



ASSETS

	Current Year	Previous Year
1. Bonds (Sch. D, Part 1 Col. 16)		
2. Stocks		
a. Preferred stocks ( Sch. D, Part 2, Col. 6)		
b. Common stocks (Sch. D, Part 2, Section 2)		
3. Real estate, less encumbrances (Sch. A)		
4. Mortgage loans on real estate (Sch. A)		
5. Cash on hand and on deposit		
a. Cash in company's office	50,921	51,877
b. Cash on deposit (Sch. N)		
6. Other invested assets (Sch. A)		
7. Subtotals, Cash & Invested Assets (Items 1 to 6)		
8. Home protection contract fees receivable		
9. Contract fees receivable		
10. Receivable from affiliates		
11. Federal income tax recoverable (Including \$ _____ Net deferred tax assets)		
12. Electronic data processing equipment		
13. Interest, dividends and real estate income due and accrued		
14. Reinsurance recoverable on loss payments		
15. Other assets		
a. _____		
b. _____		
c. _____		
16. TOTALS ( Lines 7 to 15)	50,921	51,877

Total, current year, to agree with page 8, Exhibit 1, Col 4, line 18.

LIABILITIES, SURPLUS AND OTHER FUNDS

	Current Year	Previous Year
1. Unpaid contract claims in process of settlement		
2. Statutory reserve (pg. 24, Report 1, line 6, Col (1) + Col (2))	0	
3. Unpaid claims adjustment expense		
4. Other expenses (excluding taxes, licenses and fees)		
5. Taxes, licenses and fees (excluding federal and foreign income taxes)		
6. Federal and foreign income taxes (including \$ _____ net deferred tax liability)		
7. Borrowed money		
8. Interest payable		
9. Unearned contract fees		
10. Dividends declared and unpaid		
11. Reinsurance in unauthorized companies		
a. Unearned contract fees		
b. Reinsurance recoverable		
1. paid claims		
2. unpaid claims		
c. Reinsurance recoverable on paid & unpaid claims adjustment expense		
12. Ceded reinsurance balances payable		
13. All other liabilities:		
a. _____		
b. _____		
c. _____		
14. Total liabilities (Items 1 to 13c)		
15. a. Common capital stock	850	850
b. Preferred capital stock	154,150	154,150
16. Gross paid-in and contributed surplus	<104,079>	<103,123>
17. Unassigned funds (surplus)		
18. Less treasury stock, at cost		
19. Surplus as regards contractholders (Items 15 to 17 less 18)	50,921	51,877
20. Totals (Item 14 plus 19)	50,921	51,877

Line 19 to agree with Page 4, line 27.

STATEMENT AS OF 12/31/02 OF THE HOME WARRANTY Co. OF OHIO 4

STATEMENT OF INCOME

UNDERWRITING INCOME	Current Year	Previous Year
1. Contract fees earned (Part 2B, Col 4)		
DEDUCTIONS		
2. Claims incurred (Part 3, Col. 7)		
3. Claims adjustment expenses incurred (Part 4, Col 1, line 22)		
4. Other underwriting expenses incurred (Part 4, Col 2, line 22)	2456	967
5. _____		
6. Total deductions (Lines 2 to 5)	2456	967
7. Net underwriting gain or loss (-) (Item 1 less 6)	<2456>	<967>
INVESTMENT INCOME		
8. Net investment income earned (Part 1, Col 8, ln 15)		
9. Net realized capital gains or losses (Part 1A, Col 7, ln 11)		
10. Net investment gain or loss		
OTHER INCOME		
11. _____		
12. _____		
13. Total other income (Lines 11 + 12)		
14. Net income before federal income taxes (Lines 7 + 10 + 13)	<2456>	<967>
15. Federal income taxes incurred		
16. Net income (Item 14 less 15)	<2456>	<967>
CAPITAL AND SURPLUS ACCOUNT		
17. Surplus as regards contract holders, Dec. 31 Previous year Gains (+) and Losses (-) in Surplus	51,877	52,844
18. Net income (from item 16)	<2456>	<967>
19. Net unrealized capital gains and losses		
20. Change in non-admitted assets (Exhibit 2)		
21. Capital changes:		
a. Paid in	1500	
b. Transferred from surplus		
c. Transferred to surplus		
22. Surplus adjustments:		
a. Paid in		
b. Transferred to capital		
c. Transferred from capital		
23. Dividends to stockholders (cash)		
24. Change in treasury stock		
25. Change in Statutory reserve		
26. Change in surplus as regards contract holders (lines 18 to 25)	<956>	<967>
27. Surplus as regards contractholders at statement date (line 17 + 26)	50,921	51,877

UNDERWRITING AND INVESTMENT EXHIBIT  
 PART I - INTEREST, DIVIDENDS AND REAL ESTATE INCOME  
**NONE**

1	2 Sch	3 Collected during yr - paid on accrued purchase	Paid in Advance		Due and accrued		8 Earned During year 3+5+6 -4 -7
			4 Current Year	5 Previous Year	6 Current Year	7 Previous Year	
1. Bonds	D*						
2. Preferred Stock	D						
3. Common Stock	D						
4. Mortgage loans	A"						
5. Real estate	A#						
6. Cash	N						
7. Other assets	A						
8. _____							
9. _____							
10. _____							
10. Totals							

Deductions

11. Total investment expenses incurred Pg. 7, Col 3, line 22	
12. Depreciation on real estate	
13. _____	
14. Total deductions (Items 11 to 13)	
15. Net investment income earned (Item 10 less 14)	

\*Includes \$ \_\_\_\_\_ accrual of discount less \$ \_\_\_\_\_ amortization of premium.  
 "Includes \$ \_\_\_\_\_ accrual of discount less \$ \_\_\_\_\_ amortization of premium.  
 #Includes \$ \_\_\_\_\_ for company's occupancy of its own buildings.

PART 1A - CAPITAL GAINS AND LOSSES ON INVESTMENTS - **NONE**

1	2 Profit on sales or maturity	3 Loss on sales or maturity	4 Increase by adj. in book value	5 Decrease by adj. in book value	6 Net Change in BV and admitted value	7 Total (2 - 3 + 4 - 5 + 6)
1. Bonds						
2. Preferred stock						
3. Common stock						
4. Mortgage loans						
5. Real estate						
6. Cash						
7. Other assets						
8. _____						
9. _____						
10. _____						
10. Totals						
11. Net realized capital gains or losses						
12. Net unrealized capital gains or losses (Pg. 4, line 19)						

STATEMENT AS OF 12/31/02 OF THE HOME WARRANTY Co. OF OHIO 6

UNDERWRITING AND INVESTMENT EXHIBIT

Part 2A - Contract Fees Written *NONE*

Direct Fees Written 1	Reinsurance		Net Fees Written (Col. 1+2-3) 4
	Assumed 2	Ceded 3	

Part 2B - Contract Fees Earned *NONE*

Net Fees Written 1	Unearned Fees Prior Year 2	Unearned Fees Current Year 3	Net Fees Earned (Col. 1+2-3) 4

Part 3 - Contract Claims Paid and Incurred *NONE*

Direct Business 1	Claims Paid		Net Claim Payments (Col. 1+2-3) 4	Net Claims Unpaid Current Year 5	Net Claims Unpaid Prior Year 6	Claims Incurred Current Year 7
	Assumed 2	Ceded 3				

Part 3A - Claims and Claim Adjustment Expenses to Net Fees Earned Ratios

Calendar Year 1	Net Fees Earned 2	Claims Incurred 3	Claims Expense Incurred Pg 7 In 21 col. 1 4	Ratio 1 Col. 3 / Col. 2 5	Ratio 2 Col. 4 / Col. 2 6
1997	6,703	1,421		21.20	
1998	20,072	10,426		51.94	
1999	2,049	6,691		326.55	
2000		306		306.00	
2001					
2002					

Part 3B - Contract Fees Written - OHIO BUSINESS ONLY

*NONE*

Direct Fees Written 1	Direct Fees Earned 2	Dividends Paid 3	Direct Claims Paid (deduct salvage) 4	Direct Claims Incurred 5	Direct Claims Unpaid 6

Part 4 B - Development of Prior Year Unpaid Contract Claims Reserve

*NONE*

Prior Year Unpaid Contract Claims Reserve 1	Claims Paid Current Year Incurred Prior Year 2	Col. (2) - Col. (1) Difference 3

STATEMENT AS OF

12/31/02

OF THE

HOME WARRANTY CO. OF OHIO 7

## PART 4 - EXPENSE EXHIBIT

	Claims Adjustment Expense	Under- writing Expense	Invest- ment Expense	Total Expense
1. Claims adjustment expense				
2. Commission and brokerage:				
a. Direct				
b. Reinsurance ceded				
c. Reinsurance assumed				
d. Net commission				
3. Allowance to managers and agents				
4. Advertising				
5. Salaries				
6. Employee relations and welfare				
7. Insurance				
8. Directors' fees				
9. Travel and travel items				
10. Rent and rent items				
11. Equipment				
12. Printing and stationery				
13. Postage, telephone and telegraph				
14. Legal and auditing		1,276		1,276
15. <u>BOND</u>		450		450
16. Taxes, licenses and fees:				
a. State & local insurance taxes		200		200
b. Ins. department licenses & Fees		530		530
c. Payroll taxes				
d. All other (excl federal and foreign income and real estate)				
17. Real estate expenses				
18. Real Estate taxes				
19. _____				
20. _____				
21. Total expenses incurred (Lines 1 to 20)				
22. Less unpaid expenses - current year				
23. Add unpaid expenses - previous year				
24. Total expenses paid (Line 21-22+23)		2,456		2,456

EXHIBIT 1 - ANALYSIS OF ASSETS

	Ledger Assets	Non-ledger (include excess of MV over BV)	Asset not Admitted (include excess BV over MV)	Net Admitted Assets
1. Bonds				
2. Stocks				
a. Preferred stocks				
b. Common stocks				
3. Real estate, less encumbrances				
4. Mortgage loans on real estate				
5. Cash on hand and on deposit				
a. Cash in company's office				
b. Cash on deposit	50,921			50,921
6. Other invested assets				
7. Home protection contract fees receivable				
8. Service fees receivable				
9. Receivable from affiliates				
10. Federal income tax recoverable (Including net DTA)				
11. Electronic data processing equip				
12. Interest, dividends & real estate income due and accrued				
13. Reinsurance recoverable on loss payments				
14. Equip., furniture & supplies				XXXXXXXXXX
15. Deferred acquisition cost				XXXXXXXXXX
16. Other assets:				
a. _____				
b. _____				
c. _____				
17. Prepaid expenses:				
a. _____				XXXXXXXXXX
b. _____				XXXXXXXXXX
c. _____				XXXXXXXXXX
18. Totals	50,921			50,921

Line 18, Col. 4 to agree with Page 2, Col 1, Line 16.

EXHIBIT 2 - ANALYSIS OF NON-ADMITTED ASSETS  
NONE

	End of Previous Year	End of Current Year	Change increase - decrease + Col. 2-3
19. Company's stock owned			
20. Deposits in suspended depositories, less estimated amount recoverable			
21. Equip., furniture and supplies			
22. Prepaid expenses:			
a. _____			
b. _____			
c. _____			
23. Other assets not admitted :			
a. _____			
b. _____			
c. _____			
24. Total change	XXXXXXXXXXXX	XXXXXXXXXXXX	

Line 24 to agree with Page 4, line 20.

EXHIBIT 3 - RECONCILIATION OF LEDGER ASSETS

<b>Increase in ledger assets</b>	
1. Contract fees written (Part 2A, Col 4)	
2. Interest, dividends and real estate income received (Part 1, Col 3)	
3. From sale or maturity of ledger assets (Part 1A, Col 2)	
4. Other income items or increases:	
a. Funds held under reinsurance treaties (net)	
b. Borrowed money (gross)	
c. Amounts withheld or retained for account of others	
d. Ceded reinsurance balances	
e. _____	
f. _____	
g. _____	
5. Adjustment in book value of ledger assets (Part 1A, Col 4)	
6. Capital paid in	
7. Surplus paid in	1,500
8. Total (Items 1 to 7)	1,500
<b>Decrease in ledger assets</b>	
9. Net claims paid (Part 3, Col 4)	
10. Expenses paid (Part 4, Col 4, ln 24)	2,456
11. From sale or maturity of ledger assets (Part 1A, Col 3)	
12. Other disbursement items or decreases:	
a. Funds held under reinsurance treaties (net)	
b. Borrowed money (gross)	
c. Amounts withheld or retained for account of others	
d. Ceded reinsurance balances	
e. _____	
f. _____	
g. _____	
13. Adjustment in book value of ledger assets (Part 1A, Col 5) and depreciation (Part 1, ln 12)	
14. Federal and foreign income taxes paid	
15. Dividends paid stockholders	
16. _____	
17. _____	
18. _____	
19. Total (Item 9 to 18)	2,456
<b>Reconciliation between years</b>	
20. Amount of ledger assets as per balance Dec. 31 of previous year	51,877
21. Increase (+) or decrease (-) in ledger assets during the year (Item 8 less 19)	(956)
22. Balance = ledger assets as of statement date	50,921

Line 22 to agree with Page 8, line 18, col 1.

(Name) HOME WARRANTY COMPANY OF OHIO 9

Note: In case the following schedules do not afford sufficient space, companies may furnish them on separate forms, provided the same are upon paper of like size and arrangements and contain the information asked for herein and have the name of the Company printed or stamped at the top thereof.

**SPECIAL DEPOSIT SCHEDULE**

Showing all deposits or investments NOT held for the protection of ALL the policyholders of the Company

1 Where Deposited	2 Description and Purpose of Deposit (Indicating literal form of registration of Securities)	3 Par Value	4 Statement Value	5 Market Value
	<i>NONE</i>			

**SCHEDULE OF ALL OTHER DEPOSITS**

Showing all deposits made with any Government, Province, State, District, County, Municipality, Corporation, firm or individual, except those shown in Schedule N, and those shown in "Special Deposit Schedule"

1 Where Deposited	2 Description and Purpose of Deposit (Indicating literal form of registration of Securities)	3 Par Value	4 Statement Value	5 Market Value
	<i>NONE</i>			

**GENERAL INTERROGATORIES**

(attach additional sheets where necessary)

1. Provide the number and type of stock authorized, outstanding and the par value.  
100 COMMON SHARES AT \$1.00 PAR
2. Report any changes in the By-laws or Articles of Incorporation and attach to statement if not already filed with Department. Yes ( ) No (X) If yes explain.
3. Does the company have any material contingent liabilities that affect its financial condition? Yes ( ) No (X). If yes explain.
4. When was the last report of examination done and by whom. Date 8/21/02 State OHIO
5. Have there been any changes in contract fee rates on contracts issued during the year in Ohio? Yes ( ) No (X). If yes explain.
6. Explain the methods used for asset valuation. N/A
7. Give information about relationships with parents, subsidiaries and affiliates (see Schedule Y).  
100% OWNED BY ATLAS CAPITAL SERVICES, INC.
8. Have any of the company assets been pledged or hypothecated at any time during the year? Yes ( ) No (X). If yes explain.
9. Have any loans been made to officers or directors at any time during the year? Yes ( ) No (X). If yes explain.
10. Are all securities in actual possession of company (except for special and other deposits)? Yes ( ) No (X). If they differentiate explain.
11. What is the Company's maximum liability on any one contract \$ N/A.
12. Has the Company been under any disciplinary action or regulatory restrictions by a regulatory agency at any time during the year? Yes ( ) No (X) If yes, provide a complete explanation.

STATEMENT AS OF 12/31/02 OF THE HOME WARRANTY Co. OF OHIO 11

**FOUR-YEAR HISTORICAL DATA**

Show amounts in whole dollars; show ratios to one decimal place

	2002	2001	2000	1999
<b>Balance Sheet Items (pg 2,3)</b>				
Total Assets (pg 2, ln 16)	50,921	51,877	52,844	58,222
Total Liabilities (pg 3, ln 14)	—	—	—	3,929
Capital (pg 3, ln 15)	850	850	850	850
Total Surplus (pg 3, ln 19)	50,921	51,877	52,844	54,294
<b>Income Statement Items (pg 4)</b>				
Net Underwriting Gain (ln 7)	<2,456>	<967>	<1,450>	<7,339>
Net Investment Gain (ln 10)				
Total Other Income (ln 13)				
Federal Income Tax Incurred (ln 15)				
Net Income (ln 16)	<2,456>	<967>	<1,450>	<7,339>
<b>Ratios (pg 4)</b>				
Claims Incurred (ln 2) divided by (pg 4, ln 1) x 100	—	—	306.00	326.55
Claims Adjustment Expense Divided by (pg 4, ln 1) x 100				
Combined Ratio: (pg 4 lns 2+3) divided by (pg 4 ln 1) x 100	—	—	306.00	326.55
(pg 4 lns 4 + 5 - 13) divided by (pg 9 ln 1) x 100	—	—	—	131.63
<b>Contracts</b>				
Total contracts issued (number of)	—	—	—	59
Total claims paid (dollar amount)	—	—	306.00	6691



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE HOME WARRANTY Co. of Ohio  
 (Name)

SCHEDULE D - PART 1  
 Showing all Long-Term BONDS Owned December 31 of Current Year

1	2		3			4	5	6	7	8	Interest		10	11	12	13	14	15	Am or Im Value of Cur	
	Rate Of	How Paid	Date of		Option						Book Value	Par Value								Used to Obtain Market Value
Description			Maturity	Year	Month	Year	Call Price				Amount due 31 of Current Year on Bonds not in default	Gross Amt Received During Year	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Amount of Interest Due and accrued Dec 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Year Acquired	Effective Rate of Interest at Which Purchase Was Made		
NONE																				
																XXX				
																XXX				
																XXX				

(a) Total of \$ \_\_\_\_\_ commercial property mortgages related securities are included in the other structural securities portion of this schedule.

**REPORT 1 - RESERVE CALCULATION**

	Ohio Business (1)	Non-Ohio Business (2)	
1. Contract fees collected – on contracts issued and renewed during 2002 and all other contracts still in force (un-expired) at the end of 2002	\$ —	—	1.
2. Less: Reinsurance ceded	—	—	2.
3. Net contract fees	—	—	3.
	X .40		.40
4. Sub-total reserve amount	—	—	4.
5. Less: Claims paid during current year and prior years on those contract policies issued or renewed during the year and all other contracts in force (un-expired) at the end of 2002.	—	—	5.
6. Current year end statutory reserve **	\$ 0	0	6.

\*\* Show line 6 (sum of Col. (1) + Col. (2)) on Page 3, line 2, current year, If line 6 is negative enter 0 (zero) on page 3, line 2, current year.

**REPORT 2 - SURPLUS REQUIREMENT CALCULATION**

Calculated company required surplus is based on contracts issued or renewed representing Ohio and Non-Ohio business in the previous calendar year.

If company is commencing business for the first time, surplus is based on the projected number of contracts to be issued representing Ohio and Non-Ohio business.

Surplus	Number of Contracts
\$ 50,000 minimum	1,000
70,000	1,500
90,000	2,000
110,000	2,500
130,000	3,000
150,000	3,500
170,000	4,000
210,000	5,000
410,000	10,000
610,000	15,000

	Ohio Business (1)	Non-Ohio Business (2)
1. Total contracts issued or renewed (2000)	1. —	—
2. Less 1,000 contracts	2. - 1,000	XXXXXXXXXXXXXXXXXXXX x
3. Additional contracts	3. —	—
4. Divided by 500	4. / 500	/ 500
5. Surplus factor (round up; no decimal)	5. —	—
6. Multiply by \$20,000	6. x \$20,000	x \$20,000
7. Additional surplus required	7. - 0 -	\$ - 0 -

SURPLUS REQUIREMENT CALCULATION (cont'd)

8.	Plus \$50,000 minimum	8.	+	\$50,000
9.	Total minimum surplus required - Ohio Business (lines 7 + 8, Col. (1))	9.	\$	<u>50,000</u>
10.	Total surplus required - Non-Ohio business (line 7, Col. 2)	10.	\$	<u>- 0 -</u>
11.	Total (lines 9 + 10)	11.	\$	<u>50,000</u>
12.	Enter amount from page 3, line 19	12.	\$	<u>50,921</u>
13.	Difference (line 12 - line 11)	13.	\$	<u>921</u>

SCHEDULE N - CASH

1 Depository - Give full name and location. Give interest rate and maturity date for certificate of deposits.	2 Amount of interest received during year	3 Amount of interest accrued Dec. 31 (current)	4 Balance
OPEN DEPOSITORIES U.S. BANK, NA NON-INTEREST 1. CINCINNATI, OHIO	—	—	—
2.			
3.			
4.			
5.			
6.			
7.			
8.			
SUB-TOTAL			
SUSPENDED DEPOSITORIES			
9.			
10.			
SUB-TOTAL			
GRAND TOTAL - ALL DEPOSITORIES	—	—	—

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

Jan	51,877	Apr	51,752	Jul	50,402	Oct	50,921
Feb	51,852	May	51,552	Aug	50,402	Nov	50,921
Mar	51,752	Jun	50,902	Sep	50,402	Dec	50,921

CONTRACT FEES WRITTEN  
 Allocated by States and Territories - NONE

1 STATES	2 Number of Contracts Written	3 Direct Fees Written	4 Direct Claims Paid	5 Number of Contracts In Force
1 Alabama				
AL				
2 Alaska				
AK				
3 Arizona				
AZ				
4 Arkansas				
AR				
5 California				
CA				
6 Colorado				
CO				
7 Connecticut				
CT				
8 Delaware				
DE				
9 Wash D.C.				
DC				
10 Florida				
FL				
11 Georgia				
GA				
12 Hawaii				
HI				
13 Idaho				
ID				
14 Illinois				
IL				
15 Indiana				
IN				
16 Iowa				
IA				
17 Kansas				
KS				
18 Kentucky				
KY				
19 Louisiana				
LA				
20 Maine				
ME				
21 Maryland				
MD				
22 Massachusetts				
MA				
23 Michigan				
MI				
24 Minnesota				
MN				
25 Mississippi				
MS				
26 Missouri				
MO				
27 Montana				
MT				
28 Nebraska				
NE				
29 Nevada				
NV				
30 New Hampshire				
NH				

31	New Jersey			
NJ				
32	New Mexico			
NM				
33	New York			
NY				
34	North Carolina			
NC				
35	North Dakota			
ND				
36	Ohio			
OH				
37	Oklahoma			
OK				
38	Oregon			
OR				
39	Pennsylvania			
PA				
40	Rhode Island	RI		
41	South Carolina			
SC				
42	South Dakota			
SD				
43	Tennessee			
TN				
44	Texas			
TX				
45	Utah			
UT				
46	Vermont			
VT				
47	Virginia			
VA				
48	Washington			
WA				
49	West Virginia			
WV				
50	Wisconsin			
WI				
51	Wyoming			
WY				
52				
53				
54				
55	Totals	NONE		

Col 3 - Gross premiums, agree with Part 2A, Col 1

Col 4 agree with Part 3, Col 1