PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

4428820022010010103

QUARTERLY STATEMENT

As of September 30, 2002
of the Condition and Affairs of the

SPECIALTY RISK INSURANCE COMPANY

NAIC Group Code..... 155, 155 (Current Period) (Prior Period) NAIC Company Code..... 44288 Employer's ID Number..... 62-1444848

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

Country of Domicile US

Incorporated..... September 17, 1990 Commenced Business..... November 30, 1990

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	440-461-5000
	(Street and Number) *(City or Town, State and Zip Code)*	*(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	440-461-5000
	(Street and Number) *(City or Town, State and Zip Code)*	*(Area Code) (Telephone Number)*
Internet Website Address	PROGRESSIVE.COM	
Statement Contact	ROBERT WILLIAM HEIN	440-395-4460
	(Name)	*(Area Code) (Telephone Number) (Extension)*
	Financial_Reporting@Progressive.com	440-446-7168
	(E-Mail Address)	*(Fax Number)*
Policyowner Relations Contact	6300 WILSON MILLS ROAD, E61 ..... MAYFIELD VILLAGE ..... OH 44134-2182	
	(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 ..... CHARLES CLIFFORD BOUCHERLE Treasurer ..... STEPHEN DAVID PETERSON Secretary ..... DANE ALLEN SHRALLOW

VICE PRESIDENTS

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

DIRECTORS OR TRUSTEES

CHARLES CLIFFORD BOUCHERLE WILLIAM THOMAS FORRESTER, II CHARLES ELWOOD JARRETT # 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)
CHARLES CLIFFORD BOUCHERLE	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 Novmeber, 2002

.....

ASSETS

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
1. Bonds	20,770,731		20,770,731	15,543,692
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
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 $.....0 encumbrances)			0	
5. Cash ($.....270,000) and short-term investments ($.....0)	270,000		270,000	691,814
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)	21,040,731	0	21,040,731	16,235,506
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	1,238,911	49,477	1,189,434	764,892
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)	10,629,325		10,629,325	2,036,729
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			0	
15. Federal and foreign income tax recoverable and interest thereon (including $.....1,836,808 net deferred tax asset)	1,893,107	56,299	1,836,808	399,872
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	308,220		308,220	96,888
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Receivable from parent, subsidiaries and affiliates	10,611,776		10,611,776	2,070,033
21. Amounts due from/to protected cells			0	
22. Equities and deposits in pools and associations			0	
23. Amounts receivable relating to uninsured accident and health plans			0	
24. Other assets nonadmitted			0	
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding protected cell assets (Lines 9 through 25)	45,722,070	105,776	45,616,294	21,603,920
27. Protected cell assets			0	
28. TOTALS (Lines 26 and 27)	45,722,070	105,776	45,616,294	21,603,920

DETAILS OF WRITE-INS

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.			0	
2502.			0	
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)	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31, Prior Year
1.	Losses (current accident year $.....5,021,000)	5,663,246	1,874,339
2.	Reinsurance payable on paid losses and loss adjustment expenses		
3.	Loss adjustment expenses	1,375,520	432,948
4.	Commissions payable, contingent commissions and other similar charges	18,943	7,444
5.	Other expenses (excluding taxes, licenses and fees)	8,265	18,456
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	511,470	7,520
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 $.....5,812 and including warranty reserves of $.....0)	23,326,492	3,543,976
10.	Advance premium	377,126	72,981
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	2,048	
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others		
15.	Remittances and items not allocated		
16.	Provision for reinsurance		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding	1,224,323	326,622
19.	Payable to parent, subsidiaries and affiliates	146,575	
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	0	0
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	32,654,008	6,284,286
25.	Protected cell liabilities		
26.	Total liabilities (Lines 24 and 25)	32,654,008	6,284,286
27.	Aggregate write-ins for special surplus funds	0	0
28.	Common capital stock	2,650,000	2,650,000
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	4,055,228	4,055,228
33.	Unassigned funds (surplus)	6,257,058	8,614,406
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)	12,962,286	15,319,634
36.	TOTALS	45,616,294	21,603,920

DETAILS OF WRITE-INS

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

STATEMENT OF INCOME

	1 Current Year to Date	2 Previous Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written $.....42,644,388)	22,856,059	11,558,968	16,141,925
1.2 Assumed..... (written $.....0)			
1.3 Ceded..... (written $.....6,894)	1,082		
1.4 Net..... (written $.....42,637,494)	22,854,977	11,558,968	16,141,925
DEDUCTIONS:			
2. Losses incurred (current accident year $.....12,660,000):			
2.1 Direct	12,522,917	5,749,864	7,789,887
2.2 Assumed			
2.3 Ceded		(123,126)	(329,756)
2.4 Net	12,522,917	5,872,990	8,119,643
3. Loss expenses incurred	3,037,343	975,667	1,553,751
4. Other underwriting expenses incurred	12,274,900	3,866,049	5,115,405
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	27,835,160	10,714,706	14,788,799
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(4,980,183)	844,262	1,353,126
INVESTMENT INCOME			
9. Net investment income earned	625,064	561,143	720,636
10. Net realized capital gains (losses)	148,599	30,875	39,865
11. Net investment gain (loss) (Lines 9 + 10)	773,663	592,018	760,501
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....7,784 amount charged off $.....147,797)	(140,013)	(37,129)	(73,708)
13. Finance and service charges not included in premiums	496,043	205,825	290,721
14. Aggregate write-ins for miscellaneous income	0	13,839	13,838
15. Total other income (Lines 12 through 14)	356,030	182,535	230,851
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	(3,850,490)	1,618,815	2,344,478
17. Dividends to policyholders			
18. Net income after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	(3,850,490)	1,618,815	2,344,478
19. Federal and foreign income taxes incurred	103,492	510,696	761,186
20. Net income (Line 18 minus Line 19) (to Line 22)	(3,953,982)	1,108,119	1,583,292
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 previous year	15,319,634	13,071,641	13,071,641
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	(3,953,982)	1,108,119	1,583,292
23. Net unrealized capital gains or losses		(10,632)	(6,910)
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income taxes	1,493,234	186,061	(4,556)
26. Change in nonadmitted assets	103,400	(1,585,870)	204,277
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		471,890	471,890
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	0	0	0
37. Change in surplus as regards policyholders (Lines 22 through 36)	(2,357,348)	169,568	2,247,993
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	12,962,286	13,241,209	15,319,634
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0
1401. GAIN ON REINSURANCE COMMUTATION		13,839	13,838
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	13,839	13,838
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	33,572,339	16,785,571
2.	Loss and loss adjustment expenses paid (net of salvage and subrogation)	9,931,080	7,942,820
3.	Underwriting expenses paid	11,769,642	5,202,875
4.	Other underwriting income (expenses)		
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	11,871,617	3,639,876
6.	Net investment income	490,547	775,331
7.	Other income (expenses):		
	7.1 Agents' balances charged off	(93,858)	(59,544)
	7.2 Net funds held under reinsurance treaties		
	7.3 Net amount withheld or retained for account of others		
	7.4 Aggregate write-ins for miscellaneous items	496,043	304,559
	7.5 Total other income (Lines 7.1 to 7.4)	402,185	245,015
8.	Dividends to policyholders on direct business, less $.....0 dividends on reinsurance assumed or ceded (net)		
9.	Federal and foreign income taxes (paid) recovered	(103,493)	(761,186)
10.	Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	12,660,856	3,899,036
	CASH FROM INVESTMENTS		
11.	Proceeds from investments sold, matured or repaid:		
	11.1 Bonds	11,786,723	6,406,050
	11.2 Stocks		500,000
	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)	11,786,723	6,906,050
12.	Cost of investments acquired (long-term only):		
	12.1 Bonds	16,941,977	14,950,361
	12.2 Stocks		
	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)	16,941,977	14,950,361
13.	Net cash from investments (Line 11.8 minus Line 12.7)	(5,155,254)	(8,044,311)
	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	146,575	
	14.4 Borrowed funds received		
	14.5 Other cash provided	467,752	261,547
	14.6 Total (Lines 14.1 to 14.5)	614,327	261,547
15.	Cash applied:		
	15.1 Dividends to stockholders paid		
	15.2 Net transfers to affiliates	8,541,743	2,082,054
	15.3 Borrowed funds repaid		
	15.4 Other applications		
	15.5 Total (Lines 15.1 to 15.4)	8,541,743	2,082,054
16.	Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(7,927,416)	(1,820,507)
	RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17.	Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	(421,814)	(5,965,782)
18.	Cash and short-term investments:		
	18.1 Beginning of year	691,814	6,657,596
	18.2 End of period (Line 17 plus Line 18.1)	270,000	691,814

DETAILS OF WRITE-INS

07.401	FINANCE AND SERVICE CHARGES NOT INCLUDED IN PREMIUMS	496,043	290,721
07.402	GAIN ON REINSURANCE COMMUTATION		13,838
07.403			
07.498	Summary of remaining write-ins for Line 7.4 from overflow page	0	0
07.499	Total (Lines 7.401 to 7.403 plus 7.498) (Line 7.4 above)	496,043	304,559

NOTES TO FINANCIAL STATEMENTS

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	$ 104,617	$ 867,435
Prior year underaccrual (overaccrual)	(1,125)	(106,249)
Current income taxes incurred	$ 103,492	$ 761,186

B. Operating Loss and Tax Credit Carryforwards

1) Specialty Risk 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 $104,617 for the current tax year and $830,930 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.

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. .....12/31/1998.....

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. .....12/31/1998.....

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). .....06/21/2001.....

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

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
THE BANK OF NEW YORK	ONE WALL STREET, 14TH FLOOR NEW YORK, NY 10286

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

GENERAL INTERROGATORIES (continued)

PART 2
PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

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

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	0	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	18,224,945	3,016,877	1,271,823	800,732	8,986,022	18,224,945	20,770,731	15,132,217
2. Class 2	833,288			(833,288)	833,288	833,288		833,288
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	19,058,233	3,016,877	1,271,823	(32,556)	9,819,310	19,058,233	20,770,731	15,965,505
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	19,058,233	3,016,877	1,271,823	(32,556)	9,819,310	19,058,233	20,770,731	15,965,505

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

NONE

	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		XXX			

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	421,814	312,937	(0)	6,538,813
2. Cost of short-term investments acquired	499,242	815,763		50,856,117
3. Increase (decrease) by adjustment				69,784
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	608,119	1,128,701		57,042,900
7. Book/adjusted carrying value, current period	312,937	(0)	(0)	421,814
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	312,937	(0)	(0)	421,814
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	312,937	(0)	(0)	421,814
12. Income collected during period	2,455	898	(631)	183,355
13. Income earned during period	1,446	898	(631)	146,018

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

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written 2 Current Year to Date	Direct Premiums Written 3 Prior Year to Date	Direct Losses Paid (Deducting Salvage) 4 Current Year to Date	Direct Losses Paid (Deducting Salvage) 5 Prior Year to Date	Direct Losses Unpaid 6 Current Year to Date	Direct Losses Unpaid 7 Prior Year to Date
1. Alabama AL	S/L			1,098	(11,404)		
2. Alaska AK	NO						
3. Arizona AZ	NO						
4. Arkansas AR	NO						
5. California CA	YES	26,247,934	4,281	2,231,768	29,038	2,789,980	12,484
6. Colorado CO	NO						
7. Connecticut CT	NO						
8. Delaware DE	NO						
9. District of Columbia DC	YES						
10. Florida FL	S/L						
11. Georgia GA	YES		96	24,500	58,182	1,489	48,773
12. Hawaii HI	NO						
13. Idaho ID	NO						
14. Illinois IL	S/L	195,001	222,497	53,420	72,855	13,368	13,634
15. Indiana IN	NO						
16. Iowa IA	NO						
17. Kansas KS	YES						
18. Kentucky KY	NO						
19. Louisiana LA	YES						57
20. Maine ME	NO						
21. Maryland MD	NO						
22. Massachusetts MA	NO						
23. Michigan MI	NO						
24. Minnesota MN	NO						
25. Mississippi MS	S/L						
26. Missouri MO	NO						
27. Montana MT	NO						
28. Nebraska NE	NO						
29. Nevada NV	NO						
30. New Hampshire NH	NO						
31. New Jersey NJ	NO						
32. New Mexico NM	NO						
33. New York NY	NO						
34. North Carolina NC	NO						
35. North Dakota ND	YES						
36. Ohio OH	YES						
37. Oklahoma OK	NO						
38. Oregon OR	NO						
39. Pennsylvania PA	YES						
40. Rhode Island RI	NO						
41. South Carolina SC	NO						
42. South Dakota SD	NO						
43. Tennessee TN	YES	16,201,452	12,520,777	6,423,224	4,845,310	2,873,410	1,749,395
44. Texas TX	YES						
45. Utah UT	NO						
46. Vermont VT	NO						
47. Virginia VA	NO						
48. Washington WA	NO						
49. West Virginia WV	YES						
50. Wisconsin WI	NO						
51. Wyoming WY	NO						
52. American Samoa AS	NO						
53. Guam GU	NO						
54. Puerto Rico PR	NO						
55. US Virgin Islands VI	NO						
56. Canada CN	NO						
57. Aggregate Other Alien OT	XXX	0	0	0	0	0	0
58. Totals	(a) 11	42,644,387	12,747,651	8,734,010	4,993,981	5,678,247	1,824,343
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

Lines of Business	Current Year to Date 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date Direct Loss Percentage
1. Fire			0.0	
2. Allied lines			0.0	
3. Farmowners multiple peril			0.0	
4. Homeowners multiple peril			0.0	
5. Commercial multiple peril			0.0	
6. Mortgage guaranty			0.0	
8. Ocean marine			0.0	
9. Inland marine			0.0	
10. Financial guaranty			0.0	
11.1. Medical malpractice-occurrence			0.0	
11.2. Medical malpractice-claims made			0.0	
12. Earthquake			0.0	
13. Group accident and health			0.0	
14. Credit accident and health			0.0	
15. Other accident and health			0.0	
16. Workers' compensation			0.0	
17.1 Other liability-occurrence			0.0	
17.2 Other liability-claims made			0.0	
18.1 Products liability-occurrence			0.0	
18.2 Products liability-claims made			0.0	
19.1, 19.2 Private passenger auto liability	10,162,298	6,508,442	64.0	61.8
19.3, 19.4 Commercial auto liability		(1,000)	0.0	
21. Auto physical damage	12,693,761	6,015,475	47.4	46.7
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	22,856,059	12,522,917	54.8	49.7
DETAILS OF WRITE-INS				
3301.			0.0	
3302.			0.0	
3303.			0.0	
3398. Sum. of remaining write-ins for Line 33 from overflow page	0	0	0.0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1. Medical malpractice-occurrence			
11.2. Medical malpractice-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1. Other liability-occurrence			
17.2. Other liability-claims made			
18.1. Products liability-occurrence			
18.2. Products liability-claims made			
19.1, 19.2 Private passenger auto liability	15,310,554	22,686,122	3,836,449
19.3, 19.4 Commercial auto liability			
21. Auto physical damage	11,373,963	19,958,266	8,911,202
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	26,684,517	42,644,388	12,747,651
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	58	61	119	50	(21)	29	28		55	83	20	(27)	(7)
2. 2000	87	(3)	84	35	1	36	81		(12)	69	29	(8)	21
3. Subtotals 2000 + Prior	145	58	203	85	(20)	65	109	0	43	152	49	(35)	14
4. 2001	1,614	490	2,104	1,123	119	1,242	448	202	90	740	(43)	(79)	(122)
5. Subtotals 2001 + Prior	1,759	548	2,307	1,208	99	1,307	557	202	133	892	6	(114)	(108)
6. 2002	XXX	XXX	XXX	XXX	9,522	9,522	XXX	4,841	1,306	6,147	XXX	XXX	XXX
7. Totals	1,759	548	2,307	1,208	9,621	10,829	557	5,043	1,439	7,039	6	(114)	(108)
8. Prior Year-End's Surplus As Regards Policyholders	15,320										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. 0.3 %	2. (20.8)%	3. (4.7)%

Col. 13, Line 7 Line 8
4. (0.7)%

(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:

Overflow Page
NONE

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
Bonds - U.S. Government								
912828-AH-3	US TREASURY NOTE 3.250% 08/15/07	09/27/2002	Goldman Sachs		2,049,063	2,000,000	8,125	1PE
0399999.	Total - Bonds - U.S. Government				2,049,063	2,000,000	8,125	XXX
Bonds - States, Territories and Possessions								
Tennessee								
880459-VF-6	TENNESSEE HSG DEV AGY 4.150% 01/01/33	09/01/2002	Casualty		967,814	950,000	3,395	1PE
	Tennessee				967,814	950,000	3,395	XXX
	United States				967,814	950,000	3,395	XXX
1799999.	Total - Bonds - States, Territories & Possessions				967,814	950,000	3,395	XXX
6099997.	Total - Bonds - Part 3				3,016,877	2,950,000	11,520	XXX
6099999.	Total - Bonds				3,016,877	2,950,000	11,520	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				3,016,877	XXX	11,520	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		286,953	250,000	248,594	248,815	29			38,139	38,139	8,711		1
0399999.	Total - Bonds - U.S. Government				286,953	250,000	248,594	248,815	29	0	0	38,139	38,139	8,711	0	XXX
Bonds - States, Territories and Possessions																
Tennessee																
880540-4A-4	TENNESSEE ST 5.000% 05/01/04	07/23/2002	Lehman Brothers		1,055,640	1,000,000	1,056,590	1,021,083	(811)			34,557	34,557	11,806		1PE
	Tennessee				1,055,640	1,000,000	1,056,590	1,021,083	(811)	0	0	34,557	34,557	11,806	0	XXX
	United States				1,055,640	1,000,000	1,056,590	1,021,083	(811)	0	0	34,557	34,557	11,806	0	XXX
1799999.	Total - Bonds - States, Territories & Possessions				1,055,640	1,000,000	1,056,590	1,021,083	(811)	0	0	34,557	34,557	11,806	0	XXX
Bonds - Industrial and Miscellaneous																
United States																
895787-AC-3	TRIAD 1997-2 A 7.180% 12/26/02	09/01/2002	Paydown		1,925	1,925	1,925	1,925	9				0	20		1
	United States				1,925	1,925	1,925	1,925	9	0	0	0	0	20	0	XXX
4599999.	Total - Bonds - Industrial & Miscellaneous				1,925	1,925	1,925	1,925	9	0	0	0	0	20	0	XXX
6099997.	Total - Bonds - Part 4				1,344,518	1,251,925	1,307,109	1,271,823	(773)	0	0	72,696	72,696	20,537	0	XXX
6099999.	Total - Bonds				1,344,518	1,251,925	1,307,109	1,271,823	(773)	0	0	72,696	72,696	20,537	0	XXX
7299999.	Total - Bonds, Preferred and Common Stocks				1,344,518	XXX	1,307,109	1,271,823	(773)	0	0	72,696	72,696	20,537	0	XXX

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

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2 Rate of Interest	3 Amount of Interest Received During Current Quarter	4 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter 5 First Month	 6 Second Month	 7 Third Month	8 *
Open Depositories								
BANK OF AMERICA	SACRAMENTO, CA	2.470	1,235		200,000	200,000	200,000	
BANK ONE	BATON ROUGE, LA	4.210	314		70,000	70,000	70,000	
0199999. Total Open Depositories		XXX	1,550	0	270,000	270,000	270,000	XXX
0399999. Total Cash on Deposit		XXX	1,550	0	270,000	270,000	270,000	XXX
0599999. Total Cash		XXX	1,550	0	270,000	270,000	270,000	XXX

Overflow Page for Write-Ins

Overflow Page for Write-Ins