

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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Columns 1 minus 2)	Net Admitted Assets
1. Bonds	7,948,772		7,948,772	8,663,070
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1)	75,482		75,482	80,282
2.2 Common stocks (Schedule D, Part 2, Section 2)	50,171,568		50,171,568	48,916,145
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)	3,448,636		3,448,636	1,798,023
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 1,262,817 Schedule E, Part 1) and short-term investments (\$ 2,657,363 Schedule DA, Part 2)	3,920,180		3,920,180	3,909,471
6. Other invested assets (Schedule BA)	574,498		574,498	551,168
7. Receivable for securities				
8. Aggregate write-ins for invested assets				
9. Subtotals, cash and invested assets (Line 1 to Line 8)	66,139,136		66,139,136	63,918,159
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	815,819	37,830	777,989	3,145,467
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ 1,211,330 earned but unbilled premiums)	6,065,138		6,065,138	3,794,016
10.3 Accrued retrospective premiums				
11. Funds held by or deposited with reinsured companies				
12. Bills receivable, taken for premiums				
13. Amounts receivable under high deductible policies				
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Columns 7 and 8)	894,304		894,304	801,680
15. Federal and foreign income tax recoverable and interest thereon (including \$ 70,507 net deferred tax asset)	535,507		535,507	241,109
16. Guaranty funds receivable or on deposit				
17. Electronic data processing equipment and software	311,857	311,857		
18. Interest, dividends and real estate income due and accrued	110,705		110,705	109,904
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Receivable from parent, subsidiaries and affiliates	385,018		385,018	100,363
21. Amount due from/to protected cells				
22. Equities and deposits in pools and associations				
23. Amounts receivable relating to uninsured accident and health plans				
24. Other assets nonadmitted (Exhibit 1)	244,427	244,427		
25. Aggregate write-ins for other than invested assets				
26. Total assets excluding protected cell assets (Line 9 through Line 25)	75,501,911	594,114	74,907,797	72,110,698
27. Protected cell assets				
28. TOTALS (Line 26 and Line 27)	75,501,911	594,114	74,907,797	72,110,698
DETAILS OF WRITE-INS				
0801.				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)				

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

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)	1,319,706	1,087,332
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	212,264	176,652
4. Commissions payable, contingent commissions and other similar charges	585,822	448,996
5. Other expenses (excluding taxes, licenses and fees)	140,934	163,110
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	25,885	21,476
7. Federal and foreign income taxes (including \$ on realized capital gains (losses)) (including \$ 36,419 net deferred tax liability)	36,419	48,449
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$)	78,262	
10. Advance premiums		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	62,655	
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14. Amounts withheld or retained by company for account of others	130	
15. Remittances and items not allocated		
16. Provision for reinsurance (Schedule F, Part 7)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	1,000,000	1,000,000
20. Payable for securities		
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$ and interest thereon \$		
23. Aggregate write-ins for liabilities	3,997,215	3,867,293
24. Total liabilities excluding protected cell liabilities (Line 1 through Line 23)	7,459,292	6,813,308
25. Protected cell liabilities		
26. Total liabilities (Line 24 and Line 25)	7,459,292	6,813,308
27. Aggregate write-ins for special surplus funds		
28. Common capital stock		
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus		
33. Unassigned funds (surplus)	67,448,505	65,297,390
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)		
34.2 shares preferred (value included in Line 29 \$)		
35. Surplus as regards policyholders (Line 27 to Line 33, less Line 34) (Page 4, Line 38)	67,448,505	65,297,390
36. TOTALS (Page 2, Line 28, Column 3)	74,907,797	72,110,698
DETAILS OF WRITE-INS		
2301. DEFERRED PREMIUM INCOME	3,641,347	3,444,740
2302. UNCLAIMED FUNDS	1,916	13,927
2303. OTHER LIABILITIES	353,952	408,626
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. TOTALS (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	3,997,215	3,867,293
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. TOTALS (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. TOTALS (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)		

UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 34, Column 4)	10,169,113	10,767,555
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	6,715,814	6,858,679
3. Loss expenses incurred (Part 3, Line 25, Column 1)	1,322,125	1,107,290
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	3,885,142	3,824,047
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Line 2 through Line 5)	11,923,081	11,790,016
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(1,753,968)	(1,022,461)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	2,431,493	682,843
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses))	34,742	77,969
11. Net investment gain (loss) (Line 9 plus Line 10)	2,466,235	760,812
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 47,776)	(47,776)	(71,590)
13. Finance and service charges not included in premiums	184	
14. Aggregate write-ins for miscellaneous income	(131,140)	(2,115)
15. Total other income (Line 12 through Line 14)	(178,732)	(73,705)
16. Net income before dividends to policyholders and before federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	533,535	(335,354)
17. Dividends to policyholders		
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	533,535	(335,354)
19. Federal and foreign income taxes incurred	(465,000)	(200,000)
20. Net income (Line 18 minus Line 19) (to Line 22)	998,535	(135,354)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	65,297,390	57,590,841
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	998,535	(135,354)
23. Net unrealized capital gains or (losses)	1,250,589	8,193,375
24. Change in net unrealized foreign exchange capital gain (loss)		
25. Change in net deferred income tax	41,428	(10,187)
26. Change in nonadmitted assets (Exhibit 1, Line 5, Column 3)	(136,465)	(16,634)
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
28. Change in surplus notes		
29. Surplus (contributed to) withdrawn from protected cells		
30. Cumulative effect of changes in accounting principles		2,847
31. Capital changes:		
31.1 Paid in		
31.2 Transferred from surplus (Stock Dividend)		
31.3 Transferred to surplus		
32. Surplus adjustments:		
32.1 Paid in		
32.2 Transferred to capital (Stock Dividend)		
32.3 Transferred from capital		(1,000,000)
33. Net remittances from or (to) Home Office		
34. Dividends to stockholders		
35. Change in treasury stock (Page 3, Line 34.1 and 34.2, Column 2 minus Column 1)		
36. Aggregate write-ins for gains and losses in surplus	(2,972)	672,502
37. Change in surplus as regards policyholders for the year (Line 22 through Line 36)	2,151,115	7,706,549
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35)	67,448,505	65,297,390
DETAILS OF WRITE-INS		
0501		
0502		
0503		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)		
1401. COMMISSION INCOME	35,491	45,279
1402. RENTAL & OTHER SERVICES	181,900	177,200
1403. OTHER INCOME/EXPENSE	(348,531)	(224,594)
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)	(131,140)	(2,115)
3601. GOODWILL		1,343
3602. PRIOR YEAR TAX EFFECT	(2,972)	(50,100)
3603. SENECA COUNTY MERGER		507,369
3698. Summary of remaining write-ins for Line 36 from overflow page		213,890
3699. Totals (Line 3601 through Line 3603 plus Line 3698) (Line 36 above)	(2,972)	672,502

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	10,406,385	8,553,185
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	7,862,577	8,527,747
3. Underwriting expenses paid	3,766,081	3,645,657
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(1,222,273)	(3,620,219)
6. Net investment income	2,455,570	808,233
7. Other income (expenses):		
7.1 Agents' balances charged off	(47,776)	(71,590)
7.2 Net funds held under reinsurance treaties		
7.3 Net amount withheld or retained for account of others		
7.4 Aggregate write-ins for miscellaneous items	(130,956)	(2,115)
7.5 Total other income (Line 7.1 to Line 7.4)	(178,732)	(73,705)
8. Dividends to policyholders on direct business, less \$..... dividends on reinsurance assumed or ceded (net)		
9. Federal and foreign income taxes (paid) recovered	200,000	225,000
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	1,254,565	(2,660,691)
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	2,873,781	5,543,603
11.2 Stocks	4,565	1,264,889
11.3 Mortgage loans		
11.4 Real estate		90,230
11.5 Other invested assets		
11.6 Net gains or (losses) on cash and short-term investments		8
11.7 Miscellaneous proceeds	49,126	
11.8 Total investment proceeds (Line 11.1 to Line 11.7)	2,927,472	6,898,730
12. Cost of investments acquired (long-term only):		
12.1 Bonds	2,171,205	1,941,379
12.2 Stocks	91	696,129
12.3 Mortgage loans		
12.4 Real estate	1,696,471	852,166
12.5 Other invested assets	9,520	90,474
12.6 Miscellaneous applications		
12.7 Total investments acquired (Line 12.1 to Line 12.6)	3,877,287	3,580,148
13. Net cash from investments (Line 11.8 minus Line 12.7)	(949,815)	3,318,582
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in		
14.2 Capital notes, \$..... less amounts repaid \$		
14.3 Net transfers from affiliates		899,637
14.4 Borrowed funds received		
14.5 Other cash provided	196,736	2,122,237
14.6 Total (Lines 14.1 to 14.5)	196,736	3,021,874
15. Cash applied:		
15.1 Dividends to stockholders paid		
15.2 Net transfers to affiliates	284,655	
15.3 Borrowed funds repaid		
15.4 Other applications	206,122	1,128,596
15.5 Total (Line 15.1 to Line 15.4)	490,777	1,128,596
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(294,041)	1,893,278
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10 plus Line 13 plus Line 16)	10,709	2,551,169
18. Cash and short-term investments:		
18.1 Beginning of year	3,909,471	1,358,302
18.2 End of year (Line 17 plus Line 18.1)	3,920,180	3,909,471
DETAILS OF WRITE-INS		
7.401 COMMISSION INCOME	35,491	45,279
7.402 RENTAL & OTHER SERVICES	181,900	177,200
7.403 OTHER INCOME	(348,531)	(224,594)
7.498 Summary of remaining write-ins for Line 7.4 from overflow page	184	
7.499 Totals (Line 7.401 through Line 7.403 plus Line 7.498) (Line 7.4 above)	(130,956)	(2,115)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 2	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Column 1 plus 2 minus 3)
1. Fire	4,581,028			4,581,028
2. Allied lines	3,012,224			3,012,224
3. Farmowners multiple peril				
4. Homeowners multiple peril	117,562		78,262	39,300
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical malpractice - occurrence				
11.2 Medical malpractice - claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims-made				
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Reinsurance - Nonproportional Assumed Property	2,536,560			2,536,560
31. Reinsurance - Nonproportional Assumed Liability				
32. Reinsurance - Nonproportional Assumed Financial Lines				
33. Aggregate write-ins for other lines of business				
34. TOTALS	10,247,374		78,262	10,169,112
DETAILS OF WRITE-INS				
3301.				
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A-RECAPITULATION OF ALL PREMIUMS

(a) Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience, viz:

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running More Than One Year from Date of Policy) (b)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire					
2. Allied lines					
3. Farmowners multiple peril					
4. Homeowners multiple peril	78,262				78,262
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine					
10. Financial guaranty					
11.1 Medical malpractice - occurrence					
11.2 Medical malpractice - claims-made					
12. Earthquake					
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability - occurrence					
17.2 Other liability - claims-made					
18.1 Products liability - occurrence					
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability					
19.3, 19.4 Commercial auto liability					
21. Auto physical damage					
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30. Reinsurance - Nonproportional Assumed Property					
31. Reinsurance - Nonproportional Assumed Liability					
32. Reinsurance - Nonproportional Assumed Financial Lines					
33. Aggregate write-ins for other lines of business					
34. TOTALS	78,262				78,262
35. Accrued retrospective premiums based on experience					
36. Earned but unbilled premiums					
37. Balance (Sum of Line 34 through Line 36)					78,262
DETAILS OF WRITE-INS					
3301.					
3302.					
3303.					
3398. Summary of remaining write-ins for Line 33 from overflow page					
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)					

(a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force. Are they so returned in this statement? Yes () No (X)

(b) State here basis of computation used in each case.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B-PREMIUMS WRITTEN

Gross Premiums (Less Return Premiums) , Including Policy and Membership Fees
Written and Renewed During Year

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	5,204,799				623,771	4,581,028
2. Allied lines	3,422,380				410,156	3,012,224
3. Farmowners multiple peril						
4. Homeowners multiple peril	120,733				3,171	117,562
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine						
10. Financial guaranty						
11.1 Medical malpractice - occurrence						
11.2 Medical malpractice - claims-made						
12. Earthquake						
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence						
17.2 Other liability - claims-made						
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability						
19.3, 19.4 Commercial auto liability						
21. Auto physical damage						
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30. Reinsurance - Nonproportional Assumed Property	XXX	178,379	3,511,044		1,152,863	2,536,560
31. Reinsurance - Nonproportional Assumed Liability	XXX					
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX					
33. Aggregate write-ins for other lines of business						
34. TOTALS	8,747,912	178,379	3,511,044		2,189,961	10,247,374
DETAILS OF WRITE-INS						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page						
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes () No (X)
 If yes: 1. The amount of such installment premiums \$
 2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Net Losses Unpaid Current Year (Part 2A Column 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Column 4 plus 5 minus 6)	Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1. Fire	2,052,276		(44,665)	2,096,941	442,155	305,059	2,234,037	48.8
2. Allied lines	6,114,131		3,530,133	2,583,998	171,190	129,104	2,626,084	87.2
3. Farmowners multiple peril								
4. Homeowners multiple peril	2,750			2,750	5,222		7,972	20.3
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine								
10. Financial guaranty								
11.1 Medical malpractice - occurrence								
11.2 Medical malpractice - claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability - occurrence								
17.2 Other liability - claims-made								
18.1 Products liability - occurrence								
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability								
19.3, 19.4 Commercial auto liability								
21. Auto physical damage								
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Reinsurance- Nonproportional Assumed Property	X X X	2,547,453	747,702	1,799,751	701,139	653,169	1,847,721	72.8
31. Reinsurance- Nonproportional Assumed Liability	X X X							
32. Reinsurance- Nonproportional Assumed Financial Lines	X X X							
33. Aggregate write-ins for other lines of business								
34. TOTALS	8,169,157	2,547,453	4,233,170	6,483,440	1,319,706	1,087,332	6,715,814	66.0
DETAILS OF WRITE-INS								
3301								
3302								
3303								
3398. Summary of remaining write-ins for Line 33 from overflow page								
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)								

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	250,181			250,181	262,145		70,171	442,155	77,928
2. Allied lines	613,115		556,115	57,000	155,929		41,739	171,190	41,496
3. Farmowners multiple peril									
4. Homeowners multiple peril					5,222			5,222	844
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical malpractice - occurrence									
11.2 Medical malpractice - claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability - occurrence									
17.2 Other liability - claims-made									
18.1 Products liability - occurrence									
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability									
19.3, 19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Reinsurance- Nonproportional Assumed Property	X X X	343,000	8,595	334,405	X X X	514,271	147,537	701,139	91,996
31. Reinsurance- Nonproportional Assumed Liability	X X X				X X X				
32. Reinsurance- Nonproportional Assumed Financial Lines	X X X				X X X				
33. Aggregate write-ins for other lines of business									
34. TOTALS	863,296	343,000	564,710	641,586	423,296	514,271	259,447	1,319,706	212,264
DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page									
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)									

(a) Including \$ for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	51,635			51,635
1.2 Reinsurance assumed				
1.3 Reinsurance ceded				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	51,635			51,635
2. Commission and brokerage:				
2.1 Direct excluding contingent		1,212,610		1,212,610
2.2 Reinsurance assumed excluding contingent		17,333		17,333
2.3 Reinsurance ceded excluding contingent		175,647		175,647
2.4 Contingent - direct				
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		1,370,924		1,370,924
3. Allowances to manager and agents				
4. Advertising	13,599	61,355		74,954
5. Boards, bureaus and associations	12,424	15,817		28,241
6. Surveys and underwriting reports		4,884		4,884
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	765,873	1,538,006		2,303,879
8.2 Payroll taxes				
9. Employee relations and welfare	18,013	72,398		90,411
10. Insurance	1,743	4,762		6,505
11. Directors' fees	26,325	55,263		81,588
12. Travel and travel items	68,420	53,241		121,661
13. Rent and rent items	38,600	13,403		52,003
14. Equipment	51,648	160,632		212,280
15. Cost or Depreciation of EDP equipment and software				
16. Printing and stationery	39,435	74,269		113,704
17. Postage, telephone and telegraph, exchange and express	88,634	145,431		234,065
18. Legal and auditing	85,321	149,578	96,649	331,548
19. Totals (Lines 3 to 18)	1,210,035	2,349,039	96,649	3,655,723
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$	57,902	125,533		183,435
20.2 Insurance department licenses and fees	397	34,756		35,153
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	58,299	160,289		218,588
21. Real estate expenses				
22. Real estate taxes	2,156	4,890		7,046
23. Reimbursements by uninsured accident and health plans				
24. Aggregate write-ins for miscellaneous expenses				
25. Total expenses incurred	1,322,125	3,885,142	96,649	5,303,916
26. Less unpaid expenses - current year	212,264	752,642		964,906
27. Add unpaid expenses - prior year	176,652	633,581		810,233
28. Amounts receivable relating to uninsured accident and health plans, prior year				
29. Amounts receivable relating to uninsured accident and health plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	1,286,513	3,766,081	96,649	5,149,243
DETAILS OF WRITE-INS				
2401.				
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)				

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 73,528	61,094
1.1 Bonds exempt from U. S. tax	(a) 46,696	45,651
1.2 Other bonds (unaffiliated)	(a) 467,619	482,676
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 6,296	6,296
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	8,921	9,182
2.21 Common stocks of affiliates	1,914,212	1,914,212
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e) 55,927	54,889
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	2,573,199	2,574,000
11. Investment expenses		(g) 96,649
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) 45,858
15. Aggregate write-ins for deductions from investment income		
16. Totals deductions (Line 11 through Line 15)		142,507
17. Net investment income (Line 10 minus Line 16)		2,431,493
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903 plus Line 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus Line 1598) (Line 15 above)		
(a) Includes \$ 23,986 accrual of discount less \$ 3,006 amortization of premium and less \$ 3,430 paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ 30,170 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	Total
1. U. S. Government bonds	15,187				15,187
1.1 Bonds exempt from U. S. tax					
1.2 Other bonds (unaffiliated)	1,237				1,237
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)	4,507				4,507
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates			1,439,324	(188,735)	1,250,589
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash/short-term investments					
7. Derivative instruments					
8. Other invested assets	13,811				13,811
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	34,742		1,439,324	(188,735)	1,285,331
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903 plus Line 0998) (Line 9 above)					

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Line 10 to Line 17 and Line 19 to Line 23, Column 2	349,687	457,649	107,962
2. Other Nonadmitted Assets:			
2.1 Bills receivable			
2.2 Furniture, equipment and supplies	240,298		(240,298)
2.3 Leasehold improvements			
2.4 Loans on personal security, endorsed or not			
3. Total (Line 2.1 to Line 2.4)	240,298		(240,298)
4. Aggregate write-ins for other assets	4,129		(4,129)
5. Total (Line 1 plus Line 3 and Line 4)	594,114	457,649	(136,465)
DETAILS OF WRITE-INS			
0401. PREPAID INSURANCE	4,129		(4,129)
0402.			
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page			
0499. Totals (Line 0401 through Line 0403 plus Line 0498) (Line 4 above)	4,129		(4,129)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Ohio Mutual Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports from ceding companies for reinsurance.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies:

- (1) All short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at either amortized cost, using the interest method or the lower of amortized cost or fair market value.
- (3) Unaffiliated common stocks are stated at fair market value. Common stocks of uncombined subsidiaries and affiliates in which the company has an interest of 20% or more are carried on the equity basis. The Company has no ownership in uncombined subsidiaries and affiliates.
- (4) Redeemable Preferred stocks and sinking fund preferred in good standing are carried at amortized cost. Perpetual preferred stocks in good standing are carried at fair market value. Other preferred stocks not in good standing are carried at the lower of amortized cost or fair market value.
- (5) The Company has no mortgage loans on real estate.
- (6) Loan-backed securities are stated at either amortized cost, using the interest method or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities, EITF 99-20 eligible securities or securities where the yield had become negative, those are valued using the prospective method.
- (7) The Company's non-insurance subsidiaries are Centurion Financial, Inc. and United Premium Budget Service Inc.
- (8) The Company has no ownership interest in any joint venture.
- (9) All derivatives are stated at fair value.
- (10) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts-Premiums.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

2. Accounting Changes and Corrections of Errors

The only change to note is on the Schedule D - Summary by Country schedule. The beginning number for 2002 is not the ending number in the annual statement for the year 2001. Two Certificates of Deposit were moved from Part 1 (Bonds) to Schedule E (Cash) and the book adjusted carrying values were taken out of the beginning balance in 2002 as if they were originally purchased into the Schedule E section instead of the Schedule D Part 1 section.

3. Business Combinations and Goodwill

The Company is not involved in any business combinations.

4. Discontinued Operations

The Company has no discontinued operations to report.

NOTES TO FINANCIAL STATEMENTS

5. Investments

- A. The Company has no mortgage loans.
 B. The Company has no debt restructuring.
 C. The Company has no reverse mortgages.
 D. Loan-Backed Securities
 (1) When applying the retrospective method, the company uses historical cash flows and has elected not to use book values as of January 1, 1994 as the cost for securities purchased prior to January 1, 1994.
 (2) Prepayment assumptions for mortgage-backed securities, Asset-backed securities and Collateralized Mortgage Obligations were generated using a purchased prepayment model. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels of interest rates (refinancing incentive), economic activity (including housing turnover) and term and age of the underlying collateral (burnout, seasoning).
 (3) The market value of loan-backed securities were obtained from Bridge Capital Markets, ABSG, Lehman Brothers, Bear Stearns or independent security dealers.
 (4) In the year of 2002 the Company had no negative yield situations requiring a change from the retrospective to prospective method.
 E. The Company has no repurchase agreements.

6. Joint Ventures, Partnerships and Limited Liability Companies.

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
 B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

The Company has no due and accrued income excluded from surplus.

8. Derivative Instruments

The Company has no derivative instruments.

9. Tax Notes

- A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

	2002	2001
(1) Total of all deferred tax assets (admitted and nonadmitted)	\$ 70,507	\$ 41,109
(2) Total of all deferred tax liabilities	\$ 36,419	\$ 48,449
(3) Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	\$ 0	\$ 0
(4) Total of all DTAs admitted [(1)-(2)-(3)], no less than zero	\$ 34,088	\$ 0
(5) Net Change during the year in the total DTAs nonadmitted	\$ 0	\$ 0

- B. Deferred Tax liabilities are not recognized for the following amounts:

Not Applicable

- C. The components of net deferred tax asset at December 31, 2002 are as follows:

Deferred tax assets:	2002	2001	Change
Loss Discount	\$ 49,500	\$ 41,109	\$ 8,391
Unearned Premium	5,322	0	5,322
Fixes Assets	14,281	0	14,281
Prepaid Expenses	1,404	0	1,404
Total deferred tax assets:	\$ 70,507	\$ 41,109	\$ 29,398

Deferred tax liabilities:

Accrued Market Discount	(12,678)	(4,620)	(8,058)
Unrealized Gain on Investments	(23,741)	(40,429)	16,688
Other	0	(3,400)	3,400
Total deferred tax liabilities:	\$ (36,419)	\$ (48,449)	\$ 12,030

Net admitted deferred tax asset/(liability)	34,088	(7,340)	41,428
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Tax effect of unrealized gain/(loss) on investment			16,688
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Change in net deferred income tax			24,740
-----------------------------------	--	--	--------

NOTES TO FINANCIAL STATEMENTS

D. The federal income tax expense differs from the amount obtained by applying the federal statutory rate of 34% to earnings before income tax for the following reasons:

	2002	2001
Expected federal income tax expense	\$ 212,205	\$(114,020)
Tax-exempt income	\$ (15,523)	\$(29,594)
Loss reserve discounting	\$ 8,391	\$(16,209)
Unearned premium	\$ 1,404	\$ 0
Dividends Received Deduction	\$(654,454)	\$ 0
Proration	\$ 1,785	\$ 0
Other Amounts	<u>\$ (18,808)</u>	<u>\$(40,177)</u>
 Total incurred income tax expense	 \$(465,000)	 \$(200,000)

E. (1) As of December 31, 2002 the Company had no operating loss carryforwards.

(2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

2002 (current year)	\$	0
2001	\$	0
2000	\$	0

F. (1) The Company's federal Income Tax return is consolidated with the following entities:

Ohio Mutual Insurance Company
 United Ohio Insurance Company
 Ohio United Agency, Inc.
 United Premium Budget Service, Inc.
 Centurion Financial, Inc.

(2) The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany balances are settled annually in the final quarter.

10. Information Concerning Parent, Subsidiaries and Affiliates

The Company is the parent company within the Ohio Mutual Insurance Group.

The Company is the sole shareholder and owner of United Ohio Insurance Company, United Premium Budget Service Inc., Centurion Financial Inc., and Ohio United Agency Inc.

Centurion Financial Inc. has agreed to provide personnel services to the Company at cost plus thirty-five percent management fee.

Ohio United Agency has agreed to provide computer services to the Company.

11. Debt

A. The Company has no capital debt.

B. The Company has an outstanding liability for a note payable issued December 31, 2002 in the amount of \$1,000,000 due to Centurion Financial, Inc., a wholly owned subsidiary. The principal amount is due upon demand. At the option of the Company, early repayment may be made. Interest at 5% is required to be paid quarterly.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans.

Centurion Financial is responsible for all Employee Pension Plan funding and the 401(k) Savings Plan.

The Company has no deferred compensation plan.

Centurion Financial is responsible for all Post Retirement Benefit Plans.

13. Capital and Surplus, Dividend Restrictions and Quasi-reorganizations.

- (1) The Company has no shares of capital stock outstanding.
- (2) The Company has no shares of preferred stock outstanding.
- (3) The Company has no dividend restrictions.
- (4) No portion of the Company's profits are paid as ordinary dividends to stockholders.
- (5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (6) The total amount of advances to surplus not repaid is \$0.
- (7) There is no stock held by the Company, including stock of affiliated companies, for special purposes.

NOTES TO FINANCIAL STATEMENTS

- (8) The Company has not experienced any changes in balances of special surplus funds.
- (9) The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:
- | | |
|---------------------------------|--------------|
| a. unrealized gains and losses: | \$ 1,250,589 |
| b. nonadmitted asset values: | \$ (136,465) |
| c. separate account business | \$ 0 |
| d. asset valuation reserves | \$ 0 |
| e. provision for reinsurance: | \$ 0 |
- (10) The Company has no surplus debentures or similar obligations.
- (11) The Company has no restatement due to quasi-reorganizations.
- (12) There are no quasi-reorganizations to report.

14. Contingencies

- A. The Company has no commitment or contingent commitment to any other entity, joint venture, partnership, or limited liability company.
- B. The Company has received notification of the insolvency of several companies. It is expected that the insolvency will result in a guaranty fund assessment against the Company at some future date. At this time the Company is unable to estimate the possible amounts, if any, of such assessments. Accordingly, the Company is unable to determine the impact, if any, such assessments may have on the Company's financial position or results of operations.
- C. The Company has no gain contingencies.
- D. There are no other contingencies that have not been specified above.

15. Leases

The Company does not have any lease obligations at this time.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

The Company has no Financial Instruments with off-balance sheet risk.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

The Company has no sale, transfer and servicing of financial assets and extinguishments of liabilities.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

The Company has no gain or loss to report from Uninsured A&H Plans or the Uninsured Portion of Partially Insured Plans.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company has no direct written premium produced by managing general agents or third party administrators.

20. Other Items

The Company has no extraordinary items, troubled debt restructuring or other disclosures.

21. Events Subsequent

The Company has no subsequent events.

22. Reinsurance

A. Unsecured Reinsurance Recoverables

The Company does not have any unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company's policyholder surplus.

B. Reinsurance Recoverable in Dispute

The Company does not have any reinsurance recoverable in dispute.

C. Reinsurance Assumed and Ceded

The Company's reinsurance assumed and ceded reinsurance is as follows:

(1)		<u>Assumed</u>	<u>Ceded</u>		<u>Net</u>
		<u>Reinsurance</u>	<u>Reinsurance</u>		
	(1)	(2)	(3)	(4)	(5) (6)

NOTES TO FINANCIAL STATEMENTS

	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$	\$	\$	\$	\$	\$
b. All Other	\$	\$	\$	\$	\$	\$
c. TOTAL	\$	\$	\$	\$	\$	\$
d. Direct Unearned Premium Reserve	\$ 78,262					

Line (c) of Column 5 plus Line (d) must equal Page 3, Line 9, Column 1.

(2) The additional return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements are accrued as follows:

	(1) <u>Direct</u>	<u>REINSURANCE</u>		(4) <u>Net</u>
		(2) <u>Assumed</u>	(3) <u>Ceded</u>	
a. Contingent Commission	\$	\$	\$	\$
b. Sliding Scale Adjustments	\$	\$	\$	\$
c. Other Profit Commission Arrangements	\$	\$	\$	\$
d. TOTAL	\$	\$	\$	\$

D. Uncollectable Reinsurance

The Company has no uncollectable reinsurance.

E. Commutation of Ceded Reinsurance

The Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts which are reflected as:

1. Losses incurred		\$ 0
2. Loss adjustment expenses incurred		\$ 0
3. Premiums earned		\$ 0
4. Other		\$ 0
5. <u>Company</u>	<u>Amount</u>	
	\$	
	\$	

F. Retroactive Reinsurance

The Company has no retroactive reinsurance.

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

The Company has no retrospectively rated contracts.

24. Change in Incurred Losses and Loss Adjustment Expenses

The Company did not make any changes in the provision for incurred loss and loss adjustment expenses attributable to insured events of prior years.

25. Intercompany Pooling Arrangements

The Company does not participate in a pooling arrangement.

26. Structured Settlements - NONE

27. High Deductibles - NONE

28. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

The Company does not discount loss or loss adjustment expense reserves.

29. Asbestos/Environmental Reserves

The Company has no reserve for asbestos or environmental claims exposures.

30. Subscriber Savings Accounts - Not Applicable

31. Financial Guaranty Insurance Exposures

The Company does not write financial guaranty insurance.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities				
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	396,634	0.600	396,634	0.600
1.43 Revenue and assessment obligations	1,374,294	2.078	1,374,294	2.078
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA				
1.512 Issued by FNMA and FHLMC	1,172,794	1.773	1,172,794	1.773
1.513 Privately issued				
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC	1,187,434	1.795	1,187,434	1.795
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC	128,617	0.194	128,617	0.194
1.523 All other privately issued	2,601,267	3.933	2,601,267	3.933
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	1,087,732	1.645	1,087,732	1.645
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds	544,292	0.823	544,292	0.823
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated	75,482	0.114	75,482	0.114
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated	182		182	
3.4 Other equity securities:				
3.41 Affiliated	49,414,864	74.714	49,414,864	74.714
3.42 Unaffiliated	212,230	0.321	212,230	0.321
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
5. Real estate investments:				
5.1 Property occupied by company	3,448,636	5.214	3,448,636	5.214
5.2 Property held for production of income (includes \$ _____ of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ _____ including property acquired in satisfaction of debt)				
6. Policy loans				
7. Receivables for securities				
8. Cash and short-term investments	3,920,180	5.927	3,920,180	5.927
9. Other invested assets	574,498	0.869	574,498	0.869
10. Total invested assets	66,139,136	100.000	66,139,136	100.000

GENERAL INTERROGATORIES (continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP
1100 Huntington Center 41 South High Street Columbus, Ohio 43215

9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Charles H. Boucek, FCAS, MAAA
Ernst & Young 111 North Canal Street Chicago, IL 60606-7206

10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
.....

10.2 Does this statement contain all business transacted for the reporting entity through its United States branch, on risks wherever located? Yes () No ()

10.3 Have there been any changes made to any of the trust indentures during the year? Yes () No ()

10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes () No () N/A (X)

BOARD OF DIRECTORS

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes (X) No ()

12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes (X) No ()

13. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees which is in or is likely to conflict with the official duties of such person? Yes (X) No ()

FINANCIAL

14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

	14.11 To directors or other officers	\$
	14.12 To stockholders not officers	\$
	14.13 Trustees, supreme or grand (Fraternal only)	\$

14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

	14.21 To directors or other officers	\$
	14.22 To stockholders not officers	\$
	14.23 Trustees, supreme or grand (Fraternal only)	\$

15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes () No (X)

15.2 If yes, state the amount thereof at December 31 of the current year:

	15.21 Rented from others	\$
	15.22 Borrowed from others	\$
	15.23 Leased from others	\$
	15.24 Other	\$

Disclose in Notes to Financial Statements the nature of each obligation.

16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes () No (X)

16.2 If answer is yes:

	16.21 Amount paid as losses or risk adjustment	\$
	16.22 Amount paid as expenses	\$
	16.23 Other amounts paid	\$

**GENERAL INTERROGATORIES
(Continued)**

INVESTMENT

17. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price if Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred					Yes () No (X)	Yes () No (X)
Common				XXX	XXX XXX	XXX XXX

18.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 2 - Special Deposits? Yes (X) No ()

18.2 If no, give full and complete information relating thereto:

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 2 - Special Deposits; or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1) Yes () No (X)

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21	Loaned to others	\$
19.22	Subject to repurchase agreements	\$
19.23	Subject to reverse repurchase agreements	\$
19.24	Subject to dollar repurchase agreements	\$
19.25	Subject to reverse dollar repurchase agreements	\$
19.26	Pledged as collateral	\$
19.27	Placed under option agreements	\$
19.28	Letter stock or securities restricted as to sale	\$
19.29	Other	\$

19.3 For each category above, if any of these assets are held by other, identify by whom held:

- 19.31
- 19.32
- 19.33
- 19.34
- 19.35
- 19.36
- 19.37
- 19.38
- 19.39

For categories (19.21) and (19.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

20.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes () No (X)

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes () No () N/A (X)
If no, attach a description with this statement.

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes () No (X)

21.2 If yes, state the amount thereof at December 31 of the current year. \$

22. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ()

22.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
FIFTH THIRD BANK	38 FOUNTAIN SQUARE PLAZA, CINCINNATI, OH 45263
.....

GENERAL INTERROGATORIES (continued)

INVESTMENT

22.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year? Yes () No (X)

22.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

22.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
	GEN RE/NEW ENGLAND ASSET MGT	76 BATTERSON PARK ROAD, FARMINGTON, CT 06032
	SEC FILE #801-22445	

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 23,270

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
OHIO INSURANCE INSTITUTE	\$ 13,396
NAMIC	\$ 5,434
	\$
	\$

24.1 Amount of payments for legal expenses, if any? \$ 8,185

24.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
VORYS, SATER, SEYMOUR & PEASE, L.L.P.	\$ 4,716
SPURLOCK, SEARS, PRY, GRIEBLING & MC BRI	\$ 3,088
	\$
	\$

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$

25.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$
	\$

GENERAL INTERROGATORIES (continued)
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes () No (X)
- 1.2 If yes, indicate premium earned on U. S. business only. \$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
- 1.31 Reason for excluding:

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Line (1.2) above. \$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$
- 1.62 Total incurred claims \$
- 1.63 Number of covered lives
- All years prior to most current three years:
- 1.64 Total premium earned \$
- 1.65 Total incurred claims \$
- 1.66 Number of covered lives
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$
- 1.72 Total incurred claims \$
- 1.73 Number of covered lives
- All years prior to most current three years:
- 1.74 Total premium earned \$
- 1.75 Total incurred claims \$
- 1.76 Number of covered lives
- 2.1 Does the reporting entity issue both participating and non-participating policies? Yes () No (X)
- 2.2 If yes, state the amount of calendar year premiums written on:
- 2.21 Participating \$
- 2.22 Non-participating policies \$
3. For Mutual Reporting Entities and Reciprocal Exchange only:
- 3.1 Does the reporting entity issue assessable policies? Yes (X) No ()
- 3.2 Does the reporting entity issue non-assessable policies? Yes () No (X)
- 3.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? 100.0 %
- 3.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$
4. For Reciprocal Exchanges only:
- 4.1 Does the exchange appoint local agents? Yes () No ()
- 4.2 If yes, is the commission paid:
- 4.21 Out of Attorney's-in-fact compensation Yes () No () N/A (X)
- 4.22 As a direct expense of the exchange Yes () No () N/A (X)
- 4.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

- 4.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred? Yes () No ()
- 4.5 If yes, give full information.

- 5.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
 DOES NOT WRITE WORKERS' COMPENSATION

- 5.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
 WE HAVE A CATASTROPHIC REINSURANCE PROGRAM

- 5.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
 WE HAVE A CATASTROPHIC REINSURANCE PROGRAM

- 5.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes (X) No ()
- 5.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.

- 6.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract which includes a provision which would limit the reinsurers's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)? Yes () No (X)
- 6.2 If yes, indicate the number of reinsurance contracts containing such provisions.

GENERAL INTERROGATORIES (continued)
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 7.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes () No (X)
- 7.2 If yes, give full information.

8. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original reporting entity would have been required to charge had it retained the risks. Has this been done? Yes (X) No () N/A ()
- 9.1 Has this reporting entity guaranteed policies issued by any other entity and now in force? Yes () No (X)
- 9.2 If yes, give full information.

- 10.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | |
|---|----------|
| 10.11 Unpaid losses | \$ |
| 10.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ |
- 10.2 Of the amount on Line 10.3 of the assets schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds. \$
- 10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes () No () N/A (X)
- 10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | |
|------------|---------|
| 10.41 From | % |
| 10.42 To | % |
- 10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes () No (X)
- 10.6 If yes, state the amount thereof at December 31 of the current year:
- | | |
|----------------------------------|----------|
| 10.61 Letters of credit | \$ |
| 10.62 Collateral and other funds | \$ |
- 11.1 What amount of installment notes is owned and now held by the reporting entity? \$
- 11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Yes () No (X)
- 11.3 If yes, what amount? \$
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 150,000
- 12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes () No (X)
- 12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 3
- 13.1 Has the reporting entity guaranteed any financial premium accounts? Yes () No (X)
- 13.2 If yes, give full information.

- 14.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes () No (X)
- | | |
|---|----------|
| 14.11 Name of real estate holding company | |
| 14.12 Number of parcels involved | |
| 14.13 Total book/adjusted carrying value | \$ |
- 14.2 If yes, provide explanation.

- 15.1 Does the reporting entity write any warranty business? Yes () No (X)
 If yes, disclose the following information for each of the following types of warranty coverage:
- | | 1
Direct Losses
Incurred | 2
Direct Losses
Unpaid | 3
Direct Written
Premium | 4
Direct Premium
Unearned | 5
Direct Premium
Earned |
|------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 15.11 Home | | | | | |
| 15.12 Products | | | | | |
| 15.13 Automobile | | | | | |
| 15.14 Other* | | | | | |

* Disclose type of coverage:

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2002	2 2001	3 2000	4 1999	5 1998
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)					
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	8,627,179	9,021,587	6,450,898	6,500,412	5,983,515
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	120,733				
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)					
5. Nonproportional reinsurance lines (Lines 30, 31 and 32)	3,689,423	3,854,836	4,553,347	4,725,058	5,434,056
6. Total (Line 34)	12,437,335	12,876,423	11,004,245	11,225,470	11,417,571
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)					
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	7,593,252	7,914,708	5,818,895	5,800,772	5,375,129
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	117,562				
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)					
11. Nonproportional reinsurance lines (Line 30, 31 and 32)	2,536,560	2,852,847	3,616,235	3,728,557	4,347,962
12. Total (Line 34)	10,247,374	10,767,555	9,435,130	9,529,329	9,723,091
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(1,753,968)	(1,022,461)	(1,411,327)	(323,168)	(955,993)
14. Net investment gain (loss) (Line 11)	2,466,235	760,812	753,287	574,863	206,151
15. Total other income (Line 15)	(178,732)	(73,705)	54,887	(12,115)	112,841
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	(465,000)	(200,000)	(225,000)	40,000	(250,000)
18. Net income (Line 20)	998,535	(135,354)	(378,153)	199,580	(387,001)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding Protected Cell (Page 2, Line 26, Column 3)	74,907,797	72,110,698	62,452,261	56,087,164	50,020,363
20. Agents' balances or uncollected premiums (Page 2, Column 3)					
20.1 In course of collection (Line 10.1)	777,989	3,145,467	461,493	485,100	398,145
20.2 Deferred and not yet due (Line 10.2)	6,065,138	3,794,016	1,547,456	1,097,071	1,175,650
20.3 Accrued retrospective premiums (Line 10.3)					
21. Total liabilities excluding Protected Cell (Page 3, Line 24)	7,459,292	6,813,308	4,861,420	3,356,008	3,584,357
22. Losses (Page 3, Line 1 and Line 2)	1,319,706	1,087,332	1,546,390	1,053,411	1,354,828
23. Loss adjustment expenses (Page 3, Line 3)	212,264	176,652	193,384	144,258	148,219
24. Unearned premiums (Page 3, Line 9)	78,262				78,500
25. Capital paid up (Page 3, Line 28 and Line 29)					
26. Surplus as regards policyholders (Page 3, Line 35)	67,448,505	65,297,390	57,590,841	52,731,157	46,436,006
Risk-Based Capital Analysis					
27. Total adjusted capital	67,448,505	65,297,390	57,590,841	52,731,157	46,436,006
28. Authorized control level risk-based capital	5,070,590	4,582,892	3,830,743	3,243,380	2,971,624
Percentage Distribution of Cash and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 9, Column 3) x 100.0					
29. Bonds (Line 1)	12.0	13.5	21.6	19.1	20.1
30. Stocks (Line 2.1 and Line 2.2)	76.0	76.7	73.3	74.8	74.0
31. Mortgage loans on real estate (Line 3.1 and Line 3.2)					
32. Real estate (Lines 4.1, 4.2 and 4.3)	5.2	2.8	1.9	1.7	1.9
33. Cash and short-term investments (Line 5)	5.9	6.1	2.4	3.6	3.0
34. Other invested assets (Line 6)	0.9	0.9	0.8	0.9	1.0
35. Receivable for securities (Line 7)					
36. Aggregate write-ins for invested assets (Line 8)					
37. Cash and invested assets (Line 9)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
38. Affiliated bonds (Schedule D, Summary, Line 25, Column 1)					
39. Affiliated preferred stocks (Schedule D, Summary, Line 39, Column 1)					
40. Affiliated common stocks (Schedule D, Summary, Line 53, Column 2)	49,414,864	47,975,540	39,783,137	37,499,698	32,721,186
41. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Column 5 Line 11)					
42. Affiliated mortgage loans on real estate					
43. All other affiliated					
44. Total of above Line 38 through Line 43	49,414,864	47,975,540	39,783,137	37,499,698	32,721,186
45. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 44 above divided by Page 3, Column 1, Line 34 x 100.0)	73.3	73.5	69.1	71.1	70.5

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Capital and Surplus Accounts (Page 4)					
46. Net unrealized capital gains (losses) (Line 23)	1,250,589	8,193,375	2,379,123	4,725,822	2,447,218
47. Dividends to stockholders (Line 34)					
48. Change in surplus as regards policyholders for the year (Line 37)	2,151,115	7,706,549	4,859,684	6,295,151	2,140,024
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
49. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)					
50. Property lines (Lines 1, 2, 9, 12, 21 and 26)	8,166,407	5,279,939	3,412,279	3,515,148	4,164,464
51. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	2,750				
52. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)					
53. Nonproportional reinsurance lines (Lines 30, 31, and 32)	2,547,453	3,411,317	3,992,138	3,369,150	3,738,695
54. Total (Line 34)	10,716,610	8,691,256	7,404,417	6,884,298	7,903,159
Net Losses Paid (Page 9, Part 2, Column 4)					
55. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)					
56. Property lines (Lines 1, 2, 9, 12, 21 and 26)	4,680,939	4,358,027	3,064,373	3,332,440	3,770,156
57. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	2,750				
58. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)					
59. Nonproportional reinsurance lines (Lines 30, 31, and 32)	1,799,751	2,959,710	2,830,464	2,997,790	2,816,831
60. Total (Line 34)	6,483,440	7,317,737	5,894,837	6,330,230	6,586,987
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
61. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
62. Losses incurred (Line 2)	66.0	63.7	67.7	62.7	71.3
63. Loss expenses incurred (Line 3)	13.0	10.3	11.6	10.6	9.9
64. Other underwriting expenses incurred (Line 4)	38.2	35.5	35.7	30.1	28.7
65. Net underwriting gain (loss) (Line 8)	(17.2)	(9.5)	(15.0)	(3.4)	(9.9)
Other Percentages					
66. Other underwriting expenses to net premiums written (Page 4, Lines 4 plus 5 minus 15 divided by Page 8, Part 1B, Column 6, Line 34 x 100.0)	39.7	36.2	35.1	30.4	27.3
67. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 plus Line 3 divided by Page 4, Line 1 x 100.0)	79.0	74.0	79.3	73.3	81.2
68. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 34 divided by Page 3, Line 35, Column 1 x 100.0)	15.2	16.5	16.4	18.1	20.9
One Year Loss Development (000 omitted)					
69. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	76	43	(169)	(402)	191
70. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 69 above divided by Page 4, Line 21, Column 1 x 100.0)	0.1	0.1	(0.3)	(0.9)	0.4
Two Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	153	(151)	(395)	73	84
72. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 71 above divided by Page 4, Line 21, Column 2 x 100.0)	0.3	(0.3)	(0.9)	0.2	0.2

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States				
	2. Canada				
	3. Other Countries				
	4. Totals				
States, Territories and Possessions (Direct and guaranteed)	5. United States				
	6. Canada				
	7. Other Countries				
	8. Totals				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States	396,634	396,634	393,873	400,000
	10. Canada				
	11. Other Countries				
	12. Totals	396,634	396,634	393,873	400,000
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	3,863,139	3,863,139	3,854,437	3,936,638
	14. Canada				
	15. Other Countries				
	16. Totals	3,863,139	3,863,139	3,854,437	3,936,638
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
	20. Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	3,688,999	3,721,348	3,684,032	3,721,466
	22. Canada				
	23. Other Countries				
	24. Totals	3,688,999	3,721,348	3,684,032	3,721,466
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	7,948,772	7,981,121	7,932,342	8,058,104
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27. United States	27,503	27,632	27,503	
	28. Canada				
	29. Other Countries				
	30. Totals	27,503	27,632	27,503	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States	15,145	15,090	15,145	
	32. Canada				
	33. Other Countries				
	34. Totals	15,145	15,090	15,145	
Industrial and Miscellaneous (unaffiliated)	35. United States	32,834	32,830	40,007	
	36. Canada				
	37. Other Countries				
	38. Totals	32,834	32,830	40,007	
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks	75,482	75,552	82,655	
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	212,230	212,230	104,847	
	46. Canada				
	47. Other Countries				
	48. Totals	212,230	212,230	104,847	
Industrial and Miscellaneous (unaffiliated)	49. United States	544,474	544,474	714,509	
	50. Canada				
	51. Other Countries				
	52. Totals	544,474	544,474	714,509	
Parent, Subsidiaries and Affiliates	53. Totals	49,414,864	49,414,864	20,943,238	
	54. Total Common Stocks	50,171,568	50,171,568	21,762,594	
	55. Total Stocks	50,247,050	50,247,120	21,845,249	
	56. Total Bonds and Stocks	58,195,822	58,228,241	29,777,591	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ 7,094,060 .

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year	57,610,371	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3	2,171,296	6.1 Column 17, Part 1	
3. Increase (decreased) by adjustment:		6.2 Column 13, Part 2, Section 1	
3.1 Column 16, Part 1	16,686	6.3 Column 11, Part 2, Section 2	
3.2 Column 12, Part 2, Section 1	(4,800)	6.4 Column 11, Part 4	
3.3 Column 10, Part 2, Section 2	1,261,124	7. Book/adjusted carrying value at end of current period	58,195,822
3.4 Column 10, Part 4	(1,440)	8. Total valuation allowance	
4. Total gain (loss), Column 14, Part 4	20,931	9. Subtotal (Line 7 plus Line 8)	58,195,822
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	2,878,346	10. Total nonadmitted amounts	
		11. Statement value of bonds and stocks, current period	58,195,822

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior	XXX	XXX	XXX									XXX	
2. 1993	12,741	1,803	10,938	8,093	687	118			494		5	8,018	XXX
3. 1994	12,926	1,823	11,103	7,396	1,028	101			491		21	6,960	XXX
4. 1995	12,185	2,060	10,125	6,018	353	76			400		27	6,141	XXX
5. 1996	12,123	1,726	10,397	6,711	405	58			579		61	6,943	XXX
6. 1997	11,431	1,749	9,682	6,339	582	34			716		78	6,507	XXX
7. 1998	11,340	1,694	9,646	8,022	1,666	28			868		41	7,252	XXX
8. 1999	11,304	1,696	9,608	6,440	144	16			987		88	7,299	XXX
9. 2000	11,004	1,569	9,435	8,799	2,011	20			1,109		37	7,917	XXX
10. 2001	12,876	2,109	10,767	7,555	951	6			1,070		71	7,680	XXX
11. 2002	12,358	2,190	10,168	9,469	4,010	24			1,094		33	6,577	XXX
12. Totals	XXX	XXX	XXX	74,842	11,837	481			7,808		462	71,294	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													XXX
2.													XXX
3.													XXX
4.													XXX
5.													XXX
6.													XXX
7.													XXX
8.			4									4	XXX
9.		9	9						2			2	XXX
10.	51		89				9		25			174	XXX
11.	1,155	556	836	259			25		151			1,352	XXX
12.	1,206	565	938	259			34		178			1,532	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter - Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.	8,705	687	8,018	68.3	38.1	73.3					
3.	7,988	1,028	6,960	61.8	56.4	62.7					
4.	6,494	353	6,141	53.3	17.1	60.7					
5.	7,348	405	6,943	60.6	23.5	66.8					
6.	7,089	582	6,507	62.0	33.3	67.2					
7.	8,918	1,666	7,252	78.6	98.3	75.2					
8.	7,447	144	7,303	65.9	8.5	76.0				4	
9.	9,939	2,020	7,919	90.3	128.7	83.9					2
10.	8,805	951	7,854	68.4	45.1	72.9				140	34
11.	12,754	4,825	7,929	103.2	220.3	78.0				1,176	176
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	1,320	212

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT		
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	11 One Year	12 Two Year	
1. Prior													
2. 1993	7,358	7,460	7,519	7,520	7,525	7,525	7,525	7,524	7,524	7,524			
3. 1994	XXX	6,462	6,509	6,477	6,475	6,483	6,481	6,471	6,471	6,469	(2)	(2)	
4. 1995	XXX	XXX	5,636	5,708	5,758	5,742	5,742	5,742	5,741	5,741		(1)	
5. 1996	XXX	XXX	XXX	6,338	6,282	6,377	6,366	6,365	6,364	6,364		(1)	
6. 1997	XXX	XXX	XXX	XXX	5,817	5,918	5,815	5,779	5,786	5,791	5	12	
7. 1998	XXX	XXX	XXX	XXX	XXX	6,720	6,436	6,491	6,483	6,384	(99)	(107)	
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	6,488	6,312	6,333	6,316	(17)	4	
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,560	6,585	6,808	223	248	
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,793	6,759	(34)	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,684	XXX	XXX	
											12. Totals	76	153

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	0 0 0										XXX	XXX
2. 1993	60,432	7,376	7,523	7,520	7,525	7,525	7,525	7,524	7,524	7,524	XXX	XXX
3. 1994	XXX	5,437	6,481	6,464	6,464	6,473	6,471	6,471	6,471	6,469	XXX	XXX
4. 1995	XXX	XXX	4,783	5,705	5,753	6,742	5,742	5,742	5,741	5,741	XXX	XXX
5. 1996	XXX	XXX	XXX	5,380	6,266	6,373	6,365	6,365	6,364	6,364	XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	4,764	5,882	5,814	5,779	5,786	5,791	XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	5,391	6,420	6,491	6,483	6,384	XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	5,424	6,291	6,313	6,312	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,983	6,574	6,808	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,721	6,610	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,483	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior										
2. 1993	470									
3. 1994	XXX	540			1	1				
4. 1995	XXX	XXX	467	4	5	1				
5. 1996	XXX	XXX	XXX	390	8	3	1			
6. 1997	XXX	XXX	XXX	XXX	403	1	1			
7. 1998	XXX	XXX	XXX	XXX	XXX	397	16			
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	379	19	20	4
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	488	148	9
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	478	98
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	602

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	No							
2. Alaska	AK	No							
3. Arizona	AZ	No							
4. Arkansas	AR	No							
5. California	CA	No							
6. Colorado	CO	No							
7. Connecticut	CT	No							
8. Delaware	DE	No							
9. Dist. Columbia	DC	No							
10. Florida	FL	No							
11. Georgia	GA	No							
12. Hawaii	HI	No							
13. Idaho	ID	No							
14. Illinois	IL	No							
15. Indiana	IN	No							
16. Iowa	IA	No							
17. Kansas	KS	No							
18. Kentucky	KY	No							
19. Louisiana	LA	No							
20. Maine	ME	No							
21. Maryland	MD	No							
22. Massachusetts	MA	No							
23. Michigan	MI	No							
24. Minnesota	MN	No							
25. Mississippi	MS	No							
26. Missouri	MO	No							
27. Montana	MT	No							
28. Nebraska	NE	No							
29. Nevada	NV	No							
30. New Hampshire	NH	No							
31. New Jersey	NJ	No							
32. New Mexico	NM	No							
33. New York	NY	No							
34. North Carolina	NC	No							
35. North Dakota	ND	No							
36. Ohio	OH	Yes	8,747,912	12,359,073	8,169,157	8,892,770	1,286,592	184	
37. Oklahoma	OK	No							
38. Oregon	OR	No							
39. Pennsylvania	PA	No							
40. Rhode Island	RI	No							
41. South Carolina	SC	No							
42. South Dakota	SD	No							
43. Tennessee	TN	No							
44. Texas	TX	No							
45. Utah	UT	No							
46. Vermont	VT	No							
47. Virginia	VA	No							
48. Washington	WA	No							
49. West Virginia	WV	No							
50. Wisconsin	WI	No							
51. Wyoming	WY	No							
52. American Samoa	AS	No							
53. Guam	GU	No							
54. Puerto Rico	PR	No							
55. U.S. Virgin Islands	VI	No							
56. Canada	CN	No							
57. Aggregate other alien	OT	X X X							
58. Totals	(a) 1		8,747,912	12,359,073	8,169,157	8,892,770	1,286,592	184	
DETAILS OF WRITE-INS									
5701.		X X X							
5702.		X X X							
5703.		X X X							
5798. Summary of remaining write-ins for Line 57 from overflow page		X X X							
5799. Totals (Line 5701 through Line 5703 plus Line 5798) (Line 57 above)		X X X							

Explanation of basis of allocation of premiums by states, etc.

(a) Insert the number of yes responses except for Canada and Other Alien.