



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

**ASSETS**

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Columns 1 minus 2)	Net Admitted Assets
1. Bonds	90,619,390		90,619,390	82,448,899
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1)	2,668,000		2,668,000	3,078,958
2.2 Common stocks (Schedule D, Part 2, Section 2)	6,246,364		6,246,364	7,485,824
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances)				
4.2 Properties held for the production of income (less \$ ..... encumbrances)				
4.3 Properties held for sale (less \$ ..... encumbrances)				
5. Cash (\$ ..... 10,177,623 Schedule E, Part 1) and short-term investments (\$ ..... 235,798 Schedule DA, Part 2)	10,413,421		10,413,421	8,811,918
6. Other invested assets (Schedule BA)				
7. Receivable for securities				
8. Aggregate write-ins for invested assets				
9. Subtotals, cash and invested assets (Line 1 to Line 8)	109,947,175		109,947,175	101,825,599
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	1,565,326	71,369	1,493,957	1,124,435
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums)	21,928,566		21,928,566	18,212,830
10.3 Accrued retrospective premiums				
11. Funds held by or deposited with reinsured companies				
12. Bills receivable, taken for premiums				
13. Amounts receivable under high deductible policies				
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Columns 7 and 8)	1,221,167		1,221,167	1,210,469
15. Federal and foreign income tax recoverable and interest thereon (including \$ ..... 3,949,041 net deferred tax asset)	4,071,832		4,071,832	3,384,583
16. Guaranty funds receivable or on deposit				
17. Electronic data processing equipment and software	1,828	1,828		
18. Interest, dividends and real estate income due and accrued	1,045,223		1,045,223	957,872
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Receivable from parent, subsidiaries and affiliates				
21. Amount due from/to protected cells				
22. Equities and deposits in pools and associations				
23. Amounts receivable relating to uninsured accident and health plans				
24. Other assets nonadmitted (Exhibit 1)	13,825	13,825		
25. Aggregate write-ins for other than invested assets	331,004		331,004	
26. Total assets excluding protected cell assets (Line 9 through Line 25)	140,125,946	87,022	140,038,924	126,715,788
27. Protected cell assets				
28. TOTALS (Line 26 and Line 27)	140,125,946	87,022	140,038,924	126,715,788
<b>DETAILS OF WRITE-INS</b>				
0801.				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)				
2501. ACCOUNTS RECEIVABLE	331,004		331,004	
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	331,004		331,004	

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8) .....	32,424,247	29,412,777
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) .....	7,269,650	5,639,154
4. Commissions payable, contingent commissions and other similar charges .....	2,837,065	2,598,868
5. Other expenses (excluding taxes, licenses and fees) .....	478,255	514,556
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	87,754	72,833
7. Federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) (including \$ ..... 338,892 net deferred tax liability) .....	1,263,892	758,925
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ .....)	40,051,156	34,639,034
10. Advance premiums .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	442,340	1,265,829
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 .....	827	10,919
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 .....	385,018	100,363
20. Payable for securities .....		
21. Liability for amounts held under uninsured accident and health plans .....		
22. Capital notes \$ ..... and interest thereon \$ .....		
23. Aggregate write-ins for liabilities .....	6,025,693	4,913,822
24. Total liabilities excluding protected cell liabilities (Line 1 through Line 23) .....	91,265,897	79,927,080
25. Protected cell liabilities .....		
26. Total liabilities (Line 24 and Line 25) .....	91,265,897	79,927,080
27. Aggregate write-ins for special surplus funds .....		
28. Common capital stock .....	1,495,210	1,495,210
29. Preferred capital stock .....		
30. Aggregate write-ins for other than special surplus funds .....		
31. Surplus notes .....		
32. Gross paid in and contributed surplus .....	3,715,912	3,715,912
33. Unassigned funds (surplus) .....	43,561,905	41,577,586
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ .....)		
34.2 ..... shares preferred (value included in Line 29 \$ .....)		
35. Surplus as regards policyholders (Line 27 to Line 33, less Line 34) (Page 4, Line 38) .....	48,773,027	46,788,708
36. TOTALS (Page 2, Line 28, Column 3) .....	140,038,924	126,715,788
<b>DETAILS OF WRITE-INS</b>		
2301. DEFERRED INCOME .....	5,898,878	4,828,545
2302. UNCLAIMED FUNDS .....	126,815	85,277
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page .....		
2399. TOTALS (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....	6,025,693	4,913,822
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....		
2799. TOTALS (Line 2701 through Line 2703 plus Line 2798) (Line 27 above) .....		
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page .....		
3099. TOTALS (Line 3001 through Line 3003 plus Line 3098) (Line 30 above) .....		

**UNDERWRITING AND INVESTMENT EXHIBIT**

## STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 34, Column 4)	95,174,829	79,816,348
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	60,237,719	50,949,302
3. Loss expenses incurred (Part 3, Line 25, Column 1)	7,808,361	6,476,123
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	27,085,026	23,761,357
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Line 2 through Line 5)	95,131,106	81,186,782
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	43,723	(1,370,434)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	5,216,180	5,392,886
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses))	(57,046)	(263,516)
11. Net investment gain (loss) (Line 9 plus Line 10)	5,159,134	5,129,370
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ ..... 472,722 )	(472,722)	(447,352)
13. Finance and service charges not included in premiums	963,218	672,855
14. Aggregate write-ins for miscellaneous income	11,546	9,338
15. Total other income (Line 12 through Line 14)	502,042	234,841
16. Net income before dividends to policyholders and before federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	5,704,899	3,993,777
17. Dividends to policyholders		
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	5,704,899	3,993,777
19. Federal and foreign income taxes incurred	2,225,000	1,400,000
20. Net income (Line 18 minus Line 19) (to Line 22)	3,479,899	2,593,777
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	46,788,708	39,331,804
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	3,479,899	2,593,777
23. Net unrealized capital gains or (losses)	(1,085,508)	1,294,706
24. Change in net unrealized foreign exchange capital gain (loss)		
25. Change in net deferred income tax	484,491	373,450
26. Change in nonadmitted assets (Exhibit 1, Line 5, Column 3)	(77,532)	(2,849)
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		3,092,208
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	(1,164,212)	
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	347,181	105,612
37. Change in surplus as regards policyholders for the year (Line 22 through Line 36)	1,984,319	7,456,904
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35)	48,773,027	46,788,708
DETAILS OF WRITE-INS		
0501		
0502		
0503		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)		
1401. OTHER INCOME / EXPENSE	11,546	9,338
1402		
1403		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)	11,546	9,338
3601. PRIOR YEAR TAX EFFECT	105,479	105,612
3602. FIDELITY BOND RECOVERY	241,702	
3603		
3698. Summary of remaining write-ins for Line 36 from overflow page		
3699. Totals (Line 3601 through Line 3603 plus Line 3698) (Line 36 above)	347,181	105,612

## CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance .....	96,501,693	81,697,220
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....	63,414,813	54,325,390
3. Underwriting expenses paid .....	26,868,209	23,216,042
4. Other underwriting income (expenses) .....	(823,489)	349,969
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	5,395,182	4,505,757
6. Net investment income .....	5,273,785	5,519,861
7. Other income (expenses):		
7.1 Agents' balances charged off .....	(472,722)	(447,352)
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 .....	974,764	682,193
7.5 Total other income (Line 7.1 to Line 7.4) .....	502,042	234,841
8. Dividends to policyholders on direct business, less \$ .....		
dividends on reinsurance assumed or ceded (net) .....		
9. Federal and foreign income taxes (paid) recovered .....	(1,922,791)	(1,600,000)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	9,248,218	8,660,459
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....	26,296,855	34,972,886
11.2 Stocks .....	542,099	3,593,867
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 .....	(98)	(94)
11.7 Miscellaneous proceeds .....		
11.8 Total investment proceeds (Line 11.1 to Line 11.7) .....	26,838,856	38,566,659
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....	34,646,437	45,322,587
12.2 Stocks .....		5,471,394
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....		
12.6 Miscellaneous applications .....		
12.7 Total investments acquired (Line 12.1 to Line 12.6) .....	34,646,437	50,793,981
13. Net cash from investments (Line 11.8 minus Line 12.7) .....	(7,807,581)	(12,227,322)
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in .....		
14.2 Capital notes, \$ .....		
less amounts repaid \$ .....		
14.3 Net transfers from affiliates .....	284,655	100,363
14.4 Borrowed funds received .....		
14.5 Other cash provided .....	1,459,052	1,171,652
14.6 Total (Lines 14.1 to 14.5) .....	1,743,707	1,272,015
15. Cash applied:		
15.1 Dividends to stockholders paid .....	1,164,212	
15.2 Net transfers to affiliates .....		
15.3 Borrowed funds repaid .....		
15.4 Other applications .....	418,629	33,229
15.5 Total (Line 15.1 to Line 15.4) .....	1,582,841	33,229
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	160,866	1,238,786
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10 plus Line 13 plus Line 16) .....	1,601,503	(2,328,077)
18. Cash and short-term investments:		
18.1 Beginning of year .....	8,811,918	11,139,995
18.2 End of year (Line 17 plus Line 18.1) .....	10,413,421	8,811,918
DETAILS OF WRITE-INS		
7.401 FINANCE SERVICE CHARGE .....	963,218	672,855
7.402 OTHER INCOME / EXPENSE .....	11,546	9,338
7.403 .....		
7.498 Summary of remaining write-ins for Line 7.4 from overflow page .....		
7.499 Totals (Line 7.401 through Line 7.403 plus Line 7.498) (Line 7.4 above) .....	974,764	682,193

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 2	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Column 1 plus 2 minus 3)
1. Fire .....	3,537,958	1,714,031	2,022,920	3,229,069
2. Allied lines .....	1,676,810	774,128	877,995	1,572,943
3. Farmowners multiple peril .....	6,618,737	3,244,944	3,690,368	6,173,313
4. Homeowners multiple peril .....	14,870,956	7,743,471	8,787,264	13,827,163
5. Commercial multiple peril .....	4,356,933	2,062,499	2,389,095	4,030,337
6. Mortgage guaranty .....				
8. Ocean marine .....				
9. Inland marine .....	866,365	426,010	457,504	834,871
10. Financial guaranty .....				
11.1 Medical malpractice - occurrence .....				
11.2 Medical malpractice - claims-made .....				
12. Earthquake .....				
13. Group accident and health .....	153,473	5,937	6,194	153,216
14. Credit accident and health (group and individual) .....				
15. Other accident and health .....	17,900	8,949	7,928	18,921
16. Workers' compensation .....				
17.1 Other liability - occurrence .....	4,674,575	2,428,092	2,857,813	4,244,854
17.2 Other liability - claims-made .....				
18.1 Products liability - occurrence .....	259,111	98,745	128,453	229,403
18.2 Products liability - claims-made .....				
19.1, 19.2 Private passenger auto liability .....	34,796,445	8,102,706	9,404,715	33,494,436
19.3, 19.4 Commercial auto liability .....	2,708,221	1,065,025	1,324,379	2,448,867
21. Auto physical damage .....	24,135,270	6,100,199	7,145,212	23,090,257
22. Aircraft (all perils) .....				
23. Fidelity .....				
24. Surety .....				
26. Burglary and theft .....	1,914,197	864,298	951,316	1,827,179
27. Boiler and machinery .....				
28. Credit .....				
29. International .....				
30. Reinsurance - Nonproportional Assumed Property .....				
31. Reinsurance - Nonproportional Assumed Liability .....				
32. Reinsurance - Nonproportional Assumed Financial Lines .....				
33. Aggregate write-ins for other lines of business .....				
34. TOTALS .....	100,586,951	34,639,034	40,051,156	95,174,829
<b>DETAILS OF WRITE-INS</b>				
3301. ....				
3302. ....				
3303. ....				
3398. Summary of remaining write-ins for Line 33 from overflow page .....				
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above) .....				

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1A-RECAPITULATION OF ALL PREMIUMS**

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

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running More Than One Year from Date of Policy) (b)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire	2,022,920				2,022,920
2. Allied lines	877,995				877,995
3. Farmowners multiple peril	3,690,368				3,690,368
4. Homeowners multiple peril	8,787,264				8,787,264
5. Commercial multiple peril	2,389,095				2,389,095
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine	457,504				457,504
10. Financial guaranty					
11.1 Medical malpractice - occurrence					
11.2 Medical malpractice - claims-made					
12. Earthquake					
13. Group accident and health	6,194				6,194
14. Credit accident and health (group and individual)					
15. Other accident and health	7,928				7,928
16. Workers' compensation					
17.1 Other liability - occurrence	2,857,813				2,857,813
17.2 Other liability - claims-made					
18.1 Products liability - occurrence	128,453				128,453
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability	9,404,715				9,404,715
19.3, 19.4 Commercial auto liability	1,324,379				1,324,379
21. Auto physical damage	7,145,212				7,145,212
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft	951,316				951,316
27. Boiler and machinery					
28. Credit					
29. International					
30. Reinsurance - Nonproportional Assumed Property					
31. Reinsurance - Nonproportional Assumed Liability					
32. Reinsurance - Nonproportional Assumed Financial Lines					
33. Aggregate write-ins for other lines of business					
34. TOTALS	40,051,156				40,051,156
35. Accrued retrospective premiums based on experience					
36. Earned but unbilled premiums					
37. Balance (Sum of Line 34 through Line 36)					40,051,156
<b>DETAILS OF WRITE-INS</b>					
3301.					
3302.					
3303.					
3398. Summary of remaining write-ins for Line 33 from overflow page					
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)					

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

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B-PREMIUMS WRITTEN**

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

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	3,879,501			57,035	284,508	3,537,958
2. Allied lines	1,871,244				194,434	1,676,810
3. Farmowners multiple peril	7,387,543			53,830	714,976	6,618,737
4. Homeowners multiple peril	16,308,177			15,575	1,421,646	14,870,956
5. Commercial multiple peril	4,794,587			47,845	389,809	4,356,933
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	928,563			1,198	61,000	866,365
10. Financial guaranty						
11.1 Medical malpractice - occurrence						
11.2 Medical malpractice - claims-made						
12. Earthquake						
13. Group accident and health	153,473					153,473
14. Credit accident and health (group and individual)						
15. Other accident and health	17,900					17,900
16. Workers' compensation						
17.1 Other liability - occurrence	5,893,595			2,897	1,216,123	4,674,575
17.2 Other liability - claims-made						
18.1 Products liability - occurrence	270,566				11,455	259,111
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	36,086,861				1,290,416	34,796,445
19.3, 19.4 Commercial auto liability	2,824,200				115,979	2,708,221
21. Auto physical damage	25,734,792				1,599,522	24,135,270
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft	2,040,991				126,794	1,914,197
27. Boiler and machinery						
28. Credit						
29. International						
30. Reinsurance - Nonproportional Assumed Property	XXX					
31. Reinsurance - Nonproportional Assumed Liability	XXX					
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX					
33. Aggregate write-ins for other lines of business						
34. TOTALS	108,191,993			178,380	7,426,662	100,586,951
<b>DETAILS OF WRITE-INS</b>						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page						
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)						

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

If yes: 1. The amount of such installment premiums \$ .....  
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ .....

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Net Losses Unpaid Current Year (Part 2A Column 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Column 4 plus 5 minus 6)	Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1. Fire	1,698,235		(20,513)	1,718,748	132,418	207,879	1,643,287	50.9
2. Allied lines	1,972,047		334,388	1,637,659	241,327	180,240	1,698,746	108.0
3. Farmowners multiple peril	5,235,226		1,446,681	3,788,545	1,737,209	1,220,446	4,305,308	69.7
4. Homeowners multiple peril	13,761,603		2,693,271	11,068,332	1,753,973	2,086,589	10,735,716	77.6
5. Commercial multiple peril	2,372,111		626,933	1,745,178	1,197,377	1,007,022	1,935,533	48.0
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine	289,019		(37,564)	326,583	38,792	30,176	335,199	40.1
10. Financial guaranty								
11.1 Medical malpractice - occurrence								
11.2 Medical malpractice - claims-made								
12. Earthquake								
13. Group accident and health	28,774			28,774			28,774	18.8
14. Credit accident and health (group and individual)								
15. Other accident and health	5,521			5,521	34,983	30,383	10,121	53.5
16. Workers' compensation								
17.1 Other liability - occurrence	1,893,655		120,419	1,773,236	4,706,423	4,242,938	2,236,721	52.7
17.2 Other liability - claims-made								
18.1 Products liability - occurrence	55,178			55,178	79,297	70,473	64,002	27.9
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability	20,733,183		2,689,900	18,043,283	20,040,818	18,356,749	19,727,352	58.9
19.3, 19.4 Commercial auto liability	1,610,426		110,000	1,500,426	1,479,540	1,349,795	1,630,171	66.6
21. Auto physical damage	15,446,200		609,577	14,836,623	773,035	515,227	15,094,431	65.4
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft	698,163			698,163	209,055	114,860	792,358	43.4
27. Boiler and machinery								
28. Credit								
29. International								
30. Reinsurance- Nonproportional Assumed Property	X X X							
31. Reinsurance- Nonproportional Assumed Liability	X X X							
32. Reinsurance- Nonproportional Assumed Financial Lines	X X X							
33. Aggregate write-ins for other lines of business								
34. TOTALS	65,799,341		8,573,092	57,226,249	32,424,247	29,412,777	60,237,719	63.3
DETAILS OF WRITE-INS								
3301								
3302								
3303								
3398. Summary of remaining write-ins for Line 33 from overflow page								
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)								

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	73,679		14,000	59,679	72,739			132,418	47,524
2. Allied lines	157,350		117,300	40,050	201,277			241,327	80,831
3. Farmowners multiple peril	2,062,039		988,998	1,073,041	1,246,758		582,590	1,737,209	454,895
4. Homeowners multiple peril	2,204,062		1,236,126	967,936	1,499,923		713,886	1,753,973	644,702
5. Commercial multiple peril	554,314		9,715	544,599	894,216		241,438	1,197,377	684,701
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine	24,424		1,140	23,284	15,508			38,792	3,475
10. Financial guaranty									
11.1 Medical malpractice - occurrence									
11.2 Medical malpractice - claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health	9,600			9,600	25,383			34,983	3,053
16. Workers' compensation									
17.1 Other liability - occurrence	1,940,564		108,251	1,832,313	3,158,364		284,254	4,706,423	1,249,016
17.2 Other liability - claims-made									
18.1 Products liability - occurrence	65,700			65,700	13,597			79,297	136,973
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability	13,379,162		2,034,737	11,344,425	11,109,406		2,413,013	20,040,818	3,009,305
19.3, 19.4 Commercial auto liability	1,873,365		706,021	1,167,344	1,269,003		956,807	1,479,540	339,479
21. Auto physical damage	1,522,785		1,146,783	376,002	397,033			773,035	596,972
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft	163,181			163,181	45,874			209,055	18,724
27. Boiler and machinery									
28. Credit									
29. International									
30. Reinsurance- Nonproportional Assumed Property	X X X				X X X				
31. Reinsurance- Nonproportional Assumed Liability	X X X				X X X				
32. Reinsurance- Nonproportional Assumed Financial Lines	X X X				X X X				
33. Aggregate write-ins for other lines of business									
34. TOTALS	24,030,225		6,363,071	17,667,154	19,949,081		5,191,988	32,424,247	7,269,650
DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page									
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)									

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - EXPENSES**

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	3,298,190			3,298,190
1.2 Reinsurance assumed				
1.3 Reinsurance ceded				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	3,298,190			3,298,190
2. Commission and brokerage:				
2.1 Direct excluding contingent		16,691,338		16,691,338
2.2 Reinsurance assumed excluding contingent		508,177		508,177
2.3 Reinsurance ceded excluding contingent		1,355,011		1,355,011
2.4 Contingent - direct				
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		17,538,172		17,538,172
3. Allowances to manager and agents				
4. Advertising	44,650	315,031		359,681
5. Boards, bureaus and associations	81,230	130,935		212,165
6. Surveys and underwriting reports	810	429,834		430,644
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	2,563,915	5,103,955		7,667,870
8.2 Payroll taxes				
9. Employee relations and welfare	53,374	191,520		244,894
10. Insurance	41,968	90,369		132,337
11. Directors' fees	34,506	73,093		107,599
12. Travel and travel items	228,106	175,836		403,942
13. Rent and rent items	78,466	167,228		245,694
14. Equipment	299,312	567,462		866,774
15. Cost or Depreciation of EDP equipment and software				
16. Printing and stationery	135,933	249,081		385,014
17. Postage, telephone and telegraph, exchange and express	300,246	491,654		791,900
18. Legal and auditing	237,475	641,427	244,789	1,123,691
19. Totals (Lines 3 to 18)	4,099,991	8,627,425	244,789	12,972,205
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$	401,626	841,778		1,243,404
20.2 Insurance department licenses and fees	1,302	61,316		62,618
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	402,928	903,094		1,306,022
21. Real estate expenses				
22. Real estate taxes	7,253	16,335		23,588
23. Reimbursements by uninsured accident and health plans				
24. Aggregate write-ins for miscellaneous expenses				
25. Total expenses incurred	7,808,362	27,085,026	244,789	(a) 35,138,177
26. Less unpaid expenses - current year	7,269,650	3,403,074		10,672,724
27. Add unpaid expenses - prior year	5,639,154	3,186,257		8,825,411
28. Amounts receivable relating to uninsured accident and health plans, prior year				
29. Amounts receivable relating to uninsured accident and health plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	6,177,866	26,868,209	244,789	33,290,864
<b>DETAILS OF WRITE-INS</b>				
2401.				
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)				

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

**EXHIBIT OF NET INVESTMENT INCOME**

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 403,301	344,942
1.1 Bonds exempt from U. S. tax	(a) 391,388	500,724
1.2 Other bonds (unaffiliated)	(a) 4,101,871	4,139,844
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 178,234	178,234
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		150,042
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e) 135,792	134,374
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	12,810	12,810
10. Total gross investment income	5,373,621	5,460,970
11. Investment expenses		(g) 244,789
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)
15. Aggregate write-ins for deductions from investment income		
16. Totals deductions (Line 11 through Line 15)		244,789
17. Net investment income (Line 10 minus Line 16)		5,216,181
<b>DETAILS OF WRITE-INS</b>		
0901. INTEREST ON LOANS	295	295
0902. INTEREST ON REIMBURSEMENT	12,515	12,515
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903 plus Line 0998 ) (Line 9 above)	12,810	12,810
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus Line 1598) (Line 15 above)		
(a) Includes \$ 163,591 accrual of discount less \$ 308,544 amortization of premium and less \$ 320,921 paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ 22,622 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.		

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	Total
1. U. S. Government bonds	11,930				11,930
1.1 Bonds exempt from U. S. tax	222				222
1.2 Other bonds (unaffiliated)	(46,290)				(46,290)
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)	(3)			(10,954)	(10,957)
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	(22,807)			(1,074,554)	(1,097,361)
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash/short-term investments	(98)				(98)
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	(57,046)			(1,085,508)	(1,142,554)
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903 plus Line 0998 ) (Line 9 above)					

**EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS**

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Line 10 to Line 17 and Line 19 to Line 23, Column 2 .....	73,197	9,490	(63,707)
2. Other Nonadmitted Assets:			
2.1 Bills receivable .....			
2.2 Furniture, equipment and supplies .....			
2.3 Leasehold improvements .....			
2.4 Loans on personal security, endorsed or not .....			
3. Total (Line 2.1 to Line 2.4) .....			
4. Aggregate write-ins for other assets .....	13,825		(13,825)
5. Total (Line 1 plus Line 3 and Line 4) .....	87,022	9,490	(77,532)
<b>DETAILS OF WRITE-INS</b>			
0401. PREPAID INSURANCE .....	13,825		(13,825)
0402. ....			
0403. ....			
0498. Summary of remaining write-ins for Line 4 from overflow page .....			
0499. Totals (Line 0401 through Line 0403 plus Line 0498) (Line 4 above) .....	13,825		(13,825)

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

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

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

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

#### C. Accounting Policy

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

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

In addition, the Company uses the following accounting policies:

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

### 2. Accounting Changes and Corrections of Errors

There are no accounting changes or corrections of errors to note.

### 3. Business Combinations and Goodwill

The Company is not involved in any business combinations.

### 4. Discontinued Operations

The Company has no discontinued operations to report.

## NOTES TO FINANCIAL STATEMENTS

### 5. Investments

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

### 6. Joint Ventures, Partnerships and Limited Liability Companies.

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

### 7. Investment Income

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

### 8. Derivative Instruments

The Company has no derivative instruments.

### 9. Tax Notes

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

	2002	2001
(1) Total of all deferred tax assets (admitted and nonadmitted)	\$4,080,238	\$3,539,414
(2) Total of all deferred tax liabilities	\$ 338,892	\$ 258,925
(3) Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	\$ 131,197	\$ 154,831
(4) Total of all DTAs admitted [(1)-(2)-(3)], no less than zero	\$3,610,149	\$3,125,658
(5) Net Change during the year in the total DTAs nonadmitted	\$ (23,634)	\$ (154,831)

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

Not Applicable

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

#### Deferred tax assets:

	2002	2001	Change
Loss Discount	\$ 1,304,487	\$ 1,140,117	\$ 164,370
Salvage & Subrogation	39,989	43,842	(3,853)
Unearned Premium	2,723,479	2,355,455	368,024
Accrued Market Discount	0	0	0
Prepaid Expenses	4,700	0	4,700
Capital Loss Carryforward	7,583	0	7,583
Deferred Taxes Nonadmitted	(131,197)	(154,831)	23,634
Total deferred tax assets:	\$ 3,949,041	\$ 3,384,583	\$ 564,458

#### Deferred tax liabilities:

Accrued Market Discount	(112,891)	(57,429)	(55,462)
Unrealized Gain on Investments	(100,568)	(73,285)	(27,283)
Other	(125,433)	(128,211)	2,778
Total deferred tax liabilities:	(338,892)	(258,925)	(79,967)

## NOTES TO FINANCIAL STATEMENTS

	2002	2001	Change
Net admitted deferred tax asset	3,610,149	3,125,658	484,491
Tax effect of unrealized gain/(loss) on investment			(27,283)
Change in net deferred income tax			511,774

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

	2002	2001
Expected federal income tax expense	\$2,042,856	\$1,357,884
Tax-exempt income	(311,213)	(255,361)
Loss reserve discounting	164,370	( 18,324)
Unearned premium	368,024	282,457
Other amounts	(39,037)	33,344
Total incurred income tax expense	\$2,225,000	\$1,400,000

E. (1) As of December 31, 2002 the Company had no operating loss carryforwards.  
(2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

2002 (current year)	\$2,225,000
2001	\$1,265,788
2000	\$ 0

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

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

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

#### 10. Information Concerning Parent, Subsidiaries and Affiliates

The Company is a wholly owned subsidiary of Ohio Mutual Insurance Company.

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

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

#### 11. Debt

The Company has no capital debt or other debt to note.

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

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

The Company has no deferred compensation plan.

Centurion Financial is responsible for all Post Retirement Benefit Plans.

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

- (1) The Company has 1,000,000 shares of capital stock authorized, 299,042 shares issued and 299,042 shares outstanding. All shares are common shares.
- (2) The Company has no shares of preferred stock outstanding.
- (3) The dividend is limited to 10% of the surplus with prior approval of the Ohio Department of Insurance.
- (4) Within the restrictions placed in (3), there are no restrictions placed on the portion of the Company's profits that may be paid as ordinary dividends to stockholders.
- (5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (6) The total amount of advances to surplus not repaid is \$0.
- (7) There is no stock held by the Company, including stock of

## NOTES TO FINANCIAL STATEMENTS

affiliated companies, for special purposes.

- (8) The Company has not experienced any changes in balances of special surplus funds.
- (9) The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:
- |                                 |               |
|---------------------------------|---------------|
| a. unrealized gains and losses: | \$(1,085,508) |
| b. nonadmitted asset values:    | \$ (77,532)   |
| c. separate account business    | \$ 0          |
| d. asset valuation reserves     | \$ 0          |
| e. provision for reinsurance:   | \$ 0          |
- (10) The Company has no surplus debentures or similar obligations.
- (11) The Company has no restatement due to quasi-reorganizations.
- (12) There are no quasi-reorganizations to report.

### 14. Contingencies

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

### 15. Leases

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

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

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

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

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

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

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

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

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

### 20. Other Items

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

### 21. Events Subsequent

The Company has no subsequent events.

### 22. Reinsurance

#### A. Unsecured Reinsurance Recoverables

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

#### B. Reinsurance Recoverable in Dispute

The Company does not have any reinsurance recoverable in dispute.

#### C. Reinsurance Assumed and Ceded

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

**NOTES TO FINANCIAL STATEMENTS**

(1)

	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net</u>	
	(1)	(2)	(3)	(4)	(5)	(6)
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$	\$	\$	\$	\$	\$
b. All Other	\$	\$	\$	\$	\$	\$
c. TOTAL	\$	\$	\$	\$	\$	\$

d. Direct Unearned Premium Reserve \$ 40,051,156

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

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

	(1) <u>Direct</u>	<u>REINSURANCE</u>		(4) <u>Net</u>
		(2) <u>Assumed</u>	(3) <u>Ceded</u>	
a. Contingent Commission	\$	\$	\$	\$
b. Sliding Scale Adjustments	\$	\$	\$ (53,318)	\$ (53,318)
c. Other Profit Commission Arrangements	\$	\$	\$	\$
d. TOTAL	\$	\$	\$ (53,318)	\$ (53,318)

D. Uncollectable Reinsurance

The Company has no uncollectable reinsurance.

E. Commutation of Ceded Reinsurance

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

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

F. Retroactive Reinsurance

The Company has no retroactive reinsurance.

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

The Company has no retrospectively rated contracts.

24. Change in Incurred Losses and Loss Adjustment Expenses

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

25. Intercompany Pooling Arrangements

The Company does not participate in a pooling arrangement.

26. Structured Settlements

A. The Company has some structured settlements and they are assigned.

B. The Company's structured settlements do not exceed 1% of policyholders' surplus.

27. High Deductibles - NONE

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

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

29. Asbestos/Environmental Reserves

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

30. Subscriber Savings Accounts - Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

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31. Financial Guaranty Insurance Exposures

The Company does not write financial guaranty insurance.

## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities				
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	4,589,961	4.175	4,589,961	4.175
1.22 Issued by U.S. government sponsored agencies	1,913,826	1.741	1,913,826	1.741
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	3,519,509	3.201	3,519,509	3.201
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	5,529,682	5.029	5,529,682	5.029
1.43 Revenue and assessment obligations	22,065,625	20.069	22,065,625	20.069
1.44 Industrial development and similar obligations	531,116	0.483	531,116	0.483
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA	223,722	0.203	223,722	0.203
1.512 Issued by FNMA and FHLMC	2,100,734	1.911	2,100,734	1.911
1.513 Privately issued				
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC	4,956,123	4.508	4,956,123	4.508
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC				
1.523 All other privately issued	26,373,734	23.988	26,373,734	23.988
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	18,815,358	17.113	18,815,358	17.113
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds	6,240,978	5.676	6,240,978	5.676
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated	2,668,000	2.427	2,668,000	2.427
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated	5,386	0.005	5,386	0.005
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (includes \$ ..... of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ ..... including property acquired in satisfaction of debt)				
6. Policy loans				
7. Receivables for securities				
8. Cash and short-term investments	10,413,421	9.471	10,413,421	9.471
9. Other invested assets				
10. Total invested assets	109,947,175	100.000	109,947,175	100.000



**GENERAL INTERROGATORIES (continued)**

- 8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Ernst & Young LLP  
1100 Huntington Center 41 South High Street Columbus, 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?  
Charles H. Boucek, FCAS, MAAA  
Ernst & Young 111 North Canal Street Chicago, IL 60606-7206

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

- 10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States branch, on risks wherever located? Yes ( ) No ( )
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes ( ) No ( )
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes ( ) No ( ) N/A (X)

**BOARD OF DIRECTORS**

- 11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes (X) No ( )
- 12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes (X) No ( )
- 13. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees which is in or is likely to conflict with the official duties of such person? Yes (X) No ( )

**FINANCIAL**

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
  - 14.11 To directors or other officers \$ .....
  - 14.12 To stockholders not officers \$ .....
  - 14.13 Trustees, supreme or grand (Fraternal only) \$ .....
- 14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
  - 14.21 To directors or other officers \$ .....
  - 14.22 To stockholders not officers \$ .....
  - 14.23 Trustees, supreme or grand (Fraternal only) \$ .....
- 15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes ( ) No (X)
- 15.2 If yes, state the amount thereof at December 31 of the current year:
  - 15.21 Rented from others \$ .....
  - 15.22 Borrowed from others \$ .....
  - 15.23 Leased from others \$ .....
  - 15.24 Other \$ .....

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

- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes ( ) No (X)
- 16.2 If answer is yes:
  - 16.21 Amount paid as losses or risk adjustment \$ .....
  - 16.22 Amount paid as expenses \$ .....
  - 16.23 Other amounts paid \$ .....

**GENERAL INTERROGATORIES  
(Continued)  
INVESTMENT**

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

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price if Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred					Yes ( ) No (X)	Yes ( ) No (X)
Common	1,000,000	299,042	5.00	X X X	X X X X X X	X X X X X X

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

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

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

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

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

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

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

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

19.4 For category (19.28) provide the following:

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

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

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

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

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

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

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

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

**GENERAL INTERROGATORIES (continued)**

**INVESTMENT**

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

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

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

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

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

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

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

**OTHER**

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ ..... 196,457

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
INSURANCE SERVICES OFFICE	\$ ..... 99,331
	\$ .....
	\$ .....
	\$ .....

24.1 Amount of payments for legal expenses, if any? \$ ..... 8,531

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

1 Name	2 Amount Paid
VORYS, SATER, SEYMOUR & PEASE, L.L.P.	\$ ..... 7,255
	\$ .....
	\$ .....
	\$ .....

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

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

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

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

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes ( ) No (X)
- 1.2 If yes, indicate premium earned on U. S. business only. \$ .....
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ .....
- 1.31 Reason for excluding:  
 .....  
 .....
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Line (1.2) above. \$ .....
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ .....
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$ .....
- 1.62 Total incurred claims \$ .....
- 1.63 Number of covered lives .....
- All years prior to most current three years:
- 1.64 Total premium earned \$ .....
- 1.65 Total incurred claims \$ .....
- 1.66 Number of covered lives .....
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$ .....
- 1.72 Total incurred claims \$ .....
- 1.73 Number of covered lives .....
- All years prior to most current three years:
- 1.74 Total premium earned \$ .....
- 1.75 Total incurred claims \$ .....
- 1.76 Number of covered lives .....
- 2.1 Does the reporting entity issue both participating and non-participating policies? Yes ( ) No (X)
- 2.2 If yes, state the amount of calendar year premiums written on:
- 2.21 Participating \$ .....
- 2.22 Non-participating policies \$ .....
3. For Mutual Reporting Entities and Reciprocal Exchange only:
- 3.1 Does the reporting entity issue assessable policies? Yes ( ) 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? ..... %
- 3.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ .....
4. For Reciprocal Exchanges only:
- 4.1 Does the exchange appoint local agents? Yes ( ) No ( )
- 4.2 If yes, is the commission paid:
- 4.21 Out of Attorney's-in-fact compensation Yes ( ) No ( ) N/A (X)
- 4.22 As a direct expense of the exchange Yes ( ) No ( ) N/A (X)
- 4.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?  
 .....  
 .....
- 4.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred? Yes ( ) No ( )
- 4.5 If yes, give full information.  
 .....  
 .....
- 5.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?  
 DO NOT WRITE WORKERS' COMPENSATION  
 .....
- 5.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:  
 WE HAVE A CATASTROPHIC REINSURANCE PROGRAM  
 .....
- 5.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
 WE HAVE A CATASTROPHIC REINSURANCE PROGRAM  
 .....
- 5.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes (X) No ( )
- 5.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.  
 .....  
 .....
- 6.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract which includes a provision which would limit the reinsurers's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)? Yes ( ) No (X)
- 6.2 If yes, indicate the number of reinsurance contracts containing such provisions. ....

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

- 7.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes ( ) No (X)
- 7.2 If yes, give full information.  
 .....
8. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original reporting entity would have been required to charge had it retained the risks. Has this been done? Yes ( ) No ( ) N/A (X)
- 9.1 Has this reporting entity guaranteed policies issued by any other entity and now in force? Yes ( ) No (X)
- 9.2 If yes, give full information.  
 .....
- 10.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- |   |          |
|---|----------|
| 10.11 Unpaid losses   | \$ ..... |
| 10.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ ..... |
- 10.2 Of the amount on Line 10.3 of the assets schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds. \$ .....
- 10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes ( ) No ( ) N/A (X)
- 10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- |            |         |
|------------|---------|
| 10.41 From | ..... % |
| 10.42 To   | ..... % |
- 10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes ( ) No (X)
- 10.6 If yes, state the amount thereof at December 31 of the current year:
- |                                  |          |
|----------------------------------|----------|
| 10.61 Letters of credit          | \$ ..... |
| 10.62 Collateral and other funds | \$ ..... |
- 11.1 What amount of installment notes is owned and now held by the reporting entity? \$ .....
- 11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Yes ( ) No (X)
- 11.3 If yes, what amount? \$ .....
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ ..... 150,000
- 12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes ( ) No (X)
- 12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. ..... 3
- 13.1 Has the reporting entity guaranteed any financial premium accounts? Yes ( ) No (X)
- 13.2 If yes, give full information.  
 .....
- 14.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes ( ) No (X)
- |   |          |
|---|----------|
| 14.11 Name of real estate holding company ..... |          |
| 14.12 Number of parcels involved .....          |          |
| 14.13 Total book/adjusted carrying value .....  | \$ ..... |
- 14.2 If yes, provide explanation.  
 .....
- 15.1 Does the reporting entity write any warranty business? Yes ( ) No (X)  
 If yes, disclose the following information for each of the following types of warranty coverage:
- |                  | 1<br>Direct Losses<br>Incurred | 2<br>Direct Losses<br>Unpaid | 3<br>Direct Written<br>Premium | 4<br>Direct Premium<br>Unearned | 5<br>Direct Premium<br>Earned |
|------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 15.11 Home       | .....                          | .....                        | .....                          | .....                           | .....                         |
| 15.12 Products   | .....                          | .....                        | .....                          | .....                           | .....                         |
| 15.13 Automobile | .....                          | .....                        | .....                          | .....                           | .....                         |
| 15.14 Other*     | .....                          | .....                        | .....                          | .....                           | .....                         |

\* Disclose type of coverage:  
 .....

## FIVE-YEAR HISTORICAL DATA

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

	1 2002	2 2001	3 2000	4 1999	5 1998
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	45,075,222	38,447,969	32,563,344	28,835,898	28,004,917
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	34,455,091	29,182,723	24,966,903	21,352,864	19,644,590
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	28,490,307	25,196,860	22,856,804	19,699,253	17,695,549
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)	171,373	663,119	772,067	763,586	945,755
5. Nonproportional reinsurance lines (Lines 30, 31 and 32)					
6. Total (Line 34)	108,191,993	93,490,671	81,159,118	70,651,601	66,290,811
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	42,438,352	33,076,658	28,876,503	26,593,586	26,029,083
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	32,130,600	27,237,584	23,198,671	19,606,888	18,144,266
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	25,846,626	23,028,032	20,831,653	17,971,316	16,200,585
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)	171,373	627,853	733,886	711,448	896,884
11. Nonproportional reinsurance lines (Line 30, 31 and 32)					
12. Total (Line 34)	100,586,951	83,970,127	73,640,713	64,883,238	61,270,818
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	43,723	(1,370,434)	(3,833,381)	(1,550,694)	2,180,822
14. Net investment gain (loss) (Line 11)	5,159,134	5,129,370	5,540,457	5,667,221	4,831,212
15. Total other income (Line 15)	502,042	234,841	137,576	(15,946)	(214,774)
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	2,225,000	1,400,000	950,000	1,000,000	2,100,000
18. Net income (Line 20)	3,479,899	2,593,777	894,652	3,100,581	4,697,260
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding Protected Cell (Page 2, Line 26, Column 3)	140,038,924	126,715,788	114,024,952	101,702,787	96,035,920
20. Agents' balances or uncollected premiums (Page 2, Column 3)					
20.1 In course of collection (Line 10.1)	1,493,957	1,124,435	1,042,106	1,472,253	1,399,439
20.2 Deferred and not yet due (Line 10.2)	21,928,566	18,212,830	16,022,252	12,145,747	11,189,242
20.3 Accrued retrospective premiums (Line 10.3)					
21. Total liabilities excluding Protected Cell (Page 3, Line 24)	91,265,897	79,927,080	74,693,148	64,728,407	64,134,218
22. Losses (Page 3, Line 1 and Line 2)	32,424,247	29,412,777	30,476,373	25,489,645	23,185,484
23. Loss adjustment expenses (Page 3, Line 3)	7,269,650	5,639,154	4,685,447	48,898,743	4,592,749
24. Unearned premiums (Page 3, Line 9)	40,051,156	34,639,034	30,485,255	26,237,935	24,486,089
25. Capital paid up (Page 3, Line 28 and Line 29)	1,495,210	1,495,210	1,495,210	1,495,210	1,495,210
26. Surplus as regards policyholders (Page 3, Line 35)	48,773,027	46,788,708	39,331,804	36,974,380	31,901,702
Risk-Based Capital Analysis					
27. Total adjusted capital	48,773,027	46,788,708	39,331,804	36,974,380	31,901,702
28. Authorized control level risk-based capital	6,588,002	5,723,188	5,176,359	4,743,988	3,991,738
Percentage Distribution of Cash and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 9, Column 3) x 100.0					
29. Bonds (Line 1)	82.4	81.0	79.1	82.0	81.1
30. Stocks (Line 2.1 and Line 2.2)	8.1	10.4	8.7	11.2	12.8
31. Mortgage loans on real estate (Line 3.1 and Line 3.2)					
32. Real estate (Lines 4.1, 4.2 and 4.3)					
33. Cash and short-term investments (Line 5)	9.5	8.7	12.2	6.8	6.0
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	100.0
Investments in Parent, Subsidiaries and Affiliates					
38. Affiliated bonds (Schedule D, Summary, Line 25, Column 1)					
39. Affiliated preferred stocks (Schedule D, Summary, Line 39, Column 1)					
40. Affiliated common stocks (Schedule D, Summary, Line 53, Column 2)					
41. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Column 5 Line 11)					
42. Affiliated mortgage loans on real estate					
43. All other affiliated					
44. Total of above Line 38 through Line 43					
45. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 44 above divided by Page 3, Column 1, Line 34 x 100.0)					

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Capital and Surplus Accounts (Page 4)					
46. Net unrealized capital gains (losses) (Line 23) .....	(1,085,508)	1,294,706	351,613	(1,369,290)	(120,487)
47. Dividends to stockholders (Line 34) .....	(1,164,212)				
48. Change in surplus as regards policyholders for the year (Line 37) .....	1,984,319	7,456,904	2,357,424	5,072,678	2,762,453
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
49. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....	24,292,442	22,433,721	20,007,519	16,047,522	15,942,018
50. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....	20,103,664	18,266,195	15,382,446	12,948,666	11,964,686
51. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....	21,368,940	17,164,894	15,764,752	11,081,161	11,139,536
52. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33) .....	34,295	383,804	426,937	467,683	444,200
53. Nonproportional reinsurance lines (Lines 30, 31, and 32) .....					
54. Total (Line 34) .....	65,799,341	58,248,614	51,581,654	40,545,032	39,490,440
Net Losses Paid (Page 9, Part 2, Column 4)					
55. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....	21,372,123	18,994,312	16,777,296	13,934,005	13,939,603
56. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....	19,217,776	17,699,445	13,020,409	12,910,048	11,446,874
57. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....	16,602,055	14,935,628	11,873,668	10,100,689	9,055,864
58. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33) .....	34,295	383,513	426,937	467,629	442,705
59. Nonproportional reinsurance lines (Lines 30, 31, and 32) .....					
60. Total (Line 34) .....	57,226,249	52,012,898	42,098,310	37,412,371	34,885,046
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
61. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
62. Losses incurred (Line 2) .....	63.3	63.8	67.9	62.9	58.8
63. Loss expenses incurred (Line 3) .....	8.2	8.1	7.3	8.2	7.3
64. Other underwriting expenses incurred (Line 4) .....	28.5	29.8	30.3	31.3	29.6
65. Net underwriting gain (loss) (Line 8) .....		(1.7)	(5.5)	(2.5)	4.3
Other Percentages					
66. Other underwriting expenses to net premiums written (Page 4, Lines 4 plus 5 minus 15 divided by Page 8, Part 1B, Column 6, Line 34 x 100.0) .....	26.4	28.0	28.4	15.0	28.9
67. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 plus Line 3 divided by Page 4, Line 1 x 100.0) .....	71.5	71.9	75.2	71.2	66.0
68. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 34 divided by Page 3, Line 35, Column 1 x 100.0) .....	206.2	179.5	187.2	175.5	192.1
One Year Loss Development (000 omitted)					
69. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11) .....	(343)	(48)	1,940	(1,521)	(3,592)
70. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 69 above divided by Page 4, Line 21, Column 1 x 100.0) .....	(0.7)	(0.1)	5.2	(4.8)	(13.6)
Two Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12) .....	(477)	682	489	(4,355)	(2,838)
72. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 71 above divided by Page 4, Line 21, Column 2 x 100.0) .....	(1.2)	1.8	1.5	(14.9)	(10.0)

**SCHEDULE D - SUMMARY BY COUNTRY**

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States	5,306,726	5,530,465	5,295,016	5,325,831
	2. Canada				
	3. Other Countries				
	4. Totals	5,306,726	5,530,465	5,295,016	5,325,831
States, Territories and Possessions (Direct and guaranteed)	5. United States	3,519,510	3,565,151	3,547,428	3,110,000
	6. Canada				
	7. Other Countries				
	8. Totals	3,519,510	3,565,151	3,547,428	3,110,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States	5,529,682	5,529,682	5,584,727	4,975,000
	10. Canada				
	11. Other Countries				
	12. Totals	5,529,682	5,529,682	5,584,727	4,975,000
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	31,074,380	31,114,400	31,196,483	30,776,935
	14. Canada				
	15. Other Countries				
	16. Totals	31,074,380	31,114,400	31,196,483	30,776,935
Public Utilities (unaffiliated)	17. United States	2,220,288	2,283,860	2,231,240	2,000,000
	18. Canada				
	19. Other Countries				
	20. Totals	2,220,288	2,283,860	2,231,240	2,000,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	42,968,804	43,768,313	43,087,763	42,670,439
	22. Canada				
	23. Other Countries				
	24. Totals	42,968,804	43,768,313	43,087,763	42,670,439
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	90,619,390	91,791,871	90,942,657	88,858,205
PREFERRED STOCKS Public Utilities (unaffiliated)	27. United States	1,021,875	1,021,875	1,078,133	
	28. Canada				
	29. Other Countries				
	30. Totals	1,021,875	1,021,875	1,078,133	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States	1,646,125	1,646,620	1,607,234	
	32. Canada				
	33. Other Countries				
	34. Totals	1,646,125	1,646,620	1,607,234	
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals				
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks	2,668,000	2,668,495	2,685,367	
COMMON STOCKS Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	5,386	5,386	2,833	
	46. Canada				
	47. Other Countries				
	48. Totals	5,386	5,386	2,833	
Industrial and Miscellaneous (unaffiliated)	49. United States	6,240,978	6,240,978	7,096,129	
	50. Canada				
	51. Other Countries				
	52. Totals	6,240,978	6,240,978	7,096,129	
Parent, Subsidiaries and Affiliates	53. Totals				
	54. Total Common Stocks	6,246,364	6,246,364	7,098,962	
	55. Total Stocks	8,914,364	8,914,859	9,784,329	
	56. Total Bonds and Stocks	99,533,754	100,706,730	100,726,986	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ 66,178,169 .

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of bonds and stocks, prior year	93,013,680	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3	34,646,437	6.1 Column 17, Part 1	
3. Increase (decreased) by adjustment:		6.2 Column 13, Part 2, Section 1	
3.1 Column 16, Part 1	(176,490)	6.3 Column 11, Part 2, Section 2	
3.2 Column 12, Part 2, Section 1	(10,955)	6.4 Column 11, Part 4	
3.3 Column 10, Part 2, Section 2	(1,078,035)	7. Book/adjusted carrying value at end of current period	99,533,754
3.4 Column 10, Part 4	35,019	8. Total valuation allowance	
4. Total gain (loss), Column 14, Part 4	(56,948)	9. Subtotal (Line 7 plus Line 8)	99,533,754
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	26,838,954	10. Total nonadmitted amounts	
		11. Statement value of bonds and stocks, current period	99,533,754

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**

**SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(2)	(1)					3	(1)	XXX
2. 1993	41,257	5,705	35,552	26,562	4,635	1,921	214	1,135		1,296	24,769	XXX
3. 1994	43,677	6,024	37,653	26,330	3,749	1,943	203	1,180		1,184	25,501	XXX
4. 1995	49,737	4,966	44,771	31,184	2,295	1,763	194	1,681		962	32,139	XXX
5. 1996	54,582	3,183	51,399	35,202	3,222	1,464	118	2,072		1,677	35,398	XXX
6. 1997	59,305	4,986	54,319	35,925	2,467	1,581	87	2,710		1,511	37,662	XXX
7. 1998	63,997	5,020	58,977	39,863	4,050	1,381	77	3,333		2,006	40,450	XXX
8. 1999	68,900	5,768	63,132	41,765	2,457	1,327	49	3,589		1,798	44,175	XXX
9. 2000	76,911	7,518	69,393	51,304	9,487	992	87	3,637		1,547	46,359	XXX
10. 2001	89,338	9,521	79,817	50,882	5,555	551	28	3,751		1,502	49,601	XXX
11. 2002	102,781	7,605	95,176	44,876	3,510	410	3	3,612		909	45,385	XXX
12. Totals	XXX	XXX	XXX	383,891	41,426	13,333	1,060	26,700		14,395	381,438	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													XXX
2.	20							2				22	XXX
3.	51							1				52	XXX
4.	317	160						2				161	XXX
5.	19		14	1				10	(2)			40	XXX
6.	381		117	109				36	10			435	XXX
7.	665		178	141				66	16			784	XXX
8.	1,257	99	653	408				281	97			1,781	XXX
9.	4,338	1,261	1,590	656				872	175			5,058	XXX
10.	5,152	2,325	4,451	1,449				1,311	461			7,601	XXX
11.	11,830	2,517	12,943	2,428				2,014	1,915			23,757	XXX
12.	24,030	6,362	19,946	5,192				4,592	2,677			39,691	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter - Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.	29,640	4,849	24,791	71.8	85.0	69.7				20	2
3.	29,505	3,952	25,553	67.6	65.6	67.9				51	1
4.	34,949	2,649	32,300	70.3	53.3	72.1				157	4
5.	38,779	3,341	35,438	71.0	105.0	68.9				32	8
6.	40,760	2,663	38,097	68.7	53.4	70.1				389	46
7.	45,502	4,268	41,234	71.1	85.0	69.9				702	82
8.	48,969	3,013	45,956	71.1	52.2	72.8				1,403	378
9.	62,908	11,491	51,417	81.8	152.8	74.1				4,011	1,047
10.	66,559	9,357	57,202	74.5	98.3	71.7				5,829	1,772
11.	77,600	8,458	69,142	75.5	111.2	72.6				19,828	3,929
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	32,422	7,269

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

**SCHEDULE P - PART 2 - SUMMARY**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	11 One Year	12 Two Year
1. Prior	8,787	8,252	7,607	7,173	6,970	6,730	6,850	6,647	6,635	6,632	(3)	(15)
2. 1993	25,499	24,300	24,264	24,106	23,999	23,668	23,636	23,616	23,623	23,658	35	42
3. 1994	XXX	27,618	25,209	24,491	24,863	24,390	24,384	24,363	24,371	24,373	2	10
4. 1995	XXX	XXX	32,129	30,729	30,860	30,498	30,598	30,729	30,602	30,619	17	(110)
5. 1996	XXX	XXX	XXX	35,408	34,399	33,784	33,247	33,646	33,385	33,368	(17)	(278)
6. 1997	XXX	XXX	XXX	XXX	36,436	34,504	34,606	35,663	35,365	35,379	14	(284)
7. 1998	XXX	XXX	XXX	XXX	XXX	39,447	38,328	38,847	38,221	37,884	(337)	(963)
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	42,628	42,558	42,657	42,272	(385)	(286)
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	46,195	47,356	47,602	246	1,407
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	52,904	52,989	85	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	63,613	XXX	XXX
12. Totals											(343)	(477)

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	0 0 0	3,452	4,978	5,692	6,198	6,400	6,601	6,618	6,635	6,632	XXX	XXX
2. 1993	14,424	19,493	21,391	22,677	23,260	23,502	23,481	23,604	23,603	23,638	XXX	XXX
3. 1994	XXX	15,526	19,673	21,497	23,246	23,823	24,173	24,276	24,285	24,321	XXX	XXX
4. 1995	XXX	XXX	18,375	24,788	27,252	29,012	30,031	30,304	30,437	30,460	XXX	XXX
5. 1996	XXX	XXX	XXX	21,653	29,116	31,495	32,436	33,146	33,338	33,325	XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	21,312	27,762	30,994	33,541	34,740	34,954	XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	24,452	31,109	34,814	36,658	37,114	XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	26,354	34,364	38,230	40,586	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	28,204	39,046	42,720	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	35,455	45,851	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	41,772	XXX	XXX

**SCHEDULE P - PART 4 - SUMMARY**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior										
2. 1993	3,227	520	104	471	287	86	35			
3. 1994	XXX	3,706	568	738	471	175	62			
4. 1995	XXX	XXX	4,824	1,662	855	373	165	56		2
5. 1996	XXX	XXX	XXX	6,386	2,073	991	403	237	36	25
6. 1997	XXX	XXX	XXX	XXX	6,572	2,353	1,007	651	169	44
7. 1998	XXX	XXX	XXX	XXX	XXX	7,469	3,713	1,798	719	105
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	7,601	3,128	1,453	528
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,664	3,773	1,805
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,949	4,313
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,527

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	No							
2. Alaska	AK	No							
3. Arizona	AZ	No							
4. Arkansas	AR	No							
5. California	CA	No							
6. Colorado	CO	No							
7. Connecticut	CT	No							
8. Delaware	DE	No							
9. Dist. Columbia	DC	No							
10. Florida	FL	No							
11. Georgia	GA	No							
12. Hawaii	HI	No							
13. Idaho	ID	No							
14. Illinois	IL	No							
15. Indiana	IN	No							
16. Iowa	IA	No							
17. Kansas	KS	No							
18. Kentucky	KY	No							
19. Louisiana	LA	No							
20. Maine	ME	No							
21. Maryland	MD	No							
22. Massachusetts	MA	No							
23. Michigan	MI	No							
24. Minnesota	MN	No							
25. Mississippi	MS	No							
26. Missouri	MO	No							
27. Montana	MT	No							
28. Nebraska	NE	No							
29. Nevada	NV	No							
30. New Hampshire	NH	No							
31. New Jersey	NJ	No							
32. New Mexico	NM	No							
33. New York	NY	No							
34. North Carolina	NC	No							
35. North Dakota	ND	No							
36. Ohio	OH	Yes	108,191,993	102,779,871	65,799,341	71,348,102	43,979,306	963,218	
37. Oklahoma	OK	No							
38. Oregon	OR	No							
39. Pennsylvania	PA	No							
40. Rhode Island	RI	No							
41. South Carolina	SC	No							
42. South Dakota	SD	No							
43. Tennessee	TN	No							
44. Texas	TX	No							
45. Utah	UT	No							
46. Vermont	VT	No							
47. Virginia	VA	No							
48. Washington	WA	No							
49. West Virginia	WV	No							
50. Wisconsin	WI	No							
51. Wyoming	WY	No							
52. American Samoa	AS	No							
53. Guam	GU	No							
54. Puerto Rico	PR	No							
55. U. S. Virgin Islands	VI	No							
56. Canada	CN	No							
57. Aggregate other alien	OT	X X X							
58. Totals	(a) 1	108,191,993	102,779,871		65,799,341	71,348,102	43,979,306	963,218	
DETAILS OF WRITE-INS									
5701.		X X X							
5702.		X X X							
5703.		X X X							
5798. Summary of remaining write-ins for Line 57 from overflow page		X X X							
5799. Totals (Line 5701 through Line 5703 plus Line 5798) (Line 57 above)		X X X							

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

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