



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2002
OF THE CONDITION AND AFFAIRS OF THE

National Interstate Insurance Company

NAIC Group Code 0084 (Current Period) 0084 (Prior Period) NAIC Company Code 32620 Employer's ID Number 34-1607395

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

Country of Domicile US

Incorporated February 10, 1989 Commenced Business March 28, 1989

Statutory Home Office 3250 Interstate Drive, Richfield, Ohio 44286 (Street and Number, City or Town, State and Zip Code)

Main Administrative Office 3250 Interstate Drive, Richfield, Ohio 44286 (Street and Number, City or Town, State and Zip Code) 800-929-1500 -307 (Area Code) (Telephone Number)

Mail Address 3250 Interstate Drive, Richfield, Ohio 44286 (Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 3250 Interstate Drive, Richfield, Ohio 44286 (Street and Number, City or Town, State and Zip Code) 800-929-1500 -307 (Area Code) (Telephone Number)

Internet Website Address www.nationalinterstate.com

Statement Contact Gary Norman Monda (Name) 330-659-8900 -307 (Area Code) (Telephone Number) (Extension) gary.monda@nationalinterstate.com (E-Mail Address) 330-659-8902 (Fax Number)

Policyowner Relations Contact 3250 Interstate Drive, Richfield, Ohio 44286 (Street and Number, City or Town, State and Zip Code) 330-659-8900 -123 (Area Code) (Telephone Number) (Extension)

OFFICERS

President Alan Robert Spachman
Secretary #Michael Andrew Schroeder
Treasurer Arthur Myron Kraus

VICE PRESIDENTS

Gary Norman Monda
Terry Eugene Phillips
Robert Adrian Bernartchcz
Arthur Myron Kraus
David Warner Michelson
Eric Juris Raudins
#Michael Andrew Schroeder

DIRECTORS OR TRUSTEES

Gary Norman Monda
Alan Robert Spachman
David Warner Michelson
Robert Adrian Bernartchcz
Bradley Scott Schneeberger
Eric Juris Raudins
Arthur Myron Kraus
Michelle Ann Silvestro
Terry Eugene Phillips
Ronald George Steiger, Jr.
Edward Jeffrey Masch
William Joseph Hobbs
#Michael Andrew Schroeder

State of Ohio }
County of Summit } 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.

Alan Robert Spachman
President

#Michael Andrew Schroeder
Secretary

Arthur Myron Kraus
Treasurer

- 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

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE National Interstate Insurance Company

SCHEDULE A - PART 1

Showing all Real Estate OWNED December 31 of Current Year

1 Description of Property	Location		4 Date Acquired	5 Date of Last Appraisal	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Fair Value Less Encumbrances	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Amounts Received During Year	13 Expended for Additions, Permanent Improvements and Changes in Encumbrances During Year	14 Gross Income Earned Less Interest Incurred on Encumbrances	15 Taxes, Repairs and Expenses Incurred
	2 City	3 State												
Properties occupied by the reporting entity - Administrative														
Land & Office Building - 82,967 Sq Ft	Richfield	Ohio	12/31/2001	10/31/2000	10,964,676		10,445,322		(246,929)			5,783,472	2,016,641	1,753,625
0299999 - Properties occupied by the reporting entity - Administrative					10,964,676		10,445,322		(246,929)			5,783,472	2,016,641	1,753,625
0399999 - Total Properties occupied by the reporting entity					10,964,676		10,445,322		(246,929)			5,783,472	2,016,641	1,753,625
9999999 - TOTALS					10,964,676		10,445,322		(246,929)			5,783,472	2,016,641	1,753,625

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED During the Year

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Expended for Additions and Permanent Improvements
	2 City	3 State						
Acquired by internal transfer								
Land & Office Building - 82,937 Sq Ft	Richfield	Ohio	12/31/2001	various	576,118			576,118
0299999 - Acquired by internal transfer					576,118			576,118
9999999 - TOTALS					576,118			576,118

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 National Interstate 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																				
3136F0-WQ-1	FANNIE MAE	5.00%	FA	02/14/2005				1,000,295	1,000,000	100.390	1,003,879	1,003,594		19,306	50,000	(2,389)		1PE	08/14/2001	4.89%
31359M-ET-6	FANNIE MAE	6.40%	MN	05/14/2009				1,019,467	1,000,000	105.600	1,055,965	1,029,240		8,356	35,556	(9,773)		1PE	04/24/2002	5.88%
3136F1-WH-9	FANNIE MAE	6.50%	AO	04/05/2012				1,013,034	1,000,000	105.120	1,051,221	1,020,130		15,708	28,708	(7,096)		1PE	04/24/2002	6.22%
3136F1-Y8-7	FANNIE MAE	6.00%	JD	06/20/2012				750,903	750,000	102.170	766,275	751,928		1,375	22,500	(1,024)		1PE	06/20/2002	5.97%
3136F1-2K-5	FANNIE MAE	6.00%	JD	06/27/2012				1,003,557	1,000,000	101.860	1,018,632	1,006,875		667	26,500	(3,318)		1PE	07/18/2002	5.91%
31359M-NK-5	FANNIE MAE	5.50%	JJ	07/18/2012				617,676	600,000	104.290	625,729	618,858		15,217	(9,350)	(1,182)		1PE	10/30/2002	5.08%
3136F1-YB-0	FANNIE MAE	6.50%	AO	04/24/2017				1,081,877	1,000,000	108.530	1,085,300	1,068,000		12,278	(5,958)	(1,437)		1PE	11/14/2002	5.63%
3136F1-YB-0	FANNIE MAE	6.50%	AO	04/24/2017				1,066,563	1,000,000	108.530	1,085,300	1,084,320		12,278	(3,611)	(2,443)		1PE	11/27/2002	5.79%
31364F-4Q-1	FANNIE MAE MED TERM NOTE	6.15%	FA	08/18/2008				1,004,304	1,000,000	102.570	1,025,748	1,009,375		23,063	22,892	(5,071)		1PE	04/04/2002	5.97%
31364G-VY-2	FANNIE MAE MED TERM NOTE	6.04%	FA	02/25/2009				1,010,883	1,000,000	104.370	1,043,745	1,017,500		21,308	21,140	(6,617)		1PE	04/19/2002	5.72%
31331L-2R-8	FEDERAL FARM CREDIT BANKS	5.99%	JJ	07/02/2012				1,007,438	1,000,000	104.680	1,046,818	1,009,688		30,283	(2,662)	(2,249)		1PE	07/18/2002	5.86%
3133MP-5R-3	FEDERAL HOME LOAN BANKS	4.24%	JD	06/17/2005				101,019	100,000	101.370	101,370	101,522		165	(1,319)	(503)		1PE	10/09/2002	3.64%
3133MU-2E-4	FEDERAL HOME LOAN BANKS	4.25%	JD	12/18/2012				1,000,000	1,000,000	100.450	1,004,454	1,000,000		1,535				1PE	12/18/2002	4.25%
3133MU-CC-7	FEDERAL HOME LOAN BANKS	4.50%	JD	12/20/2012				1,000,000	1,000,000	100.490	1,004,884	1,000,000		1,375				1PE	12/20/2002	4.50%
3134A4-JT-2	FEDERAL HOME LOAN MTG CORP DEB	5.75%	JJ	01/15/2012				131,428	131,000	111.280	145,778	131,457		3,536	1,109	(29)		1PE	05/22/2002	5.70%
3133M8-PH-1	FEDERAL HOME LOAN MTG CORP DEB	6.05%	MN	05/12/2014				529,387	500,000	112.440	562,175	530,520		4,114	9,068	(1,133)		1PE	07/24/2002	5.34%
3133ML-WW-1	FEDERAL HOME LOAN MTG CORP DEB STEP UP	4.25%	MS	09/12/2007				499,218	500,000	100.460	502,292	496,000		6,493	10,507	3,218		1PE	03/14/2002	4.42%
312925-W7-1	FREDDIE MAC	5.13%	FA	08/20/2012				1,997,545	2,000,000	101.820	2,036,374	1,997,500		37,868	(19,361)	45		1PE	10/28/2002	5.14%
3134A4-JT-2	FREDDIE MAC	5.75%	JJ	01/15/2012				491,264	500,000	111.040	555,199	491,256		13,497	9,583	8		1PE	03/15/2002	5.85%
912828-AH-3	U.S. TREASURY NOTE	3.25%	FA	08/15/2007				251,589	250,000	102.500	256,250	251,719		3,115		(130)		1PE	08/15/2002	3.10%
912827-J7-8	U.S. TREASURY NOTE	6.25%	FA	02/15/2003				209,966	210,000	100.630	211,323	208,237		18,339		272		1PE	08/22/1996	6.41%
912827-U8-3	U.S. TREASURY NOTE	6.50%	FA	08/15/2005				24,932	25,000	111.880	27,970	24,770		623	1,625	26		1PE	10/03/1996	6.64%
912827-U8-3	U.S. TREASURY NOTE	6.50%	FA	08/15/2005				109,700	110,000	111.880	123,068	108,987		2,741	7,150	114		1PE	10/03/1996	6.64%
912827-V8-2	U.S. TREASURY NOTE	5.88%	MN	11/15/2005				100,575	100,000	110.910	110,906	101,954		751	5,875	(200)		1PE	02/09/1996	5.61%
912827-W8-1	U.S. TREASURY NOTE	5.63%	FA	02/15/2006				474,914	475,000	110.750	526,063	474,777		10,242	26,721	28		1PE	01/23/1998	5.63%
912827-6X-5	U.S. TREASURY NOTE	4.63%	MN	05/15/2006				309,283	300,000	107.870	323,610	312,654		1,773	13,875	(2,753)		1PE	10/10/2001	3.61%
912827-7F-3	U.S. TREASURY NOTE	3.50%	MN	11/15/2006				98,621	100,000	104.060	104,060	98,398		447	1,937	223		1PE	05/16/2002	3.89%
912827-3X-8	U.S. TREASURY NOTE	5.50%	FA	02/15/2008				195,695	200,000	112.840	225,688	193,688		4,217	11,000	839		1PE	08/10/2000	6.03%
912827-5N-8	U.S. TREASURY NOTE	6.00%	FA	08/15/2009				340,864	350,000	116.310	407,085	336,763		8,050	21,000	1,378		1PE	01/10/2000	6.54%
912833-KX-7	U.S. TREASURY NOTE -STRIPPED INT	6.02%	MN	11/15/2019				285,213	675,000	41.960	283,245	198,882				23,085		1PE	04/06/1999	6.10%
0199999	U.S. Governments - Issuer Obligations							18,727,210	18,876,000		19,320,406	18,678,592		278,720	284,485	(18,111)				
0399999	Subtotal - U.S. Governments							18,727,210	18,876,000		19,320,406	18,678,592		278,720	284,485	(18,111)				
States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																				
25476A-TE-9	District Columbia Rfdg Ser A	5.75%	JD	06/01/2003				245,726	245,000	101.860	249,545	261,836		1,174	29,900	(2,451)		1PE	10/04/1993	4.84%
25476A-TB-5	District Columbia Rfdg Ser A	5.75%	JD	06/01/2003				320,948	320,000	101.860	325,936	341,990		1,533	2,588	(3,201)		1PE	10/04/1993	4.84%
649786-WX-4	NEW YORK ST OID RFDG SEER B	5.70%	FA	08/15/2010				1,030,206	1,000,000	110.640	1,106,440	1,082,421		21,850	57,000	(11,509)		1PE	06/19/1998	4.79%
65820E-S4-3	NORTH CAROLINA FHA	3.90%	JJ	07/01/2006				453,499	450,000	104.810	471,636	453,461		8,921	15,405	34		1PE	11/08/2001	3.72%
677518-K5-0	OHIO STATE MENTAL HEALTH-CAP FACS	4.00%	JD	12/08/2008				198,500	200,000	106.530	213,056	198,500		667	8,000			1PE	05/22/2001	4.12%
677597-D5-2	OHIO STATE PUB FACS COMMN HIGHER ED CAP	4.50%	JD	12/01/2008				306,708	300,000	107.850	323,544	308,904		1,125	13,500	(1,363)		1PE	05/22/2001	3.98%
708792-W7-7	PENNSYLVANIA HSG FIN AGY	4.30%	AO	04/01/2008				500,000	500,000	105.460	527,305	500,000		5,435	12,243			1PE	03/06/2002	4.30%
882719-ZT-7	TEXAS STATE GO	5.00%	AO	10/01/2012				151,828	150,000	107.980	161,967	153,563		1,896	7,500	(348)		1PE	01/06/1998	4.77%
939745-WA-9	WASHINGTON ST OID SER A	4.75%	JJ	07/01/2017				245,312	250,000	102.230	255,583	245,312		6,036	11,875			1PE	10/01/1998	4.91%
977056-SK-7	WISCONSIN STATE OID SER D	4.80%	MN	05/01/2017				500,000	500,000	103.080	515,380	500,000		4,000	24,000			1PE	10/21/1998	4.80%
1199999	States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations							3,952,727	3,915,000		4,150,392	4,045,987		52,637	182,011	(18,838)				

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE National Interstate 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								
1799999 - Subtotal - States, Territories and Possessions (Direct and Guaranteed)								3,952,727	3,915,000			4,150,392	4,045,987	52,637	182,011	(18,838)						
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																						
050555-LP-4	AUBURN NY CITY SCH DIST	4.00%	JD	12/01/2013				476,715	475,000	101.920	484,115	476,781	1,583	5,700	(66)			1PE	08/13/2002	3.96%		
059851-GH-2	BANDERA INDEPENDENT SCHOOL SIST GO	5.00%	FA	02/15/2019				445,769	430,000	104.690	450,180	446,323	8,242	(2,329)	(554)			1PE	09/05/2002	4.66%		
150519-V8-6	CEDAR RAPIDS IOWA GO	4.00%	JD	06/01/2013				484,157	500,000	101.900	509,480	499,975	1,667	4,500	(15,818)			1PE	09/10/2002	4.00%		
235218-XC-3	DALAS TEXAS GO	4.63%	FA	02/15/2018				504,779	500,000	102.000	509,985	505,000	8,865	(64)	(221)			1PE	08/16/2002	4.53%		
283497-VX-0	EL PASO CNTY TEX GO	4.25%	FA	02/15/2014				983,033	975,000	102.340	997,786	983,385	19,453	(2,532)	(352)			1PE	08/07/2002	4.15%		
403755-RP-8	GWINNETT CNTY GA SCH DIST	4.50%	FA	02/01/2013				505,091	500,000	101.280	506,385	506,860	9,500	(875)	(1,769)			1PE	08/15/2002	4.33%		
438669-M7-5	HONOLULU HAWAII CITY & CNTY FGIC	5.50%	MN	11/01/2010				338,881	320,000	115.200	368,626	350,848	2,933	17,600	(2,408)			1PE	01/12/1998	4.49%		
474682-DV-0	JEFFERSON PARISH LA HOSP SVC DIST	4.75%	JJ	01/01/2017				198,500	200,000	101.730	203,462	198,500	4,829	9,500				1PE	10/26/1998	4.81%		
49474E-AT-0	KING CNTY WASH GO	4.75%	JJ	01/01/2016				513,350	500,000	103.410	517,035	514,070	12,073	(2,903)	(720)			1PE	08/15/2002	4.47%		
514224-FT-6	LANCASTER NY CET SCH DIST FGIC	5.13%	JD	06/01/2008				358,247	350,000	111.930	391,755	359,625	10,613	8,969	(253)			1PE	07/24/1997	4.93%		
539770-GW-1	LOCKHART INDEPENDENT SCHOOL DIST	5.00%	FA	08/01/2021				515,200	500,000	103.230	516,125	515,665	10,556	(2,708)	(465)			1PE	09/15/2002	4.75%		
581663-H5-3	MCKINNEY TEX INDPT SCH DIST	4.50%	FA	02/15/2016				1,011,179	1,000,000	102.510	1,025,100	1,011,580	21,125	(5,250)	(401)			1PE	08/27/2002	4.38%		
586200-GM-3	MEMPHIS TENN SAN SER SYS	4.80%	JJ	01/01/2017				906,827	885,000	101.930	902,081	908,720	21,594	(6,443)	(1,893)			1PE	08/16/2002	4.54%		
649668-R7-7	NEW YORK NY MBIA OID SER J	4.63%	FA	08/01/2010				300,000	300,000	106.810	320,439	300,000	5,858	13,875				1PE	06/25/1998	4.63%		
649668-E9-7	NEW YORK NY MBIA SER I	6.25%	MN	05/15/2007				1,063,035	1,000,000	115.220	1,128,170	1,128,440	7,986	62,500	(14,416)			1PE	06/19/1998	4.47%		
678705-NN-0	OKLAHOMA CNTY OK INDPT SCH DT NO 1 PUTN	4.50%	JJ	01/01/2006				500,425	500,000	105.080	525,420	501,477	11,438	22,500	(211)			1PE	01/12/1998	4.46%		
717880-Z3-5	PHILADELPHIA, PA SCHOOL DIST GO	4.50%	AO	04/01/2023				1,291,382	1,300,000	96.390	1,253,041	1,291,381	14,788	650	1			1PE	09/27/2002	4.55%		
727193-7A-6	PLANO TEX INDPT SCH DIST	5.00%	FA	02/15/2018				518,403	500,000	105.230	526,155	519,060	9,583	(12,639)	(657)			1PE	09/03/2002	4.65%		
795608-KN-7	SALT LAKE CITY HTAH SCH DIST	4.25%	MS	03/01/2014				657,802	650,000	102.960	669,234	658,145	9,285	1,918	(343)			1PE	08/06/2002	4.11%		
792895-GY-4	ST PAUL MINN INDPT SCHOOL DIST. GO	5.00%	FA	02/01/2019				519,950	500,000	106.010	530,055	520,470	8,403	(1,736)	(520)			1PE	09/26/2002	4.64%		
940773-5H-3	WASHOE CNTY NEV GO	4.50%	JJ	01/01/2021				493,850	500,000	98.660	493,320	493,850	5,688	(1,375)				1PE	10/23/2002	4.60%		
1899999 - Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations								12,586,575	12,385,000			12,851,949	12,690,155	206,062	108,858	(41,066)						
2499999 - Subtotal - Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)								12,586,575	12,385,000			12,851,949	12,690,155	206,062	108,858	(41,066)						
Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																						
843375-PH-3	SOUTHERN MN MUN PWR AGY PWR SUPPLY SYS	4.75%	JJ	01/01/2016				270,876	275,000	100.000	275,000	270,876	6,640	13,063	(1)			1PE	09/21/1998	4.88%		
2599999 - Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations								270,876	275,000			275,000	270,876	6,640	13,063	(1)						
3199999 - Subtotal - Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions								270,876	275,000			275,000	270,876	6,640	13,063	(1)						
Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																						
885571-AB-5	360 COMMUNICATIONS CO.	7.50%	MS	03/01/2006				525,214	500,000	110.910	554,557	534,833	12,604	37,500	(7,961)			1	10/16/2001	5.66%		
020002-AL-5	ALLSTATE CORP	7.89%	MN	05/01/2005				535,386	500,000	111.680	558,377	549,259	6,574	29,531	(13,872)			1	01/31/2002	4.56%		
026351-AQ-9	AMERICAN GENERAL CORP	7.75%	AO	04/01/2005				404,021	385,000	111.070	427,612	411,750	7,542	19,892	(7,729)			1PE	01/31/2002	5.31%		
02635K-CL-6	AMERICAN GENERAL FINANCE	5.88%	JD	12/15/2005				905,104	875,000	106.130	928,661	916,755	2,285	51,406	(10,174)			1PE	11/08/2001	4.57%		
001957-AU-3	AT&T CORP	5.63%	MS	03/15/2004				1,012,047	1,000,000	102.000	1,020,000	1,023,300	16,719	56,250	(9,994)			2	11/15/2001	4.55%		
001957-AV-1	AT&T CORP GLOBAL	6.00%	MS	03/15/2009				483,001	500,000	101.000	505,000	480,000	8,917	30,000	2,738			2	11/26/2001	6.71%		
059438-AE-1	BANC ONE CORP	8.74%	MS	09/15/2003				510,576	500,000	104.850	524,256	536,729	12,989	43,700	(14,962)			1PE	04/02/2001	5.46%		
066365-BL-0	BANKERS TRUST N Y CORP	6.00%	AO	10/15/2008				655,384	648,000	104.730	678,650	656,557	8,316	27,648	(1,173)			1PE	01/29/2002	5.76%		
08442H-AD-3	BERKLEY W R CORP	6.38%	AO	04/15/2005				779,959	750,000	103.950	779,628	780,210	10,227	(1,195)	(251)			2PE	12/24/2002	4.50%		
134429-AL-3	CAMPBELL SOUP CO.	4.75%	AO	10/01/2003				498,951	500,000	102.200	496,507	510,990	6,003	23,750	1,398			1PE	04/02/2001	5.05%		
147433-AA-4	CASE CREDIT CORP.	6.13%	FA	02/15/2003				499,842	500,000	99.000	495,000	493,375	11,740	30,625	1,258			3	11/10/1997	6.43%		
(continues)																						

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE National Interstate 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 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)																				
125577-AM-8	CIT GROUP HOLDINGS INC	6.50%	FA	02/07/2006				523,308	500,000	104.680	523,383	531,900	13,181	32,500	(7,503)			1	11/08/2001	4.81%
12560P-CC-3	CIT GROUP HOLDINGS INC	5.63%	MN	05/17/2004				308,816	300,000	102.600	307,808	309,132	2,063	(1,219)	(316)			1	12/13/2002	3.40%
19767Q-AH-8	COLUMBIA/HCA HEALTH CORP	8.05%	FA	08/25/2006				259,465	250,000	108.390	270,963	277,500	894	20,125	(2,592)			3	01/17/1996	6.58%
211177-AJ-9	CONTINENTAL CABLEVISION INC	8.75%	MS	09/15/2005				540,283	500,000	107.000	535,000	558,287	13,003	44,375	(14,867)			2	10/15/2001	5.37%
22237L-FX-5	COUNTRYWIDE HOME LNS INC	7.00%	JJ	07/15/2018				500,000	500,000	100.160	500,798	500,000	13,222	35,000				1PE	08/07/1998	7.00%
22541L-AB-9	CREDIT SUISSE FIRST BOSTON USA NOTE	6.13%	MN	11/15/2011				1,019,666	1,000,000	103.800	1,037,986	1,020,000	7,826	2,382	(334)			1PE	11/06/2002	5.83%
22541L-AC-7	CREDIT SUISSE FIRST BOSTON USA NOTE	6.50%	JJ	01/15/2012				1,047,466	1,000,000	106.640	1,066,387	1,048,070	35,931	(22,389)	(604)			1	11/19/2002	5.81%
23820#-AA-4	DATTCO LOAN	6.00%	JJ	07/31/2005				1,558,946	1,558,946	100.000	1,558,946	1,671,554	40,489	40,489	3,888			1PE	08/02/2002	6.12%
278058-AV-4	EATON CORP	6.95%	MN	11/15/2004				1,031,744	1,000,000	108.540	1,085,428	1,055,100	8,881	69,500	(16,915)			1PE	08/14/2001	5.07%
285659-AE-8	ELECTRONIC DATA SYSTEMS	7.13%	AO	10/15/2009				502,471	500,000	100.500	502,500	502,500	7,620	(4,651)	(29)			1PE	12/02/2002	7.03%
337358-DB-8	FIRST UNION CORP NOTE	7.10%	FA	08/15/2004				508,674	500,000	108.420	542,081	518,050	13,608	35,500	(5,339)			1PE	03/30/2001	5.89%
338915-AD-3	FLEET BOSTON FINANCIAL CORP	6.88%	MS	03/01/2003				1,002,626	1,000,000	100.840	1,008,417	1,030,500	23,108	68,750	(15,972)			1PE	04/03/2001	5.16%
338915-AL-5	FLEET FINANCIAL GROUP	6.38%	MN	05/15/2008				536,262	525,000	108.810	571,266	538,558	4,277	33,469	(2,095)			1PE	11/26/2001	5.88%
345402-4U-2	FORD MOTOR CREDIT CORP	7.75%	FA	02/15/2007				1,004,622	1,000,000	103.050	1,030,546	1,004,680	29,708	(25,188)	(58)			2	12/12/2002	7.62%
345397-SU-8	FORD MOTOR CREDIT CORP	7.60%	FA	08/01/2005				944,525	1,000,000	102.490	1,024,885	940,000	32,089	(15,622)	4,525			2	10/15/2002	10.17%
345397-SJ-3	FORD MOTOR CREDIT CORP	6.70%	JJ	07/16/2004				1,017,736	1,000,000	102.140	1,021,415	1,019,500	31,267	(1,764)				2	11/05/2002	5.46%
302570-AJ-5	FPL GROUP CAP INC	7.38%	JD	06/01/2009				526,711	500,000	111.640	558,183	530,950	3,073	36,875	(4,159)			1	12/24/2001	6.31%
364760-AC-2	GAP INC	5.63%	MN	05/01/2003				1,003,278	1,000,000	99.500	995,000	1,016,850	9,375	56,250	(9,888)			3	08/17/2001	4.57%
36158F-AB-6	GE GLOBAL INSURANCE	6.45%	MS	03/01/2019				1,009,863	1,000,000	98.850	988,536	1,009,920	21,679	(15,408)	(57)			1	11/27/2002	6.35%
36962G-YY-4	GENERAL ELECTRIC CAP CORP	6.00%	JD	06/15/2012				1,045,027	1,000,000	107.810	1,078,067	1,045,940	2,667	8,833	(913)			1	10/22/2002	5.38%
37042W-C5-8	GENERAL MOTORS ACCEPT CORP	6.38%	JJ	01/30/2004				1,015,862	1,000,000	103.040	1,030,449	1,036,100	16,127	63,800	(14,656)			2	08/14/2001	4.79%
370424-8B-2	GENERAL MOTORS ACCEPTANCE CORP	6.63%	AO	10/15/2005				1,350,130	1,342,000	103.480	1,388,668	1,355,420	19,016	88,908	(2,912)			2	03/08/2001	6.37%
37042F-VU-9	GENERAL MOTORS CREDIT CORP	5.85%	MS	09/15/2008				88,000	88,000	98.430	86,615	88,000	1,530	5,148				1PE	09/29/1998	5.85%
38141G-AL-8	GOLDMAN SACHS GROUP INC	7.80%	JJ	01/28/2010				536,935	500,000	116.920	584,594	542,250	16,900	39,000	(5,215)			1PE	12/24/2001	6.43%
38141G-CM-4	GOLDMAN SACHS GROUP INC	5.50%	MN	11/15/2014				1,002,569	1,000,000	100.820	1,008,171	1,002,590	7,028	(1,528)	(21)			1	11/25/2002	5.47%
40621P-AF-6	HALLIBURTON CO	6.00%	FA	08/01/2006				594,105	580,000	102.050	591,880	598,415	14,693	36,250	(3,933)			2	11/26/2001	5.22%
43439P-AA-3	HOECHST CELANESE CORP	7.13%	MS	03/15/2009				510,259	500,000	112.790	563,934	516,565	10,589	35,625	(1,652)			2	03/09/1999	6.66%
441812-FL-3	HOUSEHOLD FINANCE CORP	7.65%	MN	05/15/2007				536,652	500,000	111.300	556,494	545,838	4,888	38,250	(8,382)			1PE	11/26/2001	5.65%
44181E-BY-3	HOUSEHOLD FINANCE CORP	6.35%	JJ	07/15/2008				490,465	500,000	105.780	528,891	488,660	14,905	31,397	1,720			1PE	12/13/2001	6.79%
441812-JT-2	HOUSEHOLD FINANCIAL CORP	6.50%	JJ	01/24/2006				1,043,475	1,000,000	105.560	1,055,580	1,059,700	28,889	65,000	(14,168)			1	11/08/2001	4.90%
455434-BD-1	INDIANAPOLIS PWR & LT CO	7.38%	FA	08/01/2007				201,249	200,000	102.690	205,374	201,840	6,228	14,750	(273)			1PE	10/31/2000	7.20%
456866-AR-3	INGERSOLL RAND CO	5.80%	JD	06/01/2004				1,020,785	1,000,000	104.940	1,049,361	1,034,267	4,833	48,656	(13,482)			2	01/29/2002	4.23%
708160-BJ-4	J C PENNY CO	7.65%	FA	08/15/2016				1,059,310	1,000,000	86.000	860,000	1,076,330	29,325	76,500	(4,350)			3	02/02/1999	6.89%
52517P-PU-9	LEHMAN BROS HLDGS 3-1-99	6.75%	MS	03/02/2009				500,000	500,000	100.740	503,716	500,000	2,813	33,750				1PE	03/01/1999	6.75%
524908-BD-1	LEHMAN BROTHERS HOLDINGS	8.50%	MN	05/01/2007				1,119,440	1,000,000	118.840	1,188,399	1,150,395	14,167	85,000	(27,557)			1PE	11/16/2001	5.26%
590188-JF-6	MERRILL LYNCH & CO	6.50%	JJ	07/15/2018				197,876	200,000	106.200	212,405	197,297	6,103	13,000	136			1PE	10/06/1998	6.62%
620076-AS-8	MOTOROLA INC	6.75%	FA	02/01/2006				504,044	500,000	102.500	512,500	505,625	14,250	33,750	(1,309)			2	10/16/2001	6.44%
620076-AT-6	MOTOROLA INC	6.45%	FA	02/01/2003				1,000,636	1,000,000	100.000	1,000,000	1,010,650	27,233	64,500	(7,252)			2	08/14/2001	5.67%
62952P-AA-0	NABISCO GROUP HOLDING SUB DEBENTURE	9.50%	MS	09/30/2047				200,000	200,000	102.990	205,970	200,000	53	19,000				1PE	09/16/1998	9.50%
718154-CG-0	PHILIP MORRIS COS INC	7.20%	FA	02/01/2007				624,553	600,000	111.000	666,029	633,138	18,240	43,200	(6,003)			1PE	07/27/2001	6.00%
693476-AF-0	PNC FUNDING CORP	6.88%	MS	03/01/2003				503,804	500,000	100.820	504,101	507,608	11,554	(5,729)	(3,804)			1	11/01/2002	2.18%
75952U-AE-3	RELIASTAR FINANCIAL CORP	6.50%	MN	11/15/2008				496,524	500,000	111.280	556,416	494,375	4,153	32,500	591			1PE	05/14/1999	6.66%
75952U-AE-3	RELIASTAR FINANCIAL CORP	6.50%	MN	11/15/2008				301,276	300,000	111.280	333,850	301,500	2,492	45,500	(217)			1PE	12/20/2001	6.41%
812404-BF-7	SEARS ROEBUCK ACCEP CORP	6.25%	MN	05/01/2009				488,837	500,000	95.760	478,814	482,500	5,208	31,250	1,762			2	05/28/1999	6.74%
812404-AV-3	SEARS ROEBUCK ACCEP CORP	7.00%	JD	06/15/2007				618,392	600,000	101.320	607,899	624,360	1,867	42,000	(4,125)			2	07/21/2001	6.16%
866930-AH-3	SUNAMERICA INCORPORATED	6.75%	AO	10/01/2007				312,394	300,000	113.450	340,350	317,037	5,119	20,250	(2,607)			1PE	03/21/2001	5.69%
879433-AT-7	TELEPHONE & DATA SYSTEMS	7.00%	FA	08/01/2006				519,341	500,000	103.880	519,398	525,399	14,778	35,000	(5,393)			1PE	11/16/2001	5.74%

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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- 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						
Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations (continued)																				
88319W-AT-7	TEXTRON FINANCIAL CORP		7.37%	AO	10/15/2003			1,020,400	1,000,000	103.390	1,033,867	1,056,100	21,905	73,700	(25,854)			1PE	08/14/2001	4.59%
872649-BL-1	TRW INC		7.63%	MS	03/15/2006			519,081	500,000	112.740	563,702	525,767	11,332	38,125	(5,952)			2PE	11/16/2001	6.23%
913017-BE-8	UNITED TECHNOLOGIES CORP		4.88%	MN	11/01/2006			494,334	500,000	106.240	531,186	493,185	4,063	14,828	1,149			1	03/22/2002	5.21%
3999999	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							41,571,702	40,701,946		42,458,939	42,079,177	758,158	1,910,058	(289,473)					
Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																				
65535N-AC-0	NOMURA CBO 1997-2 Ltd		6.33%	AO	10/30/2009			196,141	200,000	100.000	200,000	194,125	2,180	12,660	565			5	06/07/1999	6.73%
4499999	Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							196,141	200,000		200,000	194,125	2,180	12,660	565					
4599999	Subtotal - Industrial and Miscellaneous (Unaffiliated)							41,767,843	40,901,946		42,658,939	42,273,302	760,338	1,922,718	(288,908)					
5499999	Total Bonds - Subtotal - Issuer Obligations							77,109,090	76,152,946		79,056,686	77,764,787	1,302,217	2,498,475	(367,489)					
5999999	Total Bonds - Subtotal - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							196,141	200,000		200,000	194,125	2,180	12,660	565					
6099999	TOTALS							77,305,231	76,352,946		79,256,686	77,958,912	1,304,397	2,511,135	(366,924)					

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE National Interstate Insurance Company

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 - Public Utilities (Unaffiliated)														
00206J-30-8	AT&T CAPITAL "PINES" ISSUER (CIT FIN)	8,000,000	25.00	25.780	200,000	25.780	206,240	200,000		16,250			P1L	12/21/1998
172474-20-7	CINERGY CORP	4,000,000	25.00	55.400	225,920	55.400	221,600	225,920		4,750			P2L	08/28/2002
25179M-20-2	DEVON ENERGY CORP	2,500,000	100.00	100.130	250,000	100.130	250,313	250,000		16,225			P3L	06/02/1998
872375-20-9	TECO ENERGY	16,000,000	25.00	19.900	361,009	19.900	318,400	361,009		9,500			P2L	07/10/2002
893526-72-3	TRANSCANADA PIPELINES	4,000,000	25.00	25.570	100,000	25.570	102,280	100,000		8,250			P2L	10/01/1998
6199999	Subtotal - Preferred Stocks - Public Utilities (Unaffiliated)				1,136,929		1,098,833	1,136,929		54,975				
Preferred Stocks - Banks, Trust and Insurance Companies (Unaffiliated)														
00371T-20-6	ABN AMRO (EURO BANK) CAP FUND TR II	8,000,000	25.00	25.600	200,000	25.600	204,800	200,000		14,250			P1L	04/01/1999
05978Q-20-8	BANCWEST CAPITAL 1	8,000,000	25.00	28.010	200,000	28.010	224,080	200,000		19,000			P1L	12/07/2000
06423W-20-4	BANK ONE CAPITAL TRUST VI	8,000,000	25.00	26.440	200,000	26.440	211,520	200,000		15,080			P2L	09/28/2001
172967-81-2	CITIGROUP INC	4,500,000	50.00	46.550	205,620	46.550	209,475	205,875		13,194	(179)		P1L	09/11/2001
172967-81-2	CITIGROUP INC PFD 5.864%	6,000,000	50.00	46.550	301,127	46.550	279,300	295,250		17,592	(3,844)		P1L	11/14/1997
29267G-20-0	ENERGY EAST CAP TRUST	8,000,000	25.00	26.090	200,000	26.090	208,720	200,000		16,500			P1L	07/24/2001
33889V-20-7	FLEET CAPITAL TRUST VII	8,000,000	25.00	25.460	200,000	25.460	203,680	200,000		14,400			P1L	09/18/2001
44180S-20-7	HOUSEHOLD CAP TRUST V	8,000,000	25.00	27.050	200,000	27.050	216,400	200,000		20,000			P1L	06/08/2000
21988G-60-1	KEY CORP TRUST	8,000,000	25.00	26.200	200,000	26.200	209,600	200,000		16,500			P1L	01/25/2001
51899B-91-2	LASALLE NTL ADJUSTABLE RATE 9.25%	3,500,000	50.00	55.190	187,033	55.190	193,170	193,170			(554)		P1L	11/12/1992
52490B-70-4	LEHMAN BROTHERS HOLDINGS DEPOSITARY SHRS	4,000,000	50.00	43.750	188,571	43.750	175,000	187,000		11,880	396		P1L	05/17/1999
692070-20-4	OXY CAPITAL TRUST I (OCCIDENTAL PETR)	8,000,000	25.00	25.480	200,000	25.480	203,840	200,000		16,320			P3L	01/20/1999
22080R-20-6	PECO ENERGY CAP III	8,000,000	25.00	26.100	200,000	26.100	208,800	200,000		16,000			P1L	01/19/2001
22080U-20-9	SAFECO CAP TRUST I	8,000,000	25.00	26.250	200,000	26.250	210,000	200,000		17,500			P2L	01/23/2001
92923G-20-4	WEC CAPITAL TRUST I (WISC ENERGY CORP)	8,000,000	25.00	25.130	199,094	25.130	201,040	199,000		13,700	23		P1L	04/05/1999
6299999	Subtotal - Preferred Stocks - Banks, Trust and Insurance Companies (Unaffiliated)				3,081,444		3,159,425	3,080,295		221,916	(4,158)			
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)														
053484-70-5	AVALONBAY 8.7% PFD	7,000,000	25.00	27.350	187,003	27.350	191,450	187,417		12,778	414		P2L	12/31/2001
073902-70-2	BEAR STEARNS CO	5,000,000	50.00	45.800	234,400	45.800	229,000	232,500		15,375	533		P2L	09/28/1999
G19068-14-0	CARLTON COMMUNICATIONS	8,000,000	25.00	18.300	201,000	18.300	146,400	203,000		16,000	1,000		P3L	03/31/1998
264411-84-4	DUKE REALTY INVESTMENTS INC	8,000,000	25.00	25.830	200,000	25.830	206,640	200,000		16,500			P2L	01/22/1999
313586-70-3	FANNIE MAE 6.29% PFD	1,000,000	50.00	47.950	50,000	47.950	47,950	50,000		2,114			P1L	03/20/2000
313400-86-3	FREDDIE MAC 5.0% PFD	4,000,000	50.00	48.000	190,403	48.000	192,000	190,000		10,000	305		P1L	10/15/2001
313400-73-1	FREDDIE MAC 5.7% PFD	4,000,000	50.00	52.700	200,000	52.700	210,800	200,000		11,400			P1L	10/30/2001
369622-51-9	GENERAL ELECTRIC CAPITAL CORP	10,000,000	25.00	25.400	250,000	25.400	254,000	250,000					P2L	11/01/2002
369622-71-7	GENERAL ELECTRIC CAP CORP PFD SER Z	2,000	100,000.00	100,000.000	201,211	100,000.000	200,000	201,500		4,676	(46)		P1L	03/24/1997
369622-68-3	GENERAL ELECTRIC CAP CORP PFD SER Y 1	3,000	100,000.00	100,000.000	296,846	100,000.000	300,000	302,250		5,652	(694)		P1L	11/17/1995
432848-30-7	HILTON HOTELS CORP	8,000,000	25.00	24.800	200,000	24.800	198,400	200,000		16,000			P3L	08/21/2001
441815-75-0	HOUSEHOLD INTERNATIONAL INC	20,000,000	25.00	24.540	500,000	24.540	490,800	500,000		37,500			P2L	09/28/2001
G6852T-11-3	PARTNERRE LTD	8,000,000	25.00	25.500	200,496	25.500	204,000	202,992		16,000	(250)		P1L	05/11/1998
74460D-76-0	PUBLIC STORAGE INC	4,000,000	25.00	26.600	100,000	26.600	106,400	100,000		8,250			P2L	03/10/1999
949746-20-0	WELLS FARGO & CO	5,000,000	50.00	51.250	250,000	51.250	256,250	250,000		13,750			P2L	03/10/1998
6399999	Subtotal - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)				3,261,361		3,234,090	3,269,659		185,996	1,263			
6599999	TOTAL - Preferred Stocks				7,479,733		7,492,348	7,486,883		462,887	(2,895)			

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE National Interstate Insurance 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 - Public Utilities (Unaffiliated)												
233331-10-7	DTE ENERGY CO	1,200,000	55,680	46.400	55,680	52,128		1,236			L	06/20/2002
6699999	- Subtotal - Common Stocks - Public Utilities (Unaffiliated)		55,680		55,680	52,128		1,236				
Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)												
025816-10-9	AMERICAN EXPRESS	2,500,000	88,375	35.350	88,375	99,585		800			L	06/14/2001
026874-10-7	AMERICAN INTL GROUP INC	1,700,000	98,345	57.850	98,345	114,908		286			L	06/11/1999
160903-10-0	CHARTER ONE FINANCIAL INCORPORATED	3,089,000	88,747	28.730	88,747	67,913		2,472			L	11/05/1997
172967-10-1	CITIGROUP INC	2,133,000	75,060	35.190	75,060	75,256		1,493			L	12/31/1999
493267-10-8	KEY CORP NEW COM	2,500,000	62,850	25.140	62,850	80,222		3,000			L	08/25/1999
561911-10-8	MANAGED HIGH YIELD PLUS FUND	10,000,000	42,800	4.280	42,800	150,000		7,750			L	06/11/1999
585509-10-2	MELLON BANK FINANCIAL CORP	2,000,000	52,220	26.110	52,220	64,459		980			L	08/24/1998
628351-10-8	MUTUAL RISK MGMT LTD COM	140,000,000	4,900	0.035	4,900	14,177					L	05/03/2002
743315-10-3	PROGRESSIVE CORP	1,200,000	59,556	49.630	59,556	37,715		116			L	09/22/1999
89420G-10-9	TRAVELERS P & C CO- CLASS A	92,000	1,348	14.650	1,348	1,588					L	09/18/2002
89420G-10-9	TRAVELERS P & C CO- CLASS B	189,000	2,769	14.650	2,769	3,526					L	08/21/2002
6799999	- Subtotal - Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)		576,970		576,970	709,349		16,897				
Common Stocks - Industrial and Miscellaneous (Unaffiliated)												
013068-20-0	ALBERTO CULVER CO	1,500,000	72,885	48.590	72,885	52,751		585			L	07/01/2001
022249-10-6	ALUMINUM CO OF AMERICA	2,300,000	52,394	22.780	52,394	48,126		1,380			L	05/05/1998
00184A-10-5	AOL TIME WARNER	3,500,000	45,850	13.100	45,850	76,865					L	07/11/2000
038222-10-5	APPLIED MATERIALS INC	4,000,000	52,120	13.030	52,120	138,431					L	05/15/2000
038336-10-3	APTARGROUP INC	2,300,000	71,852	31.240	71,852	77,932		552			L	07/27/2001
001957-10-9	AT & T CORP	472,000	12,324	26.110	12,324	30,505		354			L	04/30/1999
00209A-10-6	AT & T WIRELESS SERVICES INC	2,559,000	14,458	5.650	14,458	49,573					L	07/09/2001
049560-10-5	ATMOS ENERGY CORP	2,500,000	58,300	23.320	58,300	53,446		2,963			L	12/31/2001
053015-10-3	AUTOMATIC DATA PROCESSING	1,000,000	39,250	39.250	39,250	29,350		552			L	12/19/1997
055622-10-4	BP PLC	2,000,000	81,300	40.650	81,300	99,035		2,820			L	08/21/2001
122014-10-3	BURLINGTON RESOURCES INC	2,000,000	85,300	42.650	85,300	74,466		1,031			L	08/25/2000
881694-10-3	CHEVRON TEXACO CORP	770,000	51,190	66.480	51,190	60,475		2,156			L	01/08/2001
17275R-10-2	CISCO SYS INC	2,000,000	26,200	13.100	26,200	92,369					L	08/24/2000
20030N-10-1	COMCAST CORP	763,000	17,984	23.570	17,984	51,029					L	06/11/1999
205363-10-4	COMPUTER SCIENCE CORP	1,800,000	62,010	34.450	62,010	75,252					L	10/23/1997
254687-10-6	DISNEY WALT CO	3,000,000	48,930	16.310	48,930	91,770					L	03/17/1999
291011-10-4	EMERSON ELECTRIC	2,000,000	101,700	50.850	101,700	113,184		3,110			L	10/16/1997
30231G-10-2	EXXON MOBIL CORP	2,500,000	87,350	34.940	87,350	74,506		2,070			L	12/01/1997
369604-10-3	GENERAL ELECTRIC CO	2,000,000	48,700	24.350	48,700	56,539					L	09/16/1998
375766-10-2	GILLETTE CO	3,000,000	91,080	30.360	91,080	94,061		1,950			L	08/25/2000
437076-10-2	HOME DEPOT	2,000,000	48,040	24.020	48,040	59,683		408			L	08/24/1998
30231G-10-2	INTEL	1,500,000	23,355	15.570	23,355	74,673		120			L	08/11/2000
459200-10-1	INTERNATIONAL BUSINESS MACHINES CORP	1,200,000	93,000	77.500	93,000	125,045		680			L	05/27/1999
460146-10-3	INTERNATIONAL PAPER CO	2,300,000	80,431	34.970	80,431	97,218		2,300			L	03/24/2000
478160-10-4	JOHNSON & JOHNSON	1,500,000	80,565	53.710	80,565	56,228		1,193			L	09/18/1998
492386-10-7	KERR MCGEE CORP	1,000,000	44,300	44.300	44,300	59,590		900			L	04/16/2000
539830-10-9	LOCKHEED MARTIN CORP	800,000	46,200	57.750	46,200	50,688		176			L	08/26/2002
574599-10-6	MASCO CORPORATION	4,000,000	84,200	21.050	84,200	88,468		2,113			L	11/07/1997
594918-10-4	MICROSOFT CORP	1,600,000	82,720	51.700	82,720	124,381					L	04/20/2000
608554-20-0	MOLEX INC	3,125,000	62,156	19.890	62,156	74,750		313			L	10/05/1999
651229-10-6	NEWELL RUBBERMAID INC	3,000,000	90,990	30.330	90,990	82,125		2,520			L	12/12/2001
67622M-10-8	OFFICMAX INC	7,000,000	35,000	5.000	35,000	96,950					L	09/19/1997

(continues)

(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 \$

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) (continued)												
713448-10-8	PEPSICO INC	2,100,000	88,662	42.220	88,662	76,047		1,238			L	10/07/1997
717081-10-3	PFIZER INC	1,500,000	45,855	30.570	45,855	62,675		780			L	12/31/2001
755111-50-7	RAYTHEON CO	2,000,000	61,500	30.750	61,500	74,704		1,160			L	03/01/2002
780257-80-4	ROYAL DUTCH PETROLEUM	1,500,000	66,030	44.020	66,030	82,444		2,371			L	07/01/1998
749685-10-3	RPM INC OHIO	5,000,000	76,400	15.280	76,400	78,357		2,525			L	09/19/1997
806857-10-8	SCHLUMBERGER LTD	1,200,000	50,508	42.090	50,508	75,931		900			L	12/31/1999
835699-30-7	SONY CORP	2,200,000	90,882	41.310	90,882	101,263		362			L	12/31/2001
852061-10-0	SPRINT CORP FON GROUP	2,500,000	36,200	14.480	36,200	74,057		1,250			L	04/21/1998
882508-10-4	TEXAS INSTRUMENTS INC	2,100,000	31,521	15.010	31,521	71,418		134			L	04/16/2002
911312-10-6	UNITED PARCEL SERVICE	800,000	50,464	63.080	50,464	49,752		152			L	06/19/2002
925524-30-8	VIACOM CL B	2,500,000	101,900	40.760	101,900	84,633					L	01/21/1999
931142-10-3	WALMART STORES INC	2,000,000	101,020	50.510	101,020	111,831		590			L	11/17/1999
948741-10-3	WEINGARTEN REALTY INVESTMENTS TRUST	3,000,000	110,580	36.860	110,580	103,255		5,078			L	01/21/2000
983024-10-0	WYETH (FORMERLYAMERICAN HOME PRODUCT)	2,000,000	74,800	37.400	74,800	110,687		1,840			L	03/30/2000
6899999	- Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)		2,878,456		2,878,456	3,586,517		50,063				
Common Stocks - Parent, Subsidiaries, and Affiliates												
63655*-10-6	NATIONAL INTERSTATE CORP	12,550,000				3,589,300			(3,589,300)		U	09/16/2002
63655#-10-2	NATIONAL INTERSTATE INS CO OF HAWAII	500,000,000	5,128,987	10.258	5,128,987	4,141,936		137,647			U	01/01/1999
6999999	- Subtotal - Common Stocks - Parent, Subsidiaries, and Affiliates		5,128,987		5,128,987	7,731,236			(3,451,653)			
7099999	- TOTAL - Common Stocks		8,640,093		8,640,093	12,079,230		68,196	(3,451,653)			
7199999	- TOTAL - Preferred and Common Stocks		16,119,826		16,132,441	19,566,113		531,083	(3,454,548)			

E10.1

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE National Interstate 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							
3136F1-WH-9	FANNIE MAE	04/24/2002	NATIONAL FINANCIAL SE		1,020,130	1,000,000.00	
3136F1-Y8-7	FANNIE MAE	06/20/2002	NATIONAL FINANCIAL SE		751,928	750,000.00	
31359M-NK-5	FANNIE MAE	10/30/2002	NATIONAL FINANCIAL SE		618,858	600,000.00	(9,350)
3136F1-2K-5	FANNIE MAE	07/18/2002	MERRILL LYNCH		1,006,875	1,000,000.00	
31359M-ET-6	FANNIE MAE	04/24/2002	NATIONAL FINANCIAL SE		1,029,240	1,000,000.00	
3136F1-YB-0	FANNIE MAE	11/27/2002	NATIONAL FINANCIAL SE		1,068,000	1,000,000.00	(5,958)
3136F1-YB-0	FANNIE MAE	11/14/2002	NATIONAL FINANCIAL SE		1,084,320	1,000,000.00	(3,611)
31364G-VY-2	FANNIE MAE MED TERM NOTE	04/19/2002	NATIONAL FINANCIAL SE		1,017,500	1,000,000.00	
31364F-4Q-1	FANNIE MAE MED TERM NOTE	04/04/2002	NATIONAL FINANCIAL SE		1,009,375	1,000,000.00	
31331L-2R-8	FEDERAL FARM CREDIT BANK	07/18/2002	MERRILL LYNCH		1,009,688	1,000,000.00	(2,662)
3133MP-5R-3	FEDERAL HOME LOAN BANKS	10/09/2002	WACHOVIA BANK		101,522	100,000.00	(1,319)
3133MU-CC-7	FEDERAL HOME LOAN BANKS	12/20/2002	MCDONALD & CO		1,000,000	1,000,000.00	
3133MU-2E-4	FEDERAL HOME LOAN BANKS	12/18/2002	MCDONALD & CO		1,000,000	1,000,000.00	
3133M8-PH-1	FEDERAL HOME LOAN MTG CORP	07/24/2002	NATIONAL FINANCIAL SE		530,520	500,000.00	
3134A4-JT-2	FEDERAL HOME LOAN MTG CORP	05/22/2002	DEUTSCHE BANK SECURITY		131,457	131,000.00	
3133ML-WW-1	FEDERAL HOME LOAN MTG CORP	03/14/2002	PAINE WEBBER		496,000	500,000.00	
3134A4-JT-2	FREDDIE MAC	03/15/2002	MERRILL LYNCH		491,256	500,000.00	
312925-W7-1	FREDDIE MAC	10/28/2002	NATIONAL FINANCIAL SE		1,997,500	2,000,000.00	(19,361)
912828-AH-3	U. S. TREASURY NOTE	08/15/2002	NATIONAL FINANCIAL SE		251,719	250,000.00	
912827-7F-3	U. S. TREASURY NOTE	05/16/2002	WACHOVIA BANK		98,398	100,000.00	
0399999	- Subtotal - Bonds - U. S. Governments				15,714,286	15,431,000.00	(42,262)
Bonds - States, Territories and Possessions							
708792-W7-7	PENNSYLVANIA HSG FIN AGY	03/06/2002	PAINE WEBBER		500,000	500,000.00	
1799999	- Subtotal - Bonds - States, Territories and Possessions				500,000	500,000.00	
Bonds - Political Subdivisions of States							
050555-LP-4	AUBURN NY CNTY SCH DIST	08/13/2002	MERRILL LYNCH		476,781	475,000.00	
059851-GH-2	BANDERA INDEPENDENT SCH	09/05/2002	CONSTITUTIONAL CAPITAL		446,323	430,000.00	(2,329)
150519-V8-6	CEDAR RAPIDS IOWA GO	09/10/2002	PAINE WEBBER		499,975	500,000.00	
235218-XC-3	DALLAS TEXAS GO	08/16/2002	NATIONAL FINANCIAL SE		505,000	500,000.00	(64)
283497-VX-0	EL PASO CNTY TEX GO	08/07/2002	NATIOANL FINANCIAL SE		983,385	975,000.00	(2,532)
403755-RP-8	WINNETT CNTY GA SCH DIST	08/15/2002	PAINE WEBBER		506,860	500,000.00	(875)
49474E-AT-0	KING CNTY WASH GO	08/15/2002	NATIONAL FINANCIAL SE		514,070	500,000.00	(2,903)
539770-GW-1	LOCKHART INDEPENDENT SCH	09/15/2002	CONSTITUTIONAL CAPITAL		515,665	500,000.00	(2,708)
581663-H5-3	MCKINNEY TEX INDPT SCH DIST	08/27/2002	NATIONAL FINANCIAL SE		1,011,580	1,000,000.00	(5,250)
586200-GM-3	MEMPHIS TENN SAN SER SYS	08/16/2002	PAINE WEBBER		395,330	385,000.00	(2,310)
586200-GM-3	MEMPHIS TENN SAN SER SYS	09/03/2002	PAINE WEBBER		513,390	500,000.00	(4,133)
717880-Z3-5	PHILADELPHIA PA SCH DIST	09/27/2002	NATIONAL FINANCIAL SE		546,354	550,000.00	
717880-Z3-5	PHILADELPHIA PA SCH DIST	09/27/2002	NATIOANL FINANCIAL SE		745,028	750,000.00	
727193-7A-6	PLANO TEX INDPT SCH DIST	09/03/2002	NATIONAL FINANCIAL SE		519,060	500,000.00	(12,639)
795608-KN-7	SALT LAKE CTIY UTAH SCH DIST	08/06/2002	NATIOANL FINANCIAL SE		658,145	650,000.00	
792895-GY-4	ST PAUL MINN INDPT SCH DIST	09/26/2002	NATIONAL FINANCIAL SE		520,470	500,000.00	(1,736)
940773-5H-3	WASHOE CNTY NEV GO	10/23/2002	MORGAN STANLEY		493,850	500,000.00	(1,375)
2499999	- Subtotal - Bonds - Political Subdivisions of States				9,851,264	9,715,000.00	(38,855)
Bonds - Industrial and Miscellaneous (Unaffiliated)							
020002-AL-5	ALLSTATE CORP	01/31/2002	MERRILL LYNCH		549,259	500,000.00	
026351-AQ-9	AMERICAN GENERAL CORP	01/31/2002	MERRILL LYNCH		411,750	385,000.00	
066365-BL-0	BANKERS TRUST N Y CORP	01/29/2002	MERRILL LYNCH		656,557	648,000.00	
08442H-AD-3	BERKLEY W R CORP	12/24/2002	NATIONAL FINANCIAL SE		780,210	750,000.00	(1,195)
12560P-CC-3	CIT GROUP HOLDING INC	12/13/2002	NATIONAL FINANCIAL SE		309,132	300,000.00	(1,219)
22541L-AC-7	CREDIT SUISSE FIRST BOSTON	11/19/2002	NATIONAL FINANCIAL SE		1,048,070	1,000,000.00	(22,389)
22541L-AB-9	CREDIT SUISSE FIRST BOSTON	11/06/2002	MERRILL LYNCH		1,020,000	1,000,000.00	
(continues)							

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE National Interstate 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 - Industrial and Miscellaneous (Unaffiliated) (continued)							
23820#-AA-4	DATTCO LOAN	08/02/2002	PRIVATE LOAN		1,671,554	1,671,554.00	
285659-AE-8	ELECTRONIC DATA SYSTEMS	12/02/2002	MORGAN STANLEY		502,500	500,000.00	(4,651)
345397-SU-8	FORD MOTOR CREDIT CORP	10/15/2002	MCDONALD & CO		940,000	1,000,000.00	(15,622)
345397-SJ-3	FORD MOTOR CREDIT CORP	11/05/2002	MERRILL LYNCH		1,019,500	1,000,000.00	
345402-UJ-2	FORD MOTOR CREDIT CORP	12/12/2002	NATIONAL FINANCIAL SE		1,004,680	1,000,000.00	(25,188)
36158F-AB-6	GE GLOBAL INSURANCE	11/27/2002	PAINE WEBBER		1,009,920	1,000,000.00	(15,408)
36962G-YY-4	GENERAL ELECTRIC CAP CORP	10/22/2002	NATIONAL FINANCIAL SE		1,045,940	1,000,000.00	
38141G-CM-4	GOLDMAN SACHS GROUP INC	11/25/2002	NATIONAL FINANCIAL SE		1,002,590	1,000,000.00	(1,528)
456866-AR-3	INGERSOLL RAND CO	01/29/2002	MERRILL LYNCH		1,034,267	1,000,000.00	
693476-AF-0	PNC FUNDING CORP	11/01/2002	MCDONALD & CO		507,607	500,000.00	(5,729)
913017-BE-8	UNITED TECHNOLOGIES CORP	03/22/2002	NATIONAL FINANCIAL SE		493,185	500,000.00	
4599999	- Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				15,006,721	14,754,554.00	(92,929)
6099997	- Subtotal - Bonds - Part 3				41,072,270	40,400,554.00	(174,046)
6099998	- Summary Item from Part 5 for Bonds				8,779,287	8,645,000.00	
6099999	- Subtotal - Bonds				49,851,558	49,045,554.00	(174,046)
Preferred Stocks - Public Utilities (Unaffiliated)							
172474-20-7	CINERGY CORP	08/28/2002	NATIONAL FINANCIAL SE	4,000.000	225,920	225,920.00	
872375-20-9	TECO ENERGY	07/10/2002	NATIONAL FINANCIAL SE	16,000.000	366,848	400,000.00	
6199999	- Subtotal - Preferred Stocks - Public Utilities (Unaffiliated)				592,768		
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)							
053484-70-5	AVALONBAY COMMUNITIES INC PFD 8.70%	04/11/2002	PAINE WEBBER, JACKSON & CURTIS	6,300.000	168,787	157,500.00	11,500
369622-51-9	GENERAL ELECTRIC CAPITAL CORP	11/01/2002	MORGAN STANLEY	10,000.000	250,000	250,000.00	
6399999	- Subtotal - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)				418,787		11,500
6599997	- Subtotal - Preferred Stocks - Part 3				1,011,555		11,500
6599998	- Summary Item from Part 5 for Preferred Stocks				500,000		
6599999	- Subtotal - Preferred Stocks				1,511,555		11,500
Common Stocks - Public Utilities (Unaffiliated)							
233331-10-7	DTE ENERGY CO	06/20/2002	MERRILL LYNCH	1,200.000	52,008		
6699999	- Subtotal - Common Stocks - Public Utilities (Unaffiliated)				52,008		
Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)							
026874-10-7	AMERICAN INTL GROUP INC	07/29/2002	MCDONALD & CO	200.000	10,038		
026874-10-7	AMERICAN INTL GROUP INC	02/21/2002	MCDONALD & CO	200.000	15,060		
160903-10-0	CHARTER ONE FINANCIAL	07/26/2002	MCDONALD & CO	500.000	14,670		
628351-10-8	MUTUAL RISK MGMT LTD COM	05/03/2002	PAINE WEBBER	140,000.000	14,177		
948741-10-3	WEINGARTEN REALTY INVESTMENTS	03/07/2002	MCDONALD & CO	800.000	41,065		
948741-10-3	WEINGARTEN REALTY INVESTMENTS	03/22/2002	MCDONALD & CO	500.000	25,410		
948741-10-3	WEINGARTEN REALTY INVESTMENTS	05/14/2002	MCDONALD & CO	550.000	19,674		
948741-10-3	WEINGARTEN REALTY INVESTMENTS	06/19/2002	MCDONALD & CO	500.000	17,775		
6799999	- Subtotal - Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)				157,869		
Common Stocks - Industrial and Miscellaneous (Unaffiliated)							
00184A-10-5	AOL TIME WARNER	06/19/2002	MCDONALD & CO	500.000	8,130		
219350-10-5	CORNING INC	01/28/2002	MCDONALD & CO	500.000	4,280		
254687-10-6	DISNEY WALT CO	01/28/2002	MERRILL LYNCH	500.000	10,730		
	(continues)						

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE National Interstate 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
Common Stocks - Industrial and Miscellaneous (Unaffiliated) (continued)							
30231G-10-2	EXXON MOBIL CORP	07/26/2002	MCDONALD & CO	500.000	15,650		
437076-10-2	HOME DEPOT INC	05/31/2002	MERRILL LYNCH	250.000	10,370		
459200-10-1	INTERNATIONAL BUSINESS MACH	02/25/2002	MCDONALD & CO	200.000	19,710		
492386-10-7	KERR MCGEE CORP COM	04/16/2002	MCDONALD & CO	1,000.000	59,490		
539830-10-9	LOCKHEED MARTIN CORP	08/26/2002	MCDONALD & CO	800.000	50,688		
574599-10-6	MASCO CORPORATION	02/22/2002	MCDONALD & CO	500.000	13,295		
713448-10-8	PEPSICO INC	07/31/2002	MERRILL LYNCH	300.000	12,676		
755111-50-7	RAYTHEON CO	02/04/2002	MCDONALD & CO	800.000	28,600		
755111-50-7	RAYTHEON CO	02/15/2002	MCDONALD & CO	400.000	15,180		
755111-50-7	RAYTHEON CO	03/01/2002	MERRILL LYNCH	300.000	11,325		
755111-50-7	RAYTHEON CO	03/12/2002	MERRILL LYNCH	300.000	11,697		
755111-50-7	RAYTHEON CO	04/15/2002	MERRILL LYNCH	200.000	7,882		
835699-30-7	SONY CORP	01/28/2002	MERRILL LYNCH	200.000	9,090		
835699-30-7	SONY CORP	02/04/2002	MCDONALD & CO	300.000	12,999		
835699-30-7	SONY CORP	04/16/2002	MCDONALD & CO	200.000	10,504		
882508-10-4	TEXAS INSTRUMENTS INC	04/16/2002	MERRILL LYNCH	2,100.000	71,209		
911312-10-6	UNITED PARCEL SERVICE	06/19/2002	MCDONALD & CO	800.000	49,672		
925524-30-8	VIACOM CL B	06/19/2002	MCDONALD & CO	500.000	22,095		
6899999	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)				455,272		
Common Stocks - Parent, Subsidiaries, and Affiliates							
63655-10-6	NATIONAL INTERSTATE CORP	09/16/2002	DIRECT	12,550.000	3,589,300		
6999999	Subtotal - Common Stocks - Parent, Subsidiaries, and Affiliates				3,589,300		
7099997	Subtotal - Common Stocks - Part 3				4,254,449		
7099998	Summary Item from Part 5 for Common Stocks				24,081		
7099999	Subtotal - Common Stocks				4,278,530		
7199999	Subtotal - Preferred and Common Stocks				5,790,085		11,500
7299999	TOTALS				55,641,643		(162,546)

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE National Interstate 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															
31364G-M6-3	FANNIE MAE	05/05/2002	CALLED		100,000	100,000.00	100,000	100,000							2,653
31364G-H5-1	FANNIE MAE	05/09/2002	CALLED		250,000	250,000.00	248,323	248,841	69			1,159	1,159		8,468
31362T-EP-4	FANNIE MAE	05/31/2002	AMORTIZED OFF		22,340	22,340.36	21,918	21,918	423						204
3133F0-EP-0	FEDERAL HOME LOAN MTG CO	08/23/2002	REDEMPTION		500,000	500,000.00	500,000	500,000							30,000
3837H1-WG-2	GOVERNMENT NATIONAL MTG	05/21/2002	CALLED		246,265	246,265.31	246,265	246,265							13,542
3837H1-WG-2	GOVERNMENT NATIONAL MTG	06/20/2002	CALLED		253,735	253,734.69	253,735	253,735							1,374
912827-G5-5	U. S. TREASURY NOTE	08/15/2002	MATURED		250,000	250,000.00	246,839	250,000	313						7,969
0399999	Subtotal - Bonds - U. S. Governments				1,622,340	1,622,340.36	1,617,079	1,620,759	805			1,159	1,159		64,210
Bonds - States, Territories and Possessions															
130621-QL-2	CALIFORNIA ST HIGHER EDUCATION	06/30/2002	MATURED		210,000	210,000.00	228,936	210,000	(286)						
419779-NE-9	HAWAII ST OID RFDG SER CI	11/01/2002	MATURED		750,000	750,000.00	724,950	724,950				25,050	25,050		31,500
575915-6N-8	MASS ST HSG FIN AGY	01/15/2002	PARTIAL REDEMPTION		607,420	595,000.00	590,538	590,538				16,882	16,882		23,147
575826-AP-7	MASS STATE GO	06/28/2002	CONSTITUTIONAL CAPITAL		811,373	750,000.00	732,038	732,038				79,335	79,335		26,621
677518-YV-8	OHIO STATE GO	02/01/2002	MATURED		200,000	20,000.00	199,730	199,730				270	270		4,250
1799999	Subtotal - Bonds - States, Territories and Possessions				2,578,793	2,325,000.00	2,476,191	2,457,255	(286)			121,537	121,537		85,518
Bonds - Political Subdivisions of States															
084509-DH-8	BERKS CNTY PA FGIC OID RFDG	11/15/2002	REDEMPTION		745,000	745,000.00	745,000	745,000	(8,533)						42,838
145814-HA-0	CARSON CNTY NEV SCH DIST	09/18/2002	CONSTITUTIONAL CAPITAL		778,508	750,000.00	758,378	753,923	(837)			24,584	24,584		33,000
473522-AD-2	JEFFERSON CNTY TEX HEALTH	06/27/2002	PAINE WEBBER		1,025,500	1,000,000.00	997,370	997,370				28,130	28,130		38,500
2499999	Subtotal - Bonds - Political Subdivisions of States				2,549,008	2,495,000.00	2,500,748	2,496,293	(9,370)			52,714	52,714		114,338
Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions															
451908-6P-7	ILLINOIS DEV FIN AUTH REV LCL	09/13/2002	CONSTITUTIONAL CAPITAL		375,529	350,000.00	359,583	355,426	(772)			20,103	20,103		21,455
746173-DP-5	PURDUE UNIVERSITY IND CTFS	09/18/2002	MERRILL LYNCH		1,302,315	1,185,000.00	1,275,036	1,261,053	(11,967)			41,262	41,262		53,654
3199999	Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions				1,677,844	1,535,000.00	1,634,619	1,616,479	(12,739)			61,365	61,365		75,110
Bonds - Industrial and Miscellaneous (Unaffiliated)															
001055-AB-8	AFLAC INC	11/14/2002	NATIONAL FINANCIAL SE		321,651	300,000.00	300,000	300,000				21,651	21,651		21,071
06423A-AN-3	BANK ONE CORP	09/03/2002	CONSTITUTIONAL CAPITAL		540,875	500,000.00	500,500	500,440	(56)			40,435	40,435		32,333
055450-AB-6	BHP FIN USA LTD	12/02/2002	MERRILL LYNCH		450,000	450,000.00	468,765	450,000	(13,347)						35,438
16161N-AW-0	CHASE MANHATTON CORP MED	08/28/2002	PAINE WEBBER		492,500	500,000.00	464,984	472,623	1,582			19,877	19,877		22,830
172967-AX-9	CITIGROUP INC	11/13/2002	NATIONAL FINANCIAL SE		686,649	632,000.00	654,314	651,254	(2,800)			35,395	35,395		45,497
233835-AB-3	DAIMLERCHRYSLER NA HLDG CO	11/13/2002	NATIONAL FINANCIAL SE		1,056,100	1,000,000.00	1,044,600	1,025,503	(13,288)			30,597	30,597		82,800
23820#-AA-4	DATTCO LOAN	12/31/2002	PARTIAL PAYOFF		116,495	116,495.00	116,495	116,495							36,602
25156P-AA-1	DEUTSCHE TELEKOM INT FIN	04/11/2002	NAITONAL FINANCIAL SE		838,736	800,000.00	847,760	838,437	(4,039)			299	299		19,978
345397-RT-2	FORD MOTOR CREDIT CORP	10/15/2002	MCDONALD & CO		1,000,080	1,000,000.00	1,021,439	1,003,063	(12,414)			(2,983)	(2,983)		67,500
345397-GS-6	FORD MOTOR CREDIT CORP	11/05/2002	NATIONAL FINANCIAL SE		1,005,000	1,000,000.00	1,046,192	1,004,028	(29,923)			972	972		105,583
345397-SJ-3	FORD MOTOR CREDIT CORP	12/12/2002	NATIONAL FINANCIAL SE		1,006,000	1,000,000.00	1,019,500	1,010,299	(28,005)			(4,299)	(4,299)		73,886
45920Q-BE-3	IBM CORP	08/20/2002	REDEMPTION		250,000	250,000.00	250,000	250,000							16,000
459056-QG-5	INTERNATIONAL BANK FOR REC	11/14/2002	NATIONAL FINANCIAL SE		534,000	500,000.00	499,630	499,754	68			34,246	34,246		28,194
59018S-ZS-6	MERRILL LYNCH & CO	02/12/2002	CALLED		500,000	500,000.00	496,250	497,650	56			2,350	2,350		16,050
590188-JP-4	MERRILL LYNCH & CO	12/16/2002	MERRILL LYNCH		529,600	500,000.00	480,000	487,669	2,009			41,931	41,931		39,917
590188-ES-3	MERRILL LYNCH & COMPANY	11/14/2002	MERRILL LYNCH		551,250	500,000.00	531,749	526,796	(4,532)			24,454	24,454		36,653
649840-BU-8	NEW YORK STATE ELEC & GAS	10/15/2002	MATURED		1,000,000	1,000,000.00	1,030,300	1,000,000	(20,437)						67,500
79548G-AJ-6	SALOMON SMITH BARNEY MED	07/15/2002	REDEMPTION		500,000	500,000.00	500,000	500,000							21,146
94975C-AF-4	WELLS FARGO	08/28/2002	NATIONAL FINANCIAL SE		1,008,596	950,000.00	969,694	967,477	(1,952)			41,119	41,119		59,068
4599999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				12,387,532	11,998,495.00	12,242,171	12,101,487	(127,077)			286,044	286,044		828,045
6099997	Subtotal - Bonds - Part 4				20,815,516	19,975,835.36	20,470,808	20,292,274	(148,666)			522,819	522,819		1,167,220

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE National Interstate 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
6099998	Summary Item from Part 5 for Bonds				9,017,393	8,645,000.00	8,779,287	8,768,881	(10,405)			248,511	248,511	145,911	
6099999	Subtotal - Bonds				29,832,909	28,620,835.36	29,250,096	29,061,155	(159,071)			771,329	771,329	1,313,131	
Preferred Stocks - Public Utilities (Unaffiliated)															
29357P-20-1	ENRON CAP TRUST II 8.25% PFD	09/18/2002	MERRILL LYNCH	8,000.000	4,960	200,000.00	200,000	200,000	(92)			(195,040)	(195,040)		
6199999	Subtotal - Preferred Stocks - Public Utilities (Unaffiliated)				4,960		200,000	200,000	(92)			(195,040)	(195,040)		
Preferred Stocks - Banks, Trust and Insurance Companies (Unaffiliated)															
22081K-20-0	CORTS TRUST FOR WORLD COM	09/13/2002	CONSTITUTIONAL CAPITAL	8,000.000	17,679	200,000.00	200,000	200,000				(182,321)	(182,321)		7,600
6299999	Subtotal - Preferred Stocks - Banks, Trust and Insurance Companies (Unaffiliated)				17,679		200,000	200,000				(182,321)	(182,321)		7,600
6599997	Subtotal - Preferred Stocks - Part 4				22,639		400,000	400,000	(92)			(377,361)	(377,361)		7,600
6599998	Summary Item from Part 5 for Preferred Stocks				499,745		500,000	500,000				(255)	(255)		6,067
6599999	Subtotal - Preferred Stocks				522,384		900,000	900,000	(92)			(377,616)	(377,616)		13,667
Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)															
160903-10-0	CHARTER ONE FINANCIAL	03/21/2002	MCDONALD & CO	700.000	21,203		15,263	67,913				5,940	5,940		
160903-10-0	CHARTER ONE FINANCIAL	04/01/2002	MERRILL LYNCH	300.000	9,390		6,541	67,913				2,849	2,849		
743315-10-3	PROGRESSIVE CORP	02/04/2002	MCDONALD & CO	100.000	14,250		9,429	37,715				4,821	4,821		
89420G-10-9	TRAVELERS P & C CO CLASS A	09/18/2002	CASH IN LIEU OF FRACTIONS	0.490	7		9	1,588				(2)	(2)		
6799999	Subtotal - Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)				44,850		31,242	175,129				13,608	13,608		
Common Stocks - Industrial and Miscellaneous (Unaffiliated)															
013068-20-0	ALBERTO CULVER CO	03/22/2002	MCDONALD & CO	500.000	23,961		17,584	52,751				6,377	6,377		
001957-10-9	AT & T CORP	12/10/2002	CASH IN LIEU OF FRACTIONS	0.200	6		13	30,505				(7)	(7)		
053015-10-3	AUTOMATIC DATA PROCESS	02/04/2002	MCDONALD & CO	500.000	26,602		14,675	29,350				11,930	11,930		
16117M-10-7	CHARTER COMMUNICATIONS	12/05/2002	PAINE WEBBER	500.000	8,200		81,868	20,467				(73,669)	(73,669)		
20030N-10-1	COMCAST	12/05/2002	CASH IN LIEU OF FRACTIONS	0.730	19		52	52				(34)	(34)		
219350-10-5	CORNING INC	12/05/2002	PAINE WEBBER	4,000.000	18,719		71,005	71,005				(52,286)	(52,286)		
337932-10-7	FIRST ENERGY	03/22/2002	MCDONALD & CO	500.000	82,624		85,950	85,950				(3,326)	(3,326)		938
437076-10-2	HOME DEPOT	02/04/2002	MCDONALD & CO	300.000	14,505		8,449	59,683				6,055	6,055		
713448-10-8	PEPISCO	02/11/2002	MCDONALD & CO	400.000	19,448		14,083	76,047				5,365	5,365		
749121-10-9	QUEST COMMUNICATIONS	12/23/2002	PAINE WEBBER	3,500.000	16,554		86,220	86,220				(69,666)	(69,666)		
749685-10-3	RPM INC OHIO	01/10/2002	MERRILL LYNCH	750.000	11,415		11,754	78,357				(339)	(339)		
852061-50-6	SPRINT CORP PCS GROUP	12/02/2002	PAINE WEBBER	1,500.000	9,315		66,778	74,057				(57,463)	(57,463)		
879664-10-0	TELLABS INC	12/05/2002	PAINE WEBBER	1,500.000	13,575		92,406	92,406				(78,832)	(78,832)		
872649-10-8	TRW	02/27/2002	MERRILL LYNCH	1,500.000	75,726		62,639	62,639				13,087	13,087		
872649-10-8	TRW	02/27/2002	MCDONALD & CO	500.000	25,111		20,880	20,880				4,231	4,231		
902124-10-6	TYCO INTL LTD	02/07/2002	MERRILL LYNCH	2,000.000	61,319		116,786	116,786				(55,466)	(55,466)		
6899999	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)				407,096		751,140	957,155				(344,041)	(344,041)		938
7099997	Subtotal - Common Stocks - Part 4				451,946		782,382	1,132,284				(330,433)	(330,433)		938
7099998	Summary Item from Part 5 for Common Stocks				1,309		24,081	24,081				(22,772)	(22,772)		
7099999	Subtotal - Common Stocks				453,255		806,463	1,156,365				(353,205)	(353,205)		938
7199999	Subtotal - Preferred and Common Stocks				975,639		1,706,463	2,056,365	(92)			(730,821)	(730,821)		14,605
7299999	TOTALS				30,808,549		30,956,559	31,117,520	(159,163)			40,509	40,509	1,313,131	14,605

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE National Interstate 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 - U. S. Governments																
3136F0-Z2-1	FANNIE MAE	10/30/2002	MCDONALD & CO	11/07/2002	CALLED	2,000,000.000	2,000,767	2,000,000	2,000,746	(22)			(746)	(746)	1,661	
31331L-WF-1	FEDERAL FARM CR BANKS	04/24/2002	NATIONAL FINANCIAL SE	08/12/2002	NATIONAL FINANCIAL SE	1,000,000.000	1,013,438	1,047,500	1,010,831	(2,607)			36,669	36,669	17,700	
912810-FP-8	U. S. TREASURY BOND	08/07/2002	NATIONAL FINANCIAL SE	08/12/2002	NATIONAL FINANCIAL SE	1,000,000.000	1,019,844	1,028,438	1,019,844				8,594	8,594	742	
03999999	Subtotal - Bonds - U. S. Governments															
						4,000,000.000	4,034,049	4,075,938	4,031,421	(2,628)			44,517	44,517	20,103	
Bonds - Industrial and Miscellaneous (Unaffiliated)																
073902-AZ-1	BEAR STEARNS CO	01/29/2002	PAIN WEBBER	09/13/2002	CONSTITUTIONAL CAPITAL	500,000.000	528,555	547,895	524,803	(3,752)			23,092	23,092	22,264	
438516-AK-2	HONEYWELL INTERNATIONAL	03/25/2002	MERRILL LYNCH	06/28/2002	PAIN WEBBER	1,000,000.000	1,069,390	1,100,550	1,067,067	(2,323)			33,483	33,483	20,000	
493267-AA-6	KEY CORP NEW	03/18/2002	NATIONAL FINANCIAL SE	08/07/2002	NATIONAL FINANCIAL SE	1,000,000.000	1,033,700	1,062,110	1,029,863	(3,837)			32,247	32,247	26,063	
637432-CS-2	NATIONAL RURAL UTILITIES	03/22/2002	PAIN WEBBER	06/27/2002	PAIN WEBBER	500,000.000	504,500	522,000	504,251	(249)			17,749	17,749	9,299	
92344W-AA-9	VERIZON MARYLAND INC	03/27/2002	MERRILL LYNCH	12/12/2002	MERRILL LYNCH	1,000,000.000	969,950	1,051,000	972,262	2,312			78,738	78,738	43,385	
25468P-BX-3	WALT DISNEY CO	05/17/2002	NATIONAL FINANCIAL SE	06/28/2002	PAIN WEBBER	645,000.000	639,143	657,900	639,215	72			18,685	18,685	4,797	
45999999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)															
						4,645,000.000	4,745,238	4,941,455	4,737,460	(7,777)			203,994	203,994	125,808	
60999998	Subtotal - Bonds															
						8,645,000.000	8,779,287	9,017,393	8,768,881	(10,405)			248,511	248,511	145,911	
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																
369622-70-9	GENERAL ELECTRIC CAP CORP	04/17/2002	PAIN WEBBER	10/17/2002	PAIN WEBBER	5.000	500,000	499,745	500,000				(255)	(255)	6,067	
63999999	Subtotal - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)															
							500,000	499,745	500,000				(255)	(255)	6,067	
65999998	Subtotal - Preferred Stocks															
							500,000	499,745	500,000				(255)	(255)	6,067	
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																
98157D-10-6	WORLDCOM INC -WORLDCOM	05/07/2002	PAIN WEBBER	09/18/2002	PAIN WEBBER	11,000.000	24,081	1,309	24,081				(22,772)	(22,772)		
68999999	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)															
							24,081	1,309	24,081				(22,772)	(22,772)		
70999998	Subtotal - Common Stocks															
							24,081	1,309	24,081				(22,772)	(22,772)		
71999999	Subtotal - Preferred and Common Stocks															
							524,081	501,054	524,081				(23,027)	(23,027)	6,067	
72999999	TOTALS															
							9,303,368	9,518,447	9,292,962	(10,405)			225,484	225,484	151,978	

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P/C

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
Common Stocks - U. S. Property and Casualty Insurer								
63655#-10-2	NATIONAL INTERSTATE INS OF HAWAII	11051		No		5,128,987	500,000.000	100.000
1099999 - Subtotal - Common Stocks - U. S. Property and Casualty Insurer						5,128,987		
1699999 - Subtotal - Common Stocks						5,128,987		
1799999 - TOTALS						5,128,987		

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: \$ 4,701,227
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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE National Interstate Insurance Company

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 CUSIP Identifi- cation	2 Description	3 Date Acquired	4 Name of Vendor	Interest		7 Maturity Date	8 Book/Adjusted Carrying Value	9 Increase (Decrease) by Adjustment (a)	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Par Value	12 Actual Cost	Interest		15 Paid for Accrued Interest	16 NAIC Desig- nation	17 Effective Rate of Interest
				5 Rate of	6 How Paid							13 Amount Due and Accrued Dec. 31 of Current Year on Bonds Not in Default	14 Gross Amount Received			
926464-52-0	VICTORY FUND - U.S. GOVERNMENT FUND	03/01/1999	KEYBANK	VARIOUS	MO		10,807,509			10,807,509	10,807,509	4,711	76,197	1		3.000
0199999	U.S. Governments - Issuer Obligations						10,807,509			10,807,509	10,807,509	4,711	76,197			
0399999	Subtotal - U.S. Government Bonds						10,807,509			10,807,509	10,807,509	4,711	76,197			
Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																
0255E3-N2-0	AMERICAN ELECTRIC POWER	12/31/2002	LEHMAN GOVERNMENT SECURITIES	NOT STATED	MO	01/02/2003	1,999,767			2,000,000	1,999,767			1		NOT STATED
628829-10-3	ARMADA MONEY MARKET FUND	01/01/1999	NATIONAL CITY BANK	VARIOUS	MO		121,645			121,645	121,645	76	3,064	1		4.000
8124J3-NT-6	SEARS ROEBUCK ACCEP CORP	10/29/2002	MCDONALD & CO	2.100	MO	01/27/2003	994,750			1,000,000	994,750	3,625		1		2.100
929901-83-3	WACHOVIA MONEY MARKET	01/01/1999	WACHOVIA BANK	VARIOUS	MO		3,761			3,761	3,761		868	1		4.000
3999999	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						3,119,922			3,125,405	3,119,922	3,701	3,933			
4599999	Subtotal - Industrial and Miscellaneous (Unaffiliated)						3,119,922			3,125,405	3,119,922	3,701	3,933			
5499999	Total Bonds - Subtotal - Issuer Obligations						13,927,431			13,932,914	13,927,431	8,411	80,130			
6099999	TOTAL - Bonds						13,927,431			13,932,914	13,927,431	8,411	80,130			
8099999	TOTALS						13,927,431			13,927,431	13,927,431	8,411	80,130			

(a) Includes \$ other than accrual of discount and amortization of premium.

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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 National Interstate 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	77,305,226	79,256,686	1,951,460
2. Preferred Stocks	6,892,804	6,952,348	59,544
3. Totals	84,198,030	86,209,034	2,011,004

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

Valuation of Securities diskette from the National Association of Insurance Commissioners

serves as the primary source for fair market values. If not found therein, information is

obtained from the trust departments where our holdings are located (primarily National City

Bank and KeyBank, both of Cleveland, Ohio).

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						
NATIONAL CITY BANK	CLEVELAND, OHIO				(27,323)	
FIRST BANK OF HAWAII	HONOLULU, HAWAII				359,672	
KEYBANK	CLEVELAND, OHIO				(1,814,456)	
SECURITY OF OMAHA	OMAHA, NEBRASKA				98,572	
BANKONE	BATON ROUGHE, LOUISIANA	1.000	319	14	20,000	
REGIONS BANK	ARKANSAS	4.050	7,419	665	200,000	
0199999 - TOTAL - Open Depositories			7,738	680	(1,163,534)	
0399999 - TOTAL Cash on Deposit			7,738	680	(1,163,534)	
0499999 - Cash in Company's Office					150	
0599999 - TOTAL Cash			7,738	680	(1,163,384)	

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

1. January	(348,209)	4. April	1,696,039	7. July	3,089,436	10. October	(1,875,794)
2. February	(1,782,008)	5. May	1,984,471	8. August	1,271,337	11. November	(1,269,345)
3. March	(1,415,660)	6. June	6,514,771	9. September	(1,237,046)	12. December	(1,163,385)

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	U.S. TREASURY NOTE DUE 2-15-06	BANK OF NEW YORK-WESTERN TRUST - PROTECTION OF POLICYHOLDERS	475,000	474,914	526,063
AZ99999 - Arizona						
Arkansas						
AR00001	C	REGIONS BANK CD MATURES 10-10-06	REGIONS BANK - PROTECTION OF POLICYHOLDERS	200,000	200,000	200,000
AR99999 - Arkansas						
California						
CA00001	B	U.S. TREASURY NOTE DUE 8-15-05	CITIBANK - PROTECTION OF POLICYHOLDERS	25,000	24,932	27,970
CA99999 - California						
Delaware						
DE00001	B	U.S. TREASURY NOTE DUE 8-15-05	WACHOVIA BANK - PROTECTION OF POLICYHOLDERS	110,000	109,700	123,068
DE99999 - Delaware						
Florida						
FL00001	B	SUNAMERICA INC. BOND DUE 10-1-07	WACHOVIA BANK - PROTECTION OF POLICYHOLDERS	300,000	312,394	340,350
FL99999 - Florida						
Georgia						
GA00001	B	FEDERAL HOME LOAN BANK BOND DUE 6-17-05	WACHOVIA BANK - PROTECTION OF POLICYHOLDERS	100,000	101,019	101,370
GA99999 - Georgia						
Idaho						
ID00001	B	U.S. TREASURY NOTE DUE 8-15-07	WELLS FARGO BANK - PROTECTION OF POLICYHOLDERS	250,000	251,589	256,250
ID99999 - Idaho						
Massachusetts						
MA00001	B	FANNIE MAE BOND DUE 6-20-12	STATE STREET BANK - PROTECTION OF POLICYHOLDERS	750,000	750,903	766,275
MA99999 - Massachusetts						
Michigan						
MI00001	B	LANCASTER NY SCHOOL DUE 6-01-08	BANKONE - PROTECTION OF POLICYHOLDERS	350,000	358,247	391,755
MI99999 - Michigan						
New Mexico						
NM00001	B	U.S. TREASURY NOTE DUE 8-15-09	WELLS FARGO BANK - PROTECTION OF POLICYHOLDERS	350,000	340,864	407,085
NM99999 - New Mexico						
North Carolina						
NC00001	B	U.S. TREASURY NOTE DUE 11-15-06	WACHOVIA BANK - PROTECTION OF POLICYHOLDERS	100,000	98,621	104,060
NC99999 - North Carolina						
Ohio						
OH00001	B	OHIO STATE PUBLIC FACILITIES DUE 12-1-08	NATIONAL CITY BANK - PROTECTION OF POLICYHOLDERS	300,000	306,708	323,544
OH00002	B	U.S. TREASURY NOTE DUE 11-15-05	NATIONAL CITY BANK - PROTECTION OF POLICYHOLDERS	100,000	100,575	110,906
OH00003	B	U.S. TREASURY NOTE DUE 2-15-08	NATIONAL CITY BANK - PROTECTION OF POLICYHOLDERS	200,000	195,695	225,688
(continues)						

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

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
Ohio (continued)						
OH00004	B	OHIO STATE MENTAL HEALTH DUE 12-1-08	NATIONAL CITY BANK - PROTECTION OF POLICYHOLDERS	200,000	198,500	213,056
OH00005	B	OKLAHOMA CNTY INDP SCHOOL DISTRICT DUE 1-1-06	NATIONAL CITY BANK - PROTECTION OF POLICYHOLDERS	500,000	500,425	525,420
OH99999 - Ohio						
Oregon						
OR00001	B	U.S. TREASURY NOTE DUE 5-15-06	U.S. BANCORP - PROTECTION OF POLICYHOLDERS	300,000	309,283	323,610
OR99999 - Oregon						
Virginia						
VA00001	B	U.S. TREASURY NOTE DUE 2-15-03	SUN TRUST BANK - PROTECTION OF POLICYHOLDERS	210,000	209,966	211,323
VA99999 - Virginia						