



ANNUAL STATEMENT

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

MOTORISTS MUTUAL INSURANCE COMPANY

NAIC Group Code..... 291, 291 NAIC Company Code..... 14621 Employer's ID Number..... 31-4259550
(Current Period) (Prior Period)

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

Country of Domicile US

Incorporated..... November 8, 1928

Commenced Business..... November 27, 1928

Statutory Home Office 471 East Broad Street Columbus OH 43215
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 471 East Broad Street Columbus OH 43215
(Street and Number) (City or Town, State and Zip Code)

614-225-8211
(Area Code) (Telephone Number)

Mail Address 471 East Broad Street Columbus OH 43215
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 471 East Broad Street Columbus OH 43215
(Street and Number) (City or Town, State and Zip Code)

614-225-8211
(Area Code) (Telephone Number)

Internet Website Address MotoristsGroup.com

Statement Contact James E. Vermillion
(Name)

614-225-8331
(Area Code) (Telephone Number) (Extension)

MIC-AHIG.Accounting@MotoristsGroup.com
(E-Mail Address)

614-225-8330
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Policyowner Relations Contact 471 East Broad Street Columbus OH 43215
(Street and Number) (City or Town, State and Zip Code)

1-800-876-6642
(Area Code) (Telephone Number) (Extension)

OFFICERS

President John Jacob Bishop

Treasurer Michael Lee Wiseman

Secretary Thomas Charles Ogg

VICE PRESIDENTS

David Lynn Kaufman
Charles Arthur Wickert

Duane Edwin Swartz
Charles Donovan Stapleton #

DIRECTORS OR TRUSTEES

John Jacob Bishop
Daniel Edwin Evans
Robert Elvin Herman Rabold

John Lorentz Cooper
Archie Mason Griffin
Garry Lee Wharton

Alan Nicholas Dekker
Thomas Charles Ogg
Michael Lee Wiseman

State of Ohio
County of Franklin

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

John J. Bishop
President

Thomas C. Ogg
Secretary

Michael L. Wiseman
Treasurer

Subscribed and sworn to before me this

14th day of February, 2003

a. Is this an original filing? Yes [X] No []

b. If no: 1. State the amendment number

2. Date filed.....

3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2002 OF THMOTORISTS MUTUAL INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds.....	480,139,788		480,139,788	453,598,841
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1).....			0	
2.2 Common stocks (Schedule D, Part 2, Section 2).....	118,868,435		118,868,435	139,773,314
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	14,386,371		14,386,371	14,883,731
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	805,590		805,590	821,081
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	124,188
5. Cash (\$.....31,481,804 Schedule E, Part 1) and short-term investments (\$.....0 Schedule DA, Part 2).....	31,481,804		31,481,804	14,795,127
6. Other invested assets (Schedule BA).....	17,669,621	3,991,383	13,678,238	16,210,200
7. Receivable for securities.....	311,056		311,056	
8. Aggregate write-ins for invested assets.....	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8).....	663,662,665	3,991,383	659,671,282	640,206,482
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection.....	13,657,359	85,600	13,571,759	4,063,343
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$.....937,500 earned but unbilled premiums).....	75,558,392	902,805	74,655,587	66,978,417
10.3 Accrued retrospective premiums.....			0	
11. Funds held by or deposited with reinsured companies.....	185,721		185,721	
12. Bills receivable, taken for premiums.....			0	
13. Amounts receivable under high deductible policies.....			0	
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Cols. 7 and 8).....	9,522,555		9,522,555	9,732,545
15. Federal and foreign income tax recoverable and interest thereon (including \$.....32,279,199 net deferred tax asset).....	37,475,251	16,006,644	21,468,607	13,807,312
16. Guaranty funds receivable or on deposit.....			0	
17. Electronic data processing equipment and software.....	1,612,072	754,570	857,502	844,548
18. Interest, dividends and real estate income due and accrued.....	6,591,256		6,591,256	6,427,290
19. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....	913,617		913,617	458,527
21. Amount due from/to protected cells.....			0	
22. Equities and deposits in pools and associations.....	170,326		170,326	1,532,719
23. Amounts receivable relating to uninsured accident and health plans.....			0	
24. Other assets nonadmitted (Exhibit 1).....	3,302,082	3,302,082	0	(0)
25. Aggregate write-ins for other than invested assets.....	3,215,895	3,011,545	204,350	18,942
26. Total assets excluding protected cell assets (Lines 9 through 25).....	815,867,192	28,054,629	787,812,563	744,070,124
27. Protected cell assets.....			0	
28. TOTALS (Lines 26 and 27).....	815,867,192	28,054,629	787,812,563	744,070,124

DETAILS OF WRITE-INS

0801.			0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page.....	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	0	0	0	0
2501. Tenant allowances.....	975,591	975,591	0	
2502. Prepaid pension asset.....	2,023,655	2,023,655	0	
2503. Pooled expenses receivable.....	178,935		178,935	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	37,713	12,298	25,415	18,942
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	3,215,895	3,011,545	204,350	18,942

**ANNUAL STATEMENT FOR THE YEAR 2002 OF TIMOTORISTS MUTUAL INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8).....	194,332,831	164,854,282
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6).....	6,358,651	6,244,909
3. Loss adjustment expenses (Part 2A, Line 34, Column 9).....	43,262,324	36,476,665
4. Commissions payable, contingent commissions and other similar charges.....	10,505,941	6,795,705
5. Other expenses (excluding taxes, licenses and fees).....	3,583,549	4,358,323
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	4,405,669	4,061,322
7. Federal and foreign income taxes (including \$.....(1,098,582) on realized capital gains (losses)) (including \$.....0 net deferred tax liability).....		801,118
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....44,896,878 and including warranty reserves of \$.....0).....	133,763,129	107,811,525
10. Advance premiums.....	3,604,597	2,998,600
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	440,250	361,130
12. Ceded reinsurance premiums payable (net of ceding commissions).....	15,982,841	16,744,662
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	947,546	
14. Amounts withheld or retained by company for account of others.....	9,268,478	9,497,992
15. Remittances and items not allocated.....	1,105,751	1,220,117
16. Provision for reinsurance (Schedule F, Part 7).....		9,126
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	10,261,479	10,203,780
19. Payable to parent, subsidiaries and affiliates.....	521,802	824,948
20. Payable for securities.....		714,760
21. Liability for amounts held under uninsured accident and health plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	14,511,838	3,570,187
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	452,856,676	377,549,149
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	452,856,676	377,549,149
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....		
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....		
32. Gross paid in and contributed surplus.....		
33. Unassigned funds (surplus).....	334,955,887	366,520,975
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....		
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 38).....	334,955,887	366,520,975
36. TOTALS (Page 2, Line 28, Col. 3).....	787,812,563	744,070,124

DETAILS OF WRITE-INS

2301. Pension plan obligations.....	12,824,958	
2302. Pooled general expenses payable.....		1,116,975
2303. Miscellaneous liabilities.....	219,275	430,276
2398. Summary of remaining write-ins for Line 23 from overflow page.....	1,467,605	2,022,936
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	14,511,838	3,570,187
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THMOTORISTS MUTUAL INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT**

	1 Current Year	2 Prior Year
STATEMENT OF INCOME		
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 34, Column 4).....	318,248,311	265,899,788
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7).....	204,272,661	151,388,030
3. Loss expenses incurred (Part 3, Line 25, Column 1).....	40,615,886	31,796,208
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	104,680,760	90,484,537
5. Aggregate write-ins for underwriting deductions.....	(346,860)	863,890
6. Total underwriting deductions (Lines 2 through 5).....	349,222,446	274,532,665
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(30,974,135)	(8,632,876)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	30,517,865	31,453,548
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses)).....	(2,210,323)	4,707,622
11. Net investment gain (loss) (Lines 9 + 10).....	28,307,542	36,161,170
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$...67,617 amount charged off \$...674,604).....	(606,987)	(29,182)
13. Finance and service charges not included in premiums.....	2,254,099	1,694,468
14. Aggregate write-ins for miscellaneous income.....	(7,957,080)	73,614
15. Total other income (Lines 12 through 14).....	(6,309,968)	1,738,900
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15).....	(8,976,561)	29,267,194
17. Dividends to policyholders.....	597,723	426,819
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17).....	(9,574,284)	28,840,375
19. Federal and foreign income taxes incurred.....	(3,948,153)	4,427,692
20. Net income (Line 18 minus Line 19) (to Line 22).....	(5,626,131)	24,412,683
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2).....	366,520,975	339,756,339
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20).....	(5,626,131)	24,412,683
23. Net unrealized capital gains or (losses).....	(15,471,571)	(13,080,182)
24. Change in net unrealized foreign exchange capital gains (loss).....		
25. Change in net deferred income tax.....	3,765,751	(1,162,992)
26. Change in nonadmitted assets (Exhibit 1, Line 5, Column 3).....	(19,929,478)	(3,885,418)
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	9,126	1,647
28. Change in surplus notes.....		
29. Surplus (contributed to) withdrawn from protected cells.....		
30. Cumulative effect of changes in accounting principles.....	5,687,216	20,478,899
31. Capital changes:		
31.1 Paid in.....		
31.2 Transferred from surplus (Stock Dividend).....		
31.3 Transferred to surplus.....		
32. Surplus adjustments:		
32.1 Paid in.....		
32.2 Transferred to capital (Stock Dividend).....		
32.3. Transferred from capital.....		
33. Net remittances from or (to) Home Office.....		
34. Dividends to stockholders.....		
35. Change in treasury stock (Page 3, Line 34.1 and 34.2, Column 2 minus Column 1).....		
36. Aggregate write-ins for gains and losses in surplus.....	0	0
37. Change in surplus as regards policyholders for the year (Lines 22 through 36).....	(31,565,088)	26,764,636
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35).....	334,955,887	366,520,975

DETAILS OF WRITE-INS		
0501. Premium recognition transition adjustment.....		740,690
0502. Premium deficiency reserve.....	(346,860)	123,200
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	(346,860)	863,890
1401. Miscellaneous income or expense.....	(204,618)	73,614
1402. Change in pension plan obligations (net of FIT).....	(7,752,462)	
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(7,957,080)	73,614
3601.		
3602.		
3603.		
3698. Summary of remaining write-ins for Line 36 from overflow page.....	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above).....	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THMOTORISTS MUTUAL INSURANCE COMPANY
CASH FLOW**

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	326,133,192	267,998,369
2. Loss and loss adjustment expenses paid (net of salvage and subrogation).....	208,357,274	182,287,106
3. Underwriting expenses paid.....	101,401,886	88,178,564
4. Other underwriting income (expenses).....	346,860	(863,890)
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	16,720,891	(3,331,192)
6. Net investment income.....	32,149,485	33,440,879
7. Other income (expenses):		
7.1 Agents' balances charged off.....	(606,987)	(29,182)
7.2 Net funds held under reinsurance treaties.....	761,825	
7.3 Net amount withheld or retained for account of others.....	(229,514)	1,116,840
7.4 Aggregate write-ins for miscellaneous items.....	3,411,874	252,459
7.5 Total other income (Lines 7.1 to 7.4).....	3,337,199	1,340,118
8. Dividends to policyholders on direct business, less \$.....(391,045) dividends on reinsurance assumed or ceded (net).....	518,603	309,779
9. Federal and foreign income taxes (paid) recovered.....	(11,910,635)	(5,168,247)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9).....	39,778,337	25,971,779
CASH FROM INVESTMENTS		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds.....	92,582,253	110,209,455
11.2 Stocks.....	33,703,248	62,164,200
11.3 Mortgage loans.....		
11.4 Real estate.....	184,625	
11.5 Other invested assets.....	497,263	528,783
11.6 Net gains or (losses) on cash and short-term investments.....		
11.7 Miscellaneous proceeds.....		714,760
11.8 Total investment proceeds (Lines 11.1 to 11.7).....	126,967,389	173,617,198
12. Cost of investments acquired (long-term only):		
12.1 Bonds.....	120,407,872	125,244,180
12.2 Stocks.....	34,244,223	63,591,020
12.3 Mortgage loans.....		
12.4 Real estate.....	520,843	992,675
12.5 Other invested assets.....	604,030	10,388,933
12.6 Miscellaneous applications.....	1,025,816	
12.7 Total investments acquired (Lines 12.1 to 12.6).....	156,802,784	200,216,808
13. Net cash from investments (Line 11.8 minus Line 12.7).....	(29,835,395)	(26,599,610)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in.....		
14.2 Capital notes \$.....0 less amounts repaid \$.....0.....		
14.3 Net transfers from affiliates.....		268,594
14.4 Borrowed funds received.....		
14.5 Other cash provided.....	11,503,850	14,447,669
14.6 Total (Lines 14.1 to 14.5).....	11,503,850	14,716,262
15. Cash applied:		
15.1 Dividends to stockholders paid.....		
15.2 Net transfers to affiliates.....	758,236	
15.3 Borrowed funds repaid.....		
15.4 Other applications.....	4,001,879	
15.5 Total (Lines 15.1 to 15.4).....	4,760,116	0
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5).....	6,743,734	14,716,262
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10 plus Line 13 plus Line 16).....	16,686,677	14,088,432
18. Cash and short-term investments:		
18.1 Beginning of year.....	14,795,127	706,695
18.2 End of year (Line 17 plus Line 18.1).....	31,481,804	14,795,127
DETAILS OF WRITE-INS		
7.401 Finance and service charges not included in premiums.....	2,254,099	1,694,468
7.402 Change in equities and deposits in pools and associations.....	1,362,393	(1,349,988)
7.403 Miscellaneous income or expense.....	(204,618)	73,614
7.498 Summary of remaining write-ins for Line 7.4 from overflow page.....	0	(165,635)
7.499 Total (Lines 7.401 thru 7.403 plus 7.498) (Line 7.4 above).....	3,411,874	252,459

**ANNUAL STATEMENT FOR THE YEAR 2002 OF TH MOTORISTS MUTUAL INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3 Last Year's Part 2	3 Unearned Premiums December 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....	2,428,423	770,157	1,113,363	2,085,217
2.	Allied lines.....	1,505,484	433,403	636,869	1,302,018
3.	Farmowners multiple peril.....	5,895,446	47,718	1,971,278	3,971,886
4.	Homeowners multiple peril.....	53,705,648	20,753,819	27,192,017	47,267,450
5.	Commercial multiple peril.....	35,818,380	12,794,411	17,034,349	31,578,443
6.	Mortgage guaranty.....				0
8.	Ocean marine.....	281,594	143,626	136,895	288,325
9.	Inland marine.....	8,695,809	3,756,284	4,160,284	8,291,810
10.	Financial guaranty.....				0
11.1	Medical malpractice - occurrence.....				0
11.2	Medical malpractice - claims-made.....				0
12.	Earthquake.....	1,189,323	581,078	641,396	1,129,005
13.	Group accident and health.....				0
14.	Credit accident and health (group and individual).....				0
15.	Other accident and health.....	79,301	10,626	10,149	79,779
16.	Workers' compensation.....	11,460,481	4,118,877	4,935,993	10,643,364
17.1	Other liability - occurrence.....	22,102,487	9,256,861	11,417,880	19,941,468
17.2	Other liability - claims-made.....	175,137			175,137
18.1	Products liability - occurrence.....	1,825,766	747,619	859,451	1,713,934
18.2	Products liability - claims-made.....				0
19.1, 19.2	Private passenger auto liability.....	71,825,270	15,886,900	18,281,844	69,430,326
19.3, 19.4	Commercial auto liability.....	42,884,919	17,834,667	20,779,215	39,940,371
21.	Auto physical damage.....	75,449,825	19,739,464	23,667,685	71,521,604
22.	Aircraft (all perils).....				0
23.	Fidelity.....	705,258	282,251	341,536	645,972
24.	Surety.....	114,775	61,491	62,383	113,883
26.	Burglary and theft.....	249,236	103,805	120,931	232,110
27.	Boiler and machinery.....	(2,051)	4,396	30,901	(28,556)
28.	Credit.....				0
29.	International.....				0
30.	Reinsurance - nonproportional assumed property.....	4,216,635	195,627	178,248	4,234,013
31.	Reinsurance - nonproportional assumed liability.....	3,592,806	286,904	190,461	3,689,249
32.	Reinsurance - nonproportional assumed financial lines.....				0
33.	Aggregate write-ins for other lines of business.....	(40)	1,540	0	1,500
34.	TOTALS.....	344,199,915	107,811,525	133,763,129	318,248,310

DETAILS OF WRITE-INS

3301.	Warranty.....	(40)	1,540		1,500
3302.	.....				0
3303.	.....				0
3398.	Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	(40)	1,540	0	1,500

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THMOTORISTS MUTUAL INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1A - RECAPITULATION OF ALL PREMIUMS

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

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running more than One Year from Date of Policy) (b)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	1,113,363				1,113,363
2.	Allied lines.....	636,869				636,869
3.	Farmowners multiple peril.....	1,971,278				1,971,278
4.	Homeowners multiple peril.....	27,192,017				27,192,017
5.	Commercial multiple peril.....	17,034,349				17,034,349
6.	Mortgage guaranty.....					0
8.	Ocean marine.....	136,895				136,895
9.	Inland marine.....	4,160,284				4,160,284
10.	Financial guaranty.....					0
11.1	Medical malpractice - occurrence.....					0
11.2	Medical malpractice - claims-made.....					0
12.	Earthquake.....	641,396				641,396
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....	10,149				10,149
16.	Workers' compensation.....	4,935,993				4,935,993
17.1	Other liability - occurrence.....	11,417,880				11,417,880
17.2	Other liability - claims-made.....					0
18.1	Products liability - occurrence.....	859,451				859,451
18.2	Products liability - claims-made.....					0
19.1, 19.2	Private passenger auto liability.....	18,281,844				18,281,844
19.3, 19.4	Commercial auto liability.....	20,779,215				20,779,215
21.	Auto physical damage.....	23,667,685				23,667,685
22.	Aircraft (all perils).....					0
23.	Fidelity.....	341,536				341,536
24.	Surety.....	62,383				62,383
26.	Burglary and theft.....	120,931				120,931
27.	Boiler and machinery.....	30,901				30,901
28.	Credit.....					0
29.	International.....					0
30.	Reinsurance - nonproportional assumed property.....	178,248				178,248
31.	Reinsurance - nonproportional assumed liability.....	190,461				190,461
32.	Reinsurance - nonproportional assumed financial lines.....					0
33.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
34.	TOTALS.....	133,763,129	0	0	0	133,763,129
35.	Accrued retrospective premiums based on experience.....					
36.	Earned but unbilled premiums.....					
37.	Balance (sum of Lines 34 through 36).....					133,763,129

DETAILS OF WRITE-INS

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

- (a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force. Are they so returned in this statement? Yes [X] No [].
 (b) State here basis of computation used in each case: Daily method

**ANNUAL STATEMENT FOR THE YEAR 2002 OF TH MOTORISTS MUTUAL INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1B - PREMIUMS WRITTEN

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

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	1,760,898	679,352	864,652	836,147	40,332	2,428,423
2. Allied lines.....	958,547	530,734	554,234	516,838	21,192	1,505,484
3. Farmowners multiple peril.....		7,468,166	394,081	1,966,801		5,895,446
4. Homeowners multiple peril.....	54,715,437	9,837,869	8,873,964	18,620,630	1,100,992	53,705,648
5. Commercial multiple peril.....	22,330,167	19,535,720	7,212,340	12,382,557	877,290	35,818,380
6. Mortgage guaranty.....						0
8. Ocean marine.....	387,109			98,839	6,676	281,594
9. Inland marine.....	8,025,381	3,726,153	204,834	3,028,691	231,868	8,695,809
10. Financial guaranty.....						0
11.1 Medical malpractice - occurrence.....						0
11.2 Medical malpractice - claims-made.....						0
12. Earthquake.....	1,205,949	416,928	10,034	416,565	27,022	1,189,323
13. Group accident and health.....						0
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....		106,103		26,802		79,301
16. Workers' compensation.....	8,276,729	7,142,438	362,501	3,962,876	358,310	11,460,481
17.1 Other liability - occurrence.....	25,187,855	6,138,071	23,345	7,688,083	1,558,701	22,102,487
17.2 Other liability - claims-made.....			233,516	58,379		175,137
18.1 Products liability - occurrence.....	2,031,929	475,021		634,480	46,703	1,825,766
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....	90,594,943	5,193,676	970,836	24,491,952	442,233	71,825,270
19.3, 19.4 Commercial auto liability.....	33,622,697	24,908,053	77,715	14,912,725	810,820	42,884,919
21. Auto physical damage.....	84,251,672	16,010,599	1,604,261	25,833,560	583,148	75,449,825
22. Aircraft (all perils).....						0
23. Fidelity.....	275,966	680,604		244,861	6,451	705,258
24. Surety.....		155,163		40,388		114,775
26. Burglary and theft.....	150,971	187,887	618	86,673	3,566	249,236
27. Boiler and machinery.....	397,817	(16,333)		(531)	384,066	(2,051)
28. Credit.....						0
29. International.....						0
30. Reinsurance - nonproportional assumed property.....	XXX	(212)	5,629,166	1,412,319		4,216,635
31. Reinsurance - nonproportional assumed liability.....	XXX		4,800,344	1,207,538		3,592,806
32. Reinsurance - nonproportional assumed financial lines.....	XXX					0
33. Aggregate write-ins for other lines of business.....	0	0	0	40	0	(40)
34. TOTALS.....	334,174,064	103,175,994	31,816,439	118,467,212	6,499,371	344,199,915

DETAILS OF WRITE-INS

3301. Warranty.....				40		(40)
3302.						0
3303.						0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0	0	0
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	0	0	0	40	0	(40)

(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 \$.....0.

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THMOTORISTS MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	430,496	652,761	264,358	818,900	251,363	247,340	822,924	39.5
2. Allied lines.....	645,213	324,492	258,113	711,591	114,434	84,347	741,679	57.0
3. Farmowners multiple peril.....		2,145,848	535,806	1,610,042	405,649	25,272	1,990,419	50.1
4. Homeowners multiple peril.....	41,102,893	5,933,902	12,286,719	34,750,075	12,098,142	9,419,925	37,428,292	79.2
5. Commercial multiple peril.....	10,099,093	6,510,978	4,129,695	12,480,376	11,860,975	7,569,775	16,771,576	53.1
6. Mortgage guaranty.....				0			0	
8. Ocean marine.....	195,071	74	45,978	149,168	40,438	36,975	152,631	52.9
9. Inland marine.....	2,702,274	1,685,504	1,067,843	3,319,935	1,162,645	1,166,014	3,316,566	40.0
10. Financial guaranty.....				0			0	
11.1 Medical malpractice - occurrence.....		14	(877)	891	2,630	3,021	500	
11.2 Medical malpractice - claims-made.....				0			0	
12. Earthquake.....		4,241	1,042	3,199		693	2,506	0.2
13. Group accident and health.....				0			0	
14. Credit accident and health (group and individual).....				0			0	
15. Other accident and health.....		138,093	33,723	104,370	30,000	30,800	103,570	129.8
16. Workers' compensation.....	5,534,376	(11,384,905)	(3,334,357)	(2,516,172)	34,815,660	22,684,642	9,614,846	90.3
17.1 Other liability - occurrence.....	5,244,427	1,845,864	481,104	6,609,187	18,294,986	14,875,288	10,028,884	50.3
17.2 Other liability - claims-made.....		147,877	39,714	108,163			108,163	61.8
18.1 Products liability - occurrence.....	446,439	(26,259)	(82,992)	503,173	4,822,232	1,522,488	3,802,917	221.9
18.2 Products liability - claims-made.....				0			0	
19.1, 19.2 Private passenger auto liability.....	52,137,682	1,295,522	13,377,145	40,056,059	50,796,637	48,054,705	42,797,991	61.6
19.3, 19.4 Commercial auto liability.....	15,239,818	11,223,139	5,954,805	20,508,153	36,294,380	36,800,003	20,002,529	50.1
21. Auto physical damage.....	48,965,705	10,160,646	14,764,157	44,362,194	5,090,047	3,999,219	45,453,022	63.6
22. Aircraft (all perils).....				0			0	
23. Fidelity.....	84,040	53,237	29,288	107,989	184,567	204,534	88,022	13.6
24. Surety.....		127	(1,489)	1,616	79,406	58,535	22,487	19.7
26. Burglary and theft.....	37,187	172,235	51,078	158,343	73,273	49,165	182,451	78.6
27. Boiler and machinery.....	121,255	(11,308)	118,428	(8,481)			(8,481)	29.7
28. Credit.....				0			0	
29. International.....				0			0	
30. Reinsurance - nonproportional assumed property.....	XXX	4,745,468	715,780	4,029,689	10,337,221	6,657,649	7,709,261	182.1
31. Reinsurance - nonproportional assumed liability.....	XXX	6,804,468	(121,186)	6,925,654	7,578,145	11,363,891	3,139,908	85.1
32. Reinsurance - nonproportional assumed financial lines.....	XXX			0			0	
33. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	
34. TOTALS.....	182,985,970	42,422,019	50,613,876	174,794,113	194,332,831	164,854,281	204,272,663	64.2

DETAILS OF WRITE-INS

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THMOTORISTS MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	151,855	72,296	56,038	168,113	107,000	4,000	27,750	251,363	35,792
2. Allied lines.....	58,468	39,111	24,395	73,184	52,000	3,000	13,750	114,434	29,128
3. Farmowners multiple peril.....		417,866	104,466	313,399		123,000	30,750	405,649	33,270
4. Homeowners multiple peril.....	10,270,551	1,675,542	3,014,658	8,931,436	3,212,000	1,032,275	1,077,569	12,098,142	2,795,681
5. Commercial multiple peril.....	2,477,730	12,132,061	3,853,799	10,755,992	1,310,000	333,311	538,328	11,860,975	3,017,492
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....	19,762	8,156	6,979	20,938	26,000		6,500	40,438	8,890
9. Inland marine.....	396,711	803,482	300,048	900,145	195,000	155,000	87,500	1,162,645	95,963
10. Financial guaranty.....				0				0	
11.1 Medical malpractice - occurrence.....		3,507	877	2,630				2,630	
11.2 Medical malpractice - claims-made.....				0				0	
12. Earthquake.....				0				0	
13. Group accident and health.....				0				(a) 0	
14. Credit accident and health (group and individual).....				0				0	
15. Other accident and health.....				0		40,000	10,000	(a) 30,000	
16. Workers' compensation.....	5,053,761	20,816,593	7,170,668	18,699,686	6,218,001	15,314,964	5,416,991	34,815,660	3,733,868
17.1 Other liability - occurrence.....	6,606,766	1,848,886	2,533,913	5,921,739	11,510,577	5,772,085	4,909,416	18,294,986	8,120,490
17.2 Other liability - claims-made.....				0				0	
18.1 Products liability - occurrence.....	1,085,824	802,800	472,156	1,416,468	3,879,019	662,000	1,135,255	4,822,232	2,474,274
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....	50,971,077	2,666,534	18,967,538	34,670,073	20,707,560	823,525	5,404,521	50,796,637	10,408,332
19.3, 19.4 Commercial auto liability.....	13,261,174	10,502,323	6,124,601	17,638,896	11,052,490	14,984,488	7,381,495	36,294,380	10,947,863
21. Auto physical damage.....	4,050,442	1,360,578	1,352,755	4,058,266	1,198,000	177,708	343,927	5,090,047	919,168
22. Aircraft (all perils).....				0				0	
23. Fidelity.....		50,089	12,522	37,567	3,000	193,000	49,000	184,567	8,505
24. Surety.....		105,875	26,469	79,406				79,406	24,513
26. Burglary and theft.....	28,197	12,500	10,174	30,523	6,000	51,000	14,250	73,273	11,113
27. Boiler and machinery.....	54,931		54,931	0				0	
28. Credit.....				0				0	
29. International.....				0				0	
30. Reinsurance - nonproportional assumed property.....	XXX	9,002,207	2,250,552	6,751,655	XXX	4,780,754	1,195,189	10,337,221	470,861
31. Reinsurance - nonproportional assumed liability.....	XXX	2,788,762	697,191	2,091,572	XXX	7,315,431	1,828,858	7,578,145	127,119
32. Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	
33. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
34. TOTALS.....	94,487,249	65,109,168	47,034,729	112,561,689	59,476,647	51,765,542	29,471,047	194,332,831	43,262,324

DETAILS OF WRITE-INS

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

(a) Including \$.....0 for present value of life indemnity claims.

**ANNUAL STATEMENT FOR THE YEAR 2002 OF TH MOTORISTS MUTUAL INSURANCE COMPANY
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.....	11,628,384			11,628,384
1.2 Reinsurance assumed.....	10,792,890			10,792,890
1.3 Reinsurance ceded.....	5,669,813			5,669,813
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	16,751,461	.0	.0	16,751,461
2. Commission and brokerage:				
2.1 Direct excluding contingent.....		53,749,297		53,749,297
2.2 Reinsurance assumed excluding contingent.....		13,162,988		13,162,988
2.3 Reinsurance ceded excluding contingent.....		16,765,713		16,765,713
2.4 Contingent - direct.....		3,224,267		3,224,267
2.5 Contingent - reinsurance assumed.....		1,812,248		1,812,248
2.6 Contingent - reinsurance ceded.....		1,259,129		1,259,129
2.7 Policy and membership fees.....				.0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	.0	53,923,958	.0	53,923,958
3. Allowances to managers and agents.....		557,356		557,356
4. Advertising.....		951,766		951,766
5. Boards, bureaus and associations.....	114,986	835,400		950,386
6. Surveys and underwriting reports.....		2,435,472		2,435,472
7. Audit of assureds' records.....		139,211		139,211
8. Salary and related items:				
8.1 Salaries.....	11,987,135	22,472,174	304,955	34,764,264
8.2 Payroll taxes.....	895,581	1,580,581	11,620	2,487,782
9. Employee relations and welfare.....	1,974,259	3,133,164	28,162	5,135,585
10. Insurance.....	235,100	297,377	5,763	538,240
11. Directors' fees.....	120,223	172,318	3,166	295,707
12. Travel and travel items.....	525,888	592,970	3,729	1,122,587
13. Rent and rent items.....	989,377	1,843,979	(3,538)	2,829,819
14. Equipment.....	2,137,916	3,020,614	93,938	5,252,468
15. Cost or depreciation of EDP equipment and software.....	433,480	460,158	6,636	900,274
16. Printing and stationery.....	361,816	754,995	16,370	1,133,181
17. Postage, telephone and telegraph, exchange and express.....	1,026,945	2,123,833	79,468	3,230,245
18. Legal and auditing.....	308,230	1,411,077	419,803	2,139,109
19. Totals (Lines 3 to 18).....	21,110,935	42,782,444	970,071	64,863,450
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....32,193.....		6,301,028		6,301,028
20.2. Insurance department licenses and fees.....		339,309		339,309
20.3. Gross guaranty association assessments.....		142,711		142,711
20.4. All other (excluding federal and foreign income and real estate).....		191,186		191,186
20.5. Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	.0	6,974,234	.0	6,974,234
21. Real estate expenses.....			3,442,201	3,442,201
22. Real estate taxes.....			673,519	673,519
23. Reimbursements by uninsured accident and health plans.....				.0
24. Aggregate write-ins for miscellaneous expenses.....	2,753,489	1,000,123	6,662	3,760,274
25. Total expenses incurred.....	40,615,886	104,680,759	5,092,453	(a) 150,389,098
26. Less unpaid expenses - current year.....	43,262,324	17,648,178	846,980	61,757,482
27. Add unpaid expenses - prior year.....	36,476,665	14,369,305	846,044	51,692,014
28. Amounts receivable relating to uninsured accident and health plans, prior year.....				.0
29. Amounts receivable relating to uninsured accident and health plans, current year.....				.0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	33,830,227	101,401,886	5,091,517	140,323,630

DETAILS OF WRITE-INS

2401. Donations and contributions.....	114,378	146,899	5,510	266,787
2402. Overage/shortage.....	(6,035)	(24,860)	(22)	(30,916)
2403. Temporary labor.....	24,403	118,434	1,174	144,011
2498. Summary of remaining write-ins for Line 24 from overflow page.....	2,620,743	759,650	.0	3,380,393
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	2,753,489	1,000,123	6,662	3,760,274

(a) Includes management fees of \$.....(3,685,232) to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....4,882,866	.....5,778,599
1.1 Bonds exempt from U.S. tax.....	(a).....11,786,256	.....12,002,854
1.2 Other bonds (unaffiliated).....	(a).....10,098,643	.....9,106,829
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....1,004,661	.....1,047,037
2.21 Common stocks of affiliates.....	.....2,660,175	.....2,660,175
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....5,174,255	.....5,174,255
5. Contract loans.....	.....	.....
6. Cash/short-term investments.....	(e).....336,003	.....336,003
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....223,906	.....223,906
9. Aggregate write-ins for investment income.....	.....214,767	.....215,840
10. Total gross investment income.....	.....36,381,532	.....36,545,498
11. Investment expenses.....	.....	(g).....5,092,453
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).....935,181
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....6,027,634
17. Net investment income (Line 10 minus Line 16).....	.....	.....30,517,864

DETAILS OF WRITE-INS

0901. Securities lending income.....	.....25,536	.....26,609
0902. Other investment income.....	.....189,231	.....189,231
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....214,767	.....215,840
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....449,834 accrual of discount less \$.....1,309,303 amortization of premium and less \$.....809,656 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....2,601,523 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....935,181 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain or (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. government bonds.....	.....	.....	.....	.....	.....0
1.1 Bonds exempt from U.S. tax.....	.....(112,433)	.....	.....	.....	.....(112,433)
1.2 Other bonds (unaffiliated).....	.....1,758,689	.....	.....	.....(2,071,460)	.....(312,771)
1.3 Bonds of affiliates.....	.....	.....	.....	.....	.....0
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....	.....	.....0
2.11 Preferred stocks of affiliates.....	.....	.....	.....	.....	.....0
2.2 Common stocks (unaffiliated).....	.....(3,530,037)	.....(307,613)	.....	.....(11,707,714)	.....(15,545,364)
2.21 Common stocks of affiliates.....	.....	.....	.....	.....(5,900,483)	.....(5,900,483)
3. Mortgage loans.....	.....	.....	.....	.....	.....0
4. Real estate.....	.....(38,076)	.....	.....	.....	.....(38,076)
5. Contract loans.....	.....	.....	.....	.....	.....0
6. Cash/short-term investments.....	.....	.....	.....	.....	.....0
7. Derivative instruments.....	.....	.....	.....	.....	.....0
8. Other invested assets.....	.....	.....	.....(636,435)	.....	.....(636,435)
9. Aggregate write-ins for capital gains (losses).....	.....19,147	.....0	.....0	.....0	.....19,147
10. Total capital gains (losses).....	.....(1,902,710)	.....(307,613)	.....(636,435)	.....(19,679,657)	.....(22,526,415)

DETAILS OF WRITE-INS

0901. Litigation income.....	.....19,147	.....	.....	.....	.....19,147
0902. ....	.....	.....	.....	.....	.....0
0903. ....	.....	.....	.....	.....	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....19,147	.....0	.....0	.....0	.....19,147

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Lines 10 to 17 and 19 to 23, Column 2.....	17,749,619	1,948,704	(15,800,915)
2. Other Nonadmitted Assets:			
2.1 Bills receivable.....		996	996
2.2 Furniture, equipment and supplies.....	3,302,082	2,811,793	(490,289)
2.3 Leasehold improvements.....			0
2.4 Loans on personal security, endorsed or not.....			0
3. Total (Lines 2.1 to 2.4).....	3,302,082	2,812,789	(489,293)
4. Aggregate write-ins for other assets.....	7,002,928	3,363,657	(3,639,271)
5. Total (Line 1 plus Lines 3 and 4).....	28,054,629	8,125,150	(19,929,479)

DETAILS OF WRITE-INS

0401. Statutory limitation on surplus note.....	3,991,383	1,989,089	(2,002,294)
0402. Tenant allowances	975,591	576,683	(398,908)
0403. Prepaid pension asset.....	2,023,655	757,531	(1,266,124)
0498. Summary of remaining write-ins for Line 4 from overflow page.....	12,298	40,353	28,055
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above).....	7,002,928	3,363,657	(3,639,271)

ANNUAL STATEMENT FOR THE YEAR 2002 OF THMOTORISTS MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements have been completed in accordance with the accounting practices and procedures prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Ohio.

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

The preparation of financial statements in conformity with Statutory Accounting Principles as described in the Annual Statement Instructions and the Accounting Practices and Procedures manual requires that management make estimates and assumptions that affect 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 the premiums written. Such reserves are computed using the daily method for direct business and are based on reports received from ceding companies for reinsurance assumed business.

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) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific amortization method.
- (3) Common Stocks are valued at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
- (4) Preferred stocks are stated at cost, unless qualified at market.
- (5) The Company has no mortgage loans.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. Amortized cost includes pre-payment assumptions based on values obtained from market data vendors or broker dealers. The retrospective adjustment method is used to value these securities.
- (7) The Company owns 70% of the common stock of Motorists Life Insurance Company, a life insurer; 100% of the common stock of MICO Insurance Company, a property/casualty insurer; 48% of the common stock of Motorists Reinsurance Corporation, a captive reinsurer; and 100% of the common stock of Motorists Service Corporation, a facilities management company. These stocks are valued on a net worth basis as described in Part 8, Section 3 (b)(ii)(A) of the Securities Valuation Handbook for Motorists Life Insurance Company, and MICO Insurance Company, and in Part 8, Section 3 (b)(ii)(B) for Motorists Service Corporation and Motorists Reinsurance Corporation.
- (8) The Company's investments in joint ventures and partnerships, if any, are valued based on the underlying equity of the investee as presented in audited GAAP financial reports.
- (9) No derivative securities are held.
- (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 amounts are adequate, the ultimate liabilities may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

2. Accounting Changes and Correction of Errors

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the state prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner.

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures manual are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a change of accounting principle as an adjustment that increased unassigned funds (surplus) by \$20,387,499 as of January 1, 2001. The components of this adjustment are as follows:

A. Net Deferred Federal Income Tax Asset	\$ 12,044,096
B. Statutory Schedule P Reserve Elimination	\$ 11,070,160
C. Premium Recognition Adjustments (Net of Expense)	\$ 740,690
D. Deferred Compensation/Compensated Absences	\$ (3,023,387)
E. Deficiency Reserve	\$ (352,660)
F. Cumulative Effect of Changes in Accounting Principles	\$ 20,478,899
G. Change in Non-Admitted Assets	\$ (91,400)
H. Net Impact on Surplus	\$ 20,387,499

Premium income associated with the transition adjustments (item "C" above) is included in the earned premium amount shown on page 4, column 2, line 1. Related commission and insurance tax expenses are included on page 4, column 2, line 4. The net effect of these adjustments is reversed in the aggregate write-in line on page 4, column 2, line 5. Thus, the impact of this transition item on the net underwriting results is \$0. This approach was selected to properly include the transition premium adjustments in the corresponding statutory premium and loss experience exhibits presented on page 24 and throughout the statutory blank in 2001. The components of the transition amounts referenced above are shown below.

A. Premiums Earned [Premiums Written]:		
Direct	\$ 994,612	[\$ (29,997)]
Reins Assumed	\$ 460,000	[\$ 460,000]
Reins Ceded	\$ 334,561	[\$ 98,901]
Net	Line 1	\$ 1,120,051 [\$ 331,102]
B. Other Underwriting Expenses	Line 4	\$ 379,361
C. Write-in: Premium Recognition Transition Adjustment	Line 5	\$ 740,690
D. Net Underwriting Profit Impact	Line 7	\$ -0-

The net deferred federal income tax (FIT) asset amount shown in the financial reports as of December 31, 2001 reflects only the admitted portion of the net deferred FIT asset component. The non-admitted portion is not reflected in the prior year amount shown. The company changed its method of accounting for the net deferred FIT asset effective January 1, 2002 to recognize the deferred asset component on a "gross" (admitted and non-admitted) basis. The portion of the net deferred FIT asset, which is non-admitted, is recognized as a non-admitted asset. This adjustment, which is reported in the 2002 financial statement as a change in accounting principle, had no impact on the change in the surplus account for the year as shown below.

A. Cumulative Effect of Changes in Accounting Principles	\$ 5,687,217
B. Change in Non-Admitted Assets	\$ (5,687,217)
C. Net Change in Surplus	\$ -0-

ANNUAL STATEMENT FOR THE YEAR 2002 OF TH MOTORISTS MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

3. Business Combinations and Goodwill

The Company had no business combination or goodwill transactions.

4. Discontinued Operations

The Company had no discontinued operations.

5. Investments

A. The Company has no mortgage loans.

B. The Company was not involved in any debt restructuring.

C. The Company has no reverse mortgages.

D. Loan-Backed Securities

(1) The Company did not elect to use book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date.

(2) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from market data vendors or broker dealer values.

(3) Market values were obtained from a pricing service, HUB Data Inc., a market data vendor, Bloomberg Inc., and from external investment brokers.

(4) The Company made no changes from a retrospective to a prospective adjustment methodology due to negative yields.

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 admitted assets.

B. The Company did not recognize any impairment write down for investments in joint ventures, partnerships or limited liability companies during the statement periods.

7. Investment Income

A. Due and accrued investment income was excluded from surplus on the basis of a bond being in default and amounts being over 90 days past due.

B. The total amount excluded was \$ 56,333.

8. Derivatives Instruments

The Company does not own derivative financial instruments.

9. Income Taxes

	<u>2001</u>	<u>2002</u>
A. Components of net deferred tax asset/(liability) at December 31 are as follows:		
1) Total of all deferred tax assets (admitted and nonadmitted)	27,123,368	36,986,593
2) Total of all deferred tax liabilities	7,628,840	4,707,394
3) Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	5,687,216	16,006,644
4) Total of all deferred tax assets	13,807,312	16,272,555
5) Increase (decrease) in deferred tax assets nonadmitted		10,319,428

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

1) As of December 31, the Company had a balance of \$ _____ in its Policyholder Surplus account under the provisions of the Internal Revenue Code. This amount could become taxable to the extent that future shareholder dividends are paid from this account (stock life companies only). N/A

2) As of December 31, the Company had investments in certain foreign subsidiaries whose reporting basis exceeded tax basis by \$ _____. This amount could become taxable in the event of a sale or dissolution of one or more subsidiaries. N/A

C. Current income taxes incurred consist of the following major components:

	<u>2001</u>	<u>2002</u>
1) Current year expense	5,181,027	675,290
2) Tax credits	(479,735)	(2,752)
3) Intercompany tax allocation		21,138
4) NOL and capital loss carryback benefit		(3,682,896)
5) Prior year overaccrual of tax reserves	(273,600)	(958,933)
6) Current year taxes incurred	4,427,692	(3,948,153)

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

	<u>Statutory</u>	<u>Tax</u>	<u>Difference</u>	<u>Tax Effect</u>
DTAs				
7) Reserves	237,595,000	201,366,734	36,228,266	12,679,893
8) Unearned Premium Reserves	137,367,596	109,894,077	27,473,519	9,615,732
9) Employee Benefit Liabilities	21,943,066	222,781	21,720,285	7,602,100
10) Bonds/Partnerships/Stocks	(540,926,000)	(551,673,674)	10,747,674	3,761,686
11) Other	(15,191,961)	(24,698,195)	9,506,234	3,327,182
12) Total DTAs	(159,212,299)	(264,888,277)	105,675,978	36,986,593
13) DTAs nonadmitted		(45,733,269)	45,733,269	16,006,644
DTLs				
14) Stocks/Bonds	58,083,000	46,240,347	11,842,653	4,144,929
15) Depreciable assets	-	-	-	-
16) Other	14,374,570	12,767,526	1,607,044	562,465
17) Total DTLs	72,457,570	59,007,873	13,449,697	4,707,394

The changes in main components of DTAs and DTLs are as follows:

	<u>2000</u>	<u>2001</u>	<u>2002</u>
DTAs resulting from book/tax differences in			
18) Reserves	12,852,757	12,054,808	12,679,893
19) Unearned Premium Reserves	6,550,334	7,546,840	9,615,732
20) Employee Benefit Liabilities	1,543,751	2,829,859	7,602,100
21) Bonds/Partnerships	1,440,002	1,710,896	3,761,686
22) Other	1,018,701	2,980,966	3,327,182
23) Total DTAs	23,405,545	27,123,369	36,986,593
24) DTAs nonadmitted	140,941	5,687,216	16,006,644

	<u>2000</u>	<u>2001</u>	<u>2002</u>
DTLs resulting from book/tax differences in			
25) Stocks/Bonds	10,499,985	7,573,777	4,144,929

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

26) Depreciable assets	372,628	28,062	-
27) Other	347,895	27,001	562,465
28) Total DTLs	11,220,508	7,628,840	4,707,394

D. Among the more significant book to tax adjustments were the following:

	<u>Amount</u>	<u>Tax Effect</u>
1) Income before taxes	(9,574,284)	(3,350,999)
2) Book over tax reserves incl s&s	1,786,314	625,210
3) Unearned Premium Reserves	5,303,244	1,856,135
4) Accrued Market Discount	(284,889)	(99,711)
5) Tax exempt interest net of proration	(10,197,945)	(3,569,281)
6) Dividends received deduction net of proration	(3,256,972)	(1,139,940)
7) Capital G/(L)	2,191,394	766,988
8) Other	5,897,132	1,922,378
9) Total Adjustments	1,438,278	361,779
10) Taxable Income	(8,136,006)	(2,989,220)

- E. 1) At December 31, 2002, the Company has \$0 of operating loss carry forwards.
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) | 455,000 |
| 2001 (current year - 1) | 4,475,000 |
| 2000 (current year - 2) | 2,423,000 |

- F. 1) The Company's federal income tax return is consolidated with the following entities:
MICO Insurance Company
Motorists Service Corporation
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 tax balances are settled annually when the federal income tax return is filed.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A., B., and C. On November 19, 2001, the Company invested \$10,000,000 in a surplus note issued by Wilson Mutual Insurance Company, a mutual property/casualty insurer domiciled in Wisconsin. The investment was made pursuant to an agreement whereby the companies affiliated their businesses with each other. The surplus note was reflected with a statement value of \$6,008,617 at December 31, 2002 and \$8,010,911 at December 31, 2001, in accordance with SSAP 41. MICO Insurance Company, a wholly owned subsidiary, paid common stock dividends to the Company on December 30, 2002 totaling \$2,660,175 and on December 28, 2001 totaling \$3,040,200.
D. At December 31, 2002, the Company reported amounts due from affiliates of \$347,624 and at December 31, 2001 amounts due to affiliates of \$366,421. All amounts were settled within 30 days.
E. The Company has guaranteed lease payments for office space for American Hardware Mutual Insurance Company, an affiliated mutual property/casualty insurer domiciled in Ohio. At December 31, 2002, future lease payments through July 2013 will total \$10,928,000 and will be partially offset by subleases amounting to \$1,346,000.
F. The Company has management agreements with American Hardware Mutual Insurance Company, a mutual property/casualty insurer domiciled in Ohio, and Wilson Mutual Insurance Company, a mutual property/casualty insurer domiciled in Wisconsin, whereby the Company provides management and supervisory services for these affiliates. The Company also has an arrangement with its subsidiaries and affiliates under which costs for common facilities and support services are shared.
G. The Company is a mutual insurance company.
H. The Company owns no shares, directly or indirectly, of an upstream intermediate entity or ultimate parent.
I. The Company has no investments in Subsidiary, Controlled or Affiliated (SCA) entities that exceed 10% of admitted assets.
J. The Company did not recognize any SCA impairment write-downs during the statement period.

11. Debt

- A. The Company has no capital notes outstanding.
B. The Company has no other debt obligations outstanding.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

- A. The Company sponsors a defined benefit pension plan covering substantially all employees. The Company also sponsors a plan providing health benefits covering substantially all active and retired employees. Summary information regarding these plans is provided below.

The Company also has a non-qualified excess benefit plan for certain officers of the Company due to IRS limitations on the amount of standard retirement benefits. The Company also has a non-qualified early retirement supplement plan for certain officers, which supplements benefits for early retirement. Reserves for these benefits are carried in the accompanying statements.

A summary of assets, obligations and assumptions of the defined benefit pension plan and health care plan are as follows at December 31, 2002 and 2001.

	Pension Benefits		Other Benefits	
	2001	2002	2001	2002
(1) Change in benefit obligation				
a. Benefit obligation at beginning of year	57,573,664	63,369,402	7,946,699	8,855,354
b. Service cost	1,654,991	1,889,963	629,976	656,888
c. Interest cost	4,351,752	4,509,792	590,281	654,658
d. Contribution by plan participants	0	0	264,876	279,875
e. Actuarial (gain) loss	2,651,124	1,845,554	248,238	718,027
f. Foreign currency exchange rate changes	0	0	0	0
g. Benefits paid	(2,862,129)	(2,915,698)	(824,716)	(744,708)
h. Plan amendments	0	20,835	0	0
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	0	0	0	0
j. Benefit obligation at end of year	63,369,402	68,719,848	8,855,354	10,420,094
(2) Change in plan assets				
a. Fair value of plan assets at beginning of year	63,039,827	54,928,424	5,688,867	5,383,402
b. Actual return on plan assets	(6,045,837)	(7,266,303)	(714,530)	(671,214)
c. Foreign Currency exchange rate changes	0	0	0	0
d. Employer contribution	796,563	1,346,105	968,905	289,437
e. Plan participants' contributions	0	0	264,876	279,875
f. Benefits paid	(2,862,129)	(2,915,698)	(824,716)	(744,708)
g. Business combinations, divestitures and settlements	0	0	0	0
h. Fair value of plan assets at end of year	54,928,424	46,092,528	5,383,402	4,536,792
(3) Funded Status				
a. Funded status	(8,440,978)	(22,627,320)	(3,471,952)	(5,883,302)
b. Unamortized prior to service cost	0	20,835	(1,111,547)	0
c. Unrecognized net (gain) or loss	14,242,560	28,996,493	369,811	2,173,327
d. Remaining net obligation or net (asset) at initial	(5,005,019)	(4,247,340)	4,070,447	2,689,909

ANNUAL STATEMENT FOR THE YEAR 2002 OF THMOTORISTS MUTUAL INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS

	date of application				
e.	Prepaid assets or (accrued) liabilities	796,563	2,142,668	(143,241)	(1,020,066)
f.	Intangible asset	0	20,835	0	0
(4)	Benefit obligation for non vested employees	531,233	624,180	5,153,089	5,487,209
(5)	Components of net periodic benefit cost				
a.	Service cost	1,654,991	1,889,963	629,976	656,888
b.	Interest cost	4,351,752	4,509,792	590,281	654,658
c.	Expected return on plan assets	(5,545,599)	(5,642,076)	(442,093)	(414,275)
d.	Amortization of unrecognized transition obligation or transition (asset)	(461,144)	(757,679)	370,041	268,991
e.	Amount of recognized (gains) and losses	0	0	(18,491)	0
f.	Amount of prior service cost recognized	0	0	(100,107)	0
g.	Amount of (gain) or loss recognized due to settlement or curtailment	0	0	0	0
h.	Total net periodic benefit cost	0	0	1,029,607	1,166,262

(6) A minimum pension liability adjustment is required when the actuarial present value of accumulated benefits exceeds plan assets and accrued pension liabilities. The minimum liability adjustment, less allowable intangible assets, net of tax benefit, is reported as income in the Income Statement. At December 31, 2002 the additional minimum liability increased to \$12,680,061 from \$0 at December 31, 2001.

(7)	Weighted-average assumptions as of December 31	2001	2002	2001	2002
a.	Discount rate	7.25%	7.00%	7.25%	7.00%
b.	Rate of compensation increase	4.00%	3.75%		
c.	Expected long-term rate of return on plan assets	9.00%	8.25%	8.25%	8.25%
d.	Increase rate of maximum benefit and compensation limits	3.00%	3.00%		

(8) For measurement purposes, a 9% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2002 and 2003. The rate was assumed to decrease gradually to 6% for 2006 and remain at that level thereafter.

(9) Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

		1 Percentage Point Increase		1 Percentage Point Decrease	
		2001	2002	2001	2002
a.	Effect on total of service and interest cost components	105,480	189,629	(88,182)	(158,032)
b.	Effect on postretirement benefit obligation	477,474	1,231,600	(418,874)	(1,055,336)

(10) No securities of the Company or related parties are included in the plan assets. The Company or related parties have not issued insurance contracts covering plan participant benefits, and there have been no significant transactions between the Company or related parties and the plan during the period.

(11) No alternate amortization methods were used to amortize prior service amounts or unrecognized net gains and losses.

(12) No substantive commitments were used as a basis for accounting for the benefit obligations.

(13) No special or contractual termination benefits were recognized during the period.

B. The company sponsors a defined contribution savings plan for the benefit of substantially all employees. The Company contributes up to a maximum of 3% of each employee's compensation. Company contributions to the plan were \$780,006 and \$740,796 for 2002 and 2001, respectively.

C. The Company does not participate in multi-employer plans.

D. The Company's subsidiaries participate in defined benefit plans sponsored by the Company. The Company allocates amounts to the subsidiaries based upon a cost sharing arrangement.

E. Obligations for post-employment benefits and compensated absences have been accrued.

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

(1) Information concerning capital stock issued is not applicable. The Company is a mutual property/casualty insurer.

(2) Information concerning dividends on preferred stocks issued is not applicable. The Company is a mutual property/casualty insurer.

(3) Without prior approval of its domiciliary commissioner, dividends to policyholders are limited by the laws of the Company's state of incorporation, Ohio, to \$36,652,097, an amount that is based on restrictions relating to statutory surplus.

(4) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as dividends to policyholders.

(5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

(6) There are no advances to surplus.

(7) There is no stock held by the Company for special purposes.

(8) As of December 31, 2000, the Company had voluntarily appropriated \$6,236,565 of surplus for estimated federal income taxes associated with the cumulative net unrealized capital gains recognized on its equity portfolio as of that date. Effective January 1, 2001, NAIC Accounting Practices and Procedures manual requirements for the computation of deferred federal income taxes include a provision for estimated taxes on net unrealized capital gains. Therefore, this voluntary appropriation of surplus was eliminated in 2001.

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

a.	Unrealized gains and losses:	\$ 24,816,803
b.	Nonadmitted asset values:	\$ 28,054,629
c.	Provision for reinsurance:	\$ 0 -

(10) The Company has no surplus debentures or similar obligations outstanding.

(11) Information concerning quasi-reorganization is not applicable.

(12) Information concerning quasi-reorganization is not applicable.

14. Contingencies

A. Contingent Commitments

The Company has no commitments or contingent commitments to an SCA entity, joint venture, partnership or limited liability company.

The Company has purchased annuities for structured settlements under which the claimant is the payee, but for which the Company is contingently liable. The Company has also guaranteed the payment of certain loans associated with insurance agency purchases. The contingency for the structured settlements was \$5,062,245 and \$5,350,799 as of December 31, 2002 and 2001. The contingency for loan guarantees was \$1,759,000 and \$1,756,000 as of December 31, 2002 and 2001.

B. Assessments

On 11/26/2001, the Company received notification of the insolvency of Reliance Insurance Company. Based on information provided by the Kentucky and Ohio Insurance Guaranty Associations, the Company was assessed \$20,888 in 2001 and \$92,419 in 2002 and may be assessed \$535,163 in future periods for this insolvency. The impact of this and other insolvency assessments on the statement of operations before and after intercompany pooling is shown below.

	Notice	Unpaid @	Paid	Incurred	Unpaid @	Paid	Incurred
<u>Insolvency</u>	<u>Date</u>	<u>12/31/2002</u>	<u>2002</u>	<u>2002</u>	<u>12/31/2001</u>	<u>2001</u>	<u>2001</u>
PHICO Insurance Co.	6/12/02	150,441	0	150,441	0	0	0
Reliance Insurance Co.	11/26/01	535,163	92,419	28,162	599,420	20,888	620,308
P.I.E. Mutual Insurance Co.	7/15/98	0	33,389	(24,195)	57,584	25,695	(314,084)

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PIC Insurance Co.	5/28/98	40,886	65,568	40,886	65,568	46,146	65,568
Transit Insurance Co.	12/27/85	0	0	(21,591)	21,591	0	0
Other	Var.	91,352	29,715	(71,852)	192,919	(99,545)	(88,099)
Total before Pooling		817,842	221,091	101,851	937,082	(6,816)	283,693
Assumed from Pool		111,549	102,838	88,434	125,952	(13,621)	5,140
Ceded to Pool		232,348	80,982	47,571	265,759	(5,109)	72,208
Net		697,043	242,947	142,714	797,276	(15,328)	216,625

C. Gain Contingencies

The Company has no material gain contingencies to disclose.

D. All Other Contingencies

There are no contingent liabilities arising from litigation, income taxes or other matters that are considered material in relation to the financial position of the Company.

15. Leases

A. Lessee Leasing Arrangements

(1) The Company leases computer related equipment under various operating lease arrangements that expire through September 2005. The Company has also entered into various agreements for information technology related services that expire through September 2016. The expense associated with these commitments for 2002 and 2001 totaled \$4,954,000 and \$4,386,000, respectively.

(2) At December 31, 2002, the Company had aggregate commitments of \$8,743,634. Commitments for the next five years are as follows:

As of December 31,	Commitment
2003	\$ 4,096,429
2004	\$ 2,098,349
2005	\$ 721,187
2006	\$ 556,753
2007	\$ 548,546

(3) The Company is not involved in sale-leaseback transactions.

B. The Company leases office space in its home office building to non-affiliated parties. This does not represent a significant part of the Company's business operations.

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

A., B., and C. The Company has no investments in financial instruments with off-balance sheet risk.

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

A. Transfer of Receivables Reported as Sales

The Company had no transfers of receivables reported as sales.

B. Transfer and Servicing of Financial Assets

(1) The Company did not obtain any assets or incur any liabilities due to the transfer of assets during the period.

(2) As of December 31, 2002, the Company owned fixed income and equity securities with a statement value totaling \$71,745,363 or loan to various brokers. All loaned securities are collateralized with cash or securities issued or guaranteed by the United States government or its agencies at 102% of the market value, plus accrued interest for fixed income securities.

(3) The Company has no servicing assets or servicing liabilities.

C. Wash Sales

In the course of the Company's asset management, no securities were sold and reacquired within 30 days of the sale date to enhance the yield on its investment portfolio.

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

The Company does not serve as an Administrative Services Only (ASO) or an Administrative Services Contract (ASC) plan administrator.

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

The Company had no direct premiums written through managing general agents or third party administrators.

20. Other Items

A. Extraordinary Items

There were no extraordinary events to report in the financial statements for the periods ended December 31, 2002 and 2001.

B. Troubled Debt Restructuring: Debtors

The Company had no restructured debt.

C. Other Disclosures

(1) The Company elected to use rounding in the reporting of amounts in this statement.

(2) The following presents the Company's net unpaid loss and loss adjustment expense reserves for accident years 1988 through 1992 and prior in the statutory categories reported in Schedule P, Part 1, columns 13 through 24 of the annual statement. All amounts shown are in thousands.

Schedule P Category	Loss Year	Case Basis	Bulk & IBNR	Def & Cost Containment	Adjusting & Other Exp	Salvage & Subrogation	Loss & Exp Total Unpaid
Part 1A	1991	2	-	-	-	-	2
Homeowners/	1992	0	-	0	-	-	1
Farmowners	Total	2	-	0	-	-	2
Part 1B	Prior	456	-	0	-	-	456
Private Passenger	1988	25	-	-	-	-	25
Auto Liability/Medical	1989	30	-	-	-	-	30
	1990	56	-	-	-	-	56
	1992	16	-	-	5	-	21
	Total	583	-	0	5	-	588
Part 1 C	Prior	35	-	-	-	-	35
Commercial Auto/	1988	8	-	-	-	-	8
Truck Liability/Medical	1989	195	-	-	-	-	195
	1990	38	-	-	-	-	38
	1991	230	-	-	-	-	230
	1992	67	0	(2)	45	-	111
	Total	573	0	(2)	45	-	617
Part 1D	Prior	5,437	1,463	3	-	-	6,903

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NOTES TO FINANCIAL STATEMENTS

Workers' Compensation	1988	583	283	-	-	-	866
	1989	844	505	-	-	-	1,349
	1990	1,543	826	-	-	-	2,369
	1991	1,140	743	-	-	-	1,883
	1992	1,286	2,054	524	252	-	4,116
	Total	10,833	5,875	527	252	-	17,487
Part 1E Commercial Multiple Peril	Prior	5,159	-	0	-	-	5,159
	1988	186	-	-	-	-	186
	1989	1,205	-	-	-	-	1,205
	1990	84	-	-	-	-	84
	1991	177	-	-	-	-	177
	1992	(1,447)	(1,548)	32	194	-	(2,769)
	Total	5,363	(1,548)	32	194	-	4,042
Part 1F, Section 1 Medical Malpractice	Prior	3	-	-	-	-	3
	Total	3	-	-	-	-	3
Part 1G Special Liability	Prior	6	-	-	-	-	6
	Total	6	-	-	-	-	6
Part 1H, Section 1 Other Liability	Prior	668	2,600	154	-	-	3,421
	1988	3	-	-	-	-	3
	1989	10	-	-	-	-	10
	1990	2	-	0	-	-	2
	1991	0	-	0	-	-	1
	1992	40	-	1	23	-	64
	Total	723	2,600	154	23	-	3,500
Part 1I Special Property	Prior	1	-	0	-	-	1
	1992	2	-	-	0	-	2
	Total	2	-	0	0	-	2
Part 1J Auto Physical Damage	Prior	2	-	-	-	-	2
	1990	-	-	-	-	-	-
	1992	60	-	-	1	-	61
	Total	62	-	-	1	-	63
Part 1K Fidelity/Surety	Prior	0	-	-	-	-	0
	1990	0	-	-	-	-	0
	1991	3	-	-	-	-	3
	1992	10	-	-	1	-	11
	Total	13	-	-	1	-	14
Part 1N Reinsurance A	Prior	526	733	46	-	-	1,305
	1988	2	13	-	-	-	15
	1989	20	36	1	-	-	56
	1990	61	7	4	-	-	71
	1991	8	26	-	-	-	34
	1992	22	-	1	-	-	23
	Total	638	815	52	-	-	1,504
Part 1O Reinsurance B	1988	-	100	-	-	-	100
	1989	97	135	7	-	-	239
	1990	56	145	4	-	-	205
	1991	92	208	6	-	-	306
	1992	51	221	4	-	-	275
	Total	296	808	21	-	-	1,125
Part 1R, Section 1 Products Liability	Prior	90	-	-	-	-	90
	1992	-	395	0	28	-	424
	Total	90	395	0	28	-	514

D. The potential for losses associated with uncollectible receivable balances is not material to the Company's financial position. Premium balances over 90 days past due are recorded as nonadmitted assets.

E. Reinsurance Accounted for as a Deposit
The Company has no reinsurance accounted for as a deposit.

F. Multi Peril Crop Insurance
The Company does not write multi peril crop insurance.

G. Mezzanine Real Estate Loans
The Company has no real estate or mortgage loans.

H. Health Care Receivables
Information concerning health care receivables is not applicable.

I. September 11 Events
The Company incurred losses associated with the terrorists' attacks of September 11, 2001 through its assumption of reinsurance from the Mutual Reinsurance Bureau. The Company's share of gross loss and loss adjustment expense incurred totaled \$1,442,360 as of December 31, 2001. After reinsurance ceded recoveries from non-affiliates and reinsurance pooling recoveries from affiliates, the Company's net loss and loss expenses totaled \$903,895. Estimated losses arising from the September 11 events have been fully accrued.

21. Events Subsequent

There are no known events subsequent to the closing of the financial records that would materially impact the financial information presented.

22. Reinsurance

A. Unsecured Reinsurance Recoverables
The Company has unsecured aggregate recoverables for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium from the following reinsurers that exceed 3% of the Company's surplus.

Company Name	NAIC Group	Federal ID	Amount Recoverable
American Hardware Mutual Insurance Co.	291	41-0299900	\$ 93,204,420
American Merchants Casualty Company	291	41-1563136	\$ 14,922,787
Wilson Mutual Insurance Company	291	39-0739760	\$ 15,690,094

B. Reinsurance Recoverable in Dispute
The Company has no reinsurance recoverable amounts in dispute.

C. Reinsurance Assumed and Ceded
(1) The maximum amount of return commission which would have been due reinsurers if they or the Company had cancelled all of the Company's reinsurance or if the

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NOTES TO FINANCIAL STATEMENTS

Company or a receiver had cancelled all of the Company's assumed contracts as of the end of the period covered by this annual statement with the return of the unearned premium reserve are shown below.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	(1) Premium Reserve	(2) Commission Equity	(3) Premium Reserve	(4) Commission Equity	(5) Premium Reserve	(6) Commission Equity
a. Affiliates	\$ 45,685,125	\$ 0	\$ 44,587,710	\$ 6,354,993	\$ 1,097,416	\$ (6,354,993)
b. All Other	\$ 9,547,651	\$ 2,451,701	\$ 309,168	\$ 76,686	\$ 9,238,483	\$ 2,375,015
c. Total	\$ 55,232,777	\$ 2,451,701	\$ 44,896,877	\$ 6,431,679	\$ 10,335,899	\$ (3,979,978)
d. Direct Unearned Premium Reserve		\$ 123,427,230				

(2) The additional or return commissions 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) Direct	(2) Assumed	(3) Ceded	(4) Net
a. Contingent Commission	\$ 3,275,000	\$ 2,726,876	\$ 1,500,469	\$ 4,501,407
b. Sliding Scale Adjustments	\$ 0	\$ 0	\$ 0	\$ 0
c. Other Profit Commission Arrangements	\$ 0	\$ 0	\$ 0	\$ 0
d. Total	\$ 3,275,000	\$ 2,726,876	\$ 1,500,469	\$ 4,501,407

D. Uncollectible Reinsurance
There were no reinsurance balances written off as uncollectible in 2002 or 2001.

E. Commutation of Ceded Reinsurance
The Company did not commute any ceded reinsurance balances or obligations in 2002 or 2001.

F. Retroactive Reinsurance
The Company has no retroactive reinsurance contracts.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A., B., and C. The Company has no retrospectively rated contracts or contracts subject to redetermination.

24. Change in Incurred Losses and Loss Adjustment Expenses

Reserves for the Company's incurred losses and loss adjustment expenses (before intercompany pooling) attributable to insured events of prior years reflect favorable development totaling \$3,853,000. This development can be attributed, in part, to the re-estimation of unpaid losses and loss adjustment expenses principally on homeowners, commercial multiple peril, private passenger auto liability, and auto physical damage lines of insurance. This reduction is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Since the Company does not write retrospectively rated contracts, no premium adjustments have been made as a result of this loss and loss expense development.

25. Intercompany Pooling Arrangements

Since January 1, 1993, Motorists Mutual Insurance Company (NAIC Company Code 14621) and its affiliates, American Hardware Mutual Insurance Company (NAIC Company Code 13331) and American Merchants Casualty Company (NAIC Company Code 43630), participated in a reinsurance pooling arrangement covering premiums, losses and underwriting expenses for all lines of business from January 1, 1993 forward. Related finance and service charge income, net gains/losses from agent and premium balance charge-offs, and policyholder dividends were also subject to the pooling agreement. The pool participation rates were 77% for Motorists Mutual, 20% for American Hardware and 3% for American Merchants.

On November 19, 2001, Wilson Mutual Insurance Company (NAIC Company Code 19950) affiliated with the Motorists Insurance Group. Effective January 1, 2002, the reinsurance pooling arrangement was amended to include Wilson Mutual. Unearned premiums, unpaid losses, unpaid expenses and other underwriting related balances as of December 31, 2001 associated with accident years 1993 and subsequent were redistributed to facilitate the inclusion of Wilson Mutual. The pool participation rates were changed to 75% for Motorists Mutual, 19% for American Hardware, 3% for American Merchants and 3% for Wilson Mutual.

Each company recognizes facultative (quota share and excess) and treaty (excess and catastrophe) reinsurance cessions with non-affiliated reinsurers, prior to the administration of the pooling agreement. Reinsurance assumed business from voluntary and involuntary pools and associations is also recorded before pooling. As the lead insurer, Motorists Mutual assumes all net premiums, losses, adjustment expenses and underwriting expenses subject to pooling and cedes back to each company their respective share of the pool. Underwriting related balance sheet items such as premiums, losses, and expenses receivable/recoverable and payable are pooled in the same manner. Write-offs of uncollectible premiums and reinsurance balances are pooled in the year the write-offs are recognized.

Effective December 31, 2002, the pooling agreement was amended to include the runoff of loss and expense reserves associated with accident year 1992 and prior claims. Unpaid losses, unpaid expenses and other underwriting related balances associated with these reserves were redistributed between the pooling companies to facilitate this change. For comparative purposes, the historical data presented in the enclosed Schedule P exhibits has been restated to reflect the reporting company's share of the combined pool business as if the pooling arrangement had been in effect for all calendar years shown in Schedule P.

Reinsurance assumed premium receivable and loss payable amounts included in Schedule F, Part 1, do not reconcile with the corresponding reinsurance ceded premium payable and loss recoverable amounts shown on Schedule F, Part 3, due to the inclusion of each company's share of pooled reinsurance assumed and ceded balance sheet accounts as of December 31, 2002. The Provision for Reinsurance as shown on Schedule F, Part 7, is computed for each company independently and is not subject to the pooling arrangement.

26. Structured Settlements

The Company has purchased annuities for structured settlements, under which the claimant is the payee, but for which the Company is contingently liable. The total amount of this contingent liability as of December 31, 2002 and 2001 were \$5,062,245 and \$5,350,799, respectively.

	2002	2001
A. Loss Reserves Eliminated by Annuities	\$ 6,894,454	\$ 7,624,966
Unrecorded Loss Contingencies	\$ 5,062,245	\$ 5,350,799

B. There are no amounts in excess of 1% of the Company's policyholders' surplus due for annuities from any one life insurance company associated with purchased annuities for which the Company has not received a release of liability from the claimant.

27. High Deductibles

The Company had no unpaid claims on policies with high deductibles.

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

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

29. Asbestos/Environmental Reserves

A. Yes, the Company has exposure to asbestos losses. The exposure arises from the sale of general liability business. The Company estimates the impact of its direct exposure by establishing case reserves on all known losses and computing incurred but not reported (IBNR) losses based on previous experience. The Company also relies on case and IBNR reserves established by the Excess Casualty Reinsurance Association and the Mutual Reinsurance Bureau to measure its exposure from

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
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reinsurance assumed business.

(1)	(1)	(2)	(3)	(4)	(5)
<u>Gross of Reinsurance</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
a. Beginning reserves:	2,377,577	2,592,416	1,740,234	1,392,643	1,324,022
b. Incurred losses and loss adjustment expense:	374,715	(384,978)	(78,409)	93,569	6,701,744
c. Calendar year payments for losses and loss adjustment expenses:	159,875	467,205	269,182	162,190	326,498
d. Ending reserves:	2,592,416	1,740,234	1,392,643	1,324,022	7,699,267
(2) <u>Net of Reinsurance (before Pooling)</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
a. Beginning reserves:	2,377,577	2,553,184	1,740,234	1,392,643	1,324,022
b. Incurred losses and loss adjustment expense:	335,483	(345,746)	(78,409)	93,569	6,701,744
c. Calendar year payments for losses and loss adjustment expenses:	159,875	467,205	269,182	162,190	326,498
d. Ending reserves:	2,553,184	1,740,234	1,392,643	1,324,022	7,699,267
(3) <u>Net of Reinsurance (after Pooling)</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
a. Beginning reserves:	4,101,621	4,259,124	3,972,943	3,540,089	2,814,893
b. Incurred losses and loss adjustment expense:	470,456	770,963	18,302	(106,155)	8,363,819
c. Calendar year payments for losses and loss adjustment expenses:	312,953	1,057,145	451,156	619,041	1,013,695
d. Ending reserves:	4,259,124	3,972,943	3,540,089	2,814,893	10,165,018

B. The amount of ending reserves for Bulk and IBNR included in "A" (Loss and LAE) above is as follows:

(1) Gross of Reinsurance:	\$6,693,253
(2) Net of Reinsurance (before Pooling):	\$6,693,253
(3) Net of Reinsurance (after Pooling):	\$6,682,649

C. The amount of ending reserves for loss adjustment expenses included in "A" (Case, Bulk + IBNR) above is as follows:

(1) Gross of Reinsurance:	\$1,436,808
(2) Net of Reinsurance (before Pooling):	\$1,436,808
(3) Net of Reinsurance (after Pooling):	\$1,840,532

D. Yes, the Company has exposure to environmental losses. The exposure arises from the sale of general liability commercial auto liability and homeowners business. The Company estimates the impact of its direct exposure by establishing case reserves on all known losses and computing incurred but not reported (IBNR) losses based on previous experience. The Company also relies on case and IBNR reserves established by the Excess Casualty Reinsurance Association and the Mutual Reinsurance Bureau to measure its exposure from reinsurance assumed business.

(1)	(1)	(2)	(3)	(4)	(5)
<u>Gross of Reinsurance</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
a. Beginning reserves:	1,606,549	1,133,011	1,134,098	1,991,390	1,482,679
b. Incurred losses and loss adjustment expense:	(144,294)	67,237	1,010,993	(350,233)	(8,131)
c. Calendar year payments for losses and loss adjustment expenses:	329,244	66,150	153,700	158,477	106,291
d. Ending reserves:	1,133,011	1,134,098	1,991,390	1,482,679	1,368,258
(2) <u>Net of Reinsurance (before Pooling)</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
a. Beginning reserves:	1,606,549	1,133,011	1,134,098	1,991,390	1,482,679
b. Incurred losses and loss adjustment expense:	(144,294)	67,237	1,010,993	(350,233)	(8,131)
c. Calendar year payments for losses and loss adjustment expenses:	329,244	66,150	153,700	158,477	106,291
d. Ending reserves:	1,133,011	1,134,098	1,991,390	1,482,679	1,368,258
(3) <u>Net of Reinsurance (after Pooling)</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
a. Beginning reserves:	3,321,239	4,249,967	3,572,891	3,029,266	1,366,399
b. Incurred losses and loss adjustment expense:	2,424,413	1,025,930	141,329	(1,254,100)	2,171,623
c. Calendar year payments for losses and loss adjustment expenses:	1,495,685	1,703,006	684,954	408,767	712,076
d. Ending reserves:	4,249,967	3,572,891	3,029,266	1,366,399	2,825,945

E. The amount of ending reserves for Bulk and IBNR included in "D" (Loss and LAE) above is as follows:

(1) Gross of Reinsurance:	\$ 940,708
(2) Net of Reinsurance (before Pooling):	\$ 940,708
(3) Net of Reinsurance (after Pooling):	\$2,359,468

F. The amount of ending reserves for loss adjustment expenses included in "D" (Case Bulk + IBNR) above is as follows:

(1) Gross of Reinsurance:	\$ 58,943
(2) Net of Reinsurance (before Pooling):	\$ 58,943
(3) Net of Reinsurance (after Pooling):	\$ 550,621

30. Subscriber Savings Accounts

Information concerning subscriber savings accounts is not applicable.

31. Financial Guaranty Insurance Exposures

The Company has no exposure to financial guaranty claims.

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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.....	3,037,966	0.5	3,037,966	0.5
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....	84,241,442	13.2	84,241,442	12.8
1.22 Issued by U.S. government sponsored agencies.....		0.0		0.0
1.3 Foreign government (including Canada, excluding mortgage-backed securities).....		0.0		0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....	153,108,135	24.0	153,108,135	23.2
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations..	57,460,712	9.0	57,460,712	8.7
1.43 Revenue and assessment obligations.....	39,439,347	6.2	39,439,347	6.0
1.44 Industrial development and similar obligations.....		0.0		0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA.....	74,739,988	11.7	74,739,988	11.3
1.512 Issued by FNMA and FHLMC.....		0.0		0.0
1.513 Privately issued.....		0.0		0.0
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC.....	2,407,761	0.4	2,407,761	0.4
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA or FHLMC.....		0.0		0.0
1.523 All other privately issued.....		0.0		0.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO).....	68,207,989	10.7	60,687,730	9.2
2.2 Unaffiliated foreign securities.....	5,016,708	0.8	5,016,708	0.8
2.3 Affiliated securities.....		0.0		0.0
3. Equity interests:				
3.1 Investments in mutual funds.....		0.0		0.0
3.2 Preferred stocks:				
3.21 Affiliated.....		0.0		0.0
3.22 Unaffiliated.....		0.0		0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated.....		0.0		0.0
3.32 Unaffiliated.....	57,792,156	9.1	55,800,103	8.5
3.4 Other equity securities:				
3.41 Affiliated.....	21,039,757	3.3	58,082,860	8.8
3.42 Unaffiliated.....	6,731,000	1.1	4,985,472	0.8
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated.....		0.0		0.0
3.52 Unaffiliated.....		0.0		0.0
4. Mortgage loans:				
4.1 Construction and land development.....		0.0		0.0
4.2 Agricultural.....		0.0		0.0
4.3 Single family residential properties.....		0.0		0.0
4.4 Multifamily residential properties.....		0.0		0.0
4.5 Commercial loans.....		0.0		0.0
5. Real estate investments:				
5.1 Property occupied by company.....	14,386,371	2.3	14,386,371	2.2
5.2 Property held for production of income (includes \$.....0 of property acquired in satisfaction of debt).....	805,590	0.1	805,590	0.1
5.3 Property held for sale (\$.....0 including property acquired in satisfaction of debt).....		0.0		0.0
6. Policy loans.....		0.0		0.0
7. Receivables for securities.....	311,056	0.0	311,056	0.0
8. Cash and short-term investments.....	31,481,804	4.9	31,481,804	4.8
9. Other invested assets.....	17,669,621	2.8	13,678,238	2.1
10. Total invested assets.....	637,877,403	100.0	659,671,283	100.0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

1.3 State regulating? Ohio

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

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

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/1998

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1998

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/15/2000

3.4 By what department or departments? Ohio

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

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

4.12 renewals? Yes [] No [X]

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

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

4.22 renewals? Yes [] No [X]

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

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

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

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

6.2 If yes, give full information: _____

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

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

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

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES (continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 Ernst & Young, 41 South High Street, Columbus, Ohio 43215
-
9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 Peter A. Weisenberger, FCAS, Vice President, Actuarial Division, Motorists Mutual Insurance Company, 471 East Broad Street, Columbus, Ohio 43215
-
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
-
- 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 []

BOARD OF DIRECTORS

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

FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.11 To directors or other officers \$.....0
- 14.12 To stockholders not officers \$.....0
- 14.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 14.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.21 To directors or other officers \$.....28,853
- 14.22 To stockholders not officers \$.....0
- 14.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 15.2 If yes, state the amount thereof at December 31 of the current year:
- 15.21 Rented from others \$.....0
- 15.22 Borrowed from others \$.....0
- 15.23 Leased from others \$.....0
- 15.24 Other \$.....0
- Disclose in the Notes to Financial the nature of each obligation.
- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 16.2 If answer is yes:
- 16.21 Amount paid as losses or risk adjustment \$.....0
- 16.22 Amount paid as expenses \$.....0
- 16.23 Other amounts paid \$.....0

GENERAL INTERROGATORIES (continued)

INVESTMENT

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

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

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

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

The company participates in a securities lending program which is administered by its custodian, Bank One Trust Company, N.A.

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

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

19.21 Loaned to others	\$.....71,745,363
19.22 Subject to repurchase agreements	\$.....0
19.23 Subject to reverse repurchase agreements	\$.....0
19.24 Subject to dollar repurchase agreements	\$.....0
19.25 Subject to reverse dollar repurchase agreements	\$.....0
19.26 Pledged as collateral	\$.....0
19.27 Placed under option agreements	\$.....0
19.28 Letter stock or securities restricted as to sale	\$.....0
19.29 Other	\$.....0

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

19.31 Various brokers, filed with state of domicile.	.....
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 []
If no, attach a description with this statement.

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

21.2 If yes, state the amount thereof at December 31 of the current year: \$.....0

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

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

1 Name of Custodian(s)	2 Custodian's Address
Bank One Investment Management Group	1111 Polaris Parkway, Building 54101-2B, Columbus, OH 43240
US Bank	425 Walnut Street, Cincinnati, OH 45264

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
107394	ABN AMRO Asset Management, Inc.	150 E. Broad Street, Suite 506, Columbus, OH 43215
105146	SEI Investments	1 Freedom Valley Drive, Oaks, PA 19456
104518	Deutsche Asset Management	222 South Riverside Plaza, 29th Floor, Chicago, IL 60606
105794	R Meeder Advisor Funds	P.O. Box 7177, Dublin, OH 43017
109918	LSV Asset Management	1 North Wacker Drive, Suite 4000, Chicago, IL 60606
105494	Wall Street Associates	1200 Prospect Street, Suite 100, La Jolla, CA 92037

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$.....710,059

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, Inc.	334,354

24.1 Amount of payments for legal expenses, if any? \$.....159,408

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
N/A	

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

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES (continued)

Part 2 - Property and Casualty Interrogatories

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U.S. business only. \$.....0
- 1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$.....0
- 1.31 Reason for excluding:
-
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$.....0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$.....0
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$.....0
- 1.62 Total incurred claims \$.....0
- 1.63 Number of covered lives0
- All years prior to most current three years:
- 1.64 Total premium earned \$.....0
- 1.65 Total incurred claims \$.....0
- 1.66 Number of covered lives0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$.....0
- 1.72 Total incurred claims \$.....0
- 1.73 Number of covered lives0
- All years prior to most current three years:
- 1.74 Total premium earned \$.....0
- 1.75 Total incurred claims \$.....0
- 1.76 Number of covered lives0
- 2.1 Does the reporting entity issue both participating and non-participating policies? Yes [] No [X]
- 2.2 If yes, state the amount of calendar year premiums written on:
- 2.21 Participating \$.....0
- 2.22 Non-participating policies \$.....0
3. For Mutual Reporting Entities and Reciprocal Exchange only:
- 3.1 Does the reporting entity issue assessable policies? Yes [] No [X]
- 3.2 Does the reporting entity issue non-assessable policies? Yes [X] No []
- 3.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?0.0 %
- 3.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$.....0
4. For Reciprocal Exchanges only:
- 4.1 Does the exchange appoint local agents? Yes [] No []
- 4.2 If yes, is the commission paid:
- 4.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A []
- 4.22 As a direct expense of the exchange Yes [] No [] N/A []
- 4.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?
-
- 4.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred? Yes [] No []
- 4.5 If yes, give full information:
-
- 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?
Workers' compensation excess of loss reinsurance contract.
-
- 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:
Profiling and PML analysis on the exposures of the Motorists Insurance Group is done by Aon Re Services using the CLASIC (Catastrophe Loss Analysis for Insurance Companies) model. Analysis is performed for the perils of wind, hail and earthquake. The PML arises from wind and hail. The major concentration of exposures is in Ohio. Catastrophe excess of loss reinsurance is purchased to protect against excessive loss.
-
- 5.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable property insurance loss?
Catastrophe excess of loss reinsurance contract.
-
- 5.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No []
- 5.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.
-
- 6.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract which includes a provision which would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [] No [X]
- 6.2 If yes, indicate the number of reinsurance contracts containing such provisions.

GENERAL INTERROGATORIES (continued)

Part 2 - Property and Casualty Interrogatories (continued)

7.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]

7.2 If yes, give full information:

8. If the reporting entity has assumed risks from another entity, there should be a charge on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []

9.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [] No [X]

9.2 If yes, give full information:

10.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:

10.11 Unpaid losses \$.....0

10.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....0

10.2 Of the amount on Line 10.3 of the asset schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds: \$.....0

10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [X] N/A []

10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

10.41 From0.0 %

10.42 To0.0 %

10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]

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

10.61 Letters of credit \$.....0

10.62 Collateral and other funds \$.....0

11.1 What amount of installment notes is owned and now held by the reporting entity? \$.....2,663,229

11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Yes [] No [X]

11.3 If yes, what amount? \$.....0

12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....1,125,000

12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]

12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of this amount.2

13.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]

13.2 If yes, give full information:

14.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [X] No []

14.11 Name of real estate holding company Boston Financial Institutional Tax Credits III & XVIII

14.12 Number of parcels involved10

14.13 Total book/adjusted carrying value \$.....5,006,394

14.2 If yes, provide explanation

Limited partnership in low income housing properties.

15.1 Does the reporting entity write any warranty business? Yes [] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
15.11 Home.....					
15.12 Products.....					
15.13 Automobile.....					
15.14 Other*.....					

* Disclose type of coverage:

ANNUAL STATEMENT FOR THE YEAR 2002 OF TH MOTORISTS MUTUAL INSURANCE COMPANY
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, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	205,239,324	173,680,444	150,815,349	140,122,467	140,313,382
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	121,143,703	98,613,431	85,699,386	78,857,488	76,104,006
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	131,136,336	86,657,170	75,053,704	66,911,435	63,669,898
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	1,217,836	978,688	798,771	675,534	610,147
5. Non-proportional reinsurance lines (Lines 30, 31 & 32).....	10,429,298	10,351,428	6,748,848	5,814,910	5,364,851
6. Total (Line 34).....	469,166,498	370,281,162	319,116,057	292,381,834	286,062,284
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	150,274,060	131,813,843	112,777,979	104,378,132	104,775,846
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	89,518,101	74,986,531	65,351,480	60,128,737	57,982,115
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	95,699,018	64,611,459	56,248,233	50,111,661	47,657,924
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	899,294	752,682	611,421	516,071	466,427
11. Non-proportional reinsurance lines (Lines 30, 31 & 32).....	7,809,441	7,970,600	5,196,756	4,477,356	4,130,965
12. Total (Line 34).....	344,199,915	280,135,116	240,185,868	219,611,956	215,013,277
Statement of Income (Page 4)					
13. Net underwriting gain (Loss) (Line 8).....	(30,974,135)	(8,632,876)	(1,326,190)	(4,989,721)	(10,139,974)
14. Net investment gain (loss) (Line 11).....	28,307,542	36,161,170	38,360,725	40,248,111	45,607,593
15. Total other income (Line 15).....	(6,309,968)	1,738,900	1,208,779	1,019,713	1,060,073
16. Dividends to policyholders (Line 17).....	597,723	426,819	311,521	132,214	119,411
17. Federal and foreign income taxes incurred (Line 19).....	(3,948,153)	4,427,692	7,508,297	8,389,480	8,318,650
18. Net income (Line 20).....	(5,626,131)	24,412,683	30,423,497	27,756,409	28,089,631
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding Protected Cell (Page 2, Line 26, Col. 3).....	787,812,563	744,070,124	684,816,455	660,375,935	638,522,517
20. Agents' balances or uncollected premiums (Page 2, Col. 3):					
20.1 In course of collection (Line 10.1).....	13,571,759	4,063,343	(1,550,460)	(2,918,878)	(584,695)
20.2 Deferred and not yet due (Line 10.2).....	74,655,587	66,978,417	50,111,785	44,458,735	42,328,551
20.3 Accrued retrospective premiums (Line 10.3).....			(8,812,142)	(7,981,724)	(6,589,231)
21. Total liabilities excluding Protected Cell (Page 3, Line 24).....	452,856,676	377,549,150	345,060,116	333,815,937	343,177,684
22. Losses (Page 3, Lines 1 & 2).....	200,691,482	171,099,191	168,473,209	177,499,202	186,237,552
23. Loss adjustment expenses (Page 3, Line 3).....	43,262,324	36,476,665	35,378,413	38,481,400	42,569,605
24. Unearned premiums (Page 3, Line 9).....	133,763,129	107,811,525	93,576,197	85,264,589	81,993,166
25. Capital paid up (Page 3, Lines 28 & 29).....					
26. Surplus as regards policyholders (Page 3, Line 35).....	334,955,887	366,520,975	339,756,339	326,559,998	295,344,833
Risk-Based Capital Analysis					
27. Total adjusted capital.....	334,955,887	366,520,975	342,879,549	329,523,572	297,904,311
28. Authorized control level risk-based capital.....	32,834,303	29,006,210	30,854,772	29,774,615	30,746,271
Percentage Distribution of Cash and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 9, Col. 3) x 100.0					
29. Bonds (Line 1).....	72.8	70.9	70.0	69.8	69.0
30. Stocks (Lines 2.1 & 2.2).....	18.0	21.8	26.0	24.5	26.9
31. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
32. Real estate (Lines 4.1, 4.2 & 4.3).....	2.3	2.5	2.5	2.7	2.9
33. Cash and short-term investments (Line 5).....	4.8	2.3	0.1	1.6	0.1
34. Other invested assets (Line 6).....	2.1	2.5	1.4	1.3	1.1
35. Receivable for securities (Line 7).....	0.0				
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 (Sch. D, Summary, Line 25, Col. 1).....					
39. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1).....					
40. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2).....	58,082,860	63,719,343	66,607,032	67,567,084	66,986,499
41. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11).....					
42. Affiliated mortgage loans on real estate.....					
43. All other affiliated.....					
44. Total of above lines 38 to 43.....	58,082,860	63,719,343	66,607,032	67,567,084	66,986,499
45. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 44 above divided by Page 3, Col. 1, Line 35 x 100.0).....	17.3	17.4	19.6	20.7	22.7

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THMOTORISTS MUTUAL INSURANCE COMPANY
FIVE-YEAR HISTORICAL DATA**

(Continued)

	1	2	3	4	5
	2002	2001	2000	1999	1998
Capital and Surplus Accounts (Page 4)					
46. Net unrealized capital gains (losses) (Line 23).....	.....(15,471,571)	.....(13,080,182)	.....(7,542,458)	.....6,005,345	.....557,396
47. Dividends to stockholders (Line 34).....					
48. Change in surplus as regards policyholders for the year (Line 37).....	.....(31,565,088)	.....26,764,636	.....13,196,341	.....31,215,165	.....24,736,818
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
49. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	.....81,703,995	.....86,029,111	.....81,716,918	.....87,436,514	.....98,280,299
50. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	.....65,780,755	.....56,012,601	.....47,038,557	.....41,228,978	.....41,646,853
51. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.....66,097,806	.....56,581,990	.....44,439,848	.....39,714,872	.....36,987,430
52. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	.....275,497	.....294,900	.....426,095	.....468,741	.....746,590
53. Nonproportional reinsurance lines (Lines 30, 31 & 32).....	.....11,549,937	.....6,506,415	.....5,125,910	.....4,548,348	.....3,823,059
54. Total (Line 34).....	.....225,407,989	.....205,425,017	.....178,747,328	.....173,397,452	.....181,484,231
Net Losses Paid (Page 9, Part 2, Col. 4)					
55. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	.....65,269,453	.....63,679,837	.....60,872,900	.....63,029,845	.....73,923,422
56. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	.....49,374,163	.....42,331,487	.....36,198,248	.....31,713,867	.....32,034,804
57. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.....48,981,180	.....39,475,123	.....33,350,090	.....30,528,945	.....28,373,317
58. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....	.....213,974	.....226,461	.....323,484	.....361,920	.....575,128
59. Nonproportional reinsurance lines (Lines 30, 31 & 32).....	.....10,955,343	.....5,025,836	.....3,970,416	.....3,610,749	.....3,013,952
60. Total (Line 34).....	.....174,794,113	.....150,738,744	.....134,715,138	.....129,245,325	.....137,920,623
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).....	.....64.2	.....56.9	.....54.4	.....56.1	.....59.1
63. Loss expenses incurred (Line 3).....	.....12.8	.....12.0	.....11.0	.....11.0	.....11.4
64. Other underwriting expenses incurred (Line 4).....	.....32.9	.....34.0	.....35.3	.....35.1	.....34.7
65. Net underwriting gain (loss) (Line 8).....	.....(9.7)	.....(3.2)	.....(0.6)	.....(2.3)	.....(4.7)
Other Percentages					
66. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0).....	.....32.1	.....32.0	.....33.5	.....34.1	.....33.9
67. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	.....76.9	.....68.9	.....65.3	.....67.2	.....70.5
68. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34, divided by Page 3, Line 35, Col. 1 x 100.0).....	.....102.8	.....76.4	.....70.7	.....67.3	.....72.8
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, Col. 11).....	.....17,983	.....(7,271)	.....(16,875)	.....(20,542)	.....(15,441)
70. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 69 above divided by Page 4, Line 21, Col. 1 x 100).....	.....4.9	.....(2.1)	.....(5.2)	.....(7.0)	.....(5.7)
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, Col. 12).....	.....12,904	.....(19,665)	.....(27,273)	.....(23,779)	.....(23,035)
72. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second year end (Line 71 above divided by Page 4, Line 21, Col. 2 x 100.0).....	.....3.8	.....(6.0)	.....(9.2)	.....(8.8)	.....(9.8)

ANNUAL STATEMENT FOR THE YEAR 2002 OF THMOTORISTS MUTUAL INSURANCE COMPANY

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.....	162,019,395	162,661,073	162,228,781	167,040,567
	2. Canada.....				
	3. Other Countries.....				
	4. Totals.....	162,019,395	162,661,073	162,228,781	167,040,567
States, Territories and Possessions (Direct and guaranteed)	5. United States.....	179,818,086	179,982,122	180,531,408	177,415,000
	6. Canada.....				
	7. Other Countries.....				
	8. Totals.....	179,818,086	179,982,122	180,531,408	177,415,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....	47,627,429	47,630,280	47,566,121	47,910,000
	10. Canada.....				
	11. Other Countries.....				
	12. Totals.....	47,627,429	47,630,280	47,566,121	47,910,000
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....	28,448,537	28,545,198	27,804,751	55,515,450
	14. Canada.....				
	15. Other Countries.....				
	16. Totals.....	28,448,537	28,545,198	27,804,751	55,515,450
Public Utilities (unaffiliated)	17. United States.....	12,823,531	12,747,970	13,569,050	13,000,000
	18. Canada.....				
	19. Other Countries.....				
	20. Totals.....	12,823,531	12,747,970	13,569,050	13,000,000
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....	41,099,070	42,036,921	47,038,563	43,318,034
	22. Canada.....	3,287,030	3,287,030	4,864,140	5,000,000
	23. Other Countries.....	5,016,708	4,771,650	5,019,250	5,000,000
	24. Totals.....	49,402,808	50,095,601	56,921,953	53,318,034
Parent, Subsidiaries and Affiliates	25. Totals.....				
	26. Total Bonds.....	480,139,786	481,662,244	488,622,064	514,199,051
PREFERRED STOCKS					
Public Utilities (Unaffiliated)	27. United States.....				
	28. Canada.....				
	29. Other Countries.....				
	30. Totals.....	0	0	0	
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....				
	32. Canada.....				
	33. Other Countries.....				
	34. Totals.....	0	0	0	
Industrial and Miscellaneous (Unaffiliated)	35. United States.....				
	36. Canada.....				
	37. Other Countries.....				
	38. Totals.....	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals.....				
	40. Total Preferred Stocks.....	0	0	0	
COMMON STOCKS					
Public Utilities (Unaffiliated)	41. United States.....	1,153,171	1,153,171	1,200,488	
	42. Canada.....				
	43. Other Countries.....				
	44. Totals.....	1,153,171	1,153,171	1,200,488	
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....	10,271,743	10,271,742	9,279,962	
	46. Canada.....				
	47. Other Countries.....	56,772	56,772	56,618	
	48. Totals.....	10,328,515	10,328,514	9,336,580	
Industrial and Miscellaneous (Unaffiliated)	49. United States.....	43,473,625	43,473,623	46,278,294	
	50. Canada.....				
	51. Other Countries.....	5,830,266	5,830,266	7,707,794	
	52. Totals.....	49,303,891	49,303,889	53,986,088	
Parent, Subsidiaries and Affiliates	53. Totals.....	58,082,860	58,082,860	21,039,757	
	54. Total Common Stocks.....	118,868,437	118,868,435	85,562,913	
	55. Total Stocks.....	118,868,437	118,868,435	85,562,913	
	56. Total Bonds and Stocks...	599,008,223	600,530,679	574,184,977	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$....395,448,377.

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year.....	593,372,155	6. Foreign exchange adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	154,652,095	6.1 Column 17, Part 1.....	
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1.....	
3.1 Column 16, Part 1.....	(2,708,232)	6.3 Column 11, Part 2, Section 2.....	
3.2 Column 12, Part 2, Section 1.....		6.4 Column 11, Part 4.....	0
3.3 Column 10, Part 2, Section 2.....	(14,788,664)	7. Book/adjusted carrying value at end of current period.....	599,008,224
3.4 Column 10, Part 4.....	(3,349,844)	8. Total valuation allowance.....	
4. Total gain (loss), Column 14, Part 4.....	(1,883,781)	9. Subtotal (Lines 7 plus 8).....	599,008,224
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4...	126,285,504	10. Total nonadmitted amounts.....	
		11. Statement value of bonds and stocks, current period.....	599,008,224

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						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX.....	XXX.....	XXX.....	6,261	6,973	977	(18)	161		76	445	XXX.....
2. 1993.....	326,822	40,763	286,059	209,912	26,461	14,578	346	18,188	7	6,808	215,864	XXX.....
3. 1994.....	301,052	29,944	271,109	198,041	24,948	14,904	1,166	16,379	88	7,645	203,121	XXX.....
4. 1995.....	274,676	26,073	248,603	171,254	20,746	13,519	2,021	16,572	53	6,523	178,525	XXX.....
5. 1996.....	261,281	24,233	237,048	177,849	22,947	12,080	420	16,683	261	7,051	182,983	XXX.....
6. 1997.....	244,414	17,679	226,735	144,491	16,340	9,167	217	17,477	132	6,552	154,446	XXX.....
7. 1998.....	227,783	9,030	218,753	137,596	15,952	7,073	67	18,024	225	6,035	146,450	XXX.....
8. 1999.....	236,413	17,874	218,538	125,448	6,944	6,178	40	17,792	123	5,944	142,311	XXX.....
9. 2000.....	249,082	15,856	233,226	132,122	10,370	4,258	22	18,717	155	6,301	144,550	XXX.....
10. 2001.....	281,286	13,747	267,539	132,452	8,460	2,278		20,165	145	5,756	146,290	XXX.....
11. 2002.....	327,748	9,492	318,256	118,238	157	714		19,551		3,273	138,345	XXX.....
12. Totals.....	XXX.....	XXX.....	XXX.....	1,553,663	160,298	85,726	4,281	179,707	1,188	61,964	1,653,329	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	34,463	15,276	15,012	6,066			851	66	549			29,466	XXX.....
2. 1993.....	1,811	363	2,808				1,132	12	47			5,423	XXX.....
3. 1994.....	1,772	188	1,913				491		95			4,083	XXX.....
4. 1995.....	2,434	120	1,126				344		112			3,895	XXX.....
5. 1996.....	1,869		1,338				623		170			4,001	XXX.....
6. 1997.....	2,563	31	1,668	43			741		224			5,123	XXX.....
7. 1998.....	4,143	462	2,651	251			813		426	10		7,311	XXX.....
8. 1999.....	7,774	228	4,428	806			1,685		878	9		13,723	XXX.....
9. 2000.....	13,977	2,135	8,292	2,462			3,502	0	1,913	3		23,084	XXX.....
10. 2001.....	20,153	301	17,805	1,680			5,997		3,605	3		45,575	XXX.....
11. 2002.....	40,765	61	37,068	1,030			9,442		9,725			95,910	XXX.....
12. Totals..	131,726	19,164	94,108	12,337	0	0	25,621	79	17,745	25	0	237,595	XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....			XXX.....	28,133	1,333
2. 1993.	248,476	27,189	221,287	76.0	66.7	77.4			75.00	4,255	1,168
3. 1994.	233,594	26,390	207,204	77.6	88.1	76.4			75.00	3,498	585
4. 1995.	205,360	22,939	182,420	74.8	88.0	73.4			75.00	3,439	456
5. 1996.	210,612	23,629	186,983	80.6	97.5	78.9			75.00	3,207	793
6. 1997.	176,331	16,762	159,569	72.1	94.8	70.4			75.00	4,158	965
7. 1998.	170,726	16,966	153,760	75.0	187.9	70.3			75.00	6,081	1,229
8. 1999.	164,183	8,150	156,034	69.4	45.6	71.4			75.00	11,168	2,555
9. 2000.	182,780	15,147	167,634	73.4	95.5	71.9			75.00	17,672	5,412
10. 2001.	202,455	10,589	191,866	72.0	77.0	71.7			75.00	35,977	9,599
11. 2002.	235,503	1,248	234,256	71.9	13.1	73.6			75.00	76,743	19,167
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	194,333	43,262

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.....	198,605	201,889	202,406	202,533	202,083	203,003	201,812	201,366	201,689	212,498	10,809	11,132
2. 1993.....	205,688	202,038	197,930	199,520	199,129	199,409	200,227	200,714	200,358	203,059	2,701	2,345
3. 1994.....	XXX	200,033	194,554	195,660	192,864	191,855	191,185	190,552	190,621	190,818	198	266
4. 1995.....	XXX	XXX	178,250	173,566	170,476	168,628	166,569	166,732	165,289	165,789	500	(943)
5. 1996.....	XXX	XXX	XXX	182,782	177,128	173,817	171,429	169,806	169,459	170,391	932	585
6. 1997.....	XXX	XXX	XXX	XXX	154,702	146,349	142,648	141,353	140,780	142,001	1,221	648
7. 1998.....	XXX	XXX	XXX	XXX	XXX	149,369	137,371	134,539	134,792	135,545	753	1,006
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	145,397	135,341	135,469	137,495	2,026	2,154
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	151,449	147,142	147,161	19	(4,288)
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	169,420	168,244	(1,176)	XXX
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	204,980	XXX	XXX
12. Totals.....											17,983	12,904

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.....	.000	68,547	111,992	138,377	155,267	165,879	173,513	179,339	183,297	183,581	XXX	XXX
2. 1993.....	96,907	136,417	157,833	173,903	183,769	189,263	191,375	192,772	193,507	197,683	XXX	XXX
3. 1994.....	XXX	98,188	135,609	156,422	169,583	177,325	182,022	184,660	186,034	186,830	XXX	XXX
4. 1995.....	XXX	XXX	85,492	120,587	137,692	149,495	155,140	158,742	160,436	162,006	XXX	XXX
5. 1996.....	XXX	XXX	XXX	94,265	127,815	143,717	154,334	160,353	163,766	166,561	XXX	XXX
6. 1997.....	XXX	XXX	XXX	XXX	80,315	105,301	117,706	126,496	132,976	137,101	XXX	XXX
7. 1998.....	XXX	XXX	XXX	XXX	XXX	77,146	101,885	114,357	122,802	128,651	XXX	XXX
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	76,662	100,456	113,532	124,642	XXX	XXX
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	83,665	112,631	125,987	XXX	XXX
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	95,451	126,270	XXX	XXX
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	118,794	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.....	97,689	65,126	38,954	26,543	17,963	12,758	6,510	4,131	2,745	9,729
2. 1993.....	68,632	38,505	19,201	12,305	8,197	5,612	6,144	6,248	5,198	3,928
3. 1994.....	XXX	65,359	33,734	21,227	12,403	7,742	4,778	3,401	2,662	2,403
4. 1995.....	XXX	XXX	57,893	32,817	17,027	10,514	5,864	3,781	2,187	1,470
5. 1996.....	XXX	XXX	XXX	53,439	30,476	16,378	9,646	5,139	2,788	1,961
6. 1997.....	XXX	XXX	XXX	XXX	47,710	25,799	12,545	7,347	3,851	2,367
7. 1998.....	XXX	XXX	XXX	XXX	XXX	43,709	19,173	9,541	5,083	3,213
8. 1999.....	XXX	XXX	XXX	XXX	XXX	XXX	38,227	17,256	8,295	5,307
9. 2000.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	35,841	18,142	9,332
10. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40,653	22,122
11. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	45,480

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE MOTORISTS MUTUAL INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	NO								
2. Alaska.....AK	NO								
3. Arizona.....AZ	NO								
4. Arkansas.....AR	NO								
5. California.....CA	NO								
6. Colorado.....CO	NO								
7. Connecticut.....CT	NO								
8. Delaware.....DE	NO								
9. District of Columbia.....DC	NO								
10. Florida.....FL	NO								
11. Georgia.....GA	NO								
12. Hawaii.....HI	NO								
13. Idaho.....ID	NO								
14. Illinois.....IL	NO								
15. Indiana.....IN	YES	33,007,226	30,406,243		15,620,660	15,333,341	13,125,820	171,046	
16. Iowa.....IA	NO								
17. Kansas.....KS	NO								
18. Kentucky.....KY	YES	35,032,956	31,971,658		22,656,544	24,409,587	16,726,408	194,005	
19. Louisiana.....LA	NO								
20. Maine.....ME	NO								
21. Maryland.....MD	NO								
22. Massachusetts.....MA	NO								
23. Michigan.....MI	YES				1,419,267	1,058,085	4,776,463		
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	217,209,685	206,912,397		116,043,500	122,155,337	89,614,074	1,585,659	
37. Oklahoma.....OK	NO								
38. Oregon.....OR	NO								
39. Pennsylvania.....PA	YES	38,962,424	37,488,279	127,558	21,888,700	24,273,156	26,244,763	251,616	
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	YES	9,961,773	9,456,373		5,357,299	5,075,617	3,476,369	44,965	
50. Wisconsin.....WI	NO								
51. Wyoming.....WY	NO								
52. American Samoa.....AS	NO								
53. Guam.....GU	NO								
54. Puerto Rico.....PR	NO								
55. US Virgin Islands.....VI	NO								
56. Canada.....CN	NO								
57. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
58. Totals.....	(a).....6	334,174,064	316,234,950	127,558	182,985,970	192,305,124	153,963,897	2,247,290	0

DETAILS OF WRITE-INS

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

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

Premiums are allocated based upon the annual statement lines of business as follows: 1,2,4,5,8,9,12,16,25,26,27 and 31 on location of risk; 17 and 18 on location of insured's operation; 19 and 21 on location of principal garaging; 23 on location of employer; 3,6,10,11,13,14,15,22, 24,28 and 29 there are no direct premiums written.

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

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

PART 1 – ORGANIZATIONAL CHART

**The Motorists Insurance Group
Organizational Chart**

