



ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2002
OF THE CONDITION AND AFFAIRS OF THE
AMERICAN FIRE AND CASUALTY COMPANY

NAIC Group Code 0148 0148 NAIC Company Code 24066 Employer's ID Number 59-0141790
(Current Period) (Prior Period)

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated January 1, 1906 Commenced Business January 3, 1933

Statutory Home Office 9450 Seward Road, Fairfield, Ohio 45014
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 9450 Seward Road, Fairfield, Ohio 45014 513-603-2400
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 9450 Seward Road, Fairfield, Ohio 45014
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 9450 Seward Road, Fairfield, Ohio 45014 513-603-2245
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address http://www.ocas.com

Statement Contact Dennis E. McDaniel 513-603-2245
(Name) (Area Code) (Telephone Number) (Extension)
finance@ocas.com 513-603-3179
(E-Mail Address) (Fax Number)

Policyowner Relations Contact 9450 Seward Road, Fairfield, Ohio 45014 513-603-2400
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

Chairman	Stanley Neal Pontius
President / CEO	Dan Roy Carmichael
Exec. VP / COO	John Stanley Busby
Exec. VP / COO	Jeffery Linn Haniewich
Exec. VP / COO	Elizabeth M. Riczko
Sr. VP / Genl Counsel / Secretary	#Debra Kay Crane
Sr. Vice President	John Edward Bade, Jr.
Sr. Vice President	Ralph Glass Goode
Sr. Vice President	Richard Brendan Kelly
Sr. Vice President	Howard Leslie Sloneker III
Exec. VP / Chief Finl Officer	#Donald Floyd McKee
VP / Treasurer	#Arthur Larry Sisk
VP / Controller	Dennis Eugene McDaniel

VICE PRESIDENTS

Michael Len Akin
Phillip Michael Boyd
Michael Joseph Brennan
Betsy Torrans Douglass
Harold Michael Good
David Jary Hasler
George Herbert Henehan 2
Daniel Fred Henke
Harry Elvin Hunter
Russell Francis Kelly

George Richard Kesl
Kurt Frederick Krueger
Judith Mildred Kuschill
Philip Russell Lucca
Jerry Wilson Phillips
Bruce Arthur Rutherford
Derrick Dewayne Shannon
Michael Eugene Sullivan
Jane Cochran White
Stephen Thomas Williams

DIRECTORS OR TRUSTEES

Terrence James Baehr
Jack Elliott Brown
Dan Roy Carmichael
Catherine Elizabeth Dolan
#Philip George Heasley
Stephen Sloneker Marcum
#Ralph Seefred Michael III
Stanley Neal Pontius
Howard Leslie Sloneker III
#Jan Henry Suwinski

State of Ohio }
County of Butler } SS

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

Donald F. McKee
Exec. VP / Chief Financial Officer

Dennis E. McDaniel
Vice President and Controller

Howard L. Sloneker III
Sr. Vice President

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 _____

Page E01

Schedule A, Pt. 1, Real Estate Owned
NONE

Page E02

Schedule A, Pt. 2, Real Estate Acquired
NONE

Page E03

Schedule A, Pt. 3, Real Estate Sold
NONE

Page E04

Schedule B, Pt. 1, Mortgage Loans Owned
NONE

Page E05

Schedule B, Pt. 2, Mortgage Loans Sold
NONE

Page E06

Schedule BA, Pt. 1, Other Long-Term Invested Assets Owned
NONE

Page E07

Schedule BA, Pt. 2, Other Long-Term Invested Assets Sold
NONE

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN FIRE AND CASUALTY COMPANY

SCHEDULE D - PART 1

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

1 CUSIP Identification	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 Designation	20 Date Acquired	21 Effective 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							
U.S. Governments - Issuer Obligations																					
912827-U8-3	US TREASURY NT		6.500	FA	08/15/2005			149,897	150,000	111.844	167,766	149,789	3,656	9,742	35				1	04/28/2000	6.529
912827-3E-0	U S TREASURY NOTES		6.125	FA	08/15/2007			1,058,678	1,060,000	115.000	1,219,000	1,057,847	24,347	64,925	240				1	11/03/1999	6.156
912827-4U-3	U. S. TREASURY		4.250	MN	11/15/2003			496,551	500,000	102.594	512,970	483,516	2,700	21,250	3,767				1	04/20/1999	5.067
912827-6T-4	U S TREASURY N/B		5.000	FA	02/15/2011			1,770,496	1,800,000	109.875	1,977,750	1,765,625	33,750	90,000	2,845				1	04/25/2001	5.250
0199999	U.S. Governments - Issuer Obligations							3,475,622	3,510,000		3,877,486	3,456,777	64,453	185,917	6,887						
U.S. Governments - Single Class Mortgage-Backed/Asset-Backed Securities																					
36202B-TK-1	G21454		10.000	MTLY	08/20/2020	07/01/2005		7,143	7,175	AV	7,143	7,162	60	898	(1)				1	08/24/1990	10.071
362028-5G-3	GN3547		8.000	MTLY	06/15/2004	05/01/2003		4,379	4,386	AV	4,379	4,347	29	706	5				1	11/26/1986	8.228
362032-A8-7	GN6331		8.000	MTLY	07/15/2005	11/01/2003		9,700	9,729	AV	9,700	9,632	63	1,048	10				1	11/26/1986	8.253
36219K-FQ-4	GN251375		10.000	MTLY	08/15/2018	06/01/2005		6,849	6,556	AV	6,849	6,664	55	663	(13)				1	10/26/1990	9.258
36223J-C4-3	GN308891		9.500	MTLY	08/15/2011	05/01/2007		125,801	123,274	AV	125,801	126,201	976	12,617	(132)				1	08/02/1991	8.955
0299999	U.S. Governments - Single Class Mortgage-Backed/Asset-Backed Securities							153,872	151,119		153,872	154,007	1,182	15,932	(131)						
0399999	Subtotal - U.S. Governments							3,629,494	3,661,119		4,031,358	3,610,783	65,636	201,849	6,757						
States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
373382-QD-5	GA GO REF SER 92A	GEORGIA	6.100	MS	03/01/2005			1,444,453	1,420,000	AV	1,444,453	1,511,732	28,873	86,620	(10,386)				1PE	05/01/1995	5.250
1799999	TOTAL GEORGIA							1,444,453	1,420,000		1,444,453	1,511,732	28,873	86,620	(10,386)						
928108-M6-3	VA GO REF TRAN 93 SER 1	VIRGINIA	5.250	JJ	07/01/2010	07/01/2005		100,000	287,323	AV	287,323	291,504	7,481	14,963	(852)				1PE	07/10/1997	4.900
1799999	TOTAL VIRGINIA							287,323	285,000		287,323	291,504	7,481	14,963	(852)						
1199999	States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations							1,731,776	1,705,000		1,731,776	1,803,236	36,355	101,583	(11,238)						
1799999	Subtotal - States, Territories and Possessions (Direct and Guaranteed)							1,731,776	1,705,000		1,731,776	1,803,236	36,355	101,583	(11,238)						
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
262651-JV-5	FST PRSV-DUPAGE CNTY IL GO RF FOREST PR	ESER	6.000	MN	11/01/2005			2,004,655	2,000,000	AV	2,004,655	2,015,920	20,000	120,000	(1,467)				1PE	12/02/1992	5.911
2499999	TOTAL ILLINOIS							2,004,655	2,000,000		2,004,655	2,015,920	20,000	120,000	(1,467)						
1899999	Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations							2,004,655	2,000,000		2,004,655	2,015,920	20,000	120,000	(1,467)						
2499999	Subtotal - Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)							2,004,655	2,000,000		2,004,655	2,015,920	20,000	120,000	(1,467)						
Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																					
312925-WJ-5	FREDDIE MAC		6.000	JJ	07/12/2017			2,982,351	3,000,000	106.249	3,187,470	2,982,000	84,500	351					1PE	06/24/2002	6.062
3199999	TOTAL ANY OTHER - DEFAULT WHEN NO CO DE E							2,982,351	3,000,000		3,187,470	2,982,000	84,500	351							
574754-AA-5	MASHANTUCKET TRIBE-A - CT		6.910	MS	09/01/2012			2,042,220	2,000,000	115.417	2,308,340	2,045,140	46,067	138,200	(2,830)				1	12/06/2001	6.611
3199999	TOTAL CONNECTICUT							2,042,220	2,000,000		2,308,340	2,045,140	46,067	138,200	(2,830)						
3133MN-VV-0	FED HOME LN BANK		5.750	MN	05/15/2012	05/15/2012		2,014,196	2,000,000	AV	2,014,196	2,015,520	14,129	55,903	(1,324)				1PE	06/07/2002	5.581
3199999	TOTAL STATE CODE NOT FOUND ON CLASS	(CLC)						2,014,196	2,000,000		2,014,196	2,015,520	14,129	55,903	(1,324)						
2599999	Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations							7,038,768	7,000,000		7,510,006	7,042,660	144,696	194,103	(3,803)						
Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities																					
31288B-2M-4	FGLMC PL C73480		5.500	MTLY	11/01/2032	06/01/2008		501,991	499,499	AV	501,991	501,997	2,289	2,289	(5)				1PE	11/21/2002	5.455
31288D-6N-4	FHLM		5.500	MTLY	12/01/2032	10/01/2007		510,234	500,000	AV	510,234	510,234	993						1PE	12/31/2002	5.362
31298T-G6-3	FGLMC PL C56521		6.500	MTLY	08/01/2031	07/01/2004		301,424	301,073	AV	301,424	301,826	1,631	28,723	(414)				1PE	08/16/2001	6.339
313401-K8-3	FH380026		10.000	MTLY	07/01/2003	04/01/2003		1,585	1,586	AV	1,585	1,582	24	338	1				1PE	05/18/1989	10.082
(continues)																					

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SCHEDULE D - PART 1

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

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			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								
Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities (continued)																						
31347N-BH-8	FH530940		10.500	MTLY	05/01/2019	11/01/2004		26,770	25,477	AV	26,770	26,114		440	3,242	32			1PE	07/10/1990	9.651	
31388J-RU-1	FNCL PL 606299		6.500	MTLY	09/01/2031	08/01/2004		541,052	541,012	AV	541,052	541,096		2,930	45,350	(47)			1PE	09/04/2001	6.490	
269999 - Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities								1,883,057	1,868,647		1,883,057	1,882,849		8,307	79,941	(434)						
Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Defined Multi-Class Residential Mortgage-Backed Securities																						
3133TJ-DM-2	FHR 2126 B		6.000	MTLY	10/15/2026	04/01/2005		990,123	1,000,000	AV	990,123	982,813		5,000	50,000	7,311			1PE	02/05/2002	6.925	
31392B-XM-3	FNR 2002-2 QE		6.000	MTLY	03/25/2030	10/01/2006		2,057,997	2,000,000	AV	2,057,997	2,067,969		9,020	30,000	(9,972)			1PE	09/04/2002	4.193	
31392B-7C-4	FNR 2002-24 AE		6.000	MTLY	04/25/2016	04/01/2006		4,984,930	5,000,000	AV	4,984,930	4,984,375		25,000	225,000	555			1PE	03/07/2002	6.033	
31392F-QG-5	FNR 2002-74 ME		5.500	MTLY	06/25/2031	11/01/2011		499,547	500,000	AV	499,547	499,531		2,250	4,583	16			1PE	10/15/2002	5.525	
31392H-CY-7	FNR 2002-92 QE		5.500	MTLY	10/25/2031	07/01/2011		1,000,000	1,000,000	AV	1,000,000	1,000,000		4,583					1PE	12/03/2002	5.500	
31392R-ZN-4	FHR 2489 B		6.000	MTLY	04/15/2030	11/01/2006		496,131	500,000	AV	496,131	495,469		2,304	10,000	663			1PE	08/02/2002	6.476	
31392W-DQ-0	FHR 2514 ND		5.500	MTLY	03/15/2031	01/01/2012		1,610,596	1,600,000	AV	1,610,596	1,610,938		7,267	10,083	(341)			1	10/30/2002	5.326	
31392W-UJ-7	FHR 2510 PE		5.500	MTLY	11/15/2031	01/01/2012		605,190	600,000	AV	605,190	605,344		2,725	2,750	(154)			1PE	11/05/2002	5.274	
31392X-E9-5	FHR 2513 QW		5.500	MTLY	02/15/2032	01/01/2009		4,955,473	5,000,000	AV	4,955,473	4,953,125		22,306	45,833	2,348			1PE	10/17/2002	5.842	
313920-3H-1	FNR 2001-41 BH		6.000	MTLY	07/25/2029	11/01/2005		494,233	500,000	AV	494,233	491,094		2,500	22,500	3,140			1PE	02/28/2002	6.869	
3837H1-US-8	GNR 1998-19 ZB		6.500	MTLY	07/20/2028	10/01/2007		2,637,528	2,663,007	AV	2,637,528	2,638,316		14,425	167,152	(668)			1PE	10/17/2001	6.538	
38373W-VV-7	GNR 2002-36 AH		6.500	MTLY	02/20/2030	07/01/2005		1,188,664	1,195,000	AV	1,188,664	1,185,851		6,473	45,310	2,813			1PE	05/13/2002	6.950	
31339G-LA-7	FHR 2370 PC		6.000	MTLY	07/15/2030	01/01/2007		983,808	1,000,000	AV	983,808	979,063		5,000	35,000	4,745			1PE	05/09/2002	6.888	
31359U-M8-5	FNR 1998-62 DC		9.000	MTLY	11/25/2028	02/01/2006		965,445	924,766	AV	965,445	1,010,307		6,936	100,675	(7,737)			1PE	04/27/1999	5.965	
279999 - Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Defined Multi-Class Residential Mortgage-Backed Securities								23,469,667	23,482,773		23,469,667	23,504,193		115,787	748,888	2,720						
319999 - Subtotal - Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions								32,391,492	32,351,419		32,862,730	32,429,702		268,790	1,022,932	(1,517)						
Public Utilities (Unaffiliated) - Issuer Obligations																						
283677-AU-6	EL PASO ELEC CO		9.400	MN	05/01/2011	02/01/2008		5,181,136	5,000,000		100.576	5,028,800	5,250,000		78,333	470,000	(25,851)			2PE	01/20/2000	8.540
882850-CU-2	TEXAS UTILITIES		7.375	AO	10/01/2025		4,867,194	4,915,000		100.604	4,944,687	4,865,850		90,620	362,481	786			2PE	09/06/2001	7.465	
329999 - Public Utilities (Unaffiliated) - Issuer Obligations								10,048,330	9,915,000		9,973,487	10,115,850		168,954	832,481	(25,065)						
389999 - Subtotal - Public Utilities (Unaffiliated)								10,048,330	9,915,000		9,973,487	10,115,850		168,954	832,481	(25,065)						
Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																						
02635P-RT-2	AMER GENL FIN		5.375	AO	10/01/2012		1,983,994	2,000,000		AV	1,983,994	1,983,680		27,174		314			1	09/27/2002	5.482	
03060N-AB-6	AMERICO LIFE SR SUB NTS		9.250	JD	06/01/2005		1,000,000	1,000,000		AV	1,000,000	1,000,000		7,708	92,500	5,000			3	05/19/1993	9.250	
197648-CC-0	COLUMBIA ENERGY GROUP		7.320	MN	11/28/2010		1,931,587	2,000,000		103.959	2,079,180	1,899,920		13,420	146,400	6,028			2	08/29/1996	7.910	
205887-AQ-5	CONAGRA INC		6.700	FA	08/01/2027		1,881,532	2,000,000		113.918	2,278,360	1,877,660		55,833	134,000	1,720			2	10/26/2000	7.218	
211177-AK-6	CONTINENTAL CABLEVISION		9.500	FA	08/01/2013	08/01/2005	104.750	2,734,857	2,500,000		115.793	2,894,825	2,859,825		98,958	237,500	(39,550)			2	07/20/1999	7.160
247361-XV-5	DELTA ETC 92-E		9.300	JJ	01/02/2010		3,037,271	4,175,000		72.749	3,037,271	4,614,920		193,059	388,275	(476,785)			3	08/20/1996	8.000	
33632*-HF-7	HORIZON AIR IND INC SER A	SCD EQUIP	9.850	FA	02/27/2005		400,640	424,945		98.000	416,446	418,899		14,301	46,671	(27,812)			3	05/08/1995	9.813	
33632*-HG-5	HORIZON AIR IND INC SER B	SCD EQUIP	9.850	FA	02/27/2005		416,453	424,952		98.000	416,453	425,677		14,301	45,983	(8,827)			3	05/08/1995	9.807	
345397-TS-2	FORD MOTOR CREDIT		7.375	FA	02/01/2011		1,993,882	2,000,000		97.239	1,944,780	1,992,880		61,458	147,500	536			2	01/25/2001	7.426	
36962G-WB-6	GEN ELEC CAP CRP		6.125	FA	02/22/2011		6,355,803	6,300,000		AV	6,355,803	6,363,000		138,272	385,875	(5,184)			1PE	06/15/2001	5.986	
370425-RP-7	GMAC		7.750	JJ	01/19/2010		999,033	1,000,000		104.689	1,046,890	998,760		34,875	77,500	100			2	01/11/2000	7.768	
370425-RX-0	GMAC		6.875	MS	09/15/2011		3,026,534	3,000,000		99.726	2,991,780	3,028,530		60,729	207,969	(1,906)			2	11/14/2001	6.739	
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SCHEDULE D - PART 1

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

1 CUSIP Identification	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 Design- ation	20 Date Acquired	21 Effective 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						
Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations (continued)																				
370442-BB-0	GENERAL MOTORS		7.200	JJ	01/15/2011			5,110,295	5,000,000	100.419	5,020,950	5,125,000	166,000	360,000	(10,001)			2	06/15/2001	6.839
37045*-AC-3	GM CORP 1992-A3		8.380	JJ	07/02/2007			574,618	574,618	AV	574,618	574,618	23,943	48,772				2	06/18/1992	8.380
38141G-AZ-7	GOLDMAN SACHS		6.875	JJ	01/15/2011			3,109,452	3,000,000	111.624	3,348,720	3,121,020	95,104	206,250	(10,113)			1	10/22/2001	6.290
431573-AC-8	HILLENBRAND IND		6.750	JD	12/15/2027			4,740,958	5,000,000	98.571	4,928,550	4,735,300	15,000	337,500	3,652			1PE	07/11/2001	7.200
455665-AK-5	INDIANTOWN COGEN FMB SER A-10		9.770	JD	12/15/2020			2,056,394	2,000,000	107.844	2,156,880	2,060,000	8,684	195,400	(1,172)			2PE	06/17/1999	9.441
459745-EZ-4	INTL LEASE FIN		6.375	MS	03/15/2009			2,042,537	2,000,000	106.828	2,136,560	2,045,380	37,542	66,229	(2,843)			1PE	06/05/2002	5.960
460146-BP-7	INTL PAPER CO		5.850	AO	10/30/2012			2,063,198	2,000,000	AV	2,063,198	2,063,360	20,150		(162)			2PE	12/12/2002	5.430
501044-BF-7	KROGER CO SR NTS		8.150	JJ	07/15/2006			2,000,000	2,000,000	113.136	2,262,720	2,000,000	75,161	163,000				2PE	07/24/1996	8.149
524908-CV-0	LEHMAN BROS HLDG		7.000	FA	02/01/2008			2,999,112	3,000,000	113.056	3,391,680	2,998,830	87,500	210,000	141			1PE	01/24/2001	7.007
548661-CC-9	LOWES COMPANIES		7.500	JD	12/15/2005			2,080,670	2,000,000	114.034	2,280,680	2,122,040	6,667	150,000	(24,240)			1PE	03/28/2001	5.992
5526E0-AH-6	MBNA AMER BK NA		7.750	MS	09/15/2005			3,003,585	3,000,000	AV	3,003,585	3,006,120	68,458	232,500	(1,150)			2	09/15/2000	7.700
552845-AE-9	MGIC INVT CORP		7.500	AO	10/15/2005			6,166,969	6,000,000	111.147	6,668,820	6,213,270	95,000	450,000	(48,689)			1PE	02/05/2002	6.382
58528#-DC-8	MEIJER INC SR 1ST MTG SER C-1		7.990	JJ	07/01/2011			1,050,962	978,000	AV	1,050,962	1,058,255	39,071	78,142	(6,155)			1	10/11/2001	6.819
585515-AB-5	MELLON FINANCIAL		6.400	MN	05/14/2011			3,989,265	4,000,000	111.302	4,452,080	3,987,760	33,422	256,000	942			1PE	05/09/2001	6.442
587499-A4-6	MERCANTILE SAFE		5.700	MN	11/15/2011			1,948,730	2,000,000	104.227	2,084,540	1,945,020	14,567	116,217	3,710			1PE	03/04/2002	6.078
653922-AD-6	NIKE INC MTN		5.375	JD	07/08/2009			999,006	1,000,000	AV	999,006	999,000	4,479	21,351	6			1PE	07/01/2002	5.394
667294-AX-0	NORTHWEST AIRLINES		6.841	AO	04/01/2011			997,265	1,000,000	AV	997,265	997,020	17,103	68,410	239			1PE	05/25/2001	6.885
681385-AC-4	OLSTEN CORP SR NTS		7.000	MS	03/15/2006			3,897,166	4,000,000	108.683	4,347,320	3,835,880	82,444	280,000	26,993			2PE	01/26/2001	7.921
690734-AM-0	OWENS-CORNING/TOLEDO-LUCAS CTYSEC LEASE	BD	9.900	MN	05/15/2015			935,926	1,871,854	AV	1,871,854	935,926	23,679	191,134				6	03/21/1995	9.896
69373F-AC-4	PACER INTL INC		11.750	JD	06/01/2007	06/01/2005	100.000	1,508,137	1,500,000	103.000	1,545,000	1,515,000	14,688	176,250	620,789			4	01/18/2000	11.487
78387G-AD-5	SBC COMMUNICATION		6.250	MS	03/15/2011			1,988,491	2,000,000	110.244	2,204,880	1,986,700	36,806	125,000	1,041			1	03/13/2001	6.341
803111-AK-9	SARA LEE CORP		6.250	MS	09/15/2011			3,982,262	4,000,000	112.155	4,486,200	3,980,280	73,611	253,472	1,510			1	09/05/2001	6.317
872540-AE-9	TJX COMPANIES INC NTS		7.000	JD	06/15/2005			1,245,516	1,250,000	109.862	1,373,275	1,240,315	3,889	87,500	1,609			1PE	12/08/2000	7.162
87612E-AC-0	TARGET CORP		6.350	JJ	01/15/2011			1,996,150	2,000,000	111.065	2,221,300	1,995,440	58,561	127,000	357			1	01/05/2001	6.381
882389-BY-4	TEXAS EAST TRANS NTS		8.250	AO	10/15/2004			2,994,700	3,000,000	103.278	3,098,340	2,977,620	52,250	247,500	2,641			2PE	10/17/1994	8.362
88731E-AC-4	TIME WARNER INC SR NTS		10.150	MN	05/01/2012			1,000,000	1,000,000	126.195	1,261,950	1,000,000	16,917	101,500				2PE	04/23/1992	10.150
893570-BR-1	TRANSCONT GAS PL SER B		7.000	FA	08/15/2011			682,500	750,000	91.000	682,500	751,995	19,833	50,750	(69,427)			4	08/23/2001	6.963
898602-AC-1	TUBOSCOPE INC		7.500	FA	02/15/2008			1,721,536	1,700,000	111.146	1,889,482	1,726,605	48,167	127,500	(3,367)			2	05/11/2001	7.200
902911-AK-2	UST INC		6.625	JJ	07/15/2012			2,174,234	2,000,000	108.949	2,178,980	2,174,720	61,097		(486)			1	12/11/2002	5.442
925254-AN-0	VIACOM INC		6.400	JJ	01/30/2006			2,007,026	2,000,000	110.403	2,208,060	2,010,760	53,333	128,000	(2,007)			1	01/10/2001	6.273
947071-AA-4	WEATHERFORD ENTE NTS		7.250	MN	05/15/2006			5,467,886	5,500,000	110.912	6,100,160	5,448,870	50,951	398,750	8,088			2PE	11/07/2000	7.449
949740-BZ-6	WELLS FARGO & CO SUB NTS		6.875	AO	04/01/2006			2,949,257	3,000,000	112.090	3,362,700	2,876,460	51,563	206,250	13,329			1	05/09/1996	7.471
94975C-AD-9	WELLS FARGO FINL		6.125	FA	02/15/2006			1,998,487	2,000,000	110.075	2,201,500	1,997,700	46,278	122,500	427			1PE	02/07/2001	6.152
97180*-ME-5	FED EX ETC SER B/WILMINGTON TR		10.500	JD	12/21/2006			2,302,583	2,143,530	AV	2,302,583	2,571,700	6,252	225,071	(40,603)			2	02/14/1994	7.930
97180*-SQ-2	WILMINGTON TR/GPA/GECC LEASE		7.740	JJ	07/02/2010			700,521	700,521	AV	700,521	700,521	26,960	54,220				1	08/17/1992	7.740
976657-AD-8	WISCONSIN ENERGY		5.500	JD	12/01/2008			2,991,329	3,000,000	107.900	3,237,000	2,989,920	13,750	170,042	1,263			1PE	11/13/2001	5.558
89346D-AA-5	TRANSALTA CORP		6.750	JJ	07/15/2012			2,990,208	3,000,000	101.215	3,036,450	2,989,650	104,625		558			2	06/20/2002	6.797
3999999	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							116,228,518	117,793,420		124,176,651	118,221,806	2,373,593	7,942,382	(79,486)					
Industrial and Miscellaneous (Unaffiliated) - Single Class Mortgage-Backed/Asset-Backed Securities																				
023778-AB-9	AMR ETC 91-A2 AMERICAN AIRL	AIRL	10.180	JJ	01/02/2013	10/02/2010	100.000	3,583,721	3,000,000	AV	3,583,721	3,765,420	151,852	305,400	(52,910)			3	03/16/1999	6.968
843597-AF-2	SOUTHRN PAC TRN PTC SER 95-A6		8.020	JJ	07/02/2012			1,811,643	1,811,643	AV	1,811,643	1,811,643	72,243	145,293				2	05/02/1995	8.020
93114K-AA-1	WAL-MART PTC 92-A-1	PASS THRU	7.490	JD	06/21/2007			1,347,512	1,347,512	AV	1,347,512	1,347,512	2,804	107,401				1PE	12/11/1992	7.490
65087B-AB-0	NEWBURY CBO 1A-3		1.040	FMAN	02/15/2030	02/15/2005		4,995,964	4,995,964	AV	4,995,964	4,995,964	6,644	231,120				1PE	01/11/2000	2.907
4099999	Industrial and Miscellaneous (Unaffiliated) - Single Class Mortgage-Backed/Asset-Backed Securities							11,738,840	11,155,119		11,738,840	11,920,539	233,543	789,214	(52,910)					

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN FIRE AND CASUALTY COMPANY

SCHEDULE D - PART 1

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

1 CUSIP Identification	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 Design- ation	20 Date Acquired	21 Effective 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						
Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities																				
00077B-X9-9	AMAC 2002-8 1A5		6.250	MTLY	10/25/2032	07/01/2004		421,287	422,072	AV	421,287	421,544	7,407	4,318	(258)			1PE	08/14/2002	6.506
05329W-AB-8	AUTONATION INC DEL SR NT		9.000	FA	08/01/2008		1,494,808	1,500,000		101.000	1,515,000	1,493,703	56,250	131,625	764			3	10/23/2001	9.080
060506-Y7-1	BOAMS 2001-9 1A22		6.750	MTLY	09/25/2031	12/01/2003	3,008,930	3,000,000	AV		3,008,930	3,033,750	15,577	202,135	(23,214)			1PE	09/28/2001	6.035
12669B-QZ-8	CWALT 2000-1 M		8.000	MTLY	07/25/2030	09/01/2004	951,199	957,312	AV		951,199	936,071	6,382	78,073	7,266			1PE	07/19/2000	8.805
172953-5V-9	CMSI 2002-3 1A5		6.250	MTLY	03/25/2032	01/01/2004	1,794,127	1,800,000	AV		1,794,127	1,787,625	8,705	55,675	6,502			1PE	06/07/2002	6.968
23321P-2C-1	FNT 1999-3 3A3		6.750	MTLY	07/25/2029	05/01/2004	5,933,399	5,946,391	AV		5,933,399	5,899,006	31,590	402,060	23,118			1PE	02/27/2001	7.108
32051D-MF-6	FHASI 2002-3 2A2		6.000	MTLY	06/25/2017	07/01/2012	3,865,972	4,000,000	AV		3,865,972	3,851,250	19,828	140,000	14,722			1PE	05/15/2002	6.877
36158G-FF-0	GECMS 1999-14 A6		6.500	MTLY	08/25/2029	07/01/2003	535,379	541,263	AV		535,379	493,142	2,932	354,922	16,225			1PE	07/12/2000	10.906
45254T-DR-2	IMSA 2000-3 A10		7.750	MTLY	10/25/2030	07/01/2004	3,998,866	4,000,000	AV		3,998,866	3,997,500	24,542	309,939	1,168			1PE	10/31/2000	7.791
74434T-HB-6	(SC) PHMS 1993-B 1B1		7.860	MTLY	04/28/2023	07/01/2003	174,641	175,082	AV		174,641	173,113	1,147	22,162	13			1PE	06/21/2000	8.876
74434T-3R-6	PHMS 1994-3 A11		6.500	MTLY	02/25/2024	01/01/2004	986,394	1,000,000	AV		986,394	846,250	5,030	64,659	45,868			1PE	06/21/1996	9.524
74434U-BQ-6	PHMS 1994-18 A2		8.500	MTLY	05/25/2024	07/01/2003	84,768	84,794	AV		84,768	84,251	601	22,307	(8)			1PE	05/10/1994	8.625
760947-VP-3	RFMSI 1996-S7 A12		7.000	MTLY	03/25/2026	04/01/2003	1,444,386	1,444,458	AV		1,444,386	1,443,556	8,426	127,357	440			1	02/15/2001	7.040
76110F-J9-5	RALI 1999-QS3 A7		6.500	MTLY	03/25/2029	05/05/2003	997,679	1,000,000	AV		997,679	957,625	4,643	64,716	13,568			1PE	02/14/2001	7.802
76110G-RZ-6	RALI 2001-QS16 A2		6.250	MTLY	11/25/2031	02/01/2008	5,034,604	5,000,000	AV		5,034,604	5,048,438	25,628	312,441	(13,113)			1PE	10/25/2001	5.944
863572-YW-7	FNT 1999-1 2A6	AKA SASCO	199	6.500	MTLY	03/25/2029	05/01/2007	6,193,343	6,173,323	AV	6,193,343	6,212,871	33,439	468,798	(7,253)			1PE	01/25/1999	6.336
86358R-JF-5	SASC 2001-12 1A5		6.750	MTLY	09/25/2031	02/01/2005	1,989,698	2,000,000	AV		1,989,698	1,980,000	10,833	135,000	9,662			1PE	12/07/2001	7.291
86358R-JH-1	SASC 2001-12 1A7		6.750	MTLY	09/25/2031	05/01/2006	3,000,000	3,000,000	AV		3,000,000	3,000,000	16,473	118,125				1PE	05/02/2002	6.750
86358R-ZU-4	SASC 2002-6 3A7		6.750	MTLY	04/25/2032	06/01/2003	1,752,505	1,760,243	AV		1,752,505	1,745,474	28,363	9,846	7,031			1PE	10/10/2002	8.869
929227-BV-7	WAMU 2001-S9 A7		6.500	MTLY	09/25/2031	07/01/2004	1,001,958	1,000,000	AV		1,001,958	1,004,688	5,146	65,000	(2,685)			1	12/05/2001	6.217
929227-YQ-3	WAMU 2002-S7 4A8		6.000	MTLY	11/25/2032	12/01/2008	3,947,143	3,962,000	AV		3,947,143	3,947,143	19,810					1PE	11/27/2002	6.027
939335-DN-2	WMMSC 2001-4 2A4		6.750	MTLY	06/25/2031	06/01/2004	496,674	500,000	AV		496,674	490,000	2,664	33,750	4,168			1PE	07/06/2001	7.779
4199999	Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities						49,107,759	49,266,939			49,127,952	48,864,997	335,415	3,122,910	103,983					
Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Residential Mortgage-Backed Securities																				
126342-BD-5	CSFB 1993-2R 1		7.425	MTLY	03/28/2033	11/01/2008	1,627,359	1,667,593	AV		1,627,359	1,580,044	20,493	113,501	4,826			2	01/26/1996	8.410
12669B-X3-1	CWHL 2001-11 A5		6.500	MTLY	07/25/2031	12/01/2003	984,261	1,000,000	AV		984,261	931,406	5,000	64,999	46,016			1PE	05/16/2001	10.337
126690-DK-9	CWFC 1993-3 B1		7.000	MTLY	10/25/2023	04/01/2003	348,040	348,310	AV		348,040	337,861	2,032	38,841	2,014			2	08/23/1993	7.614
45660N-DW-2	RAST 2002-A5 A4		6.800	MTLY	06/25/2030	03/01/2009	999,540	1,000,000	AV		999,540	999,416	5,592	39,579	124			1PE	05/14/2002	6.817
760985-BW-0	RAMF 2000-RS4 A14		7.220	MTLY	12/25/2032	12/01/2004	3,998,881	4,000,000	AV		3,998,881	3,997,649	23,104	289,438	942			1PE	12/14/2000	7.252
76111J-GH-1	RFMSI 2001-S24 A2		6.750	MTLY	10/25/2031	02/01/2004	5,884,784	5,903,997	AV		5,884,784	5,843,112	30,996	398,250	39,777			1PE	09/05/2001	7.410
4299999	Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Residential Mortgage-Backed Securities						13,842,864	13,919,900			13,842,864	13,689,488	87,217	944,608	93,699					
Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																				
05947U-BM-9	BACM 2001-1 A2		6.503	MTLY	04/15/2036	11/01/2010	501,869	500,000	AV		501,869	502,500	2,710	32,515	(399)			1PE	06/12/2001	6.391
126671-FV-3	CWL 1999-2 MF1		7.090	MTLY	05/25/2029	08/01/2004	999,940	1,000,000	AV		999,940	999,689	5,627	70,900	60			1	05/24/1999	7.098
393505-CH-3	GT 1994-2 B2		8.550	MTLY	05/15/2019	07/15/2005	3,774,024	3,811,670	AV		3,774,024	3,690,173	14,485	338,392	13,286			5	04/21/1999	9.381
393505-UV-2	GT 1997-4 A7		7.360	MTLY	02/15/2029	03/01/2011	4,991,423	4,972,863	AV		4,991,423	4,997,727	16,267	366,449	(3,495)			1PE	04/27/2001	7.250
69348H-BK-3	PNCMA 2000-C1 A2		7.610	MTLY	02/15/2010	07/01/2009	2,000,052	2,000,000	AV		2,000,052	2,000,082	12,683	152,200	101			1	06/15/2000	7.609
760985-NK-3	RAMF 2002-RS4 A15		5.663	MTLY	08/25/2032	05/01/2013	2,989,828	3,000,000	AV		2,989,828	2,989,219	13,719	56,630	609			1PE	08/19/2002	5.745
805564-GP-0	SAST 2000-3 AF4		7.630	MTLY	10/25/2023	05/01/2003	947,100	947,182	AV		947,100	947,034	6,023	76,264	317			1PE	09/13/2000	7.682
921796-KM-9	VMF 2000-D A3		7.305	MTLY	02/07/2018	03/01/2005	750,000	750,000	AV		750,000	750,000	4,566	54,788				1PE	11/16/2000	7.305
4499999	Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						16,954,236	16,981,715			16,954,236	16,876,424	76,078	1,148,138	10,478					
4599999	Subtotal - Industrial and Miscellaneous (Unaffiliated)						207,872,218	209,117,093			215,840,543	209,573,254	3,105,846	13,947,251	75,764					

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN FIRE AND CASUALTY COMPANY

SCHEDULE D - PART 1

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

1 CUSIP Identification	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 Effective 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							
5499999	Total Bonds - Subtotal - Issuer Obligations							140,527,668	141,923,420		149,274,061	142,656,248	2,808,050	9,376,466	(114,172)						
5599999	Total Bonds - Subtotal - Single Class Mortgage-Backed/Asset-Backed Securities							13,775,769	13,174,885		13,775,769	13,957,394	243,033	885,087	(53,475)						
5699999	Total Bonds - Subtotal - Defined Multi-Class Residential Mortgage-Backed Securities							72,577,427	72,749,712		72,597,619	72,369,190	451,202	3,871,797	106,703						
5799999	Total Bonds - Subtotal - Other Multi-Class Residential Mortgage-Backed Securities							13,842,864	13,919,900		13,842,864	13,689,488	87,217	944,608	93,699						
5999999	Total Bonds - Subtotal - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							16,954,236	16,981,715		16,954,236	16,876,424	76,078	1,148,138	10,478						
6099999	TOTALS							257,677,964	258,749,632		266,444,549	259,548,744	3,665,580	16,226,096	43,233						

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Number of Shares	4 Par Value Per Share	5 Rate Per Share	6 Book/Adjusted Carrying Value	7 Rate Per Share Used to Obtain Fair Value	8 Fair Value	9 Actual Cost	Dividends		12 Increase (Decrease) by Adjustment	13 Increase (Decrease) by Foreign Exchange Adjustment	14 NAIC Designation	15 Date Acquired
									10 Declared but Unpaid	11 Amount Received During Year				
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)														
42307T-20-7	HEINZ H.J. CO. 6.226	30.000	100,000.00		3,378,000	112.600	3,378,000	3,215,820		93,390	162,180		RP2U	07/01/2002
6399999	Subtotal - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)													
					3,378,000		3,378,000	3,215,820		93,390	162,180			
6599999	TOTAL - Preferred Stocks													
					3,378,000		3,378,000	3,215,820		93,390	162,180			

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN FIRE AND CASUALTY COMPANY

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Number of Shares	4 Book/Adjusted Carrying Value	5 Rate Per Share Used to Obtain Fair Value	6 Fair Value	7 Actual Cost	Dividends		10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 NAIC Designation (a)	13 Date Acquired
							8 Declared but Unpaid	9 Amount Received During Year				
Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)												
30303#-10-7	FACILITY INS HLDGS CORP - CL A	490,000	303	0.619	303				303		A	08/21/1997
939322-10-3	WASHINGTON MUTUAL INC	110,767,000	3,824,785	34.530	3,824,785	1,910,728		117,413	202,704		L	07/01/1997
6799999	- Subtotal - Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)		3,825,088		3,825,088	1,910,728		117,413	203,007			
Common Stocks - Industrial and Miscellaneous (Unaffiliated)												
172908-10-5	CINTAS CORP	15,000,000	686,250	45.750	686,250	398,750		3,750	(33,750)		L	12/16/1999
313586-10-9	FEDERAL NATL MTG ASSN	140,032,000	9,008,259	64.330	9,008,259	9,032,064			(23,805)		L	12/30/2002
6899999	- Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)		9,694,509		9,694,509	9,430,814		3,750	(57,555)			
7099999	- TOTAL - Common Stocks		13,519,597		13,519,596	11,341,542		121,163	145,452			
7199999	- TOTAL - Preferred and Common Stocks		16,897,597		16,897,596	14,557,362		214,553	307,632			

(a) For all common stocks bearing the NAIC designation "U" provide: the number of such issues the total \$ value (included in Column 6) of all such issues \$

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN FIRE AND CASUALTY COMPANY

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 - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions							
31288B-2M-4	FGLMC PL C73480	11/21/2002	GREENWICH		502,500	500,000.00	1,910
31288D-6N-4	FHLM	12/31/2002	LEHMAN		510,234	500,000.00	993
312925-WJ-5	FREDDIE MAC	06/24/2002	LEHMAN		2,982,000	3,000,000.00	
3133TJ-DM-2	FHR 2126 B	02/05/2002	SBC WARBURG DILLON READ		982,813	1,000,000.00	1,167
3133TP-M3-0	FHR 2251 ZB	12/25/2002	CAPITALIZED INTEREST		141,988	141,987.82	
313398-FA-2	FHR 2333 ZD	12/15/2002	CAPITALIZED INTEREST		372,116	372,116.42	
31390K-2S-6	FNCL PL 648885	09/26/2002	GREENWICH		590,452	585,239.49	2,596
31392B-XM-3	FNR 2002-2 QE	09/04/2002	TRANSFER TO MARKET		2,067,969	2,000,000.00	1,000
31392B-7C-4	FNR 2002-24 AE	03/07/2002	MORGAN KEEGAN & CO		4,984,375	5,000,000.00	22,500
31392F-QG-5	FNR 2002-74 ME	10/15/2002	SALOMON BROTHERS INC		499,531	500,000.00	2,215
31392H-CY-7	FNR 2002-92 QE	12/03/2002	PAINWEBBER		1,000,000	1,000,000.00	4,431
31392R-ZN-4	FHR 2489 B	08/02/2002	MORGAN STANLEY & CO., INC.		495,469	500,000.00	2,417
31392W-DQ-0	FHR 2514 ND	10/30/2002	SBC WARBURG DILLON READ		1,610,938	1,600,000.00	3,117
31392W-UJ-7	FHR 2510 PE	11/05/2002	BEAR, STEARNS & CO. INC.		605,344	600,000.00	642
31392X-E9-5	FHR 2513 QW	10/17/2002	CS FIRST BOSTON		4,953,125	5,000,000.00	22,153
313920-3H-1	FNR 2001-41 BH	02/28/2002	SBC WARBURG DILLON READ		491,094	500,000.00	333
3837H1-US-8	GNR 1998-19 ZB	12/20/2002	CAPITALIZED INTEREST		167,152	167,152.01	
38373W-VV-7	GNR 2002-36 AH	05/13/2002	BANK OF AMERICA		1,185,851	1,195,000.00	6,257
3133MN-VV-0	FED HOME LN BANK	06/07/2002	CHEMICAL SECURITIES		2,015,520	2,000,000.00	6,389
31339G-LA-7	FHR 2370 PC	05/09/2002	GOLDMAN, SACHS & CO.		979,063	1,000,000.00	2,167
3199999 - Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					27,137,532	27,161,495.74	80,285
Bonds - Industrial and Miscellaneous (Unaffiliated)							
00077B-X9-9	AMAC 2002-8 1A5	08/14/2002	STEPHENS, INC.		998,750	1,000,000.00	5,035
02635P-RT-2	AMER GENL FIN	09/27/2002	CHEMICAL SECURITIES		1,983,680	2,000,000.00	
172953-5V-9	CMSI 2002-3 1A5	06/07/2002	BANK OF AMERICA		1,787,625	1,800,000.00	5,000
32051D-MF-6	FHASI 2002-3 2A2	05/15/2002	BANK OF AMERICA		3,851,250	4,000,000.00	19,333
45660N-DW-2	RAST 2002-A5 A4	05/14/2002	BEAR, STEARNS & CO. INC.		999,416	1,000,000.00	5,289
459745-EZ-4	INTL LEASE FIN	06/05/2002	SALOMON BROTHERS INC		2,045,380	2,000,000.00	32,583
460146-BP-7	INTL PAPER CO	12/12/2002	BEAR, STEARNS & CO. INC.		2,063,360	2,000,000.00	15,600
552845-AE-9	MGIC INVT CORP	02/05/2002	TRANSFER TO MARKET		3,225,000	3,000,000.00	68,750
587499-A4-6	MERCANTILE SAFE	03/04/2002	LEHMAN BROTHERS		1,945,020	2,000,000.00	37,683
653922-AD-6	NIKE INC MTN	07/01/2002	MERRILL LYNCH		999,000	1,000,000.00	
760985-NK-3	RAMP 2002-RS4 AI5	08/19/2002	RESIDENTIAL FUNDING		2,989,219	3,000,000.00	13,214
86358R-JH-1	SASC 2001-12 1A7	05/02/2002	LEHMAN		3,000,000	3,000,000.00	3,375
86358R-ZU-4	SASC 2002-6 3A7	10/10/2002	LEHMAN		1,735,628	1,750,396.95	4,923
86358R-ZU-4	SASC 2002-6 3A7	12/25/2002	CAPITALIZED INTEREST		9,846	9,845.98	
902911-AK-2	UST INC	12/11/2002	GOLDMAN, SACHS & CO.		2,174,720	2,000,000.00	55,576
929227-YQ-3	WAMU 2002-S7 4A8	11/27/2002	DAIN BOSWORTH INCORPORATED		3,947,143	3,962,000.00	19,150
89346D-AA-5	TRANSALTA CORP	06/20/2002	SALOMON BROTHERS INC		2,989,650	3,000,000.00	
4599999 - Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					36,744,686	36,522,242.93	285,511
6099997 - Subtotal - Bonds - Part 3					63,882,218	63,683,738.67	365,796
6099998 - Summary Item from Part 5 for Bonds					7,902,491	8,000,000.00	31,514
6099999 - Subtotal - Bonds					71,784,709	71,683,738.67	397,310
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)							
42307T-20-7	HEINZ H. J. CO. 6.226	07/01/2002	LEHMAN BROTHERS	30.000	3,215,820	100,000.00	
6399999 - Subtotal - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)					3,215,820		
6599997 - Subtotal - Preferred Stocks - Part 3					3,215,820		

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN FIRE AND CASUALTY COMPANY

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
6599999 - Subtotal - Preferred Stocks					3,215,820		
Common Stocks - Industrial and Miscellaneous (Unaffiliated)							
313586-10-9	FEDERAL NATL MTG ASSN	12/30/2002	TRANSFER TO MARKET	140,032.000	9,032,064		
6899999 - Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					9,032,064		
7099997 - Subtotal - Common Stocks - Part 3					9,032,064		
7099999 - Subtotal - Common Stocks					9,032,064		
7199999 - Subtotal - Preferred and Common Stocks					12,247,884		
7299999 - TOTALS					84,032,593		397,310

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN FIRE AND CASUALTY COMPANY

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 Identification	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. Governments															
36202B-TK-1	G21454	12/20/2002	PRINCIPAL PAYDOWN		3,955	3,954.57	3,947	3,955	17						
362028-5G-3	GN3547	12/15/2002	PRINCIPAL PAYDOWN		7,931	7,931.31	7,862	7,931	21						
362032-A8-7	GN6331	12/15/2002	PRINCIPAL PAYDOWN		8,512	8,511.69	8,427	8,512	34						53
36219K-FQ-4	GN251375	12/15/2002	PRINCIPAL PAYDOWN		183	183.47	187	183	(9)						3
36223J-C4-3	GN308891	12/15/2002	PRINCIPAL PAYDOWN		40,015	40,015.48	40,966	40,015	(863)						212
912827-3E-0	U S TREASURY NOTES	01/17/2002	TRANSFER FROM MARKET		368,050	340,000.00	339,309	339,503	4			28,547	28,547	8,771	
0399999	- Subtotal - Bonds - U. S. Governments				428,647	400,596.52	400,697	400,099	(796)			28,547	28,547	9,039	
Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions															
31288B-2M-4	FGLMC PL C73480	12/15/2002	PRINCIPAL PAYDOWN		501	500.90	503	501	(3)						2
31298T-G6-3	FGLMC PL C56521	12/15/2002	PRINCIPAL PAYDOWN		184,592	184,591.65	185,053	184,592	(469)						
3133TP-M3-0	FHR 2251 ZB	12/30/2002	TRANSFER FROM MARKET		2,371,697	2,106,127.37	2,063,201	1,863,164	(13,419)			322,463	322,463	153,864	
313398-FA-2	FHR 2333 ZD	12/30/2002	TRANSFER FROM MARKET		6,055,241	5,519,660.93	5,400,911	4,875,048	(42,412)			693,045	693,045	403,241	
313401-K8-3	FH380026	12/15/2002	PRINCIPAL PAYDOWN		4,552	4,551.70	4,540	4,552	2						42
31384W-LM-0	FNCL PL 535932	10/25/2002	VARIOUS		9,738,193	9,733,518.66	9,788,270	9,777,747	(11,156)			(39,553)	(39,553)	391,782	
31390K-2S-6	FNCL PL 648885	10/25/2002	VARIOUS		585,239	585,239.49	590,452	590,282	(169)			(5,043)	(5,043)	5,272	
31347N-BH-8	FH530940	12/15/2002	PRINCIPAL PAYDOWN		12,554	12,553.70	12,868	12,554	(621)						
31388J-RU-1	FNCL PL 606299	12/25/2002	PRINCIPAL PAYDOWN		196,746	196,745.82	196,777	196,746	(32)						
312912-4B-1	FHR 1418 C	03/15/2002	VARIOUS		591,116	591,115.50	581,510	591,116	207						6,217
31337M-XG-6	(SC) FHR 2204 GB	06/20/2002	VARIOUS		3,112,343	3,306,343.00	3,537,787	3,306,343	(16,251)			(194,000)	(194,000)	57,143	
31359U-M8-5	FNR 1998-62 DC	12/25/2002	PRINCIPAL PAYDOWN		324,508	324,508.43	354,525	324,508	(16,990)						
3199999	- Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions				23,177,280	22,565,457.15	22,716,397	21,727,151	(101,312)			776,912	776,912	1,017,564	
Bonds - Public Utilities (Unaffiliated)															
882850-CU-2	TEXAS UTILITIES	11/15/2002	SBC WARBURG DILLON READ		990,000	1,000,000.00	990,000	990,255	141			(255)	(255)	83,788	
3899999	- Subtotal - Bonds - Public Utilities (Unaffiliated)				990,000	1,000,000.00	990,000	990,255	141			(255)	(255)	83,788	
Bonds - Industrial and Miscellaneous (Unaffiliated)															
00077B-PV-9	AMAC 2000-3 1A8	11/25/2002	PRINCIPAL PAYDOWN		500,000	500,000.00	500,781	500,000	(307)						28,896
00077B-X9-9	AMAC 2002-8 1A5	12/25/2002	PRINCIPAL PAYDOWN		577,928	577,928.03	577,206	577,928	722						5,039
05946X-AG-8	BAFC 2000-1 1A7	12/20/2002	PRINCIPAL PAYDOWN		5,000,000	5,000,000.00	4,696,094	5,000,000	171,539						328,141
126342-BD-5	CSFB 1993-2R 1	11/28/2002	PRINCIPAL PAYDOWN		117,967	117,966.95	111,774	117,967	3,188						4,380
12669B-QZ-8	CWALT 2000-1 M	12/25/2002	PRINCIPAL PAYDOWN		28,949	28,949.43	28,307	28,949	405						
126690-DK-9	CWFC 1993-3 B1	12/25/2002	PRINCIPAL PAYDOWN		338,423	338,423.38	328,271	338,423	2,220						
126690-R7-3	CWMBS 1994-J A5	11/25/2002	PRINCIPAL PAYDOWN		1,139,116	1,139,115.87	1,122,385	1,139,116	525						41,750
205887-AQ-5	CONAGRA INC	12/31/2002	TRANSFER FROM MARKET		595,000	500,000.00	463,275	464,638	505			130,362	130,362	47,458	
23321P-2C-1	FNT 1999-3 3A3	10/25/2002	PRINCIPAL PAYDOWN		12,064	12,064.41	11,968	12,064	73						
24763L-FT-2	DELHE 99-2 IO	06/15/2002	DIRECT				2,628,533		(124,605)						278,726
33632*-HF-7	HORIZON AIR IND INC SER A SCD EQUIP	02/28/2002	PRINCIPAL PAYDOWN		97,745	97,745.43	100,489	97,745	(4,706)						
33632*-HG-5	HORIZON AIR IND INC SER B SCD EQUIP	02/28/2002	PRINCIPAL PAYDOWN		83,764	83,763.79	83,826	83,764	16						
33736X-BZ-1	FUNBC 2001-C2 A2	05/15/2002	LEHMAN		3,117,188	3,000,000.00	3,165,820	3,146,279	(12,726)			(29,091)	(29,091)	98,835	
36158G-FF-0	GECMS 1999-14 A6	12/25/2002	PRINCIPAL PAYDOWN		5,458,737	5,458,736.55	4,973,421	5,458,737	222,977						
37045*-AC-3	GM CORP 1992-A3	01/02/2002	PRINCIPAL PAYDOWN		123,423	123,423.48	123,423	123,423							5,304
393505-CH-3	GT 1994-2 B2	12/15/2002	PRINCIPAL PAYDOWN		397,448	397,448.44	384,780	397,448	5,311						9,919
393505-UV-2	GT 1997-4 A7	11/15/2002	PRINCIPAL PAYDOWN		21,086	21,086.08	21,192	21,086	(94)						280
450912-AB-6	ITT CORP NOTE	04/29/2002	VARIOUS		2,976,250	3,000,000.00	2,855,010	2,453,298	(456,652)			522,952	522,952	89,531	
45254T-DR-2	IMSA 2000-3 A10	12/30/2002	TRANSFER FROM MARKET		1,052,344	1,000,000.00	999,375	999,713	288			52,631	52,631	83,728	
548661-CA-3	LOWES COMPANIES	12/31/2002	TRANSFER FROM MARKET		2,436,000	2,000,000.00	1,994,800	1,995,707	405			440,293	440,293	178,750	
690734-AM-0	OWENS-CORNING/TOLEDO-LUCAS CTYSEC LEASE	11/15/2002	PRINCIPAL PAYDOWN		240,977	240,977.27	240,977	240,977				120,488	120,488	12,216	
69373F-AC-4	PACER INTL INC	03/27/2002	MORGAN STANLEY & CO., INC.		1,473,750	1,500,000.00	1,517,500	1,511,861	(792)			(38,111)	(38,111)	59,240	
71528Q-AQ-9	PERSEUS CDO 1 B2	03/21/2002	LEHMAN		600,000	5,000,000.00	5,000,000	5,000,000				(3,250,000)	(3,250,000)		
73767*-DE-7	POTOMAC CAPITAL MTN SER B	07/24/2002	MATURITY		1,000,000	1,000,000.00	985,250	1,000,000	1,431						84,460
(continues)															

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN FIRE AND CASUALTY COMPANY

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 - Industrial and Miscellaneous (Unaffiliated) (continued)															
74434R-R8-6	CMO PHMS 92-37 A10	06/25/2002	VARIOUS		3,081,006	3,000,000.00	2,764,688	4,002,707	7,297			104,066	104,066	99,204	
74434T-HB-6	(SC) PHMS 1993-B 1B1	12/28/2002	PRINCIPAL PAYDOWN		339,434	339,434.18	335,616	339,434	880					2,705	
74434U-BQ-6	PHMS 1994-18 A2	12/25/2002	PRINCIPAL PAYDOWN		591,870	591,869.83	588,078	591,870	127					11,378	
744567-FA-1	PUB SVC EL & GAS	07/18/2002	TRANSFER FROM MARKET		2,525,000	2,500,000.00	2,426,900	2,428,812	872			96,188	96,188	113,776	
760947-VP-3	RFMSI 1996-S7 A12	12/25/2002	PRINCIPAL PAYDOWN		668,226	668,225.88	667,808	668,226	237						
760972-SV-2	RFMSI 1998-S9 2A5	12/25/2002	PRINCIPAL PAYDOWN		577,319	577,319.18	560,360	577,319	4,173					20,854	
805564-GP-0	SAST 2000-3 AF4	12/25/2002	PRINCIPAL PAYDOWN		52,818	52,817.51	52,809	52,818	22						
843597-AF-2	SOUTHRN PAC TRN PTC SER 95-A6	07/02/2002	PRINCIPAL PAYDOWN		118,584	118,584.21	118,584	118,584						4,757	
863572-YW-7	FNT 1999-1 2A6 AKA SASCO	12/25/2002	PRINCIPAL PAYDOWN		1,694,620	1,694,619.73	1,705,476	1,694,620	(7,486)						
93114K-AA-1	WAL-MART PTC 92-A-1 PASS THRU	06/21/2002	PRINCIPAL PAYDOWN		172,823	172,822.86	172,823	172,823						4,427	
97180*-SQ-2	WILMINGTON TR/GPA/GECC LEASE	07/02/2002	PRINCIPAL PAYDOWN		57,202	57,202.22	57,202	57,202							
655422-AM-5	NORANDA INC DEB OID	03/18/2002	GOLDMAN, SACHS & CO.		2,063,360	2,000,000.00	2,101,900	2,035,170	(3,268)			28,190	28,190	43,333	
878742-AA-3	TECK COMINCO LIMITED	05/01/2002	MATURITY		2,000,000	2,000,000.00	1,997,380	2,000,000	101					87,000	
65087B-AB-0	NEWBURY CBO I A-3	08/15/2002	PRINCIPAL PAYDOWN		4,036	4,036.34	4,036	4,036						78	
902118-AM-0	TYCO INTL GROUP	02/22/2002	FIRST ALBANY CAPITAL MARKETS		1,707,500	2,000,000.00	1,962,780	1,966,573	634			(259,073)	(259,073)	39,472	
904764-AG-2	UNILEVER CAPITAL	12/31/2002	TRANSFER FROM MARKET		5,915,000	5,000,000.00	4,955,200	4,962,549	3,446			952,451	952,451	414,635	
4599999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				48,956,959	51,914,561.05	53,386,098	52,381,867	(183,243)			(1,128,653)	(1,128,653)	2,198,272	
6099997	Subtotal - Bonds - Part 4				73,552,886	75,880,614.72	77,493,192	75,499,371	(285,209)			(323,449)	(323,449)	3,308,664	
6099998	Summary Item from Part 5 for Bonds				8,053,780	8,000,000.00	7,902,491	7,907,171	4,679			146,609	146,609	160,543	
6099999	Subtotal - Bonds				81,606,666	83,880,614.72	85,395,683	83,406,542	(280,530)			(176,840)	(176,840)	3,469,207	
7299999	TOTALS				81,606,666		85,395,683	83,406,542	(280,530)			(176,840)	(176,840)	3,469,207	

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN FIRE AND CASUALTY COMPANY

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During 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 Identification	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 - Industrial and Miscellaneous (Unaffiliated)																
013817-AF-8	ALCOA INC	01/29/2002	MORGAN STANLEY & CO., INC.	02/05/2002	TRANSFER FROM MARKET	2,000,000.000	1,982,960	2,000,000	1,982,976	16			17,024	17,024	6,667	5,333
16162T-J5-6	CHASE 2002-S1 A4	01/01/2002	MCDONALD & COMPANY	06/25/2002	VARIOUS	5,000,000.000	4,919,531	5,050,000	4,924,195	4,663			125,805	125,805	153,472	26,181
341081-EN-3	FLORIDA PWR & LT	12/10/2002	SALOMON BROTHERS INC	12/11/2002	SALOMON BROTHERS INC	1,000,000.000	1,000,000	1,003,780	1,000,000				3,780	3,780	404	
4599999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)															31,514
6099998	Subtotal - Bonds															31,514
7299999	TOTALS															31,514

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 NAIC Company Code or Alien Insurer Identification Number	4 NAIC Valuation Method (See SVO Purposes and Procedures manual)	5 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	6 Total Amount of Such Intangible Assets	7 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
							8 Number of Shares	9 % of Outstanding

NONE

- 1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$ 93,454,558
- 2. Total amount of intangible assets nonadmitted \$

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 6, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding

NONE

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Sch. DA, Pt. 1, Short-Term Investments

NONE

Page E16

Sch. DB, Pt. A, Sn. 1, Financial Options Owned

NONE

Sch. DB, Pt. A, Sn. 2, Financial Options Acquired

NONE

Page E17

Sch. DB, Pt. A, Sn. 3, Financial Options Terminated

NONE

Sch. DB, Pt. B, Sn. 1, Written and In-Force

NONE

Page E18

Sch. DB, Pt. B, Sn. 2, Financial Options Written

NONE

Sch. DB, Pt. B, Sn. 3, Financial Options Terminated

NONE

Page E19

Sch. DB, Pt. C, Sn. 1, Collar, Swap and Forwards Open

NONE

Sch. DB, Pt. C, Sn. 2, Collar, Swap and Forwards Opened

NONE

Page E20

Sch. DB, Pt. C, Sn. 3, Collar, Swap and Forwards Terminated

NONE

Sch. DB, Pt. D, Sn. 1, Futures and Ins Futures Contracts Open

NONE

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Sch. DB, Pt. D, Sn. 2, Futures Contracts Opened Current Year

NONE

Sch. DB, Pt. D, Sn. 3, Futures Contracts Terminated Current Year

NONE

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Sch. DB, Pt. E, Sn. 1, Counterparty Exposure Derivative Instr.

NONE

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN FIRE AND CASUALTY COMPANY

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	257,677,963	269,446,389	11,768,426
2. Preferred Stocks	3,378,000	3,444,270	66,270
3. Totals	261,055,963	272,890,659	11,834,696

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

Bond and preferred stock market values are obtained from an independent pricing service. This service relies on broker quotes for the assigned market values. Certain private placement bonds, not actively traded are priced by the Company's investment department based on market values of equivalent securities.

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SCHEDULE E - PART 1 - CASH

1		2	3	4	5	6
Depository		Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
Name	Location and Supplemental Information					
Open Depositories						
1st National Bank	Hamilton, OH				(63,302)	
Bank of America	Los Angeles, CA				21,021	
Bank One Concentration Account	Columbus, OH		57,925		487,494	
Bank One PPA Escrow	Columbus, OH		524		97,510	
0199999 - TOTAL - Open Depositories			58,449		542,723	
0399999 - TOTAL Cash on Deposit			58,449		542,723	
0599999 - TOTAL Cash			58,449		542,723	

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

1. January	(68,394)	4. April	(63,683)	7. July	37,619	10. October	(23,738)
2. February	168,985	5. May	(51,917)	8. August	39,221	11. November	(225,925)
3. March	(28,948)	6. June	4,865,089	9. September	1,805,819	12. December	542,723

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN FIRE AND CASUALTY COMPANY

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
Arizona						
AZ00001	B	USTBDS 6.125% 8-15-2007	Insurance Department, Phoenix, AZ AZ RSD by ARS 23-961 (C,D) In trust for American Fire & Casualty Company	115,000	114,856	132,250
AZ99999 - Arizona						
				115,000	114,856	132,250
Arkansas						
AR00001	B	USTNTS 6.125% 8-15-07	Insurance Department, Little Rock, AR AR RSD by AR Statutes 23-63-206 In trust for American Fire & Casualty Company	110,000	109,862	126,500
AR99999 - Arkansas						
				110,000	109,862	126,500
California						
CA00001	B	Ford Motor Credit 7.35% 2-1-11	Insurance Department, Sacramento, CA	2,000,000	1,993,882	1,944,780
CA00002	B	Gen Elec Cap Crp 6.125% 2-22-11	CA RSD by Ins. Code for WC Section 11690/11719	5,000,000	5,044,288	5,415,150
CA00003	B	General Motors 7.2% 1-15-11		5,000,000	5,110,295	5,020,950
CA00004	B	GA GO Ref Ser 92A 6.1% 3-1-05		1,420,000	1,444,453	1,558,791
CA00005	B	Lehman Bros Hldg 7.0% 2-1-08		3,000,000	2,999,112	3,391,680
CA00006	B	Mgic Invst Corp 7.5% 10-15-05		3,000,000	2,992,873	3,334,410
CA99999 - California						
				19,420,000	19,584,903	20,665,761
Georgia						
GA00001	B	USTNTS 5.0% 2-15-11	Insurance Department, Atlanta, GA GA RSD by O. C. G. A., Section 33-3-9 In trust for American Fire & Casualty Company	300,000	295,817	329,625
GA99999 - Georgia						
				300,000	295,817	329,625
Idaho						
ID00001	B	USTBDS 4.25% 11-15-03	Insurance Department, Boise, ID ID Workers' Compensation Law	260,000	258,206	266,744
ID99999 - Idaho						
				260,000	258,206	266,744
Louisiana						
LA00001	B	USTNTS 6.50% 8-15-05	Insurance Department, Baton Rouge, LA LA RSD by LA. RS 22:1021 and 1025 In trust for American Fire & Casualty Company	75,000	74,948	83,883
LA99999 - Louisiana						
				75,000	74,948	83,883
Massachusetts						
MA00001	B	GEN ELEC CAP CORP 6.125% 2-22-11	Insurance Department, Boston MA MA General Laws Chapter 151, Section 175 and Chapter 152, Section 61/62	660,000	665,846	714,800
MA99999 - Massachusetts						
				660,000	665,846	714,800
Nevada						
NV00001	B	USTNTS 6.125% 8-15-07	Insurance Department, Carson City, NV NVRSD BY NRS 682B.015 and NAC 682B.010 to 682B.030, Inclusive	60,000	59,924	69,000
NV00002	B	USTNTS 4.25% 11-15-03		240,000	238,344	246,226
NV99999 - Nevada						
				300,000	298,268	315,226

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN FIRE AND CASUALTY COMPANY

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
New Mexico NM00001	B	USTNTS 6.125% 8-15-07	Insurance Department, Santa Fe, NM NM RSD by N. M. S. A. Section 59A-5-19 In trust for American Fire & Casualty Company	300,000	299,625	345,000
NM99999 - New Mexico				300,000	299,625	345,000
North Carolina NC00001	B	USTNTS 6.50% 8-15-05	Insurance Department, Raleigh, NC NC RSD by N. C. G. S. Chapter 58-5-15 In trust for American Fire & Casualty Company	75,000	74,948	83,883
NC99999 - North Carolina				75,000	74,948	83,883
Oregon OR00001	B	USTNTS 6.125% 8-15-07	Insurance Department, Salem, OR OR RSD by ORS 731.624-731.628 In trust for American Fire & Casualty Company	400,000	399,501	460,000
OR99999 - Oregon				400,000	399,501	460,000
Virginia VA00001	B	USTNTS 6.125% 8-15-07	State Treasurer, Richmond, VA VA RSD by Code of VA Title 38.2, Chapter 10, Article 7 In trust for American Fire & Casualty Company	75,000	74,906	86,250
VA99999 - Virginia				75,000	74,906	86,250
XX99999 - Subtotal - Special Deposits NOT held for the benefit of all Policyholders, Claimants, and Creditors of the Company				22,090,000	22,251,686	23,609,922
Special Deposits held for the benefit of all Policyholders, Claimants, and Creditors of the Company						
ZZ00001	B	GEN ELEC CAP CORP 6.125% 2-22-11	Insurance Department, Columbus, OH	500,000	504,428	541,515
ZZ00002	B	USTNTS 5.0% 2-15-11	OH VSD under Section 3905.41 In trust for the benefit and security of all policyholders of American Fire & Casualty Company	1,500,000	1,474,678	1,648,125
ZZ99999 - Subtotal - Special Deposits held for the benefit of all Policyholders, Claimants, and Creditors of the Company				2,000,000	1,979,106	2,189,640
9999999 - TOTALS				24,090,000	24,230,792	25,799,562

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