



# ANNUAL STATEMENT

For the Year Ended December 31, 2002  
of the Condition and Affairs of the

## Club Insurance Company

NAIC Group Code..... , (Current Period) (Prior Period) NAIC Company Code..... 10974 Employer's ID Number..... 31-1631404

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

Country of Domicile US

Incorporated..... December 11, 1998

Commenced Business..... April 29, 1999

Statutory Home Office 90 East Wilson Bridge Rd ..... Worthington ..... OH ..... 43085  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 90 East Wilson Bridge Rd ..... Worthington ..... OH ..... 43085  
(Street and Number) (City or Town, State and Zip Code)

614-431-7889  
(Area Code) (Telephone Number)

Mail Address 90 East Wilson Bridge Rd ..... Worthington ..... OH ..... 43085  
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 90 East Wilson Bridge Rd ..... Worthington ..... OH ..... 43085  
(Street and Number) (City or Town, State and Zip Code)

614-431-7889  
(Area Code) (Telephone Number)

Internet Website Address N/A

Statement Contact Ronald Jay Carr  
(Name)  
rcarr@aaaohio.com  
(E-Mail Address)

614-431-7805  
(Area Code) (Telephone Number) (Extension)  
614-433-0710  
(Fax Number)

Policyowner Relations Contact 90 East Wilson Bridge Rd ..... Worthington ..... OH ..... 43085  
(Street and Number) (City or Town, State and Zip Code)

614-431-7889  
(Area Code) (Telephone Number) (Extension)

### OFFICERS

President ..... Gregory Lowell Cady

Treasurer ..... Thomas Wesley Keyes

Secretary ..... Thomas Wesley Keyes

### VICE PRESIDENTS

### DIRECTORS OR TRUSTEES

John Bognair  
Thomas Joseph Eberly

Charles Henderson Hire

John Edward McClain

Elizabeth Marie Salimbene

State of..... Ohio  
County of..... Franklin

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

\_\_\_\_\_  
(Signature)  
Gregory Lowell Cady  
(Printed Name)  
President

\_\_\_\_\_  
(Signature)  
Thomas Wesley Keyes  
(Printed Name)  
Secretary

\_\_\_\_\_  
(Signature)  
Thomas Wesley Keyes  
(Printed Name)  
Treasurer

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

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

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds.....	7,053,910		7,053,910	5,668,394
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1).....			0	
2.2 Common stocks (Schedule D, Part 2, Section 2).....			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....15,165 Schedule E, Part 1) and short-term investments (\$.....1,225 Schedule DA, Part 2).....	16,390		16,390	170,654
6. Other invested assets (Schedule BA).....			0	
7. Receivable for securities.....			0	
8. Aggregate write-ins for invested assets.....	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8).....	7,070,300	0	7,070,300	5,839,048
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection.....	115,760		115,760	122,343
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
10.3 Accrued retrospective premiums.....			0	
11. Funds held by or deposited with reinsured companies.....			0	
12. Bills receivable, taken for premiums.....			0	
13. Amounts receivable under high deductible policies.....			0	
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Cols. 7 and 8).....			0	
15. Federal and foreign income tax recoverable and interest thereon (including \$.....73,000 net deferred tax asset).....	73,000		73,000	65,000
16. Guaranty funds receivable or on deposit.....			0	
17. Electronic data processing equipment and software.....			0	
18. Interest, dividends and real estate income due and accrued.....	88,300		88,300	81,773
19. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....			0	
21. Amount due from/to protected cells.....			0	
22. Equities and deposits in pools and associations.....			0	
23. Amounts receivable relating to uninsured accident and health plans.....			0	
24. Other assets nonadmitted (Exhibit 1).....			0	
25. Aggregate write-ins for other than invested assets.....	0	0	0	0
26. Total assets excluding protected cell assets (Lines 9 through 25).....	7,347,360	0	7,347,360	6,108,164
27. Protected cell assets.....			0	
28. TOTALS (Lines 26 and 27).....	7,347,360	0	7,347,360	6,108,164

**DETAILS OF WRITE-INS**

0801. ....			0	
0802. ....			0	
0803. ....			0	
0898. Summary of remaining write-ins for Line 8 from overflow page.....	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	0	0	0	0
2501. ....			0	
2502. ....			0	
2503. ....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0	0

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8).....	255,000	296,863
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).....		
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....		
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....		
7. Federal and foreign income taxes (including \$.....0 on realized capital gains (losses)) (including \$.....0 net deferred tax liability).....		11,000
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0).....	1,003,697	889,211
10. Advance premiums.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....		
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.....		
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.....	1,357	
20. Payable for securities.....		
21. Liability for amounts held under uninsured accident and health plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	1,260,054	1,197,074
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	1,260,054	1,197,074
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	1,000,000	1,000,000
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....		
32. Gross paid in and contributed surplus.....	2,039,943	2,039,943
33. Unassigned funds (surplus).....	3,047,363	1,871,147
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....		
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 38).....	6,087,306	4,911,090
36. TOTALS (Page 2, Line 28, Col. 3).....	7,347,360	6,108,164

**DETAILS OF WRITE-INS**

2301. Line 15 from 2000 Annual Statement.....		
2302. ....		
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	0	0
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

**UNDERWRITING AND INVESTMENT EXHIBIT**

	1 Current Year	2 Prior Year
<b>STATEMENT OF INCOME</b>		
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 34, Column 4).....	1,993,229	1,921,020
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7).....	113,550	420,600
3. Loss expenses incurred (Part 3, Line 25, Column 1).....	124,187	111,530
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	307,227	284,971
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	544,964	817,101
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	1,448,265	1,103,919
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	330,030	310,543
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses)).....		
11. Net investment gain (loss) (Lines 9 + 10).....	330,030	310,543
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	2,918	1,408
15. Total other income (Lines 12 through 14).....	2,918	1,408
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	1,781,213	1,415,870
17. Dividends to policyholders.....		
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17).....	1,781,213	1,415,870
19. Federal and foreign income taxes incurred.....	613,000	492,000
20. Net income (Line 18 minus Line 19) (to Line 22).....	1,168,213	923,870
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2).....	4,911,093	3,922,223
<b>GAINS AND (LOSSES) IN SURPLUS</b>		
22. Net income (from Line 20).....	1,168,213	923,870
23. Net unrealized capital gains or (losses).....		
24. Change in net unrealized foreign exchange capital gains (loss).....		
25. Change in net deferred income tax.....	8,000	8,000
26. Change in nonadmitted assets (Exhibit 1, Line 5, Column 3).....		
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.....		57,000
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.....		
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.....	0	0
37. Change in surplus as regards policyholders for the year (Lines 22 through 36).....	1,176,213	988,870
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35).....	6,087,306	4,911,093

**DETAILS OF WRITE-INS**

0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. Miscellaneous Non Operating Income.....	2,918	1,408
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	2,918	1,408
3601. Lines 23 and 29 from 2000 Annual Statement.....		
3602. ....		
3603. ....		
3698. Summary of remaining write-ins for Line 36 from overflow page.....	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above).....	0	0

## CASH FLOW

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	2,114,298	1,971,749
2. Loss and loss adjustment expenses paid (net of salvage and subrogation).....	279,600	401,405
3. Underwriting expenses paid.....	307,227	284,971
4. Other underwriting income (expenses).....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	1,527,471	1,285,373
6. Net investment income.....	326,398	293,666
7. Other income (expenses):		
7.1 Agents' balances charged off.....		
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.....	0	0
7.5 Total other income (Lines 7.1 to 7.4).....	0	0
8. Dividends to policyholders on direct business, less \$.....0 dividends on reinsurance assumed or ceded (net).....		
9. Federal and foreign income taxes (paid) recovered.....	(624,000)	(916,000)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9).....	1,229,869	663,039
<b>CASH FROM INVESTMENTS</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds.....	750,000	690,000
11.2 Stocks.....		
11.3 Mortgage loans.....		
11.4 Real estate.....		
11.5 Other invested assets.....		
11.6 Net gains or (losses) on cash and short-term investments.....		
11.7 Miscellaneous proceeds.....		
11.8 Total investment proceeds (Lines 11.1 to 11.7).....	750,000	690,000
12. Cost of investments acquired (long-term only):		
12.1 Bonds.....	2,132,620	1,846,455
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Miscellaneous applications.....		
12.7 Total investments acquired (Lines 12.1 to 12.6).....	2,132,620	1,846,455
13. Net cash from investments (Line 11.8 minus Line 12.7).....	(1,382,620)	(1,156,455)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in.....		
14.2 Capital notes \$.....0 less amounts repaid \$.....0.....		
14.3 Net transfers from affiliates.....	1,357	51,832
14.4 Borrowed funds received.....		
14.5 Other cash provided.....		
14.6 Total (Lines 14.1 to 14.5).....	1,357	51,832
15. Cash applied:		
15.1 Dividends to stockholders paid.....		
15.2 Net transfers to affiliates.....	2,870	(3,354)
15.3 Borrowed funds repaid.....		
15.4 Other applications.....		
15.5 Total (Lines 15.1 to 15.4).....	2,870	(3,354)
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5).....	(1,513)	55,186
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
17. Net change in cash and short-term investments (Line 10 plus Line 13 plus Line 16).....	(154,264)	(438,230)
18. Cash and short-term investments:		
18.1 Beginning of year.....	170,654	608,884
18.2 End of year (Line 17 plus Line 18.1).....	16,390	170,654

## DETAILS OF WRITE-INS

7.401 Miscellaneous Non Operating Income.....		
7.402 .....		
7.403 .....		
7.498 Summary of remaining write-ins for Line 7.4 from overflow page.....	0	0
7.499 Total (Lines 7.401 thru 7.403 plus 7.498) (Line 7.4 above).....	0	0

**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 Col. 3 Last Year's Part 2	3 Unearned Premiums December 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....				.0
2. Allied lines.....				.0
3. Farmowners multiple peril.....				.0
4. Homeowners multiple peril.....				.0
5. Commercial multiple peril.....				.0
6. Mortgage guaranty.....				.0
8. Ocean marine.....				.0
9. Inland marine.....				.0
10. Financial guaranty.....				.0
11.1 Medical malpractice - occurrence.....				.0
11.2 Medical malpractice - claims-made.....				.0
12. Earthquake.....				.0
13. Group accident and health.....				.0
14. Credit accident and health (group and individual).....				.0
15. Other accident and health.....	2,107,715	889,211	1,003,697	1,993,229
16. Workers' compensation.....				.0
17.1 Other liability - occurrence.....				.0
17.2 Other liability - claims-made.....				.0
18.1 Products liability - occurrence.....				.0
18.2 Products liability - claims-made.....				.0
19.1, 19.2 Private passenger auto liability.....				.0
19.3, 19.4 Commercial auto liability.....				.0
21. Auto physical damage.....				.0
22. Aircraft (all perils).....				.0
23. Fidelity.....				.0
24. Surety.....				.0
26. Burglary and theft.....				.0
27. Boiler and machinery.....				.0
28. Credit.....				.0
29. International.....				.0
30. Reinsurance - nonproportional assumed property.....				.0
31. Reinsurance - nonproportional assumed liability.....				.0
32. Reinsurance - nonproportional assumed financial lines.....				.0
33. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0
34. TOTALS.....	2,107,715	889,211	1,003,697	1,993,229

**DETAILS OF WRITE-INS**

3301. ....				.0
3302. ....				.0
3303. ....				.0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	.0	.0	.0	.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	.0	.0	.0	.0

**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 Cols. 1 + 2 + 3 + 4
1. Fire.....					0
2. Allied lines.....					0
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....					0
5. Commercial multiple peril.....					0
6. Mortgage guaranty.....					0
8. Ocean marine.....					0
9. Inland marine.....					0
10. Financial guaranty.....					0
11.1 Medical malpractice - occurrence.....					0
11.2 Medical malpractice - claims-made.....					0
12. Earthquake.....					0
13. Group accident and health.....					0
14. Credit accident and health (group and individual).....					0
15. Other accident and health.....	1,003,697				1,003,697
16. Workers' compensation.....					0
17.1 Other liability - occurrence.....					0
17.2 Other liability - claims-made.....					0
18.1 Products liability - occurrence.....					0
18.2 Products liability - claims-made.....					0
19.1, 19.2 Private passenger auto liability.....					0
19.3, 19.4 Commercial auto liability.....					0
21. Auto physical damage.....					0
22. Aircraft (all perils).....					0
23. Fidelity.....					0
24. Surety.....					0
26. Burglary and theft.....					0
27. Boiler and machinery.....					0
28. Credit.....					0
29. International.....					0
30. Reinsurance - nonproportional assumed property.....					0
31. Reinsurance - nonproportional assumed liability.....					0
32. Reinsurance - nonproportional assumed financial lines.....					0
33. Aggregate write-ins for other lines of business.....	0	0	0	0	0
34. TOTALS.....	1,003,697	0	0	0	1,003,697
35. Accrued retrospective premiums based on experience.....					
36. Earned but unbilled premiums.....					
37. Balance (sum of Lines 34 through 36).....					1,003,697

**DETAILS OF WRITE-INS**

3301. ....					0
3302. ....					0
3303. ....					0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0	0
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	0	0	0	0	0

- (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 [ ].  
 (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 (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....						0
2. Allied lines.....						0
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....						0
5. Commercial multiple peril.....						0
6. Mortgage guaranty.....						0
8. Ocean marine.....						0
9. Inland marine.....						0
10. Financial guaranty.....						0
11.1 Medical malpractice - occurrence.....						0
11.2 Medical malpractice - claims-made.....						0
12. Earthquake.....						0
13. Group accident and health.....						0
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....	2,126,035				18,320	2,107,715
16. Workers' compensation.....						0
17.1 Other liability - occurrence.....						0
17.2 Other liability - claims-made.....						0
18.1 Products liability - occurrence.....						0
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....						0
19.3, 19.4 Commercial auto liability.....						0
21. Auto physical damage.....						0
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....						0
26. Burglary and theft.....						0
27. Boiler and machinery.....						0
28. Credit.....						0
29. International.....						0
30. Reinsurance - nonproportional assumed property.....	.XXX					0
31. Reinsurance - nonproportional assumed liability.....	.XXX					0
32. Reinsurance - nonproportional assumed financial lines.....	.XXX					0
33. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
34. TOTALS.....	2,126,035	0	0	0	18,320	2,107,715

**DETAILS OF WRITE-INS**

3301. ....						0
3302. ....						0
3303. ....						0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0	0	0
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [ ]

If yes: 1. The amount of such installment premiums \$.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage			Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered					
1. Fire.....				0			0	
2. Allied lines.....				0			0	
3. Farmowners multiple peril.....				0			0	
4. Homeowners multiple peril.....				0			0	
5. Commercial multiple peril.....				0			0	
6. Mortgage guaranty.....				0			0	
8. Ocean marine.....				0			0	
9. Inland marine.....				0			0	
10. Financial guaranty.....				0			0	
11.1 Medical malpractice - occurrence.....				0			0	
11.2 Medical malpractice - claims-made.....				0			0	
12. Earthquake.....				0			0	
13. Group accident and health.....				0			0	
14. Credit accident and health (group and individual).....				0			0	
15. Other accident and health.....	155,413			155,413	255,000	296,863	113,550	5.7
16. Workers' compensation.....				0			0	
17.1 Other liability - occurrence.....				0			0	
17.2 Other liability - claims-made.....				0			0	
18.1 Products liability - occurrence.....				0			0	
18.2 Products liability - claims-made.....				0			0	
19.1, 19.2 Private passenger auto liability.....				0			0	
19.3, 19.4 Commercial auto liability.....				0			0	
21. Auto physical damage.....				0			0	
22. Aircraft (all perils).....				0			0	
23. Fidelity.....				0			0	
24. Surety.....				0			0	
26. Burglary and theft.....				0			0	
27. Boiler and machinery.....				0			0	
28. Credit.....				0			0	
29. International.....				0			0	
30. Reinsurance - nonproportional assumed property.....	.XXX			0			0	
31. Reinsurance - nonproportional assumed liability.....	.XXX			0			0	
32. Reinsurance - nonproportional assumed financial lines.....	.XXX			0			0	
33. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	
34. TOTALS.....	155,413	0	0	155,413	255,000	296,863	113,550	5.7
<b>DETAILS OF WRITE-INS</b>								
3301. ....				0			0	
3302. ....				0			0	
3303. ....				0			0	
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0	0	0	0	
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	0	0	0	0	0	0	0	

**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 (Cols. 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 (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....				0				0	
2. Allied lines.....				0				0	
3. Farmowners multiple peril.....				0				0	
4. Homeowners multiple peril.....				0				0	
5. Commercial multiple peril.....				0				0	
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....				0				0	
9. Inland marine.....				0				0	
10. Financial guaranty.....				0				0	
11.1 Medical malpractice - occurrence.....				0				0	
11.2 Medical malpractice - claims-made.....				0				0	
12. Earthquake.....				0				0	
13. Group accident and health.....				0				0	
14. Credit accident and health (group and individual).....				0				(a) 0	
15. Other accident and health.....	78,500			78,500	176,500			(a) 255,000	
16. Workers' compensation.....				0				0	
17.1 Other liability - occurrence.....				0				0	
17.2 Other liability - claims-made.....				0				0	
18.1 Products liability - occurrence.....				0				0	
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....				0				0	
19.3, 19.4 Commercial auto liability.....				0				0	
21. Auto physical damage.....				0				0	
22. Aircraft (all perils).....				0				0	
23. Fidelity.....				0				0	
24. Surety.....				0				0	
26. Burglary and theft.....				0				0	
27. Boiler and machinery.....				0				0	
28. Credit.....				0				0	
29. International.....				0				0	
30. Reinsurance - nonproportional assumed property.....	XXX			0	XXX			0	
31. Reinsurance - nonproportional assumed liability.....	XXX			0	XXX			0	
32. Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	
33. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
34. TOTALS.....	78,500	0	0	78,500	176,500	0	0	255,000	0

**DETAILS OF WRITE-INS**

3301. ....				0				0	
3302. ....				0				0	
3303. ....				0				0	
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0	0	0	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	0	0	0	0	0	0	0	0	0

(a) Including \$.....0 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.....				0
1.2 Reinsurance assumed.....				0
1.3 Reinsurance ceded.....				0
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	0	0	0	0
2. Commission and brokerage:				
2.1 Direct excluding contingent.....		85,728		85,728
2.2 Reinsurance assumed excluding contingent.....				0
2.3 Reinsurance ceded excluding contingent.....				0
2.4 Contingent - direct.....				0
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	85,728	0	85,728
3. Allowances to managers and agents.....				0
4. Advertising.....		116,423		116,423
5. Boards, bureaus and associations.....		3,442		3,442
6. Surveys and underwriting reports.....				0
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....				0
8.2 Payroll taxes.....				0
9. Employee relations and welfare.....		1,125		1,125
10. Insurance.....		28,894		28,894
11. Directors' fees.....				0
12. Travel and travel items.....		4,186		4,186
13. Rent and rent items.....				0
14. Equipment.....				0
15. Cost or depreciation of EDP equipment and software.....		2,200		2,200
16. Printing and stationery.....		117		117
17. Postage, telephone and telegraph, exchange and express.....		4,703		4,703
18. Legal and auditing.....		37,212		37,212
19. Totals (Lines 3 to 18).....	0	198,302	0	198,302
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....	37,014			37,014
20.2. Insurance department licenses and fees.....				0
20.3. Gross guaranty association assessments.....				0
20.4. All other (excluding federal and foreign income and real estate).....	87,173			87,173
20.5. Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	124,187	0	0	124,187
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured accident and health plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	0	23,197	0	23,197
25. Total expenses incurred.....	124,187	307,227	0	(a) 431,414
26. Less unpaid expenses - current year.....				0
27. Add unpaid expenses - prior year.....				0
28. Amounts receivable relating to uninsured accident and health plans, prior year.....				0
29. Amounts receivable relating to uninsured accident and health plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	124,187	307,227	0	431,414

## DETAILS OF WRITE-INS

2401. Bank Service Charges & Investment Fees.....		21,974		21,974
2402. Miscellaneous Expenses.....		1,223		1,223
2403. ....				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	0	23,197	0	23,197

(a) Includes management fees of \$....87,173 to affiliates and \$.....0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....334,500	.....326,394
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....	.....
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash/short-term investments.....	(e).....3,636	.....3,636
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....338,136	.....330,030
11. Investment expenses.....	.....	(g).....
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).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....0
17. Net investment income (Line 10 minus Line 16).....	.....	.....330,030

**DETAILS OF WRITE-INS**

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....5,813 accrual of discount less \$.....8,708 amortization of premium and less \$.....14,634 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain or (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. government bonds.....	.....	.....	.....	.....	.....0
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....	.....	.....0
1.2 Other bonds (unaffiliated).....	.....	.....	.....	.....	.....0
1.3 Bonds of affiliates.....	.....	.....	.....	.....	.....0
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....	.....	.....0
2.11 Preferred stocks of affiliates.....	.....	.....	.....	.....	.....0
2.2 Common stocks (unaffiliated).....	.....	.....	.....	.....	.....0
2.21 Common stocks of affiliates.....	.....	.....	.....	.....	.....0
3. Mortgage loans.....	.....	.....	.....	.....	.....0
4. Real estate.....	.....	.....	.....	.....	.....0
5. Contract loans.....	.....	.....	.....	.....	.....0
6. Cash/short-term investments.....	.....	.....	.....	.....	.....0
7. Derivative instruments.....	.....	.....	.....	.....	.....0
8. Other invested assets.....	.....	.....	.....	.....	.....0
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....0	.....0	.....0	.....0	.....0

**DETAILS OF WRITE-INS**

0901. ....	.....	.....	.....	.....	.....0
0902. ....	.....	.....	.....	.....	.....0
0903. ....	.....	.....	.....	.....	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page..	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

## 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, Lines 10 to 17 and 19 to 23, Column 2.....			.0
2. Other Nonadmitted Assets:			
2.1 Bills receivable.....			.0
2.2 Furniture, equipment and supplies.....			.0
2.3 Leasehold improvements.....			.0
2.4 Loans on personal security, endorsed or not.....			.0
3. Total (Lines 2.1 to 2.4).....	.0	.0	.0
4. Aggregate write-ins for other assets.....	.0	.0	.0
5. Total (Line 1 plus Lines 3 and 4).....	.0	.0	.0

### DETAILS OF WRITE-INS

0401. Line 5 from 2000 Annual Statement.....			.0
0402. ....			.0
0403. ....			.0
0498. Summary of remaining write-ins for Line 4 from overflow page.....	.0	.0	.0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above).....	.0	.0	.0

## NOTES TO FINANCIAL STATEMENTS

### Note 1 - Summary of Significant Accounting Policies

#### A. Accounting Practices

The accompanying financial statements of Club Insurance Company (Company) have been prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The state of Ohio requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC ) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Ohio Department of Insurance. Many changes were made to this NAIC Manual effective January 1, 2001. See Note 2B for a description of the impact of these NAIC accounting changes.

The Company has no difference between Ohio prescribed practices and NAIC statutory accounting practices (NAIC SAP).

Description	2002	2001
Net income, Ohio basis	\$ 1,168,214	\$ 923,870
Effect of Ohio prescribed practices	0	0
Net income, NAIC SAP basis	\$ 1,168,214	\$ 923,870
Policyholders' surplus, Ohio basis	\$6,087,306	\$4,911,090
Effect of Ohio prescribed practices	0	0
Policyholders' surplus, NAIC SAP basis	\$6,087,306	\$4,911,090

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

#### C. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such 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. Short-term investments are stated at amortized value using the interest method.
2. U.S. Treasury Notes and Bills are carried at amortized value.
3. The Company does not anticipate investment income as a factor in premium deficiency calculations.
4. 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.

### Note 2 - Accounting Changes and Correction of Errors

#### A. Accounting Changes Other than Codification and Correction of Errors

Not applicable

#### B. Accounting Changes as a Result of Codification

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the Ohio Department of Insurance. The state of Ohio requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the NAIC *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Ohio Department of Insurance. Many changes were made to this manual effective January 1, 2001 as a result of the NAIC "Codification Project".

Accounting changes adopted to conform to the provisions of the new NAIC *Accounting Practices and Procedures Manual* are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of policyholders' surplus at the beginning of the year and the amount of policyholders' surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. The Company had no changes due to "Codification". The reasons for this is that this is a fairly new company (started 4/29/99) that began statutory accounting with codification in mind and that so far the Company has not investments beyond U.S. Treasury Notes and Bills. Another important note is that the number and type of products sold have limited scope and effect of codification upon this company.

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## NOTES TO FINANCIAL STATEMENTS

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### **Note 3 - Business Combinations and Goodwill**

A. Statutory Purchase Method

Not applicable

B. Statutory Mergers

Not applicable

C. Impairment Loss

Not applicable

### **Note 4 - Discontinued Operations**

A. Not applicable

### **Note 5 - Investments**

A. Mortgage Loans

Not applicable

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

Not applicable

D. Loan-Backed Securities

Not applicable

E. Repurchase Agreements

Not applicable

### **Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**

A. Detail for Those Greater than 10% of Admitted Assets

Not applicable

B. Writedowns for Impairments

Not applicable

### **Note 7 - Investment Income**

A. Accrued Investment Income

The Company nonadmits investment income due and accrued if amounts are over 90 days past due.

B. Amounts Nonadmitted

Not applicable

### **Note 8 - Derivative Instruments**

Not applicable

## NOTES TO FINANCIAL STATEMENTS

### Note 9 - Income Taxes

#### A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs)

Description	Amount
Gross deferred tax assets	\$73,000
Gross deferred tax liabilities	0
Net deferred tax asset	73,000
Nonadmitted deferred tax assets	0
Admitted deferred tax asset	\$73,000
Increase (decrease) in nonadmitted deferred tax assets	\$0

#### B. Unrecognized DTLs

Not applicable

#### C. Current Tax and Change in Deferred Tax

Current income taxes incurred consist of the following major components:

Description	2002	2001
Current income tax expense	\$613,000	\$492,000
Prior year underaccrual (overaccrual)	0	0
Current income taxes incurred	\$613,000	\$492,000

The main components of the 2002 deferred tax amounts were as follows:

DTAs	Statutory	Tax	Difference	Tax Effect
Unpaid losses and LAE	\$255,000	\$242,250	\$12,750	\$5,000
Unearned premiums	1,003,697	802,958	200,739	68,000
Nonadmitted assets	0	0	0	0
Other				0
Gross DTAs				\$73,000
Nonadmitted DTAs				\$0

DTAs Resulting from Book/Tax Differences in	December 31, 2002	December 31, 2001	Change
Unpaid losses and LAE	\$5,000	\$5,000	\$0
Unearned premiums	68,000	60,000	8,000
Nonadmitted assets	0	0	0
Other	0	0	0
Gross DTAs	\$73,000	\$65,000	\$ 8,000
Nonadmitted DTAs	\$0	\$0	\$0

The change in gross DTAs of \$8,000 and gross DTLs of \$0 is the change in net deferred income taxes of \$8,000 before consideration of nonadmitted DTAs.

#### D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant book to tax adjustments were as follows:

Description	Amount	Tax Effect at 34%
Income before taxes	\$1,781,213	\$606,000
Book over tax reserves	(2,093)	(1,000)
Unearned premiums	22,897	8,000
Taxable income	\$1,802,017	\$613,000

#### E. Operating Loss and Tax Credit Carryforwards

(1) At December 31, 2002, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

(2) The following is income tax expense for 2002 and 2001 that is available for recoupment in the event of future net losses:

Year	Amount
2002	\$613,000

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**NOTES TO FINANCIAL STATEMENTS**


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2001

\$492,000

## F. Consolidated Federal Income Tax Return

(1) The Company's federal income tax return is consolidated with the following entities:

The Ohio Automobile Club (Parent)  
 Dorsen Watts Travel  
 Auto Club Insurance Agency  
 Club Holding Corporation  
 Auto Club Service Corporation

(2) The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled monthly.

**Note 10 - Information Concerning Parent, Subsidiaries and Affiliates**

## A. Nature of Relationships

The Company is a wholly owned subsidiary of The Ohio Automobile Club (Parent), a not-for-profit company incorporated in Ohio. The parent company is the primary source of revenue and leads for new business.

## B. Detail of Transactions Greater than 1/2% of Admitted Assets

The Company paid \$87,173 in management fees to the Parent during calendar year of 2002.

The Company paid pass through tax payments to the Parent in the amount of \$609,000 for 2002.

## C. Change in Terms of Intercompany Arrangements

The terms of intercompany management and service arrangements were not changed in 2002.

## D. Amounts Due to or from Related Parties

Due from Parent amount of \$115,760 for December insurance premiums.

## E. Guarantees or Contingencies for Related Parties

Not applicable

## F. Management, Service Contracts, Cost Sharing Arrangements

The Parent has agreed to provide certain management services to all members of the group.

## G. Nature of Relationships that Could Affect Operations

Parent owns all outstanding shares of the Company.

## H. Amount Deducted for Investment in Upstream Company

Not applicable

## I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

Not applicable

## J. Write down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

Not applicable

**Note 11 - Debt**

## A. Capital Notes

Not applicable

## B. All Other Debt

Not applicable

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**NOTES TO FINANCIAL STATEMENTS**


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**Note 12 - Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans**
**A. Defined Benefit Plans**

The Parent sponsors a defined benefit pension plan covering substantially all employees of the Company. The Parent does not sponsor a postretirement health care plan. See Note 12D.

**B. Defined Contribution Plans**

The Parent sponsors a defined contribution savings plan covering substantially all employees of the Company. See Note 12D.

**C. Multiemployer Plans**

Not applicable

**D. Consolidated/Holding Company Plans**

The Parent sponsors a defined benefit pension plan covering substantially all Company employees. The benefits are based on years of service and the employee's compensation during the last five years of employment. The funding policy of the Parent is to make the minimum annual contributions required by applicable regulations, including amortization of unfunded prior service cost over 30 years. Pension cost is not allocated to the Company. The Company has no legal obligation for benefits under this plan.

The Parent does not sponsor a postretirement health care benefit plan.

The Parent sponsors a defined contribution savings plan covering substantially all employees of the Company. Employees may contribute up to 5% of salary to the plan, which is subject to a 50% Parent match. The Parent match is funded bi-weekly and the Company is not allocated expense for this. The Company has no legal obligation for benefits under this plan.

**E. Postemployment Benefits and Compensated Absences**

The Company has no obligations to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned vacation. The liability for earned but untaken vacation has not been accrued.

**Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**
**A. Outstanding Shares**

The Company has 850 shares of \$10,000 par value common stock authorized and 100 shares issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

**B. Dividend Rate of Preferred Stock**

Not applicable

**C., D. and E. Dividend Restrictions**

Dividends on common stock are paid as declared by the Board of Directors of the Company. No dividends were declared in 2002.

**F. Mutual Surplus Advances**

Not applicable

**G. Company Stock Held for Special Purposes**

Not applicable

**H. Changes in Special Surplus Funds**

Not applicable

**I. Changes in Unassigned Funds**

The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

Description	Cumulative Increase (Decrease) in Surplus	Current Year Increase (Decrease) in Surplus
1. Unrealized gain or loss	\$ 0	\$ 0
2. Nonadmitted assets	\$ 0	\$ 0
3. Provision for reinsurance	\$ 0	\$ 0
Total decrease	\$ 0	\$ 0

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**NOTES TO FINANCIAL STATEMENTS**

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## J. Surplus Notes

Not applicable

## K. and L. Quasi Reorganizations

Not applicable

**Note 14 - Contingencies**

## A. Contingent Commitments

The Company has no commitments or contingent commitments to affiliates or other entities.

## B. Guaranty Fund and Other Assessments

Not applicable

## C. Gain Contingencies

Not applicable

## D. All Other Contingencies

Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

**Note 15 - Leases**

## A. Lessee Leasing Arrangements

Not applicable

## B. Lessor Leasing Arrangements

Not applicable

**Note 16 - Information about Financial Instruments with Off-Balance Sheet Risk and with Concentrations of Credit Risk**

## A. Financial Instruments with Off-Balance Sheet Risk

Not applicable

## B. Financial Instruments with Concentrations of Credit Risk

Not applicable

**Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

## A. Transfers of Receivables Reported as Sales

Not applicable

## A. Transfers and Servicing of Financial Assets

Not applicable

## B. Wash Sales

Not applicable

**Note 18 - Gain or Loss from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans**

## A. Administrative Services Only (ASO) Plans

Not applicable

## B. Administrative Services Contract (ASC) Plans

**NOTES TO FINANCIAL STATEMENTS**

Not applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

**Note 19 - Direct Premiums Written / Produced by Managing General Agents / Third Party Administrators**

Not applicable

**Note 20 - Other Items**

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

Not applicable

D. Uncollectible Premiums Receivable

Not applicable

E. Reinsurance Accounted for as a Deposit

Not applicable

F. Multiple Peril Crop Insurance

Not applicable

G. Mezzanine Real Estate Loans

Not applicable

H. Health Care Receivables

Not applicable

I. September 11 Events

No losses were incurred as a result of the terrorist attacks of September 11, 2001.

J. Real Estate Impairments and Retail Land Sales

Not applicable

K. Participating Accident and Health Contracts

Not Applicable

L. Premium Deficiency Reserves

The Company has not recorded any premium deficiency reserves. The Company considers anticipated investment income in determining the need for premium reserve.

**Note 21 - Events Subsequent**

A. There were no events occurring subsequent to December 31, 2002 meriting disclosure.

**Note 22 - Reinsurance**

A. Unsecured Reinsurance Recoverables

The Company does not have an 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 policyholders' surplus.

**NOTES TO FINANCIAL STATEMENTS**

NAIC Code	Federal ID #	Name of Reinsurer	Amount
None			

## B. Reinsurance Recoverables in Dispute

The Company does not have reinsurance recoverables for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus for an individual reinsurer or 10% of policyholders' surplus in aggregate.

Name of Reinsurer	Total Amount in dispute (Including IBNR)	Status of Dispute		
		Notification	Arbitration	Litigation
None				

## C. Reinsurance Assumed and Ceded

Not applicable

## D. Uncollectible Reinsurance

Not applicable

## E. Commutation of Ceded Reinsurance

Not applicable

## F. Retroactive Reinsurance

Not applicable

**Note 23 - Retrospectively Rated Contracts and Contracts Subject to Redetermination**

## A. Method Used to Estimate

Not applicable.

## B. Method Used to Record

Not applicable.

## C. Amount and Percent of Net Retrospective Premiums

Not applicable.

## D. Calculation of Nonadmitted Accrued Retrospective Premiums

Not applicable

**Note 24 - Changes in Incurred Losses and Loss Adjustment Expenses**

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by \$49,000 during 2002 from \$166,000 to \$116,000 as a result of reestimation of unpaid losses and loss adjustment expenses. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. However, the net impact was not significant on surplus.

**Note 25 - Intercompany Pooling Arrangements**

## A. Not applicable

**Note 26 - Structural Settlements**

## A. Reserves Released due to Purchase of Annuities

Not applicable

## B. Annuity Insurers with Balances due Greater than 1% of Policyholders' Surplus

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**NOTES TO FINANCIAL STATEMENTS**

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Not applicable

**Note 27 - High Deductibles**

Not applicable

**Note 28 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

A. Tabular Discounts

Not applicable

B. Non-Tabular Discounts

Not applicable

C. Changes in Discount Assumptions

Not applicable

**Note 29 – Asbestos and Environmental Reserves**

A. Asbestos Reserves

Not applicable

B. Ending Reserves for Asbestos Claims for Bulk and IBNR Losses and LAE Included in A above:

Not applicable

C. Ending Reserves for Asbestos Claims for Loss Adjustment Expenses Included in A above (Case, Bulk and IBNR):

Not applicable

D. Environmental Reserves

Not applicable.

E. Ending Reserves for Environmental Claims for Bulk and IBNR Losses and LAE Included in D above.

Not applicable.

F. Ending Reserves for Environmental Claims for Loss Adjustment Expenses Included in D above (Case, Bulk and IBNR):

Not applicable.

**Note 30 - Subscriber Savings Accounts**

A. Not applicable

**Note 31 - Financial Guaranty Exposures**

A. Not applicable

## 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.....	7,053,910	99.8	7,053,910	99.8
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....		0.0		0.0
1.22 Issued by U.S. government sponsored agencies.....		0.0		0.0
1.3 Foreign government (including Canada, excluding mortgage-backed securities).....		0.0		0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....		0.0		0.0
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations.....		0.0		0.0
1.43 Revenue and assessment obligations.....		0.0		0.0
1.44 Industrial development and similar obligations.....		0.0		0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA.....		0.0		0.0
1.512 Issued by FNMA and FHLMC.....		0.0		0.0
1.513 Privately issued.....		0.0		0.0
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC.....		0.0		0.0
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA or FHLMC.....		0.0		0.0
1.523 All other privately issued.....		0.0		0.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO).....		0.0		0.0
2.2 Unaffiliated foreign securities.....		0.0		0.0
2.3 Affiliated securities.....		0.0		0.0
3. Equity interests:				
3.1 Investments in mutual funds.....		0.0		0.0
3.2 Preferred stocks:				
3.21 Affiliated.....		0.0		0.0
3.22 Unaffiliated.....		0.0		0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated.....		0.0		0.0
3.32 Unaffiliated.....		0.0		0.0
3.4 Other equity securities:				
3.41 Affiliated.....		0.0		0.0
3.42 Unaffiliated.....		0.0		0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated.....		0.0		0.0
3.52 Unaffiliated.....		0.0		0.0
4. Mortgage loans:				
4.1 Construction and land development.....		0.0		0.0
4.2 Agricultural.....		0.0		0.0
4.3 Single family residential properties.....		0.0		0.0
4.4 Multifamily residential properties.....		0.0		0.0
4.5 Commercial loans.....		0.0		0.0
5. Real estate investments:				
5.1 Property occupied by company.....		0.0		0.0
5.2 Property held for production of income (includes \$.....0 of property acquired in satisfaction of debt).....		0.0		0.0
5.3 Property held for sale (\$.....0 including property acquired in satisfaction of debt).....		0.0		0.0
6. Policy loans.....		0.0		0.0
7. Receivables for securities.....		0.0		0.0
8. Cash and short-term investments.....	16,390	0.2	16,390	0.2
9. Other invested assets.....		0.0		0.0
10. Total invested assets.....	7,070,300	100.0	7,070,300	100.0

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ ] No [X]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ ] No [ ] N/A [X]

1.3 State regulating? \_\_\_\_\_

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change: 12/31/2001  
If not previously filed, furnish herewith a certified copy of the instrument as amended.

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2001

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 09/30/2002

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 09/30/2002

3.4 By what department or departments? Ohio Department of Insurance & NAIC

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under a common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [ ] No [X]

6.2 If yes, give full information: \_\_\_\_\_

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,  
7.21 State the percentage of foreign control. .....0.000 %

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

**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?  
 GBQ Partners LLC, 500 South Front St, Columbus, OH 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?  
 Jeffery Scholl ACAS MAAA, MMC Enterprises, 10 West Broad St, Columbus, OH 43215
- 
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?  
 None
- 
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ X ] No [ ]
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ X ]
- 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 \$.....0
- 14.12 To stockholders not officers \$.....0
- 14.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 14.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.21 To directors or other officers \$.....0
- 14.22 To stockholders not officers \$.....0
- 14.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 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 \$.....0
- 15.22 Borrowed from others \$.....0
- 15.23 Leased from others \$.....0
- 15.24 Other \$.....0
- Disclose in the Notes to Financial 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 \$.....0
- 16.22 Amount paid as expenses \$.....0
- 16.23 Other amounts paid \$.....0

**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 [ ].....	Yes [ ].....No [ ].....
Common.....	.....850.000	.....100.000	.....10,000.00	.....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 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	\$.....0
19.22 Subject to repurchase agreements	\$.....0
19.23 Subject to reverse repurchase agreements	\$.....0
19.24 Subject to dollar repurchase agreements	\$.....0
19.25 Subject to reverse dollar repurchase agreements	\$.....0
19.26 Pledged as collateral	\$.....0
19.27 Placed under option agreements	\$.....0
19.28 Letter stock or securities restricted as to sale	\$.....0
19.29 Other	\$.....0

19.3 For each category above, if any of these assets are held by others, 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: \$.....0

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
Huntington National Bank	41 South High St, Columbus, OH 43215

**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
1041019002	Todd kavalieros	41 South High St, Columbus, OH 43215

**OTHER**

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$.....3,442

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 Department of Insurance	1,740
National Association of Insurance Commisioners	1,000

24.1 Amount of payments for legal expenses, if any? \$.....12,681

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
Rector & Associates	7,731
MMC Enterprise Risk Consulting	4,000

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0

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 departments 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.	\$.....	0
1.3	What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$.....	0
1.31	Reason for excluding:		
<hr/>			
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$.....	0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$.....	0
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$.....	0
1.62	Total incurred claims	\$.....	0
1.63	Number of covered lives	.....	0
	All years prior to most current three years:		
1.64	Total premium earned	\$.....	0
1.65	Total incurred claims	\$.....	0
1.66	Number of covered lives	.....	0
1.7	Group policies:		
	Most current three years:		
1.71	Total premium earned	\$.....	0
1.72	Total incurred claims	\$.....	0
1.73	Number of covered lives	.....	0
	All years prior to most current three years:		
1.74	Total premium earned	\$.....	0
1.75	Total incurred claims	\$.....	0
1.76	Number of covered lives	.....	0
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	\$.....	0
2.22	Non-participating policies	\$.....	0
3.	For Mutual Reporting Entities and Reciprocal Exchange only:		
3.1	Does the reporting entity issue assessable policies?	Yes [ ]	No [ ]
3.2	Does the reporting entity issue non-assessable policies?	Yes [ ]	No [ ]
3.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?	.....	0.0 %
3.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$.....	0
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 [ ]
4.22	As a direct expense of the exchange	Yes [ ]	No [ ] N/A [ ]
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:		
<hr/>			
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?		
<hr/>			
<hr/>			
<hr/>			
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: <u>The Company has evaluated its PML using a variety of methods depending upon the line of business and nature of the exposures. These methods represent a combination of internal and external actuarial loss development techniques and computer modeling. The Company's primary exposure is a catastrophic loss of life of several insureds traveling together. The Company has in place catastrophic loss insurance to cover such an event.</u>		
<hr/>			
<hr/>			
<hr/>			
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 property insurance loss? <u>The Company has a catastrophic policy.</u>		
<hr/>			
<hr/>			
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 uninsured catastrophic loss.		
<hr/>			
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 reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss 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 (continued)**

- 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 this 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 a charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [ ] No [ ] N/A [X]
- 9.1 Has this reporting entity guaranteed policies issued by any other reporting 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 \$.....0
- 10.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....0
- 10.2 Of the amount on Line 10.3 of the asset schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds: \$.....0
- 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 .....0.0 %
- 10.42 To .....0.0 %
- 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 a 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 \$.....0
- 10.62 Collateral and other funds \$.....0
- 11.1 What amount of installment notes is owned and now held by the reporting entity? \$.....0
- 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? \$.....0
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....50,000
- 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 this amount. ....0
- 13.1 Has the reporting entity guaranteed any financed 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 .....0
- 14.13 Total book/adjusted carrying value \$.....0
- 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
<b>Gross Premiums Written</b> (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	2,126,035	2,021,763	1,901,154	345,747	
5. Non-proportional reinsurance lines (Lines 30, 31 & 32).....					
6. Total (Line 34).....	2,126,035	2,021,763	1,901,154	345,747	0
<b>Net Premiums Written</b> (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	2,107,715	2,021,763	1,901,154	334,747	
11. Non-proportional reinsurance lines (Lines 30, 31 & 32).....					
12. Total (Line 34).....	2,107,715	2,021,763	1,901,154	334,747	0
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (Loss) (Line 8).....	1,448,265	1,103,919	944,018	3,391	
14. Net investment gain (loss) (Line 11).....	330,030	310,543	232,748	137,123	
15. Total other income (Line 15).....	2,918	1,408			
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	613,000	492,000	391,000	44,000	
18. Net income (Line 20).....	1,168,213	923,870	785,766	96,514	0
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding Protected Cell (Page 2, Line 26, Col. 3).....	7,347,360	6,108,164	5,311,828	3,533,544	
20. Agents' balances or uncollected premiums (Page 2, Col. 3):					
20.1 In course of collection (Line 10.1).....	115,760	122,343	72,329	340,065	
20.2 Deferred and not yet due (Line 10.2).....					
20.3 Accrued retrospective premiums (Line 10.3).....					
21. Total liabilities excluding Protected Cell (Page 3, Line 24).....	1,260,054	1,197,074	1,389,606	397,084	
22. Losses (Page 3, Lines 1 & 2).....	255,000	296,863	166,138	9,502	
23. Loss adjustment expenses (Page 3, Line 3).....					
24. Unearned premiums (Page 3, Line 9).....	1,003,697	889,211	788,468	291,187	
25. Capital paid up (Page 3, Lines 28 & 29).....	1,000,000	1,000,000	1,000,000	1,000,000	
26. Surplus as regards policyholders (Page 3, Line 35).....	6,087,306	4,911,090	3,922,220	3,136,457	
<b>Risk-Based Capital Analysis</b>					
27. Total adjusted capital.....	6,087,306	4,911,090	3,922,220	3,136,457	
28. Authorized control level risk-based capital.....	136,874	161,797	149,673	11,419	
<b>Percentage Distribution of Cash and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 9, Col. 3) x 100.0					
29. Bonds (Line 1).....	99.8	97.1	88.1	91.9	
30. Stocks (Lines 2.1 & 2.2).....					
31. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
32. Real estate (Lines 4.1, 4.2 & 4.3).....					
33. Cash and short-term investments (Line 5).....	0.2	2.9	11.9	8.1	
34. Other invested assets (Line 6).....					
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	0.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
38. Affiliated bonds (Sch. D, Summary, Line 25, Col. 1).....					
39. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1).....					
40. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2).....					
41. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11).....					
42. Affiliated mortgage loans on real estate.....					
43. All other affiliated.....					
44. Total of above lines 38 to 43.....	0	0	0	0	0
45. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 44 above divided by Page 3, Col. 1, Line 35 x 100.0).....	0.0				

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2002	2001	2000	1999	1998
<b>Capital and Surplus Accounts</b> (Page 4)					
46. Net unrealized capital gains (losses) (Line 23).....					
47. Dividends to stockholders (Line 34).....					
48. Change in surplus as regards policyholders for the year (Line 37).....	1,176,213	988,870	785,766	3,136,457	
<b>Gross Losses Paid</b> (Page 9, Part 2, Cols. 1 & 2)					
49. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
50. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
51. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
52. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	155,413	289,875	70,425	3,000	
53. Nonproportional reinsurance lines (Lines 30, 31 & 32).....					
54. Total (Line 34).....	155,413	289,875	70,425	3,000	0
<b>Net Losses Paid</b> (Page 9, Part 2, Col. 4)					
55. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
56. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
57. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
58. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	155,413	289,875	70,425	3,000	
59. Nonproportional reinsurance lines (Lines 30, 31 & 32).....					
60. Total (Line 34).....	155,413	289,875	70,425	3,000	0
<b>Operating Percentages</b> (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).....	.57	.219	.162	.287	
63. Loss expenses incurred (Line 3).....	.62	.58	.49		
64. Other underwriting expenses incurred (Line 4).....	15.4	14.8	11.7	63.5	
65. Net underwriting gain (loss) (Line 8).....	72.7	57.5	67.2	7.8	
<b>Other Percentages</b>					
66. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0).....	14.4	14.0	8.6	8.3	
67. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	11.9	27.7	21.1	28.7	
68. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34, divided by Page 3, Line 35, Col. 1 x 100.0).....	34.6	41.2	48.5	10.7	
<b>One Year Loss Development (000 omitted)</b>					
69. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(203)	.65	.2		
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, Col. 1 x 100).....	(4.1)	1.7	0.1		
<b>Two Year Loss Development (000 omitted)</b>					
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, Col. 12).....	(50)	(3)			
72. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second year end (Line 71 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(1.3)	(0.1)			

**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
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States.....	7,053,910	7,691,531	7,051,019	7,050,000
	2. Canada.....				
	3. Other Countries.....				
	4. Totals.....	7,053,910	7,691,531	7,051,019	7,050,000
States, Territories and Possessions (Direct and guaranteed)	5. United States.....				
	6. Canada.....				
	7. Other Countries.....				
	8. Totals.....	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....				
	10. Canada.....				
	11. Other Countries.....				
	12. Totals.....	0	0	0	0
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....				
	14. Canada.....				
	15. Other Countries.....				
	16. Totals.....	0	0	0	0
Public Utilities (unaffiliated)	17. United States.....				
	18. Canada.....				
	19. Other Countries.....				
	20. Totals.....	0	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....				
	22. Canada.....				
	23. Other Countries.....				
	24. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	25. Totals.....				
	26. <b>Total Bonds.....</b>	7,053,910	7,691,531	7,051,019	7,050,000
<b>PREFERRED STOCKS</b>					
Public Utilities (Unaffiliated)	27. United States.....				
	28. Canada.....				
	29. Other Countries.....				
	30. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....				
	32. Canada.....				
	33. Other Countries.....				
	34. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	35. United States.....				
	36. Canada.....				
	37. Other Countries.....				
	38. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	39. Totals.....				
	40. <b>Total Preferred Stocks....</b>	0	0	0	0
<b>COMMON STOCKS</b>					
Public Utilities (Unaffiliated)	41. United States.....				
	42. Canada.....				
	43. Other Countries.....				
	44. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....				
	46. Canada.....				
	47. Other Countries.....				
	48. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	49. United States.....				
	50. Canada.....				
	51. Other Countries.....				
	52. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	53. Totals.....				
	54. <b>Total Common Stocks.....</b>	0	0	0	0
	55. <b>Total Stocks.....</b>	0	0	0	0
	56. <b>Total Bonds and Stocks...</b>	7,053,910	7,691,531	7,051,019	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$.....0.

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of bonds and stocks, prior year.....	5,668,394	6. Foreign exchange adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	2,132,620	6.1 Column 17, Part 1.....	
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1.....	
3.1 Column 16, Part 1.....	2,889	6.3 Column 11, Part 2, Section 2.....	
3.2 Column 12, Part 2, Section 1.....		6.4 Column 11, Part 4.....	0
3.3 Column 10, Part 2, Section 2.....		7. Book/adjusted carrying value at end of current period.....	7,053,909
3.4 Column 10, Part 4.....	6	8. Total valuation allowance.....	
4. Total gain (loss), Column 14, Part 4.....	2,895	9. Subtotal (Lines 7 plus 8).....	7,053,909
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4...	750,000	10. Total nonadmitted amounts.....	
		11. Statement value of bonds and stocks, current period.....	7,053,909

**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 (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 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								0	XXX
2. 1993.....			0								0	XXX
3. 1994.....			0								0	XXX
4. 1995.....			0								0	XXX
5. 1996.....			0								0	XXX
6. 1997.....			0								0	XXX
7. 1998.....			0								0	XXX
8. 1999.....	55	11	44	8							8	XXX
9. 2000.....	1,404		1,404	181							181	XXX
10. 2001.....	1,921		1,921	233							233	XXX
11. 2002.....	2,012	18	1,994	93							93	XXX
12. Totals.....	XXX	XXX	XXX	515	0	0	0	0	0	0	515	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 and 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. Prior.....												0	XXX
2. 1993.....												0	XXX
3. 1994.....												0	XXX
4. 1995.....												0	XXX
5. 1996.....												0	XXX
6. 1997.....												0	XXX
7. 1998.....												0	XXX
8. 1999.....												0	XXX
9. 2000.....												0	XXX
10. 2001.....	18		17									35	XXX
11. 2002.....	60		160									220	XXX
12. Totals.....	78	0	177	0	0	0	0	0	0	0	0	255	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. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	0	0
2. 1993.....	0	0	0	0.0	0.0	0.0				0	0
3. 1994.....	0	0	0	0.0	0.0	0.0				0	0
4. 1995.....	0	0	0	0.0	0.0	0.0				0	0
5. 1996.....	0	0	0	0.0	0.0	0.0				0	0
6. 1997.....	0	0	0	0.0	0.0	0.0				0	0
7. 1998.....	0	0	0	0.0	0.0	0.0				0	0
8. 1999.....	8	0	8	14.5	0.0	18.2				0	0
9. 2000.....	181	0	181	12.9	0.0	12.9				0	0
10. 2001.....	268	0	268	14.0	0.0	14.0				35	0
11. 2002.....	313	0	313	15.6	0.0	15.7				220	0
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	255	0

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	2	3	4	5	6	7	8	9	10	11	12	
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	One Year	Two Year	
1. Prior.....											.0	.0	
2. 1993.....											.0	.0	
3. 1994.....	.XXX										.0	.0	
4. 1995.....	.XXX	.XXX									.0	.0	
5. 1996.....	.XXX	.XXX	.XXX								.0	.0	
6. 1997.....	.XXX	.XXX	.XXX	.XXX							.0	.0	
7. 1998.....	.XXX	.XXX	.XXX	.XXX	.XXX						.0	.0	
8. 1999.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	13	15	10	8	(2)	(7)	
9. 2000.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	224	294	181	(113)	(43)	
10. 2001.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	356	268	(88)	.XXX	
11. 2002.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	313	.XXX	.XXX	
											12. Totals.....	(203)	(50)

**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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior.....	.000										.XXX	.XXX
2. 1993.....											.XXX	.XXX
3. 1994.....	.XXX										.XXX	.XXX
4. 1995.....	.XXX	.XXX									.XXX	.XXX
5. 1996.....	.XXX	.XXX	.XXX								.XXX	.XXX
6. 1997.....	.XXX	.XXX	.XXX	.XXX							.XXX	.XXX
7. 1998.....	.XXX	.XXX	.XXX	.XXX	.XXX						.XXX	.XXX
8. 1999.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	3	8	8	8	.XXX	.XXX
9. 2000.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	65	180	181	.XXX	.XXX
10. 2001.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	175	233	.XXX	.XXX
11. 2002.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	93	.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	2	3	4	5	6	7	8	9	10	
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
1. Prior.....											
2. 1993.....											
3. 1994.....	.XXX										
4. 1995.....	.XXX	.XXX									
5. 1996.....	.XXX	.XXX	.XXX								
6. 1997.....	.XXX	.XXX	.XXX	.XXX							
7. 1998.....	.XXX	.XXX	.XXX	.XXX	.XXX						
8. 1999.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	10	10	1	
9. 2000.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	156	60	
10. 2001.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	113	17
11. 2002.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	160

**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 Premiums Written for Federal Purchasing Groups (Incl. in Col. 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. District of 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	2,126,035	1,993,229		155,413	113,550	255,000		
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. US Virgin Islands.....VI	NO								
56. Canada.....CN	NO								
57. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
58. Totals.....(a).....1		2,126,035	1,993,229	0	155,413	113,550	255,000	0	0

**DETAILS OF WRITE-INS**

5701.....	XXX								
5702.....	XXX								
5703.....	XXX								
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX	0	0	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 above)	XXX	0	0	0	0	0	0	0	0

Explanation of Basis of Allocation of Premiums by States, etc.

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

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

PART 1 – ORGANIZATIONAL CHART

