

HOME WARRANTY COMPANY

QUARTERLY STATEMENT

For the Quarter Ended September 30th, 2002

OF THE CONDITION AND AFFAIRS OF THE

OLD REPUBLIC HOME PROTECTION COMPANY, INC.

Employer's ID Number: 94-2250534

Organized under the Laws of the State of California, made to the

INSURANCE COMMISSIONER OF THE STATE OF OHIO, pursuant to the laws thereof.

Incorporated:	May 22, 1974	Commenced Business:	July 1, 1974
Home Office		Two Annabel Lane #112, San Ramon, CA 94583	
Mail Address:		Two Annabel Lane #112, San Ramon, CA 94583	
Main Administrative Office		(925) 866-1500	
Primary Location of Books		Two Annabel Lane #112, San Ramon, CA 94583	
Contact Person and Phone Number		Gwen Gallagher (925) 866-1500	

OFFICERS**

President:	Gwen Gallagher	Vice-Presidents:	Lorna Mello
Secretary:	Gwen Gallagher		Mike Vinci
Treasurer:	James Beaty		

DIRECTORS OR TRUSTEES**

A.C. Zucaro	Gwen Gallagher
Arnold Steiner	Harrington Bischof
John W. Popp	

State of California
County of Contra Costa

Gwen Gallagher,
(President)

Gwen Gallagher,
(Secretary)

James Beaty,
(Treasurer)

of the OLD REPUBLIC HOME PROTECTION COMPANY INC., being duly sworn, each for himself deposes and says that they are the above described officers of the said company, and that on 30-Sep-02 all of the herein described assets were the absolute property of the said company, free and clear from any liens of claims thereon, except as herein stated, and that this quarterly statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to are a full and true statement of all assets and liabilities and of the condition and affairs of the said company as of September 30, 2002, and of its income and deductions therefrom for the quarter ended on that date, according to the best of their information, knowledge and belief, respectively.

Subscribed and sworn to before me this 14th day of September, 2002.

Gwen Gallagher President
Gwen Gallagher Secretary
James S. Beaty Treasurer

Diane L. Ramey
(seal)



** Or corresponding person having charge of the accounts of company

EXHIBIT 1 - ANALYSIS OF ASSETS

	Ledger Assets	Nonledger (include excess of MV over BV)	Asset not Admitted (include excess BV over MV)	Net Admitted Assets	Previous Year End 31-Dec-01
1. Bonds	38,367,011	(73,856)		38,293,155	31,240,779
2. Stocks					
a. Preferred stocks					
b. Common Stocks/Money Funds	670,719			670,719	531,029
3. Real Estate, less encumbrances					
4. Mortgage Loans on real estate					
5. Cash on hand and on deposit					
a. Cash in company's office					
b. Cash on deposit	(482,008)			(482,008)	457,193
6. Other invested assets					0
7. Home protection contract fees receivable	1,825,435			1,825,435	1,472,643
8. Service fees receivable					
9. Receivable from affiliates					
10. Federal income tax deferred recoverable	1,866,467			1,866,467	2,072,327
11. Electronic data processing equipment					
12. Interest, dividends and real estate income due and accrued	639,149			639,149	534,612
13. Reinsurance recoverable on loss payments					
14. Equip.,furniture & supplies	751,759		(751,759)	XXXXXXX	XXXXXXX
15. Deferred acquisition				XXXXXXX	XXXXXXX
16. Other assets:					
a. Lease Deposits	38,231		(38,231)		
b.					
c.					
17. Prepaid expenses:					
a. Deferred Payroll	4,529		(4,529)	XXXXXXX	XXXXXXX
b. Prepaid Insurance	183,513		(183,513)	XXXXXXX	XXXXXXX
c.				XXXXXXX	XXXXXXX
18. Totals	43,864,808	(73,856)	(978,032)	42,812,917	36,308,583

EXHIBIT 2 - ANALYSIS OF NON-ADMITTED ASSETS

	2 End of Previous Year	3 End of Current Year	4 Change Increase(-)/Decrease(+) Col. 2-3
19. Company's stock owned			
20. Deposits in suspended depositories, less estimated amount recoverable			
21. Equipment., furniture and supplies	879,237	751,756	127,481
22. Prepaid expenses:			
a. Deferred Payroll	0	4,529	(4,529)
b. Prepaid Insurance	71,006	183,513	(112,507)
c.			
23. Other assets not admitted:			
a. Lease Deposits	37,764	38,231	(467)
b.			
c.			
24. Total change	XXXXXXXXXX	XXXXXXXXXX	9,978

Line 24 to agree with Page 4, line 20.

LIABILITIES, SURPLUS AND OTHER FUNDS

page 3

	CURRENT YEAR TO DATE	PREVIOUS YEAR December 31, 2001
1. Unpaid contract claims in process of settlement	2,107,772	2,140,602
2. Statutory reserve (pg 14, Report 1, line 6, Col (1) + Col (2))		
3. Unpaid claims adjustment expense	207,818	185,888
4. Other expenses (excluding taxes, licenses and fees)	1,184,602	834,289
5. Taxes, licenses and fees (excluding federal and foreign income taxes)	201,157	214,121
6. Federal income taxes (excluding deferred taxes)	(179,492)	
7. Borrowed money		
8. Interest payable		
9. Unearned contract fees	25,979,986	22,466,109
10. Dividends declared and unpaid		
11. Reinsurance in unauthorized companies		
a. Unearned contract fees		
b. Reinsurance recoverable on		
1. paid claims		
2. unpaid claims		
c. Reinsurance recoverable on paid & unpaid claims adjustment expense		
12. Ceded reinsurance balances payable		
13. All other liabilities		
a. Federal Income Taxes - Deferred	21,118	15,868
b. _____		
c. _____		
14. Total liabilities (Items 1 tp 13c)	29,522,961	25,856,877
15. a. Common Stock	160,518	160,518
b. Preferred Stock	0	0
16. Gross paid-in and contributed surplus	5,459,900	3,459,900
17. Unassigned funds (surplus)	7,669,538	4,831,288
18. Less treasury stock, at cost		
19. Surplus as regards contractholders (Items 15 to 17 less 18)	13,289,956	10,451,706
20. Totals (Item 14 plus 19)	42,812,917	36,308,583

Line 19 to agree with Page 4, line 27.

STATEMENT OF INCOME

Page 4

UNDERWRITING INCOME	Current Year To Date	Previous Year End December 31, 2001
1. Contract fees earned	47,179,125	49,974,255
DEDUCTIONS		
2. Claims incurred	25,858,538	27,902,832
3. Claims adjustment expenses incurred	4,328,747	4,585,798
4. Other underwriting expenses incurred	14,159,708	17,063,464
5.		
6. Total deductions (Lines 2 to 5)	44,346,993	49,552,094
7. Net underwriting gain or loss (-) (Item 1 less 6)	2,832,132	422,161
INVESTMENT INCOME		
8. Net investment income earned	1,504,820	1,665,522
9. Net realized capital gain or loss	2,555	(42,837)
10. Net investment gain or loss	1,507,375	1,622,685
OTHER INCOME		
11.		
12.		
13. Total other income (Items 11+ 12)	0	0
14. Net income before federal income taxes (Items 7 + 10 + 13)	4,339,507	2,044,846
15. Federal income taxes incurred	1,437,379	704,642
16. Net income (Item 14 less 15)	2,902,128	1,340,204
CAPITAL AND SURPLUS ACCOUNT		
17. Surplus as regards contract holders Dec. 31, previous year	10,451,706	7,740,697
Gains (+) and Losses (-) in Surplus		
18. Net Income (from Item 16)	2,902,128	1,340,204
19. Net unrealized capital gains and losses	(73,856)	
20. Change in non-admitted assets (Exhibit 2)	9,978	(298,051)
21. Capital changes:		
(a) Paid in		2,000,000
(b) Transferred from surplus		
(c) Transferred to surplus		
22. Surplus adjustments:		
(a) Paid in		
(b) Transferred to Capital		
(c) Transferred from Capital - Codification Changes	0	1,168,856
23. Dividends to stockholders (cash)	0	(1,500,000)
24. Change in treasury stock		
25. Change in Statutory reserve		
26. Change in surplus as regards contractholders	2,838,250	2,711,009
27. Surplus as regards contract holders, as of statement date	13,289,956	10,451,706

EXHIBIT 3 - RECONCILIATION OF LEDGER ASSETS

Page 5

Increase in Ledger Assets	
1. Contract Fees Written	50,693,002
2. Interest, dividends and real estate income received	1,528,618
3. From sale or maturity of ledger assets	3,931
4. Other income items or increases	
a. Funds held under reinsurance treaties (net)	
b. Borrowed money (gross)	
c. Amounts withheld or retained for account of others	
d. Ceded reinsurance balances	
e. Prior Years Federal Income Tax Refund	
f. Federal Income Taxes Deferred Recoverable	278,475
g. _____	
5. Adjustment in book value of ledger assets	
6. Capital paid-in	
7. Surplus paid-in	
8. Total (Items 1 to 7)	52,504,026
Decrease in Ledger Assets	
9. Net Contract Claims Paid	25,891,368
10. Expenses paid	18,152,974
11. From sale or maturity of ledger assets	
12. Other disbursement items or decreases	
a. Funds held under reinsurance treaties (net)	
b. Borrowed money (gross)	
c. Amounts withheld or retained for account of others	
d. Ceded reinsurance balances	
e. _____	
f. _____	
g. _____	
13. Adjustment in book value of ledger assets and depreciation	
14. Federal and foreign income taxes paid	1,407,142
15. Dividends paid to stockholders	0
16. _____	
17. _____	
18. _____	
19. Total (Items 9 to 18)	45,451,484
Reconciliation Between Years	
20. Amount of ledger assets as per balance December 31, previous year	36,812,264
21. Increase (+) or decrease (-) in ledger assets during the year (Item 8 less 19)	7,052,542
22. Balance - ledger assets as of statement date	43,864,806

Line 22 to agree with Page 2, line 18, Col 1.

SCHEDULE A - PART 2

Real Estate Acquired by the Company During the Current Quarter

Page 6

NO REAL ESTATE OWNED - NOT APPLICABLE

SCHEDULE A - PART 3

Real Estate Sold by the Company During the Current Quarter

Page 6

NO REAL ESTATE OWNED - NOT APPLICABLE

SCHEDULE A - VERIFICATION

Real Estate Owned

Page 7

NO REAL ESTATE OWNED - NOT APPLICABLE

SCHEDULE B

Long-term Mortgage Loans Held

Page 7

NO LONG-TERM MORTGAGE LOANS HELD - NOT APPLICABLE

SCHEDULE BA - VERIFICATION

Other Invested Assets included in Schedule BA

Page 7

Description	1 Current Year as of 03/31	2 Current Year as of 06/30	3 Current Year as of 09/30		4 Previous Year
1. Book value of other invested assets, beginning of period	0	0	0		0
2. Cost of Acquisitions, current period					
3. Increase by adjustment, current period					
4. Profit on disposition					
5. TOTAL					
6. Deduct consideration on disposition					
7. Reductions in investments, current period					
8. Decrease by adjustment, current period					
9. Loss on Disposition					
10. Book value of other invested assets	0	0	0		0

SCHEDULE BA - PART 2

Long-term Invested Assets Acquired During Current Period

Page 8

NO LONG-TERM INVESTED ASSETS ARE CURRENTLY HELD

SCHEDULE BA - PART 3

Long-term Invested Assets Disposed During Current Period

Page 8

NO LONG-TERM INVESTED ASSETS ARE CURRENTLY HELD

SCHEDULE D - PART 1
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Period for all Bonds and Preferred Stock by Rating Class

	1 Statement Value Beginning of Period	2 Acquisitions	3 Dispositions	4 Non-Trading Activity	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value End of Previous Year
BONDS								
1. Class 1.....	30,688,248	2,842,511	(555,000)	(31,103)	27,355,904	30,688,248	32,944,656	26,601,572
2. Class 2.....	4,517,915	657,627	0	(1,789)	3,888,743	4,517,915	5,173,753	4,089,056
3. Class 3.....	304,106		(100,000)	(29,356)	411,880	304,106	174,750	550,151
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	31,656,527	3,500,138	(655,000)	(62,248)	31,656,527	35,510,269	38,293,159	31,240,779
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
12. Class 6.....								
14. Total Preferred Stock.....								
15. Total Bonds & Preferred Stock..								

SCHEDULE D - PART 2
Showing All Bonds and Stock Acquired by the Company During the Current Period

CUSIP	Description (Give complete and accurate description in each case, including the location of the issuing corporation, where necessary for identification, and also in case of serial issues the amount maturing each year)	Date Acquired	Name of Vendor	1 Number of Shares of Stock	2 Actual Cost (Excluding Accrued Interest and Dividends)	3 Par Value of Bonds	4 Paid for Accrued Interest and Dividends	5 NAIC Designation
00828EAA7	African Development Bank	19-Jul-02	Saloman		497,650	500,000	0	1
026609AE7	American Home Products	17-Jul-02	McDonald		213,794	200,000	6,891	1
142339AB6	Carlisle Cos	28-Jun-02	UBS/Paine		102,221	100,000	893	2
209864CS4	Consolidated Rail Eq	08-Jul-02	Dain Rauscher		273,283	250,000	522	1
25468PBJ4	Disney Walt Co	06-Aug-02	Banc One		265,390	250,000	51	1
260003AB4	Dover Corp	08-Jul-02	McDonald		264,410	250,000	1,736	1
345397TR4	Ford Motor Credit Co	21-Aug-02	McDonald		250,638	250,000	1,194	2
370425RT9	General Motors Acceptance	21-Aug-02	aymond James		259,048	250,000	1,922	1
441812JT2	Household Finance Co	09-Jul-02	Banc One		257,020	250,000	7,583	1
71343XAC8	Pepsiamericas	05-Sep-02	Saloman		99,640	100,000	0	2
718337AA6	Philips Electronic NV	13-Sep-02	Dain Rauscher		286,605	250,000	174	1
74456QAJ5	Public Service Ele & Gas	12-Sep-02	Banc One		249,025	250,000	0	1
755111AB7	Raytheon Co	10-Sep-02	Saloman		105,321	100,000	1,047	2
786514BE8	Safeway	11-Jul-02	Deutsche Bank		99,807	100,000	0	2
87612EAA4	Target Corp	31-Jul-02	Baird Robert		276,286	250,000	8,854	1
2499999	Total				3,500,138	3,350,000	30,867	

SCHEDULE D - PART 2

SCHEDULE D - PART 3
Showing All Bonds and Stock Sold, Redeemed or Otherwise Disposed of
by the Company During the Current Period

CUSIP	Description (Give complete and accurate description in each case, also in case of serial issues in the amount maturing each year.)	1 Name of Purchaser (If matured or called, so state	2 Consideration (excluding accrued interest and dividends)	3 Par Value of bonds	4 Actual Cost (Excluding Accrued Interest and Dividends)	5 Book Value at Date of Disposal	6 Profit on Disposal	7 Loss on Disposal	8 Interest and Dividends Received	9 NAIC Designation
078167BC6	Bell Tele - PA	matured	100,000	100,000	100,111	100,000			6,625	1
172070BN3	Cincinnati Gas	matured	155,000	155,000	156,913	155,000			11,238	1
927804CR3	Virginia Electric & Power	matured	100,000	100,000	96,870	100,000			6,000	1
959425AC3	Western Resources	matured	100,000	100,000	102,441	100,000			7,250	3
478180AE4	Johnson & Johnson	matured	100,000	100,000	105,580	100,000			7,375	1
934488AH0	Warner Lambert	matured	100,000	100,000	100,112	100,000			6,625	1
2499999	Total		655,000	655,000	662,027	655,000	0	0	45,113	XXX

SCHEDULE N
Month End Depository Balances

1 Depository	2	3	4	Book Balance at end of Each Month During Current Quarter		
Give Full Name and Location State if depository is a parent, subsidiary, or affiliate (Show rate of interest and maturity date in the case of certificates of deposit or time deposits)	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued During Current Quarter	5 First Month	6 Second Month	7 Third Month
Northern Trust - Northern Institutional Fund Chicago, IL	Var	5,055	1,457	1,937,163	2,195,171	670,719
WestAmerica Bank, San Ramon, CA Checking MMF	0.00% Var	446	1	(916,138) 263,792	(1,290,850) 14,012	(1,078,199) 514,012
Cash In Transit				710,796	651,553	82,181
0199998 Deposits in depositories which do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX					
0199999 Total Open Depositories	XXX	5,501	1,458	1,995,613	1,569,886	188,713
0299998 Deposits in depositories which do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	XXX					
0299999 Total Suspended Depositories	XXX					
0399999 Grand Totals		5,501	1,458	1,995,613	1,569,886	188,713

STATEMENT AS OF JUNE 30, 2002
OF THE OLD REPUBLIC HOME PROTECTION COMPANY INC.
REPORT 1 - RESERVE CALCULATION

Page 14.

	Ohio Business (1)	Non-Ohio Business (2)
1. Contract fees collected - on contracts issued and renewed during the year and all other contracts in force (unexpired) at the end of current period.	0	64,699,144
2. Less: Reinsurance ceded	0	0
3. Net contract fees	0	64,699,144
	x .40	x .40
4. Sub-total reserve amount	0	25,879,658
5. Less: Claims paid during current year and prior years on contract policies issued or renewed during the year and all other contracts still in force (unexpired) at the end of current period.	0	33,751,618
6. Current statutory reserve **	0	(7,871,960)

** Show line 6 (sum of Col. (1) + Col. (2)) on Page 3, line 2, current period,
If line six is negative enter 0 (zero) on page 3, line 2, current year.

REPORT 2 - SURPLUS REQUIREMENT CALCULATION

Calculated company required surplus is based on contracts issued or renewed representing Ohio and Non-Ohio busi in the prededing calendar year.

If company is commencing business for the first time, surplus is based on the projected number of contracts to be iss representing Ohio and Non-Ohio business

Surplus	Number of Contracts		Ohio Business (1)	Non-Ohio Business (2)
\$ 50,000 minimum	1,000			
70,000	1,500			
90,000	2,000			
110,000	2,500			
130,000	3,000			
150,000	3,500			
170,000	4,000			
210,000	5,000			
410,000	10,000			
610,000	15,000			
1. Total contracts issued or renewed (2000)	1.	0	170,079	
2. Less 1,000 contracts	2.	(1,000)	XXXXX	
3. Additional contracts	3.	0	17,403	
4. Divided by 500	4.	/ 500	/ 500	
5. Surplus factor (round up; no decimal)	5.	0	375	
6. Multiply by \$20,000	6.	x \$20,000	x \$20,000	
7. Additional surplus required	7.	0	\$7,499,280	
8. Plus \$50,000 minimum	8.	\$50,000		

STATEMENT AS OF JUNE 30, 2002
OF THE OLD REPUBLIC HOME PROTECTION COMPANY INC.
REPORT 1 - RESERVE CALCULATION

STATEMENT AS OF 30-Sep-02
OF THE OLD REPUBLIC HOME PROTECTION COMPANY INC.
REPORT 2 - SURPLUS REQUIREMENT CALCULATION - continued

9. Total minimum surplus required - Ohio business (lines 7 + 8)	9. \$50,000
10. Total surplus required - Non-Ohio business (line 7, col. 2)	10. \$7,499,280
11. Total (lines 9 + 10)	11. \$7,549,280
12. Enter amount from page 3, line 19	12. \$13,289,956
13. Difference (line 12 - line 11)	13. \$5,740,676

CONTRACT FEES WRITTEN

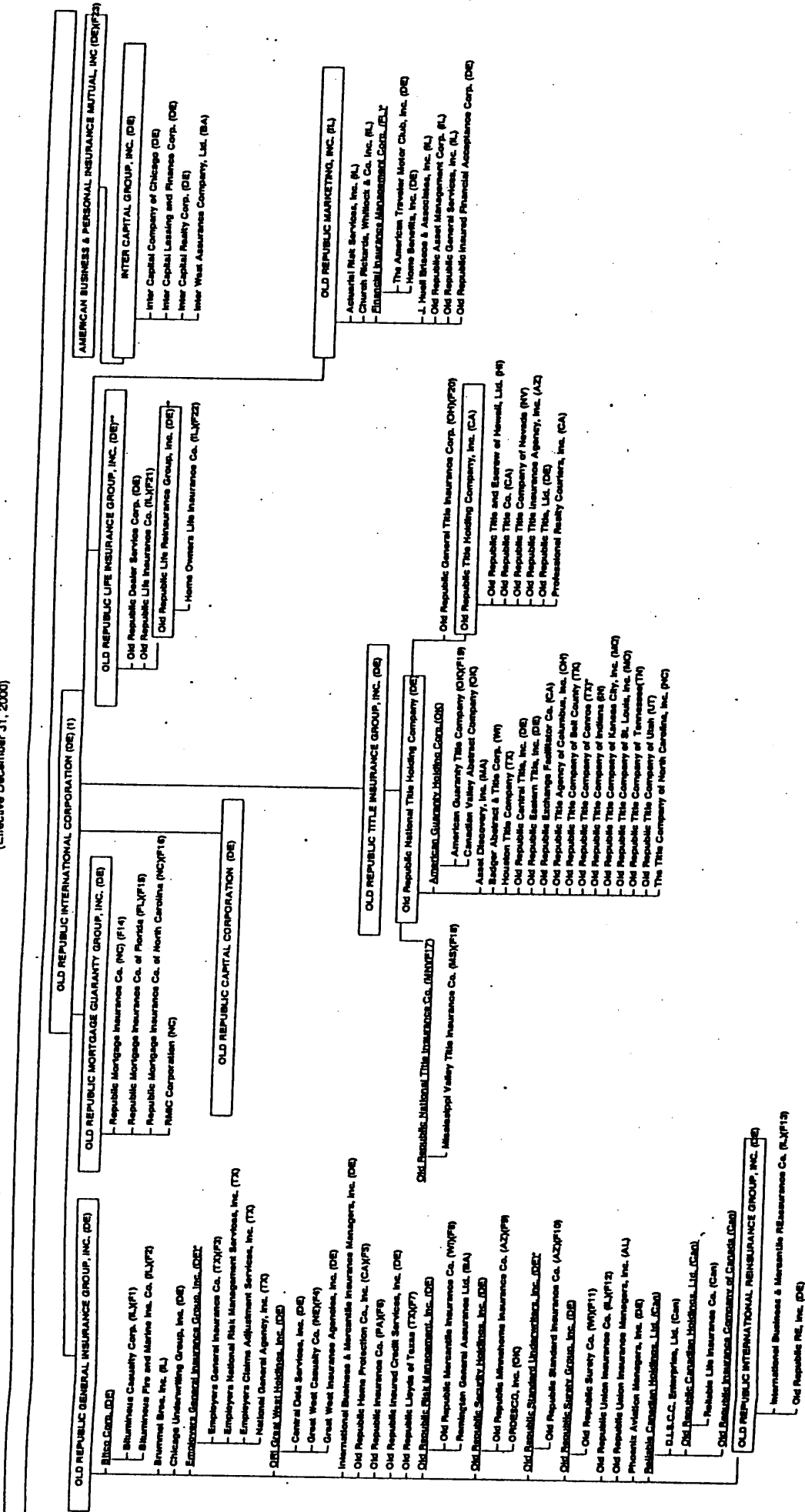
Allocated by States and Territories

1 STATES			2 Number of Contracts Written Year to Date	3 Direct Fees Written Year to Date	4 Direct Claims Paid Year to Date	5 Number of Contracts In Force (Unexpired)
1	Alabama	AL	1,835	696,237	461,755	2,447
2	Alaska	AK				
3	Arizona	AZ	14,439	5,427,792	2,856,238	18,203
4	Arkansas	AR				
5	California	CA	77,071	26,256,904	12,274,394	100,615
6	Colorado	CO	507	126,140	150,125	1,090
7	Connecticut	CT				
8	Delaware	DE				
9	District of Columbia	DC				
10	Florida	FL	11,552	4,600,727	2,821,027	15,425
11	Georgia	GA	6,310	2,193,037	933,951	8,133
12	Hawaii	HI	118	43,144	35,464	155
13	Idaho	ID				
14	Illinois	IL				
15	Indiana	IN	2	760	0	2
16	Iowa	IA				
17	Kansas	KS	3,181	1,190,471	579,907	4,086
18	Kentucky	KY				
19	Louisiana	LA				
20	Maine	ME				
21	Maryland	MD				
22	Massachusetts	MA				
23	Michigan	MI				
24	Minnesota	MN				
25	Mississippi	MS				
26	Missouri	MO	2,028	757,706	372,960	2,657
27	Montana	MT				
28	Nebraska	NE				
29	Nevada	NV	6,205	2,255,776	1,159,586	7,974
30	New Hampshire	NH				
31	New Jersey	NJ				
32	New Mexico	NM				
33	New York	NY				
34	North Carolina	NC	3,371	1,037,952	489,641	4,005
35	North Dakota	ND				
36	Ohio	OH	2	810	0	2
37	Oklahoma	OK	1,665	622,622	353,079	2,083
38	Oregon	OR				
39	Pennsylvania	PA				
40	Rhode Island	RI				
41	South Carolina	SC	1,319	445,881	297,904	1,744
42	South Dakota	SD				
43	Tennessee	TN	39	15,303	20,215	55
44	Texas	TX	14,779	5,014,741	3,049,189	18,774
45	Utah	UT				
46	Vermont	VT				
47	Virginia	VA				
48	Washington	WA	22	6,999	3,102	32
49	West Virginia	WV				
50	Wisconsin	WI				
51	Wyoming	WY				
Totals			144,445	50,693,002	25,858,537	187,482

SCHEDULE Y — (Continued)
PART 2 — SUMMARY OF THE INSURER'S TRANSACTIONS WITH ANY AFFILIATES

[illegible]

OLD REPUBLIC INTERNATIONAL CORPORATION
ORGANIZATIONAL CHART
(Effective December 31, 2000)



(1) Corporate organizations as of December 31, 2000 reflecting all active and immaterially significant subsidiaries.

(2) Insurance companies are denoted by (P). The number following (P) refers to the companies listed under (P) FEIN below.

* Denotes less than 100% owned subsidiaries and affiliates.

** Denotes 100% jointly owned companies within the overall corporate system.

1. 34-2810360	7. 75-607779	12. 34-606775	19. 75-107183
2. 34-6054328	8. 34-2414905	13. 34-1031643	20. 31-142377
3. 75-2497998	9. 75-1034416	14. 36-153209	21. 34-177440
4. 07-021598	10. 06-179428	15. 32-0990412	22. 34-606795
5. 94-2320234	11. 35-1595491	16. 41-079656	23. 34-312571
6. 25-0410426	12. 34-378116	17. 64-020723	