,000.000	1,556,463			L
929903-10-2	WACHOVIA CORP	09/10/2002	State Street Bank	34,400.000	1,242,895			L
	United States				3,258,987	XXX	0	XXX
6799999.	Total - Common Stocks - Banks, Trust & Ins. Cos				3,258,987	XXX	0	XXX
Common Stocks - Industrial and Miscellaneous								
United States								
200300-20-0	COMCAST CORP SPECIAL CL	09/10/2002	State Street Bank	23,100.000	549,213			L
203668-10-8	COMMUNITY HEALTH SYSTEM	07/22/2002	State Street Bank	6,500.000	143,272			L
20825C-10-4	CONOCOPHILLIPS	09/03/2002	Tax Free Exchange	1,403.000	90,672			L
518439-10-4	ESTEE LAUDER COMPANIES	09/10/2002	State Street Bank	25,900.000	829,914			L
583334-10-7	MEADWESTVACO CORP	09/10/2002	State Street Bank	28,600.000	654,053			L
651639-10-6	NEWMONT MINING CORP HLD	09/10/2002	State Street Bank	19,800.000	569,104			L
71713U-10-2	PHARMACIA CORPORATION	09/10/2002	State Street Bank	32,400.000	1,335,001			L
778296-10-3	ROSS STORES INC	09/10/2002	State Street Bank	20,600.000	821,913			L
779273-10-1	ROUSE CO	09/10/2002	State Street Bank	25,200.000	804,225			L
78387G-10-3	SBC COMMUNICATIONS INC	09/10/2002	State Street Bank	40,000.000	992,464			L

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)
790849-10-3	ST JUDE MEDICAL INC	09/10/2002	State Street Bank	21,200.000	818,430			L
867363-10-3	SUNGARD DATA SYSTEMS IN	09/10/2002	State Street Bank	33,800.000	798,691			L
	United States				8,406,952	XXX	0	XXX
6899999.	Total - Common Stocks - Industrial & Miscellaneous				8,406,952	XXX	0	XXX
7099997.	Total - Common Stocks - Part 3				12,501,912	XXX	0	XXX
7099998.	Total - Common Stocks - Summary Item for Common Stocks Bought and Sold This Quarter				22	XXX		XXX
7099999.	Total - Common Stocks				12,501,934	XXX	0	XXX
7199999.	Total - Preferred and Common Stocks				12,501,934	XXX	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				95,208,302	XXX	707,694	XXX

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

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value At Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designation (a)
Bonds - U.S. Government																
912827-6J-6	US TREASURY NOTE 5.750% 08/15/10	09/20/2002	Goldman Sachs		459,125	400,000	421,250	418,368	(433)			40,757	40,757	13,938		1
912827-7F-3	US TREASURY NOTE 3.500% 11/15/06	09/09/2002	Goldman Sachs		1,025,234	1,000,000	963,281	965,939	1,418			59,295	59,295	11,223		1
0399999.	Total - Bonds - U.S. Government				1,484,359	1,400,000	1,384,531	1,384,307	985	0	0	100,052	100,052	25,161	0	XXX
Bonds - Political Subdivisions of States																
New York																
649785-A@-1	NEW YORK ST OFFICE OF T 5.150% 07/01/02	07/01/2002	Maturity		2,622,316	2,622,316	2,839,629	2,622,316					0	11,206		1
649785-B@-0	NEW YORK ST OFFICE OF T 5.250% 07/01/02	07/01/2002	Maturity		2,825,309	2,825,309	2,994,604	2,825,309					0	12,307		1
	New York				5,447,625	5,447,625	5,834,233	5,447,625	0	0	0	0	0	23,513	0	XXX
	United States				5,447,625	5,447,625	5,834,233	5,447,625	0	0	0	0	0	23,513	0	XXX
2499999.	Total - Bonds - Political Subdivisions				5,447,625	5,447,625	5,834,233	5,447,625	0	0	0	0	0	23,513	0	XXX
Bonds - Special Revenue and Special Assessment																
California																
13033E-KG-7	CALIFORNIA HSG FIN AGY 5.650% 08/01/25	08/01/2002	Call 100.0000		505,000	505,000	505,000	505,000					0	14,266		1PE
13033E-T5-2	CALIFORNIA HSG FIN AGY 4.550% 02/01/27	08/01/2002	Call 100.0000		45,000	45,000	45,000	45,000					0	1,024		1PE
	California				550,000	550,000	550,000	550,000	0	0	0	0	0	15,290	0	XXX
Florida																
340736-JN-8	FLORIDA HSG FIN AGY 5.625% 07/01/20	07/01/2002	Call 100.0000		105,000	105,000	105,000	105,000					0	2,953		1PE
	Florida				105,000	105,000	105,000	105,000	0	0	0	0	0	2,953	0	XXX
Kentucky																
491308-4R-0	KENTUCKY HSG CORP HSG R 4.850% 07/01/2	07/01/2002	Call 100.0000		275,000	275,000	275,000	275,000					0	6,669		1PE
	Kentucky				275,000	275,000	275,000	275,000	0	0	0	0	0	6,669	0	XXX
New York																
649836-BW-2	NEW YORK ST DORM AUTH R 5.500% 08/01/14	08/01/2002	Call 100.0000		355,000	355,000	348,947	355,000	969				0	9,763		1PE
	New York				355,000	355,000	348,947	355,000	969	0	0	0	0	9,763	0	XXX
Ohio																
676901-ZV-6	OHIO HSG FIN AGY MTG RE 5.300% 09/01/26	09/01/2002	Call 100.0000		410,000	410,000	410,000	410,000					0	10,865		1PE
	Ohio				410,000	410,000	410,000	410,000	0	0	0	0	0	10,865	0	XXX
South Dakota																
83755G-BU-0	SOUTH DAKOTA HSG DEV AU 5.375% 05/01/19	07/25/2002	Call 100.0000		480,000	480,000	480,000	480,000					0	6,020		1PE
	South Dakota				480,000	480,000	480,000	480,000	0	0	0	0	0	6,020	0	XXX
Wisconsin																
976900-6C-9	WISCONSIN HSG & ECONOMI 6.100% 07/01/24	07/01/2002	Call 100.0000		240,000	240,000	240,000	240,000					0	7,320		1PE
	Wisconsin				240,000	240,000	240,000	240,000	0	0	0	0	0	7,320	0	XXX
	United States				2,415,000	2,415,000	2,408,947	2,415,000	969	0	0	0	0	58,880	0	XXX
3199999.	Total - Bonds - Special Revenue & Assessment				2,415,000	2,415,000	2,408,947	2,415,000	969	0	0	0	0	58,880	0	XXX
Bonds - Industrial and Miscellaneous																
United States																
008098-AE-5	ACMT 1995-C5 D 7.100% 12/01/30	09/01/2002	Paydown		135,871	135,871	135,790	135,871	461				0	1,610		1
161505-AA-0	CCMSC 1996-1 A1 7.600% 07/01/28	09/01/2002	Paydown		678,290	678,290	704,679	678,290	(4,780)				0	28,884		1
22540V-G6-3	CSFB 2002-9 1A1 7.000% 03/25/32	09/01/2002	Paydown		253,261	253,261	256,783	253,261	(3,448)				0	3,076		1PE
244217-BG-9	JOHN DEERE CAPITAL CORP 7.000% 03/15/12	09/16/2002	Union Bank of Switzerland		7,984,410	7,000,000	6,952,680	6,954,079	1,540			1,030,331	1,030,331	240,917		1PE
3133TR-SG-1	FHR 2297 AB 6.000% 11/15/28	09/01/2002	Paydown		580,306	580,306	583,774	580,306	(3,314)				0	6,285		1
313921-6F-0	FNW 2001-W3 A 7.000% 09/01/41	09/01/2002	Paydown		382,125	382,125	399,798	382,125	(16,988)				0	4,339		1PE
31392B-QU-3	FNR 2001-81 AB 6.000% 02/25/28	09/01/2002	Paydown		321,868	321,868	322,421	321,868	(474)				0	3,651		1
31392C-MS-0	FNW 2002-W1 2A 7.500% 02/25/42	09/01/2002	Paydown		116,196	116,196	122,115	116,196	(5,888)				0	1,474		1PE
32051D-GH-9	FHASI 2001-5 A1 6.750% 08/01/31	09/01/2002	Paydown		1,874,492	1,874,492	1,914,325	1,874,492	(36,150)				0	23,525		1PE
33736X-BN-8	FUNBC 2000-C2 IO 1.460% 10/01/32	09/01/2002	Paydown				7,742		(6,829)				0	211		1PE
33736X-CR-8	FUNBC 2001-C2 IO 1.224% 01/01/43	09/01/2002	Paydown				2,395		(2,229)				0	68		1
339083-AE-7	FCCGT 1997-A A 6.640% 09/01/12	09/01/2002	Paydown		72,938	72,938	72,915	72,938	104				0	860		1PE
393505-QX-3	GT 1996-9 A5 7.200% 01/15/28	09/15/2002	Paydown		749,437	749,437	767,968	749,437	(2,473)				0	8,889		1PE

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value At Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designation (a)
52108H-BZ-6	LBUBS 2000-C4 X IO 1.266% 07/11/32	09/11/2002	Paydown				7,441		(6,515)				0	196		1PE
589929-KN-7	MLMI 1995-C2 A1 6.996% 06/01/21	09/01/2002	Paydown		107,911	107,911	109,546	107,911	82				0	1,230		1
589929-MK-1	MLMI 1996-C2 IO 1.899% 11/01/28	09/01/2002	Paydown				704,238		(484,844)				0	19,970		1PE
597706-AJ-9	MIDL 1996-C1 AEC IO 1.201% 08/01/28	09/01/2002	Paydown				158,409		(71,642)				0	6,306		1PE
617059-CE-8	JPMC 1997-C4 X IO 1.275% 12/01/28	09/01/2002	Paydown				17,909		(8,828)				0	477		1
61745M-GG-2	MSC 1998-XL1 A1 6.220% 06/01/30	09/01/2002	Paydown		470,591	470,591	473,975	470,591	(2,790)				0	3,455		1
61745M-KF-9	MSC 1999-WF1 A1 5.910% 11/01/31	09/01/2002	Paydown		43,493	43,493	43,716	43,493	(93)				0	485		1
61746W-CX-6	MSDWC 2000-PRIN A2 7.180% 02/01/34	09/01/2002	Paydown		88,407	88,407	88,415	88,407	65				0	1,060		1PE
61746W-GM-6	MSDWC 2001-PGMA A1 6.269% 03/07/16	09/07/2002	Paydown		41,548	41,548	41,558	41,548	(6)				0	413		1
62625P-AD-1	KOCH FINANCIAL TRUST 4.350% 03/06/06	09/01/2002	Redemption 100.0000		844,431	844,431	844,431	844,431					0	9,746		1PE
638925-AD-9	NCGT 1997-2 A2 6.250% 11/15/13	09/15/2002	Paydown		116,539	116,539	116,484	116,539	34				0	1,184		1PE
74438U-AC-4	PMCC2 2000-C1 X IO 0.725% 10/01/15	09/01/2002	Paydown				1,904		(1,686)				0	49		1PE
749930-AR-4	RMF PASS-THROUGH 1997-1 2.065% 01/01/19	09/01/2002	Paydown				209,423		(176,832)				0	7,239		1PE
755111-AD-3	RAYTHEON COMPANY 6.450% 08/15/02	08/15/2002	Maturity		7,000,000	7,000,000	6,922,720	7,000,000	4,933				0	225,750		2
79548C-AR-7	SBM7 2000-C3 X IO 1.698% 12/01/33	09/01/2002	Paydown				10,230		(9,021)				0	287		1
83081X-AA-3	SKY 2002-A A1 5.398% 07/16/18	09/15/2002	Paydown		45,863	45,863	45,863	45,863					0	491		1PE
	United States				21,907,977	20,923,567	22,039,647	20,877,646	(837,611)	0	0	1,030,331	1,030,331	602,127	0	XXX
Foreign																
835699-AA-7	SONY CORPORATION 6.125% 03/04/03	08/21/2002	Bank of America Corp.		5,108,400	5,000,000	5,020,250	5,002,538	(335)			105,862	105,862	146,319		1PE
	Foreign				5,108,400	5,000,000	5,020,250	5,002,538	(335)	0	0	105,862	105,862	146,319	0	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				27,016,377	25,923,567	27,059,897	25,880,184	(837,946)	0	0	1,136,193	1,136,193	748,446	0	XXX
6099997.	Total - Bonds - Part 4				36,363,361	35,186,192	36,687,608	35,127,116	(835,992)	0	0	1,236,245	1,236,245	856,000	0	XXX
6099998.	Total - Bonds - Summary Item for Bonds Bought and Sold This Quarter				5,160,550	5,000,000	5,055,900	5,054,636	(1,264)			105,914	105,914	28,333		XXX
6099999.	Total - Bonds				41,523,911	40,186,192	41,743,508	40,181,752	(837,256)	0	0	1,342,159	1,342,159	884,333	0	XXX
Preferred Stocks - Banks, Trust and Insurance Companies																
United States																
52519P-24-0	ZURICH CAPITAL MARKETS	07/02/2002	Lehman Brothers	80.000	8,196,680		8,000,000	8,196,188	(160,000)			196,680	196,680			P1U
	United States				8,196,680	0	8,000,000	8,196,188	(160,000)	0	0	196,680	196,680	0	0	XXX
6299999.	Total - Preferred Stocks - Banks, Trust & Insurance Companies				8,196,680	0	8,000,000	8,196,188	(160,000)	0	0	196,680	196,680	0	0	XXX
Preferred Stocks - Industrial and Miscellaneous																
United States																
873168-40-5	TXU CORPORATION SERIES	09/01/2002	Casualty	100.000	10,802,100		10,000,000	10,629,127	(629,127)			802,100	802,100			P2U
	United States				10,802,100	0	10,000,000	10,629,127	(629,127)	0	0	802,100	802,100	0	0	XXX
6399999.	Total - Preferred Stocks - Industrial & Miscellaneous				10,802,100	0	10,000,000	10,629,127	(629,127)	0	0	802,100	802,100	0	0	XXX
6599997.	Total - Preferred Stocks - Part 4				18,998,780	0	18,000,000	18,825,315	(789,127)	0	0	998,780	998,780	0	0	XXX
6599999.	Total - Preferred Stocks				18,998,780	0	18,000,000	18,825,315	(789,127)	0	0	998,780	998,780	0	0	XXX
Common Stocks - Banks, Trust and Insurance Companies																
United States																
172967-10-1	CITIGROUP INC.	08/20/2002	Spin Off		28,450		28,450	22,305	6,418				0			L
	United States				28,450	XXX	28,450	22,305	6,418	0	0	0	0	0	0	XXX
6799999.	Total - Common Stocks - Banks, Trust & Insurance Companies				28,450	XXX	28,450	22,305	6,418	0	0	0	0	0	0	XXX
Common Stocks - Industrial and Miscellaneous																
United States																
208251-50-4	CONOCO INC.	09/03/2002	Tax Free Exchange	3,000.000	90,678		90,678	83,400	7,278				0		570	L
	United States				90,678	XXX	90,678	83,400	7,278	0	0	0	0	0	570	XXX
6899999.	Total - Common Stocks - Industrial & Miscellaneous				90,678	XXX	90,678	83,400	7,278	0	0	0	0	0	570	XXX
7099997.	Total - Common Stocks - Part 4				119,128	XXX	119,128	105,705	13,696	0	0	0	0	0	570	XXX
7099998.	Total - Common Stocks - Summary Item for Common Stocks Bought and Sold This Quarter				16	XXX	22	21				(6)	(6)			XXX
7099999.	Total - Common Stocks				119,144	XXX	119,150	105,726	13,696	0	0	(6)	(6)	0	570	XXX
7199999.	Total - Preferred and Common Stocks				19,117,924	XXX	18,119,150	18,931,041	(775,431)	0	0	998,774	998,774	0	570	XXX

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value At Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designation (a)
7299999.	Total - Bonds, Preferred and Common Stocks				60,641,835	........XXX.........	59,862,658	59,112,793	..(1,612,687)	0	0	...2,340,933	2,340,933	884,333	570	......XXX...

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

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	Book Balance at End of Each Month During Current Quarter			8
			Amount of	Amount of	5	6	7	
		Rate	Interest	Interest Accrued				
		of	Received During	at Current				
Depository		Interest	Current Quarter	Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
BRANCH BANK & TRUST.....................................	WILSON, NC..	........1.780	400	....	99,000	99,000	99,000	......
NATIONAL CITY BANK..	CLEVELAND, OH...................................	....	....	....	....	450,001	450,560	......
....	....	....	....	....	....	....	....	......
CASH EQUIVALENTS:..	....	....	....	....	....	....	....	......
GENERAL ELECTRIC CAP....................................	NEW YORK , NY...................................	........1.870	156	....	....	....	....	......
RABOBANK...	NEW YORK, NY....................................	VAR...........	21,164	....	....	...30,600,000	....	......
0199998. Deposits in.....1 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories................................		......XXX.....	....	....	4,545	4,545	4,545	......
0199999. Total Open Depositories...		......XXX.....	21,720	0	103,545	...31,153,546	554,105	XXX
0399999. Total Cash on Deposit...		......XXX.....	21,720	0	103,545	...31,153,546	554,105	XXX
0599999. Total Cash..		......XXX.....	21,720	0	103,545	...31,153,546	554,105	XXX

Overflow Page for Write-Ins

Overflow Page for Write-Ins