



ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

OHIO SECURITY INSURANCE COMPANY

NAIC Group Code 0148 0148 NAIC Company Code 24082 Employer's ID Number 31-0541777
(Current Period) (Prior Period)

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

Country of Domicile US

Incorporated November 1, 1950 Commenced Business February 11, 1951

Statutory Home Office 9350 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 Margaret 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 Financial 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
 Lloyd Edwin Geary
 Harold Michael Good
 David Jary Hasler
 George Herbert Henehan 2
 Daniel Fred Henke
 Richard Paul Hildbold
 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

a. Is this an original filing? Yes (X) No ()

Subscribed and sworn to before me this
 day of February, 2003

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 OHIO SECURITY INSURANCE 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 | | | 740,514 | 710,000 | 111.844 | 794,092 | 756,594 | 17,306 | 46,150 | (10,677) | | | 1 | 06/27/2001 | 4.739 |
| 912827-3E-0 | U S TREASURY NOTES | | 6.125 | FA | 08/15/2007 | | | 363,736 | 340,000 | 115.000 | 391,000 | 368,050 | 7,809 | 20,817 | (4,314) | | | 1 | 01/17/2002 | 4.438 |
| 912827-4U-3 | U. S. TREASURY | | 4.250 | MN | 11/15/2003 | | | 496,551 | 500,000 | 102.594 | 512,970 | 483,516 | 3,763 | 21,250 | 3,767 | | | 1 | 04/20/1999 | 5.067 |
| 912827-6T-4 | U S TREASURY N/B | | 5.000 | FA | 02/15/2011 | | | 784,438 | 800,000 | 109.875 | 879,000 | 781,875 | 15,000 | 40,000 | 1,498 | | | 1 | 04/18/2001 | 5.298 |
| 0199999 | U.S. Governments - Issuer Obligations | | | | | | | 2,385,239 | 2,350,000 | | 2,577,062 | 2,390,034 | 43,878 | 128,217 | (9,727) | | | | | |
| 0399999 | Subtotal - U.S. Governments | | | | | | | 2,385,239 | 2,350,000 | | 2,577,062 | 2,390,034 | 43,878 | 128,217 | (9,727) | | | | | |
| States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations | | | | | | | | | | | | | | | | | | | | |
| 373382-QD-5 | GA GO REF SER 92A | GEORGIA G | 6.100 | MS | 03/01/2005 | | | 1,059,961 | 1,000,000 | AV | 1,059,961 | 1,085,000 | 20,333 | 61,000 | (25,039) | | | 1PE | 01/17/2002 | 3.215 |
| 1799999 | TOTAL GEORGIA | | | | | | | 1,059,961 | 1,000,000 | | 1,059,961 | 1,085,000 | 20,333 | 61,000 | (25,039) | | | | | |
| 1199999 | States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations | | | | | | | 1,059,961 | 1,000,000 | | 1,059,961 | 1,085,000 | 20,333 | 61,000 | (25,039) | | | | | |
| 1799999 | Subtotal - States, Territories and Possessions (Direct and Guaranteed) | | | | | | | 1,059,961 | 1,000,000 | | 1,059,961 | 1,085,000 | 20,333 | 61,000 | (25,039) | | | | | |
| Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations | | | | | | | | | | | | | | | | | | | | |
| 718814-HA-7 | PHOENIX AZ UTGO REF SER 95A | PHOENIX A | 6.000 | JJ | 07/01/2010 | | | 1,042,865 | 1,000,000 | AV | 1,042,865 | 1,071,750 | 30,000 | 60,000 | (4,545) | | | 1PE | 06/08/1995 | 5.300 |
| 2499999 | TOTAL ARIZONA | | | | | | | 1,042,865 | 1,000,000 | | 1,042,865 | 1,071,750 | 30,000 | 60,000 | (4,545) | | | | | |
| 1899999 | Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations | | | | | | | 1,042,865 | 1,000,000 | | 1,042,865 | 1,071,750 | 30,000 | 60,000 | (4,545) | | | | | |
| 2499999 | Subtotal - Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) | | | | | | | 1,042,865 | 1,000,000 | | 1,042,865 | 1,071,750 | 30,000 | 60,000 | (4,545) | | | | | |
| Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations | | | | | | | | | | | | | | | | | | | | |
| 3133MN-VV-0 | FED HOME LN BANK | | 5.750 | MN | 05/15/2012 | 05/15/2012 | | 1,007,098 | 1,000,000 | AV | 1,007,098 | 1,007,760 | 7,064 | 27,951 | (662) | | | 1PE | 06/07/2002 | 5.581 |
| 2599999 | Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations | | | | | | | 1,007,098 | 1,000,000 | | 1,007,098 | 1,007,760 | 7,064 | 27,951 | (662) | | | | | |
| 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 | | 301,195 | 299,699 | AV | 301,195 | 301,198 | 1,374 | 1,374 | (3) | | | 1PE | 11/21/2002 | 5.455 |
| 2699999 | 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 | | | | | | | 301,195 | 299,699 | | 301,195 | 301,198 | 1,374 | 1,374 | (3) | | | | | |
| 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 | | | | | | | | | | | | | | | | | | | | |
| 3133TV-FN-1 | FHR 2355 LC | | 5.500 | MTLY | 09/15/2031 | 05/01/2015 | | 985,506 | 1,000,000 | AV | 985,506 | 985,313 | 4,553 | 4,583 | 194 | | | 1PE | 10/24/2002 | 5.797 |
| 31392A-YK-8 | FNR 2001-68 VB | | 6.000 | MTLY | 05/25/2020 | 07/01/2007 | | 1,001,081 | 1,000,000 | AV | 1,001,081 | 1,001,563 | 5,000 | 60,000 | (464) | | | 1PE | 11/02/2001 | 5.948 |
| 31359U-M8-5 | FNR 1998-62 DC | | 9.000 | MTLY | 11/25/2028 | 02/01/2006 | | 482,723 | 462,383 | AV | 482,723 | 505,154 | 3,468 | 50,338 | (3,868) | | | 1PE | 04/27/1999 | 5.965 |
| 2799999 | 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 | | | | | | | 2,469,310 | 2,462,383 | | 2,469,310 | 2,492,029 | 13,021 | 114,921 | (4,138) | | | | | |
| 3199999 | Subtotal - Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | | 3,777,603 | 3,762,083 | | 3,777,603 | 3,800,987 | 21,459 | 144,246 | (4,803) | | | | | |
| Public Utilities (Unaffiliated) - Issuer Obligations | | | | | | | | | | | | | | | | | | | | |
| 202795-GJ-3 | COMM EDIS - MBIA FMB SER IBC | | 8.375 | FA | 02/15/2023 | 02/15/2013 | 100.000 | 1,015,746 | 1,000,000 | 104.482 | 1,044,820 | 1,020,660 | 31,639 | 83,750 | (971) | | | 1 | 09/04/1996 | 8.144 |
| 3299999 | Public Utilities (Unaffiliated) - Issuer Obligations | | | | | | | 1,015,746 | 1,000,000 | | 1,044,820 | 1,020,660 | 31,639 | 83,750 | (971) | | | | | |

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OHIO SECURITY INSURANCE COMPANY

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 | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| 3899999 - Subtotal - Public Utilities (Unaffiliated) | | | | | | | | 1,015,746 | 1,000,000 | | 1,044,820 | 1,020,660 | 31,639 | 83,750 | (971) | | | | | | |
| Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | | | | | | | | | | | | | | | | | |
| 023771-P8-5 | AMR ETC 90-Z SR Z | | 10.220 | MN | 05/07/2005 | | | 201,643 | 301,401 | 66.902 | 201,643 | 301,401 | 4,620 | 33,394 | (74,199) | | | 3 | 10/30/1990 | 10.220 | |
| 02635P-RT-2 | AMER GENL FIN | | 5.375 | AO | 10/01/2012 | | | 991,997 | 1,000,000 | AV | 991,997 | 991,840 | 13,587 | | 157 | | | 1 | 09/27/2002 | 5.482 | |
| 03060N-AB-6 | AMERICO LIFE SR SUB NTS | | 9.250 | JD | 06/01/2005 | | | 500,000 | 500,000 | AV | 500,000 | 500,000 | 3,854 | 46,250 | 2,500 | | | 3 | 05/19/1993 | 9.250 | |
| 046003-JU-4 | ASSOC CORP NA | | 6.950 | MN | 11/01/2018 | | | 1,038,358 | 1,000,000 | 113.313 | 1,133,130 | 1,039,930 | 11,583 | 69,500 | (1,348) | | | 1 | 10/15/2001 | 6.557 | |
| 345397-ST-1 | FORD MOTOR CREDIT | | 7.875 | JD | 06/15/2010 | | | 998,001 | 1,000,000 | 100.626 | 1,006,260 | 997,540 | 3,500 | 78,750 | 190 | | | 2 | 06/07/2000 | 7.911 | |
| 36962G-WB-6 | GEN ELEC CAP CRP | | 6.125 | FA | 02/22/2011 | | | 1,008,858 | 1,000,000 | AV | 1,008,858 | 1,010,000 | 21,948 | 61,250 | (823) | | | 1PE | 06/15/2001 | 5.986 | |
| 370334-AS-3 | GEN MILLS INC | | 6.000 | FA | 02/15/2012 | | | 996,882 | 1,000,000 | 108.764 | 1,087,640 | 996,680 | 22,667 | 29,000 | 202 | | | 2 | 02/14/2002 | 6.045 | |
| 460146-BP-7 | INTL PAPER CO | | 5.850 | AO | 10/30/2012 | | | 1,031,599 | 1,000,000 | AV | 1,031,599 | 1,031,680 | 10,075 | | (81) | | | 2PE | 12/12/2002 | 5.430 | |
| 49306C-AD-3 | KEY BANK NA | | 7.000 | FA | 02/01/2011 | | | 1,021,365 | 1,000,000 | AV | 1,021,365 | 1,024,580 | 29,167 | 70,000 | (1,940) | | | 1 | 03/21/2001 | 6.654 | |
| 500255-AM-6 | KOHL'S CORP | | 6.300 | MS | 03/01/2011 | | | 998,546 | 1,000,000 | 110.868 | 1,108,680 | 998,330 | 21,000 | 63,000 | 132 | | | 1PE | 03/01/2001 | 6.323 | |
| 561226-AB-7 | MALLINCKRODT GRP | | 6.500 | MN | 11/15/2007 | | | 857,380 | 1,000,000 | 85.738 | 857,380 | 996,090 | 8,306 | 65,000 | (139,201) | | | 3 | 03/08/2001 | 6.571 | |
| 58528#-DF-1 | MEIJER INC SR 1ST MTG SER C-2 | | 7.990 | JJ | 07/01/2011 | | | 1,012,276 | 942,000 | AV | 1,012,276 | 1,019,301 | 37,633 | 75,266 | (5,929) | | | 1 | 10/11/2001 | 6.819 | |
| 58515-AB-5 | MELLON FINANCIAL | | 6.400 | MN | 05/14/2011 | | | 997,316 | 1,000,000 | 111.302 | 1,113,020 | 996,940 | 8,356 | 64,000 | 235 | | | 1PE | 05/09/2001 | 6.442 | |
| 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 | |
| 68389Y-AB-9 | ORACLE CORP SR NTS | | 6.910 | FA | 02/15/2007 | | | 972,948 | 1,000,000 | 111.842 | 1,118,420 | 958,680 | 26,104 | 69,100 | 5,388 | | | 1PE | 03/01/2000 | 7.688 | |
| 69339N-AA-4 | PJM INTERCONN | | 7.163 | JD | 12/15/2007 | | | 842,000 | 842,000 | AV | 842,000 | 842,000 | 2,681 | 67,332 | | | | 1Z | 12/18/2000 | 7.163 | |
| 709903-BC-1 | PENNZOIL CO DEB | | 10.250 | MN | 11/01/2005 | | | 1,919,790 | 1,855,000 | 117.989 | 2,188,696 | 1,981,251 | 31,690 | 190,138 | (19,332) | | | 2 | 06/07/1999 | 8.830 | |
| 74438G-AC-5 | PRUDENTIAL HLDGS | | 7.245 | JD | 12/18/2023 | | | 1,000,000 | 1,000,000 | 114.104 | 1,141,040 | 1,000,000 | 2,616 | 72,450 | | | | 1 | 12/12/2001 | 7.245 | |
| 78387G-AD-5 | SBC COMMUNICATION | | 6.250 | MS | 03/15/2011 | | | 994,245 | 1,000,000 | 110.244 | 1,102,440 | 993,350 | 18,403 | 62,500 | 520 | | | 1 | 03/13/2001 | 6.341 | |
| 87612E-AC-0 | TARGET CORP | | 6.350 | JJ | 01/15/2011 | | | 999,753 | 1,000,000 | 111.065 | 1,110,650 | 999,690 | 29,281 | 63,500 | 23 | | | 1 | 01/09/2001 | 6.354 | |
| 879433-AT-7 | TELE & DATA SYS | | 7.000 | FA | 08/01/2006 | | | 985,669 | 1,000,000 | 109.002 | 1,090,020 | 978,560 | 29,167 | 70,000 | 3,371 | | | 1PE | 11/02/2000 | 7.463 | |
| 898602-AC-1 | TUBOSCOPE INC | | 7.500 | FA | 02/15/2008 | | | 1,030,424 | 1,000,000 | 111.146 | 1,111,460 | 1,038,740 | 28,333 | 75,000 | (4,818) | | | 2 | 03/13/2001 | 6.787 | |
| 902911-AK-2 | UST INC | | 6.625 | JJ | 07/15/2012 | | | 995,474 | 1,000,000 | 108.949 | 1,089,490 | 995,320 | 30,549 | | 154 | | | 1 | 07/10/2002 | 6.690 | |
| 90333W-AA-6 | US BANK NA | | 6.375 | FA | 08/01/2011 | | | 995,636 | 1,000,000 | AV | 995,636 | 995,100 | 26,563 | 64,635 | 373 | | | 1 | 07/19/2001 | 6.442 | |
| 91324P-AA-0 | UNITED HEALTHCARE | | 7.500 | MN | 11/15/2005 | | | 997,841 | 1,000,000 | 112.805 | 1,128,050 | 996,520 | 9,583 | 75,000 | 650 | | | 1PE | 11/13/2000 | 7.585 | |
| 92344W-AA-9 | VERIZON MARYLAND | | 6.125 | MS | 03/01/2012 | | | 993,915 | 1,000,000 | 108.128 | 1,081,280 | 993,490 | 20,417 | 31,646 | 425 | | | 1PE | 02/20/2002 | 6.213 | |
| 925524-AN-0 | VIACOM INC | | 6.400 | JJ | 01/30/2006 | | | 1,003,513 | 1,000,000 | 110.403 | 1,104,030 | 1,005,380 | 26,667 | 64,000 | (1,003) | | | 1 | 01/10/2001 | 6.273 | |
| 961548-AU-8 | WESTVACO CORP | | 7.100 | MN | 11/15/2009 | | | 995,972 | 1,000,000 | 109.127 | 1,091,270 | 995,000 | 9,072 | 71,000 | 440 | | | 2PE | 01/05/2001 | 7.175 | |
| 904764-AG-2 | UNILEVER CAPITAL | | 7.125 | MN | 11/01/2010 | | | 992,510 | 1,000,000 | 118.030 | 1,180,300 | 991,040 | 11,875 | 71,250 | 689 | | | 1 | 10/19/2000 | 7.252 | |
| 3999999 - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | | | | 29,370,182 | 29,440,401 | | 31,444,902 | 29,664,453 | 520,876 | 1,792,722 | (232,980) | | | | | | |
| Industrial and Miscellaneous (Unaffiliated) - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | | | | | | | | | | | | |
| 93114K-AA-1 | WAL-MART PTC 92-A-1 PASS THRU TRU | | 7.490 | JD | 06/21/2007 | | | 673,756 | 673,756 | AV | 673,756 | 673,756 | 1,402 | 53,700 | | | | 1PE | 12/11/1992 | 7.490 | |
| 4099999 - Industrial and Miscellaneous (Unaffiliated) - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | 673,756 | 673,756 | | 673,756 | 673,756 | 1,402 | 53,700 | | | | | | | |
| Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | | | | | | | | | | | | | | | | | |
| 060506-Y7-1 | BOAMS 2001-9 1A22 | | 6.750 | MTLY | 09/25/2031 | 12/01/2003 | | 2,005,954 | 2,000,000 | AV | 2,005,954 | 2,022,500 | 10,385 | 134,757 | (15,476) | | | 1PE | 09/28/2001 | 6.035 | |
| 172953-5V-9 | CMSI 2002-3 1A5 | | 6.250 | MTLY | 03/25/2032 | 01/01/2004 | | 697,716 | 700,000 | AV | 697,716 | 695,188 | 3,385 | 21,651 | 2,529 | | | 1PE | 06/07/2002 | 6.968 | |
| 69348R-LW-4 | PNCMS 1999-5 2A6 | | 6.750 | MTLY | 07/25/2029 | 07/01/2003 | | 414,181 | 416,624 | AV | 414,181 | 403,344 | 2,344 | 80,390 | 2,151 | | | 1PE | 09/05/2000 | 9.117 | |
| 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 | |
| 4199999 - Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | | | | 5,107,549 | 5,116,624 | | 5,107,549 | 5,101,031 | 26,947 | 371,799 | (1,134) | | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OHIO SECURITY INSURANCE 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 | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Commercial Mortgage-Backed Securities | | | | | | | | | | | | | | | | | | | | |
| 361849-RB-0 | GMACC 2001-C2 A2 | 6.700 | MTLY | 04/15/2034 | 04/01/2011 | | | 509,144 | 500,000 | AV | 509,144 | 511,875 | 2,792 | 33,500 | (1,882) | | | 1 | 08/03/2001 | 6.177 |
| 4399999 | Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Commercial Mortgage-Backed Securities | | | | | | | 509,144 | 500,000 | | 509,144 | 511,875 | 2,792 | 33,500 | (1,882) | | | | | |
| 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 |
| 301965-BL-2 | FFCA 1999-2 A1A | 7.230 | MTLY | 05/18/2026 | 12/01/2005 | | | 1,267,735 | 1,267,584 | AV | 1,267,735 | 1,267,917 | 7,637 | 102,097 | (207) | | | 1 | 09/30/1999 | 7.221 |
| 36226M-AD-5 | GRMT 2001-1A A4 | 7.300 | MTLY | 07/20/2031 | 01/01/2008 | | | 500,014 | 500,000 | AV | 500,014 | 500,021 | 3,042 | 36,500 | (7) | | | 1 | 05/10/2001 | 7.299 |
| 589962-CW-7 | MESC 13 M2 | 7.880 | MTLY | 12/28/2033 | 07/01/2011 | | | 1,908,317 | 2,000,000 | AV | 1,908,317 | 1,852,813 | 13,007 | 157,600 | 50,075 | | | 1PE | 08/31/1999 | 9.278 |
| 670670-AJ-7 | NYCTL 99-R B | 9.690 | FMAN | 08/10/2007 | | | | 428,982 | 428,982 | 100.000 | 428,982 | 428,982 | 5,889 | 86,698 | | | | 2Z | 09/24/1999 | 9.691 |
| 4499999 | Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities | | | | | | | 4,606,917 | 4,696,566 | | 4,606,917 | 4,552,233 | 32,284 | 415,409 | 49,461 | | | | | |
| 4599999 | Subtotal - Industrial and Miscellaneous (Unaffiliated) | | | | | | | 40,267,548 | 40,427,347 | | 42,342,269 | 40,503,348 | 584,301 | 2,667,130 | (186,535) | | | | | |
| 5499999 | Total Bonds - Subtotal - Issuer Obligations | | | | | | | 35,881,090 | 35,790,401 | | 38,176,709 | 36,239,657 | 653,791 | 2,153,640 | (273,924) | | | | | |
| 5599999 | Total Bonds - Subtotal - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | 974,951 | 973,455 | | 974,951 | 974,954 | 2,775 | 55,074 | (3) | | | | | |
| 5699999 | Total Bonds - Subtotal - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | | | 7,576,859 | 7,579,007 | | 7,576,859 | 7,593,060 | 39,968 | 486,720 | (5,272) | | | | | |
| 5899999 | Total Bonds - Subtotal - Defined Multi-Class Commercial Mortgage-Backed Securities | | | | | | | 509,144 | 500,000 | | 509,144 | 511,875 | 2,792 | 33,500 | (1,882) | | | | | |
| 5999999 | Total Bonds - Subtotal - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities | | | | | | | 4,606,917 | 4,696,566 | | 4,606,917 | 4,552,233 | 32,284 | 415,409 | 49,461 | | | | | |
| 6099999 | TOTALS | | | | | | | 49,548,961 | 49,539,430 | | 51,844,580 | 49,871,779 | 731,610 | 3,144,343 | (231,621) | | | | | |

E08.2

P/C

Page E09

Sch. D, Pt. 2, Sn. 1, Preferred Stocks Owned

NONE

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 - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | | | | |
| 564055-10-1 | MANOR CARE INC NEW COM | 7,800.000 | 145,158 | 18.610 | 145,158 | 54,600 | | | (39,780) | | L | 10/01/1998 |
| 812387-10-8 | SEARS ROEBUCK & CO | 10,000.000 | 239,500 | 23.950 | 239,500 | 301,700 | 2,300 | 9,200 | (236,900) | | L | 04/14/1997 |
| 6899999 | - Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated) | | 384,658 | | 384,658 | 356,300 | 2,300 | 9,200 | (276,680) | | | |
| 7099999 | - TOTAL - Common Stocks | | 384,658 | | 384,658 | 356,300 | 2,300 | 9,200 | (276,680) | | | |
| 7199999 | - TOTAL - Preferred and Common Stocks | | 384,658 | | 384,658 | 356,300 | 2,300 | 9,200 | (276,680) | | | |

(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 OHIO SECURITY INSURANCE 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 - U. S. Governments | | | | | | | |
| 912827-3E-0 | U S TREASURY NOTES | 01/17/2002 | TRANSFER TO MARKET | | 368,050 | 340,000.00 | 8,771 |
| 0399999 | - Subtotal - Bonds - U. S. Governments | | | | 368,050 | 340,000.00 | 8,771 |
| Bonds - States, Territories and Possessions | | | | | | | |
| 373382-QD-5 | GA GO REF SER 92A GEORGIA GE | 01/17/2002 | TRANSFER TO MARKET | | 1,085,000 | 1,000,000.00 | 23,044 |
| 0299998 | TOTAL GEORGIA | | | | 1,085,000 | 1,000,000.00 | 23,044 |
| 1799999 | - Subtotal - Bonds - States, Territories and Possessions | | | | 1,085,000 | 1,000,000.00 | 23,044 |
| 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 | | 301,500 | 300,000.00 | 1,146 |
| 3133TV-FN-1 | FHR 2355 LC | 10/24/2002 | RESIDENTIAL FUNDING | | 985,313 | 1,000,000.00 | 3,972 |
| 3133MN-VV-0 | FED HOME LN BANK | 06/07/2002 | CHEMICAL SECURITIES | | 1,007,760 | 1,000,000.00 | 3,194 |
| 3199999 | - Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | 2,294,573 | 2,300,000.00 | 8,312 |
| Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | | |
| 02635P-RT-2 | AMER GENL FIN | 09/27/2002 | CHEMICAL SECURITIES | | 991,840 | 1,000,000.00 | |
| 172953-5V-9 | CMSI 2002-3 1A5 | 06/07/2002 | BANK OF AMERICA | | 695,188 | 700,000.00 | 1,944 |
| 370334-AS-3 | GEN MILLS INC | 02/14/2002 | DEUTSCHE | | 996,680 | 1,000,000.00 | |
| 460146-BP-7 | INTL PAPER CO | 12/12/2002 | BEAR, STEARNS & CO. INC. | | 1,031,680 | 1,000,000.00 | 7,800 |
| 653922-AD-6 | NIKE INC MTN | 07/01/2002 | MERRILL LYNCH | | 999,000 | 1,000,000.00 | |
| 902911-AK-2 | UST INC | 07/10/2002 | GOLDMAN, SACHS & CO. | | 995,320 | 1,000,000.00 | |
| 92344W-AA-9 | VERIZON MARYLAND | 02/20/2002 | CHEMICAL SECURITIES | | 993,490 | 1,000,000.00 | |
| 4599999 | - Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | 6,703,198 | 6,700,000.00 | 9,744 |
| 6099997 | - Subtotal - Bonds - Part 3 | | | | 10,450,820 | 10,340,000.00 | 49,873 |
| 6099998 | - Summary Item from Part 5 for Bonds | | | | 4,565,815 | 4,500,000.00 | 20,292 |
| 6099999 | - Subtotal - Bonds | | | | 15,016,635 | 14,840,000.00 | 70,164 |
| 7299999 | - TOTALS | | | | 15,016,635 | | 70,164 |

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OHIO SECURITY INSURANCE 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 | | | | | | | | | | | | | | | |
| 912827-G5-5 | US TREASURY NT | 08/15/2002 | MATURITY | | 750,000 | 750,000.00 | 771,328 | 750,000 | (1,817) | | | | | 47,813 | |
| 912827-6A-5 | U S TREASURY N/B | 02/28/2002 | MATURITY | | 1,000,000 | 1,000,000.00 | 999,375 | 1,000,000 | 54 | | | | | 32,500 | |
| 0399999 | Subtotal - Bonds - U. S. Governments | | | | 1,750,000 | 1,750,000.00 | 1,770,703 | 1,750,000 | (1,763) | | | | | 80,313 | |
| 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 | | 301 | 300.54 | 302 | 301 | (2) | | | | | | 1 |
| 31359U-M8-5 | FNR 1998-62 DC | 12/25/2002 | PRINCIPAL PAYDOWN | | 162,254 | 162,254.21 | 177,263 | 162,254 | (8,495) | | | | | | |
| 3199999 | Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | 162,555 | 162,554.75 | 177,565 | 162,555 | (8,496) | | | | | | 1 |
| Bonds - Public Utilities (Unaffiliated) | | | | | | | | | | | | | | | |
| 202795-FB-1 | COMMONWLTH ED FMB SER 86 | 09/16/2002 | CALLED | | 258,563 | 250,000.00 | 268,750 | 258,575 | (1,854) | | | (13) | (13) | 20,996 | |
| 74913E-AE-0 | QWEST CAP FDG INC GTD NT | 07/18/2002 | BANK OF AMERICA | | 505,000 | 1,000,000.00 | 997,850 | 998,125 | 92 | | | (493,125) | (493,125) | 74,172 | |
| 3899999 | Subtotal - Bonds - Public Utilities (Unaffiliated) | | | | 763,563 | 1,250,000.00 | 1,266,600 | 1,256,700 | (1,762) | | | (493,137) | (493,137) | 95,168 | |
| Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | | | | | | | |
| 00077B-PV-9 | AMAC 2000-3 1A8 | 11/25/2002 | PRINCIPAL PAYDOWN | | 300,000 | 300,000.00 | 300,469 | 300,000 | (184) | | | | | 17,338 | |
| 023771-P8-5 | AMR ETC 90-Z SR Z | 05/07/2002 | PRINCIPAL PAYDOWN | | 50,709 | 50,709.15 | 50,709 | 50,709 | | | | | | | |
| 048303-AZ-4 | ATLANTIC CITY EL | 01/18/2002 | TRANSFER FROM MARKET | | 967,500 | 1,000,000.00 | 1,000,000 | 1,000,000 | | | | (32,500) | (32,500) | 30,733 | |
| 165087-AC-1 | CHES POT TEL VA | 03/11/2002 | ISSUE CALLED | | 1,003,200 | 1,000,000.00 | 1,000,000 | 1,000,000 | | | | 3,200 | 3,200 | 24,375 | |
| 224044-BD-8 | COX COMMUN INC | 01/18/2002 | TRANSFER FROM MARKET | | 1,005,000 | 1,000,000.00 | 996,750 | 996,969 | 12 | | | 8,031 | 8,031 | 23,063 | |
| 301965-BL-2 | FFCA 1999-2 A1A | 12/18/2002 | PRINCIPAL PAYDOWN | | 239,992 | 239,992.20 | 240,055 | 239,992 | (68) | | | | | | |
| 33736X-BZ-1 | FUNBC 2001-C2 A2 | 05/15/2002 | LEHMAN | | 519,531 | 500,000.00 | 527,637 | 524,380 | (2,121) | | | (4,849) | (4,849) | 16,472 | |
| 450912-AB-6 | ITT CORP NOTE | 04/12/2002 | S G COWEN SECURITIES | | 992,500 | 1,000,000.00 | 938,910 | 971,058 | 2,068 | | | 21,442 | 21,442 | 28,500 | |
| 670670-AJ-7 | NYCTL 99-R B | 11/10/2002 | PRINCIPAL PAYDOWN | | 800,574 | 800,574.06 | 800,574 | 800,574 | | | | | | | |
| 681385-AC-4 | OLSTEN CORP SR NTS | 01/31/2002 | TRANSFER FROM MARKET | | 1,005,000 | 1,000,000.00 | 970,000 | 975,078 | 425 | | | 29,922 | 29,922 | 26,444 | |
| 69339N-AA-4 | PJM INTERCONN | 12/15/2002 | PRINCIPAL PAYDOWN | | 130,000 | 130,000.00 | 130,000 | 130,000 | | | | | | | |
| 69348R-LW-4 | PNCMS 1999-5 2A6 | 12/25/2002 | PRINCIPAL PAYDOWN | | 1,603,225 | 1,603,224.67 | 1,552,122 | 1,603,225 | 17,677 | | | | | | |
| 76110Y-TC-6 | RFMSI 2000-S2 A5 | 09/25/2002 | PRINCIPAL PAYDOWN | | 1,000,000 | 1,000,000.00 | 1,000,000 | 1,000,000 | | | | | | 35,722 | |
| 93114K-AA-1 | WAL-MART PTC 92-A-1 PASS THRU | 06/21/2002 | PRINCIPAL PAYDOWN | | 86,411 | 86,411.43 | 86,411 | 86,411 | | | | | | | |
| 939335-XU-4 | WAMU 2001-S11 A19 | 12/30/2002 | TRANSFER FROM MARKET | | 2,106,250 | 2,000,000.00 | 1,997,500 | 1,998,988 | 1,456 | | | 107,262 | 107,262 | 140,472 | |
| 98157D-AJ-5 | WORLDCOM INC | 05/31/2002 | GOLDMAN, SACHS & CO | | 495,000 | 1,000,000.00 | 989,650 | 990,409 | 318 | | | (495,409) | (495,409) | 41,667 | |
| 878742-AA-3 | TECK COMINCO LIMITED | 05/01/2002 | MATURITY | | 1,000,000 | 1,000,000.00 | 998,690 | 1,000,000 | 50 | | | | | 43,500 | |
| 4599999 | Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | 13,304,893 | 13,710,911.51 | 13,579,477 | 13,667,793 | 19,634 | | | (362,900) | (362,900) | 428,286 | |
| 6099997 | Subtotal - Bonds - Part 4 | | | | 15,981,010 | 16,873,466.26 | 16,794,345 | 16,837,048 | 7,613 | | | (856,038) | (856,038) | 603,767 | |
| 6099998 | Summary Item from Part 5 for Bonds | | | | 4,603,372 | 4,500,000.00 | 4,565,815 | 4,565,398 | (417) | | | 37,974 | 37,974 | 127,844 | |
| 6099999 | Subtotal - Bonds | | | | 20,584,382 | 21,373,466.26 | 21,360,160 | 21,402,446 | 7,196 | | | (818,064) | (818,064) | 731,611 | |
| 7299999 | TOTALS | | | | 20,584,382 | | 21,360,160 | 21,402,446 | 7,196 | | | (818,064) | (818,064) | 731,611 | |

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OHIO SECURITY INSURANCE 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 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 - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | | | | | | | | |
| 256605-AJ-5 | DOLE FOOD INC SR NT | 04/25/2002 | BANK OF AMERICA | 11/19/2002 | TRANSFER FROM MARKET | 1,500,000.000 | 1,492,455 | 1,425,000 | 1,492,928 | 473 | | | (67,928) | (67,928) | 60,115 | |
| 552845-AE-9 | MGIC INVT CORP | 01/17/2002 | TRANSFER TO MARKET | 02/05/2002 | TRANSFER FROM MARKET | 1,000,000.000 | 1,075,000 | 1,075,000 | 1,074,110 | (890) | | | 890 | 890 | 22,917 | 19,167 |
| 86358R-JH-1 | SASC 2001-12 1A7 | 05/02/2002 | GOLDMAN, SACHS & CO. | 12/30/2002 | TRANSFER FROM MARKET | 1,000,000.000 | 1,000,000 | 1,096,172 | 1,000,000 | | | | 96,172 | 96,172 | 44,813 | 1,125 |
| 136385-AD-3 | CAN NATURAL RES | 09/09/2002 | SALOMON BROTHERS INC | 09/10/2002 | SALOMON BROTHERS INC | 1,000,000.000 | 998,360 | 1,007,200 | 998,360 | | | | 8,840 | 8,840 | | |
| 4599999 | - Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | | | | | | | 20,292 |
| 6099998 | - Subtotal - Bonds | | | | | | | | | | | | | | | 20,292 |
| 7299999 | - TOTALS | | | | | | | | | | | | | | | 20,292 |

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: \$ 33,731,513
- 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

Page E15

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

Page E21

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 OHIO SECURITY INSURANCE 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 | 49,548,962 | 53,086,221 | 3,537,259 |
| 2. Preferred Stocks | | | |
| 3. Totals | 49,548,962 | 53,086,221 | 3,537,259 |

(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.

.....

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 | | | | (4,030) | |
| Bank of America | Los Angeles, CA | | | | 13,477 | |
| Bank One Cocentration Account | Columbus, OH | | 37,005 | | 4,148,186 | |
| 0199999 - TOTAL - Open Depositories | | | 37,005 | | 4,157,633 | |
| 0399999 - TOTAL Cash on Deposit | | | 37,005 | | 4,157,633 | |
| 0599999 - TOTAL Cash | | | 37,005 | | 4,157,633 | |

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

| | | | | | | | |
|-------------|-----------|----------|-----------|--------------|-----------|--------------|-----------|
| 1. January | (5,332) | 4. April | (5,274) | 7. July | 40,217 | 10. October | 7,825 |
| 2. February | 21,998 | 5. May | (5,798) | 8. August | 7,360 | 11. November | 8,498 |
| 3. March | 2,214,729 | 6. June | 2,631,339 | 9. September | 2,765,304 | 12. December | 4,157,633 |

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OHIO SECURITY INSURANCE 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 | USTNTS 5.50% 8-31-01 | Insurance Department, Phoenix, AZ AZ RSD by AZ 23-961 (c,d) In Trust for Ohio Security Insurance Company | 110,000 | 114,713 | 123,028 |
| AZ99999 - Arizona | | | | 110,000 | 114,713 | 123,028 |
| Arkansas | | | | | | |
| AR00001 | B | Gen Elec Cap Corp 6.125% 20-22-11 | Insurance Department, Little Rock, AR | 100,000 | 100,886 | 108,303 |
| AR00002 | B | USTNTS 6.5% 8/15/05 | AR RSD by AR Statute 23-63-206 | 60,000 | 62,571 | 67,106 |
| AR99999 - Arkansas | | | | 160,000 | 163,457 | 175,409 |
| Delaware | | | | | | |
| DE00001 | B | USTNTS 4.25% 11-15-03 | Insurance Department, Dover, DE RSD by DE Insurance Code | 100,000 | 99,310 | 102,594 |
| DE99999 - Delaware | | | | 100,000 | 99,310 | 102,594 |
| Georgia | | | | | | |
| GA00001 | B | USTNTS 6.50% 2-28-02 | Insurance Department, Atlanta, GA GA RSD by O. C. G. A. Section 33-3-9 In trust for Ohio Security Insurance Company | 50,000 | 53,490 | 57,500 |
| GA99999 - Georgia | | | | 50,000 | 53,490 | 57,500 |
| Idaho | | | | | | |
| ID00001 | B | USTNTS 4.25% 11-15-03 | Insurance Department, Boise, ID RSD by ID Code - Workers' Compensation | 260,000 | 258,206 | 266,744 |
| ID99999 - Idaho | | | | 260,000 | 258,206 | 266,744 |
| Louisiana | | | | | | |
| LA00001 | B | USTNTS 4.25% 11-15-03 | Insurance Department, Baton Rouge, LA LA RSD by LRS 22:1021 and 22:1025 | 70,000 | 69,517 | 71,816 |
| LA99999 - Louisiana | | | | 70,000 | 69,517 | 71,816 |
| Massachusetts | | | | | | |
| MA00001 | B | Gen Elec Cap Corp 6.125% 2-22-11 | Treasury Department, Boston MA | 600,000 | 605,315 | 649,818 |
| MA00002 | | USTNTS 4.25% 11-15-03 | MA RSD under General Laws, Chapter 151, Section and Chapter 152, Section 61/62 | 50,000 | 49,655 | 51,297 |
| MA99999 - Massachusetts | | | | 650,000 | 654,970 | 701,115 |
| Nevada | | | | | | |
| NV00001 | B | Gen Elec Cap Corp 6.125% 2-22-11 | Insurance Department, Carson City, NV NV RSD by NRS 682B.015 and NAC 682B.010 to 628B.030, Inclusive | 300,000 | 302,657 | 324,909 |
| NV99999 - Nevada | | | | 300,000 | 302,657 | 324,909 |
| New Mexico | | | | | | |
| NM00001 | B | USTNTS 6.50% 8-15-05 | Insurance Department, Santa Fe, NM NM RSD by N. M. S. A. Section 59A-5-19 | 310,000 | 323,375 | 346,716 |

(continues)

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

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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 (continued) | | | | | | |
| | | | In trust for Ohio Security Insurance Company | | | |
| NM99999 | - New Mexico | | | 310,000 | 323,375 | 346,716 |
| North Carolina | | | | | | |
| NC00001 | B | USTNTS 6.50% 2-28-02 | Insurance Department, Raleigh, NC NC RSD by N. C. G. S. Chapter 58-5-15 | 80,000 | 85,585 | 92,000 |
| NC99999 | - North Carolina | | | 80,000 | 85,585 | 92,000 |
| Oregon | | | | | | |
| OR00001 | B | USTNTS 6.50% 2-28-02 | Insurance Department, Salem, OR RSD by ORS 731.624(1) and 731.628 | 400,000 | 423,984 | 439,096 |
| OR99999 | - Oregon | | | 400,000 | 423,984 | 439,096 |
| Virginia | | | | | | |
| VA00001 | B | USTNST 6.50% 8-15-05 | Bureau of Insurance, Richmond, VA RSD under code of VA | 210,000 | 218,998 | 234,872 |
| VA99999 | - Virginia | | | 210,000 | 218,998 | 234,872 |
| XX99999 | - Subtotal - Special Deposits NOT held for the benefit of all Policyholders, Claimants, and Creditors of the Company | | | 2,700,000 | 2,768,262 | 2,935,799 |
| Special Deposits held for the benefit of all Policyholders, Claimants, and Creditors of the Company | | | | | | |
| ZZ00001 | B | USTNTS 6.125% 8-15-07 | Insurance Department, Columbus, OH | 200,000 | 213,962 | 230,000 |
| ZZ00002 | B | USTNTS 5.0% 2-15-11 | OH VSD Under Section 3905.41 | 800,000 | 784,438 | 879,000 |
| ZZ00003 | B | United Healthcare 7.5% 11-15-05 | In trust for the benefit and security of all policyholders of Ohio Security Insurance Company | 1,000,000 | 997,841 | 1,128,050 |
| ZZ99999 | - Subtotal - Special Deposits held for the benefit of all Policyholders, Claimants, and Creditors of the Company | | | 2,000,000 | 1,996,241 | 2,237,050 |
| 9999999 | - TOTALS | | | 4,700,000 | 4,764,503 | 5,172,849 |