



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

NAIC Group Code 0267 (Current Period) 0267 (Prior Period) NAIC Company Code 40118 Employer's ID Number 41-1405571

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

Country of Domicile United States of America

Incorporated 07/01/1981 Commenced Business 11/10/1981

Statutory Home Office 650 South Front Street (Street and Number) Columbus, OH 43206-1014 (City or Town, State and Zip Code)

Main Administrative Office 650 South Front Street (Street and Number) Columbus, OH 43206-1014 (City or Town, State and Zip Code) 614-445-2900 (Area Code) (Telephone Number)

Mail Address 650 South Front Street, P.O. Box 1218 (Street and Number or P.O. Box) Columbus, OH 43216-1218 (City or Town, State and Zip Code)

Primary Location of Books and Records 650 South Front Street (Street and Number) Columbus, OH 43206-1014 (City or Town, State and Zip Code) 614-445-2497 (Area Code) (Telephone Number)

Internet Website Address www.grangeinsurance.com

Statement Contact Jeffrey Earl Dye (Name) 614-445-2497 (Area Code) (Telephone Number) (Extension) dyej@grangeinsurance.com (E-mail Address) 614-445-2404 (Fax Number)

Policyowner Relations Contact 650 South Front Street (Street and Number) Columbus, OH 43206-1014 (City or Town, State and Zip Code) 614-445-2900 (Area Code) (Telephone Number) (Extension)

OFFICERS

PRESIDENT PHILIP HUGH URBAN SECRETARY DAVID TRUFANT ROARK
TREASURER RANDALL JOSEPH MONTELEONE

VICE PRESIDENTS

WALTER LOREN NEFF

DIRECTORS OR TRUSTEES

EDWIN LOWELL BILLMAN ANTHONY ALFONSO COLAO JR RANDALL JOSEPH MONTELEONE
ROBERT JOHN O'BRIEN MICHAEL VERNE PARROTT MELVIN GEORGE PYE JR
JAMES LAWRENCE SETTERLIN THOMAS SIMRALL STEWART PHILIP WAYNE STICHTER
PHILIP HUGH URBAN DAVID CHARLES WETMORE

State of Ohio }
County of Franklin } 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.

PHILIP HUGH URBAN PRESIDENT DAVID TRUFANT ROARK SECRETARY RANDALL JOSEPH MONTELEONE TREASURER

Subscribed and sworn to before me this 21st day of February, 2003

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

Colleen R. Miesse
Notary Public
October 19, 2004

Schedule A - Part 1

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

Schedule BA - Part 1

**NONE**

Schedule BA - Part 2

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE TRUSTGARD INSURANCE COMPANY**

**SCHEDULE D - PART 1**

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

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21				
			4	5									14	15										
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest				
US Governments																								
Issuer Obligations (10)																								
United States																								
912810-CE-6	United States Treasury Callable		8.750	MN	11/15/2008	11/15/2003	100.000	50,502	50,000	106.2500	53,125	54,000	568	4,375	(539)			1	07/27/1994	7.535				
912810-CK-2	United States Treasury Bond	LS	10.375	MN	11/15/2009			156,338	150,000	115.8440	173,766	161,531	2,021	15,563	(629)			1	07/26/1988	9.523				
912810-DU-9	United States Treasury Bond	LS	9.375	FA	02/15/2006			1,024,629	1,000,000	122.0000	1,220,000	1,077,188	35,411	93,750	(6,638)			1	11/30/1990	8.460				
912810-FP-8	United States Treasury - GA		5.375	FA	02/15/2031			980,385	1,000,000	0.0000	980,385	980,000	20,302	53,750	346			1	12/12/2001	5.513				
912827-7B-2	United States Treasury Note		5.000	FA	08/15/2011			995,411	1,000,000	0.0000	995,411	995,000	18,886	50,000	411			1	01/28/2002	5.066				
912827-Y5-5	United States Treasury Note	LS	7.000	JJ	07/15/2006			503,816	500,000	115.9380	579,690	506,328	16,168	35,000	(926)			1	01/31/2000	6.754				
Total United States								3,711,081	3,700,000	XXX	4,002,377	3,774,047	93,356	252,438	(7,975)	0	0	XXX	XXX	XXX				
0199999 - Total Bonds - U.S. Government - Issuer Obligations								3,711,081	3,700,000	XXX	4,002,377	3,774,047	93,356	252,438	(7,975)	0	0	XXX	XXX	XXX	XXX			
0399996 - Bonds - U.S. Government								3,711,081	3,700,000	XXX	4,002,377	3,774,047	93,356	252,438	(7,975)	0	0	XXX	XXX	XXX	XXX			
0399999 - Total - U.S. Government Bonds								3,711,081	3,700,000	XXX	4,002,377	3,774,047	93,356	252,438	(7,975)	0	0	XXX	XXX	XXX	XXX			
Special Revenue & Assessment																								
Issuer Obligations (10)																								
United States																								
United States																								
3128X0-LM-9	FHLMC Call		3.450	MN	11/26/2007			575,000	575,000	0.0000	575,000	575,000	1,973	52,500	365			1PE	11/13/2002	3.450				
312924-FC-2	FHLMC 5NC1.5 1X - Call		5.250	MS	09/06/2006			998,480	1,000,000	0.0000	998,480	998,000	16,771	52,500	365			1PE	08/23/2001	5.296				
31359M-ML-4	FNMA 10NC3 1X - Call	LS	6.250	MS	03/22/2012			1,043,895	1,000,000	107.9060	1,079,060	1,045,320	17,188	31,250	(1,425)			1PE	08/01/2002	5.633				
31359M-NF-6	FNMA 5NC2 1X Call	LS	4.750	JD	06/18/2007			499,643	500,000	104.5000	522,500	499,605	858	11,875	38			1PE	06/13/2002	4.768				
3136F2-ZU-5	FNMA 5NC 3 mo		4.050	JD	12/27/2007	03/27/2003	100.000	500,236	500,000	0.0000	500,236	500,250	225	50,000	(14)			1PE	12/19/2002	3.867				
Total United States								3,617,254	3,575,000	XXX	3,675,276	3,618,175	37,015	95,625	(1,036)	0	0	XXX	XXX	XXX				
Total United States								3,617,254	3,575,000	XXX	3,675,276	3,618,175	37,015	95,625	(1,036)	0	0	XXX	XXX	XXX	XXX			
2599999 - Total Bonds - Special Revenue - Issuer Obligations								3,617,254	3,575,000	XXX	3,675,276	3,618,175	37,015	95,625	(1,036)	0	0	XXX	XXX	XXX	XXX			
Single Class Mortgage (SC)																								
United States																								
United States																								
31371J-S8-8	FNMA Pool 253543		7.000	MTLY	11/01/2020			329,460	332,621	0.0000	329,460	329,399	1,940	23,283	32			1PE	10/30/2000	7.222				
Total United States								329,460	332,621	XXX	329,460	329,399	1,940	23,283	32	0	0	XXX	XXX	XXX				
Total United States								329,460	332,621	XXX	329,460	329,399	1,940	23,283	32	0	0	XXX	XXX	XXX	XXX			
2699999 - Total Bonds - Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities								329,460	332,621	XXX	329,460	329,399	1,940	23,283	32	0	0	XXX	XXX	XXX	XXX			
Defined Multi-Class Residential (DR)																								
United States																								
United States																								
31359S-2F-6	FNW 2001-W1 AF5		7.016	MTLY	08/25/2031	02/25/2010	100.000	515,833	500,000	0.0000	515,833	518,359	2,923	35,080	(2,398)			1	12/07/2001	6.374				
Total United States								515,833	500,000	XXX	515,833	518,359	2,923	35,080	(2,398)	0	0	XXX	XXX	XXX				
Total United States								515,833	500,000	XXX	515,833	518,359	2,923	35,080	(2,398)	0	0	XXX	XXX	XXX	XXX			
2799999 - Total Bonds - Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities								515,833	500,000	XXX	515,833	518,359	2,923	35,080	(2,398)	0	0	XXX	XXX	XXX	XXX			
3199996 - Bonds - Special Revenue - United States								4,462,547	4,407,621	XXX	4,520,569	4,465,933	41,878	153,988	(3,402)	0	0	XXX	XXX	XXX	XXX			
3199997 - Bonds - Special Revenue - Canada								0	0	XXX	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
3199998 - Bonds - Special Revenue - Other Countries								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX
3199999 - Total - Special Revenue Bonds								4,462,547	4,407,621	XXX	4,520,569	4,465,933	41,878	153,988	(3,402)	0	0	XXX	XXX	XXX	XXX			
Public Utilities (unaffiliated)																								
Issuer Obligations (10)																								
United States																								
059165-BX-7	Baltimore Gas & Electric NC		6.625	MS	03/15/2008			1,048,714	1,000,000	112.1190	1,121,190	1,058,670	19,507	66,250	(7,876)			1PE	09/19/2001	5.534				
845437-AT-9	Southwestern Electric Power Callable		7.250	JJ	07/01/2023	07/01/2013	100.000	1,016,890	1,000,000	102.9930	1,029,930	1,021,390	36,250	72,500	(1,059)			2	01/22/1998	7.020				
906548-BQ-4	Union Electric Company Callable		7.000	JJ	01/15/2024	01/15/2014	100.000	1,006,991	1,000,000	104.8190	1,048,190	1,008,580	32,278	70,000	(411)			1PE	03/24/1998	6.908				
927804-CE-2	Virginia Electric & Power NC		7.625	JJ	07/01/2007			561,822	500,000	115.7510	578,755	567,115	19,063	50,000	(5,293)			1	07/22/2002	4.555				
Total United States								3,634,417	3,500,000	XXX	3,778,065	3,655,755	107,098	208,750	(14,639)	0	0	XXX	XXX	XXX				
3299999 - Total Bonds - Public Utilities - Issuer Obligations								3,634,417	3,500,000	XXX	3,778,065	3,655,755	107,098	208,750	(14,639)	0	0	XXX	XXX	XXX	XXX			
3899996 - Bonds - Public Utilities - United States								3,634,417	3,500,000	XXX	3,778,065	3,655,755	107,098	208,750	(14,639)	0	0	XXX	XXX	XXX	XXX			

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE TRUSTGARD INSURANCE COMPANY**

**SCHEDULE D - PART 1**

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

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21		
			4	5									14	15								
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest		
3899997	- Bonds - Public Utilities - Canada							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
3899998	- Bonds - Public Utilities - Other Countries							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
3899999	- Total - Public Utilities Bonds							3,634,417	3,500,000	XXX	3,778,065	3,655,755	107,098	208,750	(14,639)	0	0	0	XXX	XXX	XXX	
Industrial & Miscellaneous Issuer Obligations (10)																						
United States																						
046003-JU-4	Associates Corp. NA NC		6.950	MN	11/01/2018			1,004,864	1,000,000	113.3130	1,133,130	1,005,483	11,583	69,500	(167)			1	10/28/1998	6.899		
054303-AM-4	Avon Products Inc. NC		7.150	MN	11/15/2009			518,448	500,000	116.8060	584,030	522,055	4,568	35,750	(2,074)			1PE	03/05/2001	6.476		
055630-AA-8	Bank of New York 144A - Callable		7.780	JD	12/01/2026			532,809	500,000	107.9050	539,525	533,350	3,242	38,900	(500)			1	11/08/2001	7.201		
06606H-8D-2	Bank of Boston NC		6.375	MS	03/25/2008			998,682	1,000,000	0.0000	998,682	997,750	17,000	63,750	206			1PE	04/21/1998	6.405		
097014-AD-6	Boeing Capital Corp NC		6.100	MS	03/01/2011			495,609	500,000	103.6910	518,455	495,215	10,167	30,500	394			1	02/01/2002	6.239		
149123-BF-7	Caterpillar Inc. NC		6.625	JJ	07/15/2028			997,067	1,000,000	111.7790	1,117,790	996,910	30,549	66,250	43			1PE	07/15/1998	6.649		
194160-DB-3	Colgate-Palmolive Co NC		5.980	AD	04/25/2012			500,000	500,000	0.0000	500,000	500,000	5,482	15,033				1PE	04/19/2002	5.980		
248019-AC-5	Deluxe Corp NC		5.000	JD	12/15/2012			302,758	300,000	0.0000	302,758	302,766	917		(8)			1PE	12/12/2002	4.882		
257661-AF-5	Donaldson Lufkin & Jenrette NC		6.500	JD	06/01/2008			1,005,415	1,000,000	109.1510	1,091,510	1,008,510	5,417	65,000	(814)			1PE	08/19/1998	6.380		
31331F-AU-5	Federal Express 1997-1 A PT Certificates		7.500	JJ	01/15/2018			910,120	903,929	0.0000	910,120	910,619	31,261	67,795	(218)			1PE	11/16/1999	7.424		
37033L-FE-1	General Mills NC		5.500	MS	01/12/2009			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	16,194	55,000				2PE	01/06/1999	5.502		
370425-RX-0	General Motors Acceptance Corp NC		6.875	MS	09/15/2011			987,485	1,000,000	99.7260	997,260	986,370	20,243	69,323	1,115			2	01/11/2002	7.070		
428040-BN-8	Hertz Corp. NC		7.625	FA	08/15/2007			1,028,673	1,000,000	99.9690	999,690	1,037,900	28,806	76,250	(5,110)			2PE	02/15/2001	6.890		
438516-AL-0	Honeywell International Inc NC		6.875	AO	10/03/2005			508,240	500,000	0.0000	508,240	513,425	8,403	34,375	(2,668)			1PE	12/15/2000	6.214		
532457-AU-2	Lilly (Eli) & Co NC		6.000	MS	03/15/2012			548,294	500,000	111.7410	558,705	549,600	8,833	14,750	(1,306)			1PE	09/05/2002	4.695		
617446-GM-5	Morgan Stanley NC		6.750	AO	04/15/2011			1,018,831	1,000,000	111.1270	1,111,270	1,020,880	14,250	67,500	(1,674)			1	09/26/2001	6.453		
723686-AA-9	Pioneer Hi-Bred Intl Inc NC		5.750	JJ	01/15/2009			1,043,587	1,000,000	111.3140	1,113,140	1,046,040	26,514		(2,453)			1PE	08/01/2002	4.907		
724477-AR-5	Pitney Bowes Credit Corp NC		5.750	FA	08/15/2008			501,546	500,000	110.6890	553,445	501,670	10,861	14,375	(124)			1	04/05/2002	5.685		
74740F-GF-7	Quaker Oats NC		7.380	MS	06/15/2012			1,097,162	1,000,000	0.0000	1,097,162	1,101,910	21,730	36,900	(4,748)			1Z	05/07/2002	6.018		
881685-BH-3	Texaco Capital Inc Call		5.700	JD	12/01/2008			461,004	500,000	105.6740	528,370	448,760	2,375	28,500	5,101			1PE	06/19/2000	7.350		
902911-AC-0	UST Inc NC		7.250	JD	06/01/2009			499,951	500,000	112.0310	560,155	499,925	3,021	36,250	6			1PE	05/25/1999	7.252		
918204-AL-2	VF Corp NC		8.100	AO	10/01/2005			499,444	500,000	113.6600	568,300	499,065	10,125	40,500	174			1	09/22/2000	8.146		
949740-CD-4	Wells Fargo & Co NC		6.250	AO	04/15/2008			992,921	1,000,000	0.0000	992,921	988,340	13,192	62,500	1,096			1	04/22/1998	6.410		
Total United States								17,452,910	17,203,929	XXX	18,284,658	17,466,543	304,733	988,701	(13,729)	0	0	0	XXX	XXX	XXX	
3999999	- Total Bonds - Industrial, Misc. - Issuer Obligations							17,452,910	17,203,929	XXX	18,284,658	17,466,543	304,733	988,701	(13,729)	0	0	0	XXX	XXX	XXX	
Defined Multi-Class Residential (DR)																						
United States																						
393505-T3-6	Green Tree Financial Corp. 1999-1 A6 MFH		6.370	MTLY	07/01/2025	09/01/2011	100.000	590,515	585,000	0.0000	590,515	591,124	3,105	37,264	(558)			1PE	11/20/2001	6.294		
64352V-BH-3	New Century Home Equity 1999-NCB A6		7.390	MTLY	05/25/2029	04/25/2006	100.000	1,017,254	953,446	0.0000	1,017,254	1,024,954	5,872	17,615	(7,701)			1PE	09/17/2002	3.223		
Total United States								1,607,769	1,538,446	XXX	1,607,769	1,616,078	8,977	54,879	(8,259)	0	0	0	XXX	XXX	XXX	
4199999	- Total Bonds - Industrial, Misc. - Defined Multi-Class Residential Mortgage-Backed Securities							1,607,769	1,538,446	XXX	1,607,769	1,616,078	8,977	54,879	(8,259)	0	0	0	XXX	XXX	XXX	
Defined Multi-Class Commercial (DC)																						
United States																						
17305E-AG-0	Citibank Credit Card Issuance 2000-A3 A3		6.875	MN	11/15/2009	11/15/2007	100.000	499,740	500,000	0.0000	499,740	499,745	4,392	34,375	34			1	11/17/2000	6.885		
Total United States								499,740	500,000	XXX	499,740	499,745	4,392	34,375	34	0	0	0	0	XXX	XXX	XXX
4399999	- Total Bonds - Industrial, Misc. - Defined Multi-Class Commercial Mortgage-Backed Securities							499,740	500,000	XXX	499,740	499,745	4,392	34,375	34	0	0	0	XXX	XXX	XXX	
4599996	- Bonds - Industrial and Misc - United States							19,560,419	19,242,375	XXX	20,392,167	19,582,366	318,102	1,077,955	(21,954)	0	0	0	XXX	XXX	XXX	
4599997	- Bonds - Industrial and Misc - Canada							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
4599998	- Bonds - Industrial and Misc - Other Countries							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
4599999	- Total - Industrial and Miscellaneous Bonds							19,560,419	19,242,375	XXX	20,392,167	19,582,366	318,102	1,077,955	(21,954)	0	0	0	XXX	XXX	XXX	
5499999	- Total - Issuer Obligations							28,415,662	27,978,929	XXX	29,740,376	28,514,520	542,202	1,545,514	(37,379)	0	0	0	XXX	XXX	XXX	
5599999	- Total - Single Class Mortgage-Backed/Asset-Backed Securities							329,460	332,621	XXX	329,460	329,399	1,940	23,283	32	0	0	0	XXX	XXX	XXX	
5699999	- Total - Defined Multi-Class Residential Mortgage-Backed Securities							2,123,602	2,038,446	XXX	2,123,602	2,134,437	11,900	89,959	(10,657)	0	0	0	XXX	XXX	XXX	
5799999	- Total - Other Multi-Class Residential Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
5899999	- Total - Defined Multi-Class Commercial Mortgage-Backed Securities							499,740	500,000	XXX	499,740	499,745	4,392	34,375	34	0	0	0	XXX	XXX	XXX	
5999999	- Total - Other Multi-Class Commercial Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
6099999	Totals							31,368,464	30,849,996	XXX	32,693,178	31,478,101	560,434	1,693,131	(47,970)	0	0	0	XXX	XXX	XXX	

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE TRUSTGARD 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 Design- nation	15 Date Acquired
									10 Declared but Unpaid	11 Amount Received During Year				
<b>NONE</b>														
6599999 Total - Preferred Stocks														
													XXX	XXX

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE TRUSTGARD 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							
US Governments							
United States							
912827-7B-2	United States Treasury 5.000% 08/15/11 Note	01/28/2002	DBAB		995,000	1,000,000	22,690
Total United States					995,000	1,000,000	22,690
0399996 - Bonds - U.S. Government					995,000	1,000,000	22,690
0399999 - Total - Bonds - U.S. Government					995,000	1,000,000	22,690
Special Revenue & Assessment							
United States							
United States							
3128X0-LM-9	FHLMC Call 3.450% 11/26/07	11/13/2002	Bear Stearns		575,000	575,000	
31359M-ML-4	FNMA 10NC3 1X - Call 6.250% 03/22/12	08/01/2002	DBAB		1,045,320	1,000,000	22,569
31359M-NF-6	FNMA 5NC2 1X Call 4.750% 06/18/07	06/13/2002	Merrill Lynch		499,605	500,000	
3136F2-ZU-5	FNMA 5NC 3 mo 4.050% 12/27/07	12/19/2002	DBAB		500,250	500,000	
Total United States					2,620,175	2,575,000	22,569
Total United States					2,620,175	2,575,000	22,569
3199996 - Bonds - Special Revenues - United States					2,620,175	2,575,000	22,569
3199997 - Bonds - Special Revenues - Canada					0	0	0
3199998 - Bonds - Special Revenues - Other Countries					0	0	0
3199999 - Total - Bonds - Special Revenue					2,620,175	2,575,000	22,569
Public Utilities (unaffiliated)							
United States							
927804-CE-2	Virginia Electric & 7.625% 07/01/07 Power NC	07/22/2002	Banc One Capital Corp		567,115	500,000	2,542
Total United States					567,115	500,000	2,542
3899996 - Bonds - Public Utilities - United States					567,115	500,000	2,542
3899997 - Bonds - Public Utilities - Canada					0	0	0
3899998 - Bonds - Public Utilities - Other Countries					0	0	0
3899999 - Total - Bonds - Public Utilities					567,115	500,000	2,542
Industrial & Miscellaneous							
United States							
097014-AD-6	Boeing Capital Corp NC 6.100% 03/01/11	02/01/2002	DBAB		495,215	500,000	13,132
194160-DB-3	Colgate-Palmolive Co 5.980% 04/25/12 NC	04/19/2002	DBAB		500,000	500,000	
248019-AC-5	Deluxe Corp NC 5.000% 12/15/12	12/12/2002	Raymond James & Associates		302,766	300,000	333
370425-RX-0	General Motors 6.875% 09/15/11 Acceptance Corp NC	01/11/2002	DBAB		986,370	1,000,000	23,681
532457-AU-2	Lilly (Eli) & Co NC 6.000% 03/15/12	09/05/2002	DBAB		549,600	500,000	14,333
64352V-BH-3	New Century Home 7.390% 05/25/29 Equity 1999-NCB A6	09/17/2002	Baird, Robert W. & Company		1,024,954	953,446	3,719
723686-AA-9	Pioneer Hi-Bred Intl 5.750% 01/15/09 Inc NC	08/01/2002	Raymond James & Associates		1,046,040	1,000,000	3,354
724477-AR-5	Pitney Bowes Credit 5.750% 08/15/08 Corp NC	04/05/2002	Raymond James & Associates		501,670	500,000	4,392
74740F-GF-7	Quaker Oats NC 7.380% 06/15/12	05/07/2002	DBAB		1,101,911	1,000,000	11,275
Total United States					6,508,526	6,253,446	74,219
4599996 - Bonds - Industrial and Misc - United States					6,508,526	6,253,446	74,219
4599997 - Bonds - Industrial and Misc - Canada					0	0	0
4599998 - Bonds - Industrial and Misc - Other Countries					0	0	0
4599999 - Total - Bonds - Industrial, Misc.					6,508,526	6,253,446	74,219
6099997 - Total - Bonds - Part 3					10,690,816	10,328,446	122,020
6099998 - Total - Bonds - Part 5					1,049,733	1,046,554	182
6099999 - Total - Bonds					11,740,549	11,375,000	122,202
6599998 - Total - Preferred Stocks - Part 5					0	XXX	0
6599999 - Total - Preferred Stocks					0	XXX	0
7099998 - Total - Common Stocks - Part 5					0	XXX	0
7099999 - Total - Common Stocks					0	XXX	0
7199999 - Total - Preferred and Common Stocks					0	XXX	0
7299999 Totals					11,740,549	XXX	122,202

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE TRUSTGARD 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	
<b>BONDS</b>																
US Governments																
United States																
650868-AG-7	U. S. Government Gtd. 7.140% 08/01/02 HUD Newburgh, NY	08/01/2002	Maturity		950,000	950,000	1,002,459	954,231	(4,231)				0	67,830		
912827-2S-0	United States Treasury 6.625% 04/30/02 Note - OH	04/30/2002	Maturity		1,000,000	1,000,000	994,352	999,571	429				0	33,125		
Total United States					1,950,000	1,950,000	1,996,811	1,953,802	(3,802)	0	0	0	0	100,955	XXX	
0399996 - Bonds - U.S. Government					1,950,000	1,950,000	1,996,811	1,953,802	(3,802)	0	0	0	0	100,955	XXX	
0399999 - Bonds - U.S. Governments					1,950,000	1,950,000	1,996,811	1,953,802	(3,802)	0	0	0	0	100,955	XXX	
<b>Special Revenue &amp; Assessment</b>																
United States																
United States																
3133MG-MH-6	FHLB Call 4.740% 02/20/04	02/20/2002	Call 100.0000		1,000,000	1,000,000	1,000,000	1,000,000					0	23,700		
3133TL-BB-9	FHR 2160 C 6.500% 06/15/14	09/17/2002	Baird, Robert W. & Company		1,053,750	1,000,000	934,531	942,618	2,975			108,157	108,157	52,181		
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	01/01/2002	Paydown		56,631	56,631	56,082	56,087	544				0	330		
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	02/01/2002	Paydown		44,646	44,646	44,214	44,218	429				0	521		
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	03/01/2002	Paydown		20,224	20,224	20,028	20,030	194				0	354		
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	04/01/2002	Paydown		45,634	45,634	45,192	45,196	438				0	1,065		
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	05/01/2002	Paydown		23,758	23,758	23,528	23,530	228				0	693		
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	06/01/2002	Paydown		14,729	14,729	14,586	14,587	141				0	516		
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	07/01/2002	Paydown		18,417	18,417	18,239	18,241	177				0	752		
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	08/01/2002	Paydown		40,973	40,973	40,576	40,580	393				0	1,912		
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	09/01/2002	Paydown		45,588	45,588	45,146	45,150	438				0	2,393		
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	10/01/2002	Paydown		48,787	48,787	48,314	48,319	468				0	2,846		
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	11/01/2002	Paydown		45,079	45,079	44,642	44,646	433				0	2,893		
31371J-S8-8	FNMA Pool 253543 7.000% 11/01/20	12/01/2002	Paydown		25,997	25,997	25,745	25,748	250				0	1,820		
Total United State					2,484,213	2,430,463	2,360,823	2,368,950	7,108	0	0	108,157	108,157	91,976	XXX	
Total United States					2,484,213	2,430,463	2,360,823	2,368,950	7,108	0	0	108,157	108,157	91,976	XXX	
3199996 - Bonds - Special Revenues - United States					2,484,213	2,430,463	2,360,823	2,368,950	7,108	0	0	108,157	108,157	91,976	XXX	
3199997 - Bonds - Special Revenues - Canada					0	0	0	0	0	0	0	0	0	0	0	XXX
3199998 - Bonds - Special Revenues - Other Countries					0	0	0	0	0	0	0	0	0	0	0	XXX
3199999 - Bonds - Special Revenues					2,484,213	2,430,463	2,360,823	2,368,950	7,108	0	0	108,157	108,157	91,976	XXX	
<b>Public Utilities (unaffiliated)</b>																
United States																
010392-DH-8	Alabama Power Callable 6.250% 09/30/10	12/26/2002	Call 100.0000		1,000,000	1,000,000	990,000	992,323	7,677				0	61,806		
Total United States					1,000,000	1,000,000	990,000	992,323	7,677	0	0	0	0	61,806	XXX	
3899996 - Bonds - Public Utilities - United States					1,000,000	1,000,000	990,000	992,323	7,677	0	0	0	0	61,806	XXX	
3899997 - Bonds - Public Utilities - Canada					0	0	0	0	0	0	0	0	0	0	0	XXX
3899998 - Bonds - Public Utilities - Other Countries					0	0	0	0	0	0	0	0	0	0	0	XXX
3899999 - Bonds - Public Utilities					1,000,000	1,000,000	990,000	992,323	7,677	0	0	0	0	61,806	XXX	
<b>Industrial &amp; Miscellaneous</b>																
United States																
125577-AM-8	CIT Group Inc NC 6.500% 02/07/06	01/30/2002	Bear Stearns		996,870	1,000,000	995,790	996,459	69			342	342	31,958		
31331F-AU-5	Federal Express 1997-1 7.500% 01/15/18 A PT Certificates	01/16/2002	Redemption 100.0000		18,157	18,157	18,292	18,286	(129)				0	681		
31331F-AU-5	Federal Express 1997-1 7.500% 01/15/18 A PT Certificates	07/16/2002	Redemption 100.0000		1,981	1,981	1,996	1,995	(14)				0	149		
370425-QS-2	General Motors 6.125% 01/22/08 Acceptance Corp NC	01/11/2002	DBAB		971,890	1,000,000	980,160	986,366	74			(14,550)	(14,550)	29,604		
92857T-AF-4	Vodafone Group 7.625% 02/15/05	06/26/2002	DBAB		530,330	500,000	509,290	506,943	(1,009)			24,395	24,395	33,465		
98157D-AF-3	Worldcom Inc 144A - 7.375% 01/15/03 Put/Call	10/09/2002	Bear Stearns		62,500	500,000	60,000	514,155	(454,155)			2,500	2,500	18,846		
Total United States					2,581,728	3,020,138	2,565,528	3,024,204	(455,164)	0	0	12,687	12,687	114,703	XXX	
4599996 - Bonds - Industrial and Misc - United States					2,581,728	3,020,138	2,565,528	3,024,204	(455,164)	0	0	12,687	12,687	114,703	XXX	
4599997 - Bonds - Industrial and Misc - Canada					0	0	0	0	0	0	0	0	0	0	0	XXX
4599998 - Bonds - Industrial and Misc - Other Countries					0	0	0	0	0	0	0	0	0	0	0	XXX
4599999 - Bonds - Industrial and Miscellaneous					2,581,728	3,020,138	2,565,528	3,024,204	(455,164)	0	0	12,687	12,687	114,703	XXX	

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**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	8 Stock of Such Company Owned by Insurer on Statement Date	
							8 Number of Shares	9 % of Outstanding
872428-10-3	T G Insurance Agency, Inc	00000	(ii)		0	2,000	2,000,000	100.0
1599999	- Common Stock - Other Affiliates					2,000	XXX	XXX
1699999	- Total Common Stocks					2,000	XXX	XXX
<b>1799999 Totals</b>						<b>2,000</b>	<b>XXX</b>	<b>XXX</b>

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: \$ .....
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	5 Stock in Lower-tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
<b>NONE</b>					
<b>0399999 Total</b>				<b>XXX</b>	<b>XXX</b>

Schedule DA - Part 1

**NONE**

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part A - Section 2

**NONE**

Schedule DB - Part A - Section 3

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part B - Section 2

**NONE**

Schedule DB - Part B - Section 3

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Part C - Section 3

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DB - Part D - Section 3

**NONE**

Schedule DB - Part E - Section 1

**NONE**

## SCHEDULE DM

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

	1	2	3
	Statement (Admitted) Value	Fair Value (a)	Excess of Statement over Fair Value(-), or Fair Value over Statement (+)
1. Bonds .....	31,368,464	33,536,412	2,167,948
2. Preferred Stocks .....	0		0
3. Totals	31,368,464	33,536,412	2,167,948

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

Values are supplied by an outside vendor .....

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE TRUSTGARD 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
GA00001	B	United States Treasury Bond 10.375% Due 11/15/2009 MN15	Georgia, Georgia Dept. of Insurance, General - Georgia Policyholder	85,000	88,592	98,467
GA99999				85,000	88,592	98,467
XX99999		- Total - Not All Policyholders		85,000	88,592	98,467
00001	B	United States Treasury Bond 5.375% Due 2/15/2031 FA15	Ohio, Ohio Dept. of Insurance, Ohio - All Policyholders	1,000,000	980,385	980,385
ZZ99999		- Total - All Policyholders		1,000,000	980,385	980,385
9999999 Totals				1,085,000	1,068,977	1,078,852

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

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