



ANNUAL STATEMENT

For the Year Ended December 31, 2002
of the Condition and Affairs of the

PROGRESSIVE HAWAII INSURANCE CORP.

NAIC Group Code..... 155, 155 NAIC Company Code..... 10067 Employer's ID Number..... 99-0311930
(Current Period) (Prior Period)

Organized under the Laws of OHIO State of Domicile or Port of Entry OHIO Country of Domicile US
Incorporated..... May 4, 1994 Commenced Business..... July 15, 1994

Statutory Home Office 6300 WILSON MILLS ROAD, W33 MAYFIELD VILLAGE OH 44143
(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 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 AND CLAIMS REPORTING CONTACT 6300 WILSON MILLS ROAD, E61 MAYFIELD VILLAGE OH 44143-2182 **1-800-776-4737**
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

President ROBERT THOMAS WILLIAMS, Jr. Treasurer STEPHEN DAVID PETERSON Secretary DANE ALLEN SHRALLOW

VICE PRESIDENTS

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

DIRECTORS OR TRUSTEES

WILLIAM THOMAS FORRESTER, II CHARLES ELWOOD JARRETT THOMAS ALFRED KING 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) ROBERT THOMAS WILLIAMS, Jr. (Printed Name) President	(Signature) KATHLEEN MARY CERNY (Printed Name) Assistant Secretary	(Signature) JAMES LEE KUSMER (Printed Name) VP/ Assistant Treasurer
---	---	--

Subscribed and sworn to before me this

.....day of February, 2003

- a. Is this an original filing? Yes [X] No []
- b. If no: 1. State the amendment number
2. Date filed.....
3. Number of pages attached.....

**Sch. A-Pt. 1
NONE**

**Sch. A-Pt. 2
NONE**

**Sch. A-Pt. 3
NONE**

**Sch. B-Pt. 1
NONE**

**Sch. B-Pt. 2
NONE**

**Sch. BA-Pt. 1
NONE**

**Sch. BA-Pt. 2
NONE**

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
CUSIP Identifi- cation	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued December 31, Current Year, on Bonds in Default as to Principal or Interest	NAIC Design- ation	Date Acquired	Effective Rate of Interest
U.S. Government - Issuer Obligations																				
912827-6J-6...	US TREASURY NOTE		5.750	FA	08/15/2010			4,099,060	3,924,000	114.9690	4,511,384	4,132,463	85,224	225,630	(18,635)			1	02/28/2001	5.037
912827-6T-4...	US TREASURY NOTE		5.000	FA	02/15/2011			492,142	500,000	109.8750	549,375	491,660	9,443	12,500	482			1	05/17/2002	5.239
912827-7B-2...	US TREASURY NOTE		5.000	FA	08/15/2011			4,018,317	4,000,000	109.6560	4,386,240	4,020,000	75,543	200,000	(1,683)			1	01/23/2002	4.933
0199999	U.S. Government - Issuer Obligations							8,609,519	8,424,000	XXX	9,446,999	8,644,123	170,210	438,130	(19,836)	0	0	XXX	XXX	XXX
0399999	Total - U.S. Government							8,609,519	8,424,000	XXX	9,446,999	8,644,123	170,210	438,130	(19,836)	0	0	XXX	XXX	XXX
States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																				
Massachusetts																				
57582N-DD-4...	MASSACHUSETTS ST		5.500	FA	02/01/2009			1,473,204	1,300,000		1,473,204	1,476,332	11,122		(3,128)			1PE	11/13/2002	3.082
	Massachusetts							1,473,204	1,300,000	XXX	1,473,204	1,476,332	11,122	0	(3,128)	0	0	XXX	XXX	XXX
Nevada																				
181054-5B-9...	CLARK CNTY NEV SCH DIST		5.000	JD	06/15/2011			3,306,134	3,000,000		3,306,134	3,315,570	6,667	80,833	(9,436)			1PE	09/04/2002	3.590
	Nevada							3,306,134	3,000,000	XXX	3,306,134	3,315,570	6,667	80,833	(9,436)	0	0	XXX	XXX	XXX
Tennessee																				
499512-C6-6...	KNOX CNTY TENN		5.250	MN	05/01/2010			1,260,756	1,205,000		1,260,756	1,267,335	10,544	57,991	(6,391)			1PE	12/17/2001	4.501
499512-G7-0...	KNOX CNTY TENN		5.500	AO	04/01/2013			2,158,954	2,000,000		2,158,954	2,166,320	27,500	36,972	(7,366)			1PE	05/22/2002	4.522
586145-HX-5...	MEMPHIS TENN		5.750	AO	04/01/2008			2,073,936	2,000,000		2,073,936	2,105,180	28,750	115,000	(12,197)			1PE	04/05/2000	4.940
613664-E3-1...	MONTGOMERY CNTY TENN		5.000	MN	05/01/2006			1,181,490	1,135,000		1,181,490	1,194,588	9,458	52,021	(12,957)			1PE	12/11/2001	3.681
821686-KS-0...	SHELBY CNTY TENN		4.500	MN	05/01/2004			499,849	500,000		499,849	499,680	3,750	22,500	72			1PE	12/01/2000	4.519
880540-J4-2...	TENNESSEE ST		5.500	MN	05/01/2003			780,037	775,000		780,037	804,760	7,104	42,625	(15,031)			1PE	05/01/2001	3.495
880540-J6-7...	TENNESSEE ST		6.000	MN	05/01/2005			2,039,839	2,000,000		2,039,839	2,079,060	20,000	120,000	(15,857)			1PE	05/26/2000	5.080
880540-R5-0...	TENNESSEE ST		6.000	MN	05/01/2006			4,443,567	4,000,000		4,443,567	4,456,040	40,000	40,000	(12,473)			1PE	11/21/2002	2.510
	Tennessee							14,438,428	13,615,000	XXX	14,438,428	14,572,963	147,106	447,109	(82,200)	0	0	XXX	XXX	XXX
	Total States and US							19,217,766	17,915,000	XXX	19,217,766	19,364,865	164,895	527,942	(94,764)	0	0	XXX	XXX	XXX
1199999	States, Territories & Possessions - Issuer Obligations							19,217,766	17,915,000	XXX	19,217,766	19,364,865	164,895	527,942	(94,764)	0	0	XXX	XXX	XXX
1799999	Total - States, Territories & Possessions (Direct and Guaranteed)							19,217,766	17,915,000	XXX	19,217,766	19,364,865	164,895	527,942	(94,764)	0	0	XXX	XXX	XXX
Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																				
Tennessee																				
586111-GS-9...	MEMPHIS-SHELBY CNTY TENN ARPT		5.500	MS	03/01/2011			1,274,229	1,210,000		1,274,229	1,283,060	22,183	77,642	(6,205)			1PE	07/19/2001	4.708
592190-HQ-8...	METRO NASHVILLE AIRPORT		6.600	JJ	07/01/2010			1,428,343	1,250,000		1,428,343	1,456,625	41,250	82,500	(19,682)			1PE	06/12/2001	4.350
880459-VF-6...	TENNESSEE HSG DEV AGY		4.150	JJ	01/01/2033			1,324,118	1,300,000		1,324,118	1,324,377	22,629		(259)			1PE	09/01/2002	4.014
	Tennessee							4,026,690	3,760,000	XXX	4,026,690	4,064,062	86,062	160,142	(26,146)	0	0	XXX	XXX	XXX
	Total States and US							4,026,690	3,760,000	XXX	4,026,690	4,064,062	86,062	160,142	(26,146)	0	0	XXX	XXX	XXX
2599999	Special Revenue & Assessment Obligations - Issuer Obligations							4,026,690	3,760,000	XXX	4,026,690	4,064,062	86,062	160,142	(26,146)	0	0	XXX	XXX	XXX
3199999	Total - Special Revenue & Special Assessment Obligations							4,026,690	3,760,000	XXX	4,026,690	4,064,062	86,062	160,142	(26,146)	0	0	XXX	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																				
United States																				
26882P-AL-6...	ERAC USA FINANCE COMPANY		8.250	MN	05/01/2005			507,578	500,000	110.2040	551,020	513,245	6,875	41,250	(2,907)			2PE	12/14/2000	7.522
	United States							507,578	500,000	XXX	551,020	513,245	6,875	41,250	(2,907)	0	0	XXX	XXX	XXX
3999999	Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations							507,578	500,000	XXX	551,020	513,245	6,875	41,250	(2,907)	0	0	XXX	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities																				
United States																				
05947U-HU-5...	BACM 2002-2 XP IO		1.804	MTLY	07/11/2043	01/01/2010	100.000	1,435,777			1,435,777	1,500,000	22,710	71,071	(64,223)			1PE	08/26/2002	5.026
31339D-4B-1...	FHR 2421 PB		6.000	MTLY	08/15/2023	10/01/2004	100.000	1,367,196	1,347,000		1,367,196	1,377,939	6,735	67,350	(10,743)			1PE	01/17/2002	4.936
	United States							2,802,973	1,347,000	XXX	2,802,973	2,877,939	29,445	138,421	(74,966)	0	0	XXX	XXX	XXX
4199999	Industrial & Miscellaneous - Defined Multi-Class Residential Mtg.-Backed Securities							2,802,973	1,347,000	XXX	2,802,973	2,877,939	29,445	138,421	(74,966)	0	0	XXX	XXX	XXX
4599999	Total - Industrial & Miscellaneous (Unaffiliated)							3,310,551	1,847,000	XXX	3,353,993	3,391,184	36,320	179,671	(77,873)	0	0	XXX	XXX	XXX
Totals																				
5499999	Total - Issuer Obligations							32,361,553	30,599,000	XXX	33,242,475	32,586,295	428,042	1,167,464	(143,653)	0	0	XXX	XXX	XXX
5699999	Total - Defined Multi-Class Residential Mortgage-Backed Securities							2,802,973	1,347,000	XXX	2,802,973	2,877,939	29,445	138,421	(74,966)	0	0	XXX	XXX	XXX
6099999	Grand Total - Bonds							35,164,526	31,946,000	XXX	36,045,448	35,464,234	457,487	1,305,885	(218,619)	0	0	XXX	XXX	XXX

E08

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identifi- cation	2 Description	3 *	Interest		6 Maturity Date	7 Option Date	8 Option Call Price	9 Book/Adjusted Carrying Value	10 Par Value	11 Rate Used to Obtain Fair Value	12 Fair Value	13 Actual Cost	Interest		16 Increase (Decrease) by Adjustment	17 Increase (Decrease) by Foreign Exchange Adjustment	18 Amount of Interest Due and Accrued December 31, Current Year, on Bonds in Default as to Principal or Interest	19 NAIC Desig- nation	20 Date Acquired	21 Effec- tive Rate of Interest
			4 Rate of	5 How Paid									14 Amount Due and Accrued December 31 of Current Year on Bonds not in Default	15 Gross Amount Received During Year						

Sch. D-Pt. 2-Sn. 1
NONE

Sch. D-Pt. 2-Sn. 2
NONE

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

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
Bonds - U.S. Government							
912827-6T-4	US TREASURY NOTE 5.000% 02/15/11	05/17/2002	Goldman Sachs		491,660	500,000	6,492
912827-7B-2	US TREASURY NOTE 5.000% 08/15/11	01/23/2002	Goldman Sachs		4,020,000	4,000,000	88,043
0399999	Total - Bonds - U.S. Government				4,511,660	4,500,000	94,535
Bonds - States, Territories and Possessions							
Massachusetts							
57582N-DD-4	MASSACHUSETTS ST 5.500% 02/01/09	11/13/2002	Merrill Lynch		1,476,332	1,300,000	2,582
	Massachusetts				1,476,332	1,300,000	2,582
Nevada							
181054-5B-9	CLARK CNTY NEV SCH DIST 5.000% 06/15/11	09/04/2002	Merrill Lynch		3,315,570	3,000,000	40,833
	Nevada				3,315,570	3,000,000	40,833
Tennessee							
499512-G7-0	KNOX CNTY TENN 5.500% 04/01/13	05/22/2002	Morgan Keegan & Co. Inc.		2,166,320	2,000,000	
880540-R5-0	TENNESSEE ST 6.000% 05/01/06	11/21/2002	Merrill Lynch		4,456,040	4,000,000	16,667
	Tennessee				6,622,360	6,000,000	16,667
	Total States and US				11,414,262	10,300,000	60,082
1799999	Total - Bonds - States, Territories & Possessions				11,414,262	10,300,000	60,082
Bonds - Special Revenue and Special Assessment							
Tennessee							
880459-VF-6	TENNESSEE HSG DEV AGY 4.150% 01/01/33	09/01/2002	Casualty		1,324,377	1,300,000	4,646
	Tennessee				1,324,377	1,300,000	4,646
	Total States and US				1,324,377	1,300,000	4,646
3199999	Total - Bonds - Special Revenue & Special Assessments				1,324,377	1,300,000	4,646
Bonds - Industrial and Miscellaneous							
United States							
05947U-HU-5	BACM 2002-2 XP IO 1.804% 07/11/43	08/26/2002	Bank of America Corp		1,500,000		6,814
31339D-4B-1	FHR 2421 PB 6.000% 08/15/23	01/17/2002	Nomura Securities Intern'l Inc.		1,377,939	1,347,000	6,062
	United States				2,877,939	1,347,000	12,876
4599999	Total - Bonds - Industrial & Miscellaneous				2,877,939	1,347,000	12,876
6099997	Total - Bonds - Part 3				20,128,238	17,447,000	172,139
6099998	Total - Bonds - Summary Item from Part 5				6,027,188	6,000,000	3,567
6099999	Total - Bonds				26,155,426	23,447,000	175,706
7299999	Total - Bonds, Preferred and Common Stocks				26,155,426	XXX	175,706

E-1

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identifi- cation	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
Bonds - U.S. Government															
31359M-LZ-4.....	FANNIE MAE 5.000% 01/15/07.....	04/02/2002	Goldman Sachs.....		892,764	900,000	899,118	899,118	96			(6,451)	(6,451)	12,375	
912827-2Y-7.....	US TREASURY NOTE 6.250% 06/30/02.....	06/30/2002	Maturity.....		200,000	200,000	202,125	200,422	(422)				0	6,250	
0399999	Total - Bonds - U.S. Government.....				1,092,764	1,100,000	1,101,243	1,099,540	(326)	0	0	(6,451)	(6,451)	18,625	XXX
Bonds - States, Territories and Possessions															
Tennessee															
880540-6M-6.....	TENNESSEE ST 5.000% 03/01/04.....	07/23/2002	Lehman Brothers.....		1,681,264	1,600,000	1,631,184	1,619,948	(5,124)			66,440	66,440	72,222	
	Tennessee.....				1,681,264	1,600,000	1,631,184	1,619,948	(5,124)	0	0	66,440	66,440	72,222	XXX
	Total States and US.....				1,681,264	1,600,000	1,631,184	1,619,948	(5,124)	0	0	66,440	66,440	72,222	XXX
1799999	Total - Bonds - States, Territories & Possessions.....				1,681,264	1,600,000	1,631,184	1,619,948	(5,124)	0	0	66,440	66,440	72,222	XXX
Bonds - Industrial and Miscellaneous															
United States															
001957-AU-3.....	AT&T CORP 5.625% 03/15/04.....	05/10/2002	Union Bank of Switzerland.....		480,000	500,000	473,915	482,278	2,765			(5,043)	(5,043)	18,750	
	United States.....				480,000	500,000	473,915	482,278	2,765	0	0	(5,043)	(5,043)	18,750	XXX
4599999	Total - Bonds - Industrial & Miscellaneous.....				480,000	500,000	473,915	482,278	2,765	0	0	(5,043)	(5,043)	18,750	XXX
6099997	Total - Bonds - Part 4.....				3,254,028	3,200,000	3,206,342	3,201,766	(2,685)	0	0	54,946	54,946	109,597	XXX
6099998	Total - Bonds - Summary Item from Part 5.....				6,041,563	6,000,000	6,027,188	6,025,647	(1,540)			15,916	15,916	17,729	XXX
6099999	Total - Bonds.....				9,295,591	9,200,000	9,233,530	9,227,413	(4,225)	0	0	70,862	70,862	127,326	XXX
7299999	Total - Bonds, Preferred and Common Stocks.....				9,295,591	XXX	9,233,530	9,227,413	(4,225)	0	0	70,862	70,862	127,326	0

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identifi- cation	Description	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - U.S. Government																
912828-AC-4.....	US TREASURY NOTE 4.375% 05/15/07.....	05/29/2002	Deutsche Bank.....	06/21/2002	Deutsche Bank.....	.....2,000,000	.....1,995,938	.....2,030,625	.....1,995,941	.....4	.....	.....	.....34,684	.....34,684	.....9,511	.....3,567
912828-AM-2.....	US TREASURY NOTE 2.125% 10/31/04.....	10/29/2002	Goldman Sachs.....	12/04/2002	HSBC Securities.....	.....4,000,000	.....4,031,250	.....4,010,938	.....4,029,706	.....(1,544)	.....	.....	.....(18,768)	.....(18,768)	.....8,218	.....
0399999	Total - Bonds - U.S. Government.....					.....6,000,000	.....6,027,188	.....6,041,563	.....6,025,647	.....(1,540)	.....0	.....0	.....15,916	.....15,916	.....17,729	.....3,567
6099998	Total - Bonds.....					.....6,000,000	.....6,027,188	.....6,041,563	.....6,025,647	.....(1,540)	.....0	.....0	.....15,916	.....15,916	.....17,729	.....3,567
7299999	Total - Bonds, Preferred and Common Stocks.....					.....XXX	.....6,027,188	.....6,041,563	.....6,025,647	.....(1,540)	.....0	.....0	.....15,916	.....15,916	.....17,729	.....3,567

**Sch. D-Pt. 6-Sn. 1
NONE**

**Sch. D-Pt. 6-Sn. 2
NONE**

**Sch. DA-Pt. 1
NONE**

**Sch. DB-Pt. A-Sn. 1
NONE**

**Sch. DB-Pt. A-Sn. 2
NONE**

**Sch. DB-Pt. A-Sn. 3
NONE**

**Sch. DB-Pt. B-Sn. 1
NONE**

**Sch. DB-Pt. B-Sn. 2
NONE**

**Sch. DB-Pt. B-Sn. 3
NONE**

**Sch. DB-Pt. C-Sn. 1
NONE**

**Sch. DB-Pt. C-Sn. 2
NONE**

**Sch. DB-Pt. C-Sn. 3
NONE**

**Sch. DB-Pt. D-Sn. 1
NONE**

**Sch. DB-Pt. D-Sn. 2
NONE**

**Sch. DB-Pt. D-Sn. 3
NONE**

**Sch. DB-Pt. E-Sn. 1
NONE**

SCHEDULE DM

For bonds and preferred stocks owned as of December 31, state the aggregate statement (admitted) value, the aggregate fair value, and the aggregate difference, if any, between them.

	1 Statement (Admitted) Value	2 Fair Value (a)	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
1. Bonds.....	35,164,527	37,051,929	1,887,402
2. Preferred stocks.....			0
3. Totals.....	35,164,527	37,051,929	1,887,402

(a) Amortized or book values shall not be substituted for fair values. Describe the sources or methods utilized in determining the fair values.

Fair Market Value is computed using NAIC market rates, when available. If a market rate is not provided for by the NAIC, broker quotations or

market rates provided by Interactive Data Corp (IDC) are used in the computation.

SCHEDULE E - PART 1 - CASH

1 Depository	2 Rate of Interest	3 Amount of Interest Received During Year	4 Amount of Interest Accrued December 31 of Current Year	5 Balance	6 *
Open Depositories					
BANK OF NEW YORK..... WHITE PLAINS, NY.....					XXX
CASH EQUIVALENTS:.....					XXX
CITICORP..... NEW YORK, NY.....	VAR.....	170			XXX
GENERAL ELECTRIC CAP CORP..... NEW YORK, NY.....	VAR.....	1,005			XXX
UBS FINANCE (DE) LLC..... NEW YORK, NY.....	VAR.....	105			XXX
0199999. Total - Open Depositories.....	XXX.....	1,280	.0	.0	XXX
0399999. Total Cash on Deposit.....	XXX.....	1,280	.0	.0	XXX
0599999. Total Cash.....	XXX.....	1,280	.0	.0	XXX

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January.....		4. April.....		7. July.....		10. October.....	
2. February.....		5. May.....		8. August.....		11. November.....	
3. March.....	900,000	6. June.....	2,299,895	9. September.....		12. December.....	

SCHEDULE E - PART 2 - SPECIAL DEPOSITS

1 Line Number	2 Type	3 Description of Deposit	4 Where Deposited and Purpose of Deposit	5 Par or Book Value	6 Statement Value (a)	7 Fair Value
SPECIAL DEPOSITS WHICH ARE NOT FOR THE BENEFIT OF ALL POLICYHOLDERS						
Tennessee						
TN00001.	B.	US TREASURY NOTE 5.000% 02/15/11	Tennessee, Suntrust Bank, Collateral for Ins Underwrtg	200,000	196,857	219,750
TN99999.	Tennessee			200,000	196,857	219,750
XX99999.	Total - All Special Deposits NOT Held for Benefit of all Policyholders, Claimants, & Creditors of the Company			200,000	196,857	219,750
SPECIAL DEPOSITS WHICH ARE FOR THE BENEFIT OF ALL POLICYHOLDERS						
Ohio						
OH00001.	B.	MEMPHIS TENN 5 3/4% Due 4/1/2008 AO1 5.750% 04/01/08	Ohio, Bank of New York, Collateral for Ins Underwrtg	1,600,000	1,659,149	1,659,149
OH99999.	Ohio			1,600,000	1,659,149	1,659,149
ZZ99999.	Total - All Special Deposits Held for Benefit of all Policyholders, Claimants, & Creditors of the Company			1,600,000	1,659,149	1,659,149
9999999.	Totals			1,800,000	1,856,006	1,878,899

(a) Includes \$.....0 cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.