

**AMENDED EXPLANATION COVER**

---

The 2002 Annual statement was amended due to the unearned premium reserve was over stated by \$87,815 and the book/adjusted carrying value of preferred stock was overstated by \$162,768.00. The reason for the overstatement of the unearned premium reserve was an error in transferring policies from an old system to a new AS400 system. The reason for the value of preferred stock being overstated was due to the NAIC designations were posted incorrectly. Both errors have been corrected in this submission.

If you have any questions please call me at (937) 339-0524 ext.118.

Suzanne Wells



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2002
OF THE CONDITION AND AFFAIRS OF THE
MIAMI MUTUAL INSURANCE COMPANY

NAIC Group Code 0000 (Current Period) 0000 (Prior Period) NAIC Company Code 16764 Employer's ID Number 31-0617569

Organized under the Laws of \_\_\_\_\_, State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated August 10, 1877 Commenced Business December 31, 1877

Statutory Home Office 1201 BRUKNER DRIVE, TROY, Ohio 45373-0249 (Street and Number, City or Town, State and Zip Code)

Main Administrative Office 1201 BRUKNER DRIVE, TROY, Ohio 45373-0249 (Street and Number, City or Town, State and Zip Code) 937-339-0524 (Area Code) (Telephone Number)

Mail Address 1201 BRUKNER DRIVE, TROY, Ohio 45373-0249 (Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 1201 BRUKNER DRIVE, TROY, Ohio 45373-0249 (Street and Number, City or Town, State and Zip Code) 937-339-0524 -118 (Area Code) (Telephone Number)

Internet Website Address \_\_\_\_\_

Statement Contact SUZANNE L WELLS (Name) 937-339-0524 -118 (Area Code) (Telephone Number) (Extension) suzanne.wells@miamimutual.com (E-Mail Address) 937-339-5823 (Fax Number)

Policyowner Relations Contact \_\_\_\_\_ (Street and Number, City or Town, State and Zip Code) \_\_\_\_\_ (Area Code) (Telephone Number) (Extension)

OFFICERS

President TERRY S HOAG
Secretary JOHN E FULKER
Treasurer SUZANNE L WELLS

VICE PRESIDENTS

WILLIAM WALTERS
PAMELA K ERBAUGH

DIRECTORS OR TRUSTEES

CARL R NEWBRIGHT
KEN HOCKENHEIMER
JEFF PRIEST
KEN RUPP
ROBERT SHOOK
JAMES MEARS
RICHARD FRAAS
TERRY HOAG

State of Ohio }
County of Miami } SS

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.

TERRY S HOAG
President

SUZANNE L WELLS
Treasurer

JOHN E FULKER
Secretary

Subscribed and sworn to before me this
day of 2003

- a. Is this an original filing? Yes ( ) No (X)
b. If no: 1. State the amendment number 2
2. Date filed May 28, 2003
3. Number of pages attached 19

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

**ASSETS**

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Columns 1 minus 2)	Net Admitted Assets
1. Bonds	2,683,483		2,683,483	2,494,430
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1)	1,788,994		1,788,994	349,710
2.2 Common stocks (Schedule D, Part 2, Section 2)	3,111,486		3,111,486	5,468,964
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)	817,545		817,545	842,174
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				64,849
5. Cash (\$ 684,486 Schedule E, Part 1) and short-term investments (\$ 2,210,142 Schedule DA, Part 2)	2,894,628		2,894,628	2,887,189
6. Other invested assets (Schedule BA)	25,000		25,000	125,817
7. Receivable for securities				
8. Aggregate write-ins for invested assets				
9. Subtotals, cash and invested assets (Line 1 to Line 8)	11,321,136		11,321,136	12,233,133
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	83,599		83,599	75,797
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	2,703,023		2,703,023	2,450,930
10.3 Accrued retrospective premiums				
11. Funds held by or deposited with reinsured companies	54,874		54,874	46,120
12. Bills receivable, taken for premiums				
13. Amounts receivable under high deductible policies				
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Columns 7 and 8)	148,575		148,575	125,029
15. Federal and foreign income tax recoverable and interest thereon (including \$ net deferred tax asset)	181,000		181,000	98,579
16. Guaranty funds receivable or on deposit				
17. Electronic data processing equipment and software	644,160	421,172	222,988	263,894
18. Interest, dividends and real estate income due and accrued	92,543		92,543	82,711
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Receivable from parent, subsidiaries and affiliates	7,787		7,787	1,591
21. Amount due from/to protected cells				
22. Equities and deposits in pools and associations				
23. Amounts receivable relating to uninsured accident and health plans				
24. Other assets nonadmitted (Exhibit 1)	52,335	52,335		
25. Aggregate write-ins for other than invested assets	249,971	71,421	178,550	223,209
26. Total assets excluding protected cell assets (Line 9 through Line 25)	15,539,003	544,928	14,994,075	15,600,993
27. Protected cell assets				
28. TOTALS (Line 26 and Line 27)	15,539,003	544,928	14,994,075	15,600,993
<b>DETAILS OF WRITE-INS</b>				
0801. Goodwill on Purchase of Protective General Agency				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)				
2501. Automobiles	46,944	46,944		
2502. Prepaid Insurance	24,477	24,477		
2503. Deferred Compensation	178,550		178,550	223,209
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	249,971	71,421	178,550	223,209

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8) .....	1,771,044	1,221,889
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6) .....		
3. Loss adjustment expenses (Part 2A, Line 34, Column 9) .....	129,844	120,597
4. Commissions payable, contingent commissions and other similar charges .....	106,043	109,255
5. Other expenses (excluding taxes, licenses and fees) .....	20,957	97,002
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	15,372	52,334
7. Federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) (including \$ ..... net deferred tax liability) .....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... ) .....	4,754,177	4,303,361
10. Advance premiums .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	97,164	118,641
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....		
14. Amounts withheld or retained by company for account of others .....		
15. Remittances and items not allocated .....		
16. Provision for reinsurance (Schedule F, Part 7) .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....	10,083	2,808
20. Payable for securities .....		
21. Liability for amounts held under uninsured accident and health plans .....		
22. Capital notes \$ ..... and interest thereon \$ .....		
23. Aggregate write-ins for liabilities .....	740,879	796,315
24. Total liabilities excluding protected cell liabilities (Line 1 through Line 23) .....	7,645,563	6,822,202
25. Protected cell liabilities .....		
26. Total liabilities (Line 24 and Line 25) .....	7,645,563	6,822,202
27. Aggregate write-ins for special surplus funds .....		
28. Common capital stock .....		
29. Preferred capital stock .....		
30. Aggregate write-ins for other than special surplus funds .....		
31. Surplus notes .....		
32. Gross paid in and contributed surplus .....		
33. Unassigned funds (surplus) .....	7,348,512	8,778,791
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ ..... ) .....		
34.2 ..... shares preferred (value included in Line 29 \$ ..... ) .....		
35. Surplus as regards policyholders (Line 27 to Line 33, less Line 34) (Page 4, Line 38) .....	7,348,512	8,778,791
36. TOTALS (Page 2, Line 28, Column 3) .....	14,994,075	15,600,993
<b>DETAILS OF WRITE-INS</b>		
2301. Deferred Compensation .....	178,550	223,209
2302. Pension .....	427,253	451,502
2303. Post Retirement Medical .....	135,076	121,604
2398. Summary of remaining write-ins for Line 23 from overflow page .....		
2399. TOTALS (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....	740,879	796,315
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....		
2799. TOTALS (Line 2701 through Line 2703 plus Line 2798) (Line 27 above) .....		
<b>3001. RECAPTURE OF BUILDING DEPRECIATION</b>		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page .....		
3099. TOTALS (Line 3001 through Line 3003 plus Line 3098) (Line 30 above) .....		

## UNDERWRITING AND INVESTMENT EXHIBIT

## STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 34, Column 4) .....	9,135,645	7,549,708
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7) .....	4,890,414	3,608,608
3. Loss expenses incurred (Part 3, Line 25, Column 1) .....	511,441	347,380
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	4,993,668	4,310,944
5. Aggregate write-ins for underwriting deductions .....		32,019
6. Total underwriting deductions (Line 2 through Line 5) .....	10,395,523	8,298,951
7. Net income of protected cells .....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	(1,259,878)	(749,243)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	269,046	143,446
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses)) .....	(102,983)	(622,947)
11. Net investment gain (loss) (Line 9 plus Line 10) .....	166,063	(479,501)
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ .....)		
13. Finance and service charges not included in premiums .....	53,424	
14. Aggregate write-ins for miscellaneous income .....	5,221	6,447
15. Total other income (Line 12 through Line 14) .....	58,645	6,447
16. Net income before dividends to policyholders and before federal and foreign income taxes (Line 8 plus Line 11 plus Line 15) .....	(1,035,170)	(1,222,297)
17. Dividends to policyholders .....		
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17) .....	(1,035,170)	(1,222,297)
19. Federal and foreign income taxes incurred .....	(317,260)	(91,342)
20. Net income (Line 18 minus Line 19) (to Line 22) .....	(717,910)	(1,130,955)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2) .....	8,778,791	10,767,987
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20) .....	(717,910)	(1,130,955)
23. Net unrealized capital gains or (losses) .....	(708,337)	(138,450)
24. Change in net unrealized foreign exchange capital gain (loss) .....		
25. Change in net deferred income tax .....		
26. Change in nonadmitted assets (Exhibit 1, Line 5, Column 3) .....	(4,032)	(288,197)
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....		
28. Change in surplus notes .....		
29. Surplus (contributed to) withdrawn from protected cells .....		
30. Cumulative effect of changes in accounting principles .....		11,004
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 .....		(442,598)
37. Change in surplus as regards policyholders for the year (Line 22 through Line 36) .....	(1,430,279)	(1,989,196)
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35) .....	7,348,512	8,778,791
DETAILS OF WRITE-INS		
0501. Miscellaneous - Miami Valley .....		5,201
0502. ....		
0503. Amortization of PGA Goodwill .....		26,818
0598. Summary of remaining write-ins for Line 5 from overflow page .....		
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above) .....		32,019
1401. ....		
1402. OTHER INCOME .....	5,221	6,447
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....		
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above) .....	5,221	6,447
3601. PENSION .....		(442,598)
3602. ....		
3603. ....		
3698. Summary of remaining write-ins for Line 36 from overflow page .....		
3699. Totals (Line 3601 through Line 3603 plus Line 3698) (Line 36 above) .....		(442,598)

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 2	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Column 1 plus 2 minus 3)
1. Fire .....	1,403,214	559,852	819,485	1,143,581
2. Allied lines .....				
3. Farmowners multiple peril .....	2,483,512	236,889	399,159	2,321,242
4. Homeowners multiple peril .....	1,229,787	631,881	648,090	1,213,578
5. Commercial multiple peril .....	2,897,068	2,738,160	2,492,456	3,142,772
6. Mortgage guaranty .....				
8. Ocean marine .....				
9. Inland marine .....				
10. Financial guaranty .....				
11.1 Medical malpractice - occurrence .....				
11.2 Medical malpractice - claims-made .....				
12. Earthquake .....				
13. Group accident and health .....				
14. Credit accident and health (group and individual) .....				
15. Other accident and health .....				
16. Workers' compensation .....				
17.1 Other liability - occurrence .....	111,173	46,558	62,824	94,907
17.2 Other liability - claims-made .....				
18.1 Products liability - occurrence .....				
18.2 Products liability - claims-made .....				
19.1, 19.2 Private passenger auto liability .....				
19.3, 19.4 Commercial auto liability .....	719,265		146,226	573,039
21. Auto physical damage .....	188,481		32,275	156,206
22. Aircraft (all perils) .....				
23. Fidelity .....				
24. Surety .....				
26. Burglary and theft .....	553,960	90,022	153,662	490,320
27. Boiler and machinery .....				
28. Credit .....				
29. International .....				
30. Reinsurance - Nonproportional Assumed Property .....				
31. Reinsurance - Nonproportional Assumed Liability .....				
32. Reinsurance - Nonproportional Assumed Financial Lines .....				
33. Aggregate write-ins for other lines of business .....				
34. TOTALS .....	9,586,460	4,303,362	4,754,177	9,135,645
<b>DETAILS OF WRITE-INS</b>				
3301. ....				
3302. ....				
3303. ....				
3398. Summary of remaining write-ins for Line 33 from overflow page .....				
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above) .....				

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

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

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running More Than One Year from Date of Policy) (b)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire	819,485				819,485
2. Allied lines					
3. Farmowners multiple peril	399,159				399,159
4. Homeowners multiple peril	648,090				648,090
5. Commercial multiple peril	2,492,456				2,492,456
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine					
10. Financial guaranty					
11.1 Medical malpractice - occurrence					
11.2 Medical malpractice - claims-made					
12. Earthquake					
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability - occurrence	62,824				62,824
17.2 Other liability - claims-made					
18.1 Products liability - occurrence					
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability					
19.3, 19.4 Commercial auto liability	146,226				146,226
21. Auto physical damage	32,275				32,275
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft	153,662				153,662
27. Boiler and machinery					
28. Credit					
29. International					
30. Reinsurance - Nonproportional Assumed Property					
31. Reinsurance - Nonproportional Assumed Liability					
32. Reinsurance - Nonproportional Assumed Financial Lines					
33. Aggregate write-ins for other lines of business					
34. TOTALS	4,754,177				4,754,177
35. Accrued retrospective premiums based on experience					
36. Earned but unbilled premiums					
37. Balance (Sum of Line 34 through Line 36)					4,754,177
<b>DETAILS OF WRITE-INS</b>					
3301.					
3302.					
3303.					
3398. Summary of remaining write-ins for Line 33 from overflow page					
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)					

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

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

**EXHIBIT OF NET INVESTMENT INCOME**

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 169,990	163,797
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 56,953	64,144
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates	119,002	119,544
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e) 32,334	32,334
7. Derivative instruments	(f)	
8. Other invested assets	4,735	4,735
9. Aggregate write-ins for investment income		
10. Total gross investment income	383,014	384,554
11. Investment expenses		(g) 90,879
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) 24,629
15. Aggregate write-ins for deductions from investment income		
16. Totals deductions (Line 11 through Line 15)		115,508
17. Net investment income (Line 10 minus Line 16)		269,046
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903 plus Line 0998 ) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus Line 1598 ) (Line 15 above)		
(a) Includes \$ 1,766 accrual of discount less \$ 5,590 amortization of premium and less \$ paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.		

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	Total
1. U. S. Government bonds	(177,656)				(177,656)
1.1 Bonds exempt from U. S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)	3,750			(162,768)	(159,018)
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	(26,171)			(545,569)	(571,740)
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate	97,094				97,094
5. Contract loans					
6. Cash/short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	(102,983)			(708,337)	(811,320)
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903 plus Line 0998 ) (Line 9 above)					

## 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	302,344	2.578	300,243	2.654
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations	2,407,920	20.531	2,383,240	21.070
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA				
1.512 Issued by FNMA and FHLMC				
1.513 Privately issued				
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC				
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC				
1.523 All other privately issued				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated	1,788,994	15.254	1,778,994	15.728
3.3 Publically traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated	3,491,896	29.773	3,111,486	27.508
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
5. Real estate investments:				
5.1 Property occupied by company	817,545	6.971	817,545	7.228
5.2 Property held for production of income (includes \$ _____ of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ _____ including property acquired in satisfaction of debt)				
6. Policy loans				
7. Receivables for securities				
8. Cash and short-term investments	2,894,628	24.681	2,894,628	25.591
9. Other invested assets	25,000	0.213	25,000	0.221
10. Total invested assets	11,728,327	100.000	11,311,136	100.000

## FIVE-YEAR HISTORICAL DATA

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

	1 2002	2 2001	3 2000	4 1999	5 1998
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	975,577	109,967	100,422	135,495	131,570
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	2,442,948	1,502,564	1,464,342	1,409,546	1,519,823
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	7,944,257	8,224,158	6,102,310	5,359,061	4,449,567
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)					
5. Nonproportional reinsurance lines (Lines 30, 31 and 32)					
6. Total (Line 34)	11,362,782	9,836,689	7,667,074	6,904,102	6,100,960
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	830,438	109,967	100,422	135,495	131,570
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	2,145,655	1,390,866	1,315,789	1,262,962	1,406,564
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	6,610,367	7,129,239	5,012,919	4,458,612	3,915,356
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)					
11. Nonproportional reinsurance lines (Line 30, 31 and 32)					
12. Total (Line 34)	9,586,460	8,630,072	6,429,130	5,857,069	5,453,490
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(1,259,878)	(744,042)	(373,404)	(310,087)	(532,467)
14. Net investment gain (loss) (Line 11)	166,063	(479,501)	288,157	829,608	119,766
15. Total other income (Line 15)	58,645	6,447	13,326	14,732	17,169
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	(317,260)	(91,342)	(35,700)	228,000	(128,000)
18. Net income (Line 20)	(717,910)	(1,125,754)	(36,221)	306,253	(267,532)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding Protected Cell (Page 2, Line 26, Column 3)	14,994,075	15,600,993	12,381,927	11,940,131	12,211,037
20. Agents' balances or uncollected premiums (Page 2, Column 3)					
20.1 In course of collection (Line 10.1)	83,599	75,797	41,579	23,969	1,133,216
20.2 Deferred and not yet due (Line 10.2)	2,703,023	2,450,930	1,935,389	1,620,977	
20.3 Accrued retrospective premiums (Line 10.3)					
21. Total liabilities excluding Protected Cell (Page 3, Line 24)	7,645,563	6,822,202	4,868,749	4,466,439	3,973,785
22. Losses (Page 3, Line 1 and Line 2)	1,771,044	1,221,889	964,689	776,693	554,245
23. Loss adjustment expenses (Page 3, Line 3)	129,844	120,597	72,240	74,857	70,784
24. Unearned premiums (Page 3, Line 9)	4,754,177	4,303,361	3,222,997	3,007,476	2,655,148
25. Capital paid up (Page 3, Line 28 and Line 29)					
26. Surplus as regards policyholders (Page 3, Line 35)	7,348,512	8,778,791	7,513,718	7,473,692	8,237,252
Risk-Based Capital Analysis					
27. Total adjusted capital	7,348,512	8,778,791	7,513,718	7,473,692	8,237,252
28. Authorized control level risk-based capital	1,437,035	539,246	1,041,571	1,000,730	896,147
Percentage Distribution of Cash and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 9, Column 3) x 100.0					
29. Bonds (Line 1)	23.7	20.4	13.4	19.9	16.4
30. Stocks (Line 2.1 and Line 2.2)	43.3	47.6	59.7	62.4	46.4
31. Mortgage loans on real estate (Line 3.1 and Line 3.2)					
32. Real estate (Lines 4.1, 4.2 and 4.3)	7.2	7.4	9.9	9.6	8.1
33. Cash and short-term investments (Line 5)	25.6	23.6	11.8	2.7	22.0
34. Other invested assets (Line 6)	0.2	1.0	1.4	0.8	2.5
35. Receivable for securities (Line 7)					
36. Aggregate write-ins for invested assets (Line 8)			4.0	4.6	4.5
37. Cash and invested assets (Line 9)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
38. Affiliated bonds (Schedule D, Summary, Line 25, Column 1)					
39. Affiliated preferred stocks (Schedule D, Summary, Line 39, Column 1)					
40. Affiliated common stocks (Schedule D, Summary, Line 53, Column 2)					
41. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Column 5 Line 11)					
42. Affiliated mortgage loans on real estate					
43. All other affiliated					
44. Total of above Line 38 through Line 43					
45. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 44 above divided by Page 3, Column 1, Line 34 x 100.0)					

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Capital and Surplus Accounts (Page 4)					
46. Net unrealized capital gains (losses) (Line 23) .....	(708,337)	(138,450)	184,444	(850,159)	499,526
47. Dividends to stockholders (Line 34) .....					
48. Change in surplus as regards policyholders for the year (Line 37) .....	(1,430,279)	1,265,613	39,486	(763,560)	118,950
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
49. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....	107,895	7,421	13,045	39,929	19,100
50. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....	865,193	662,839	585,016	460,752	655,364
51. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....	4,256,538	3,462,069	2,717,394	3,115,163	2,155,614
52. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33) .....					
53. Nonproportional reinsurance lines (Lines 30, 31, and 32) .....					
54. Total (Line 34) .....	5,229,626	4,132,329	3,315,455	3,615,844	2,830,078
Net Losses Paid (Page 9, Part 2, Column 4)					
55. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....	107,895	7,421	13,045	39,929	19,100
56. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....	817,082	604,209	533,052	415,670	655,365
57. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....	3,416,282	2,739,772	2,083,417	1,766,542	1,794,634
58. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33) .....					
59. Nonproportional reinsurance lines (Lines 30, 31, and 32) .....					
60. Total (Line 34) .....	4,341,259	3,351,402	2,629,514	2,222,141	2,469,099
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) .....	53.5	47.8	45.3	44.4	50.2
63. Loss expenses incurred (Line 3) .....	5.6	4.6	3.8	2.7	0.1
64. Other underwriting expenses incurred (Line 4) .....	54.7	57.1	56.0	57.5	61.3
65. Net underwriting gain (loss) (Line 8) .....	(13.8)	(9.9)	(6.0)	(5.6)	(10.8)
Other Percentages					
66. Other underwriting expenses to net premiums written (Page 4, Lines 4 plus 5 minus 15 divided by Page 8, Part 1B, Column 6, Line 34 x 100.0) .....	51.5	50.2	54.8	54.7	54.3
67. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 plus Line 3 divided by Page 4, Line 1 x 100.0) .....	59.1	52.4	49.1	47.1	50.3
68. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 34 divided by Page 3, Line 35, Column 1 x 100.0) .....		98.3	85.6	78.4	66.2
One Year Loss Development (000 omitted)					
69. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11) .....	(90)	(121)	(225)	191	(244)
70. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 69 above divided by Page 4, Line 21, Column 1 x 100.0) .....	(1.0)	(1.6)	(3.0)	2.3	(3.0)
Two Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12) .....	(344)	(238)	(107)	(215)	(298)
72. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 71 above divided by Page 4, Line 21, Column 2 x 100.0) .....	(3.2)	(3.2)	(1.3)	(2.6)	(3.8)

**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 .....	300,243	306,853	302,344	300,000
	2. Canada .....				
	3. Other Countries .....				
	4. Totals .....	300,243	306,853	302,344	300,000
States, Territories and Possessions (Direct and guaranteed)	5. United States .....				
	6. Canada .....				
	7. Other Countries .....				
	8. Totals .....				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States .....				
	10. Canada .....				
	11. Other Countries .....				
	12. Totals .....				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States .....				
	14. Canada .....				
	15. Other Countries .....				
	16. Totals .....				
Public Utilities (unaffiliated)	17. United States .....				
	18. Canada .....				
	19. Other Countries .....				
	20. Totals .....				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States .....	2,383,240	2,383,240	2,407,920	2,426,670
	22. Canada .....				
	23. Other Countries .....				
	24. Totals .....	2,383,240	2,383,240	2,407,920	2,426,670
Parent, Subsidiaries and Affiliates	25. Totals .....				
	26. Total Bonds .....	2,683,483	2,690,093	2,710,264	2,726,670
PREFERRED STOCKS Public Utilities (unaffiliated)	27. United States .....	211,675	210,900	211,675	
	28. Canada .....				
	29. Other Countries .....				
	30. Totals .....	211,675	210,900	211,675	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States .....				
	32. Canada .....				
	33. Other Countries .....				
	34. Totals .....				
Industrial and Miscellaneous (unaffiliated)	35. United States .....	1,577,319	1,601,520	1,740,087	
	36. Canada .....				
	37. Other Countries .....				
	38. Totals .....	1,577,319	1,601,520	1,740,087	
Parent, Subsidiaries and Affiliates	39. Totals .....				
	40. Total Preferred Stocks .....	1,788,994	1,812,420	1,951,762	
COMMON STOCKS Public Utilities (unaffiliated)	41. United States .....				
	42. Canada .....				
	43. Other Countries .....				
	44. Totals .....				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States .....	433,422	433,422	445,835	
	46. Canada .....				
	47. Other Countries .....				
	48. Totals .....	433,422	433,422	445,835	
Industrial and Miscellaneous (unaffiliated)	49. United States .....	2,678,064	2,678,064	3,046,061	
	50. Canada .....				
	51. Other Countries .....				
	52. Totals .....	2,678,064	2,678,064	3,046,061	
Parent, Subsidiaries and Affiliates	53. Totals .....				
	54. Total Common Stocks .....	3,111,486	3,111,486	3,491,896	
	55. Total Stocks .....	4,900,480	4,923,906	5,443,658	
	56. Total Bonds and Stocks .....	7,583,963	7,613,999	8,153,922	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ 2,476,861 .

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of bonds and stocks, prior year .....	8,313,104	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3 .....	4,770,234	6.1 Column 17, Part 1 .....
3. Increase (decreased) by adjustment:		6.2 Column 13, Part 2, Section 1 .....
3.1 Column 16, Part 1 .....	(2,129)	6.3 Column 11, Part 2, Section 2 .....
3.2 Column 12, Part 2, Section 1 .....	(162,768)	6.4 Column 11, Part 4 .....
3.3 Column 10, Part 2, Section 2 .....	(510,495)	7. Book/adjusted carrying value at end of current period .....
3.4 Column 10, Part 4 .....	(36,771)	7,583,963
4. Total gain (loss), Column 14, Part 4 .....	(200,076)	8. Total valuation allowance .....
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 .....	4,587,136	9. Subtotal (Line 7 plus Line 8) .....
		7,583,963
		10. Total nonadmitted amounts .....
		7,583,963
		11. Statement value of bonds and stocks, current period .....
		7,583,963

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

**SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 1993	3,042	404	2,638	1,568	108				168	6	1,628	XXX
3. 1994	3,291	488	2,803	2,252	298				199	1	2,153	XXX
4. 1995	3,763	622	3,141	1,748	312				220	4	1,656	XXX
5. 1996	4,096	523	3,573	1,864	283				222	3	1,803	XXX
6. 1997	4,477	600	3,877	1,600	113				278		1,765	XXX
7. 1998	5,506	590	4,916	3,424	668				220	18	2,976	XXX
8. 1999	6,402	898	5,504	3,785	1,509				297	47	2,573	XXX
9. 2000	7,256	1,042	6,214	3,320	550				269	48	3,039	XXX
10. 2001	8,770	1,221	7,549	4,160	796				257	68	3,621	XXX
11. 2002	10,686	1,551	9,135	4,173	611				267	20	3,829	XXX
12. Totals	XXX	XXX	XXX	27,894	5,248				2,397	215	25,043	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													XXX
2.													XXX
3.	1								4				5
4.									2				2
5.													XXX
6.													XXX
7.	12	3							1				10
8.	21								13				34
9.	130	60							25				95
10.	273	73							11				211
11.	1,701	570	339						74				1,544
12.	2,138	706	339						130				1,901

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter - Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.	1,736	108	1,628	57.1	26.7	61.7					
3.	2,456	298	2,158	74.6	61.1	77.0				1	4
4.	1,970	312	1,658	52.4	50.2	52.8					2
5.	2,086	283	1,803	50.9	54.1	50.5					
6.	1,878	113	1,765	41.9	18.8	45.5					
7.	3,657	671	2,986	66.4	113.7	60.7				9	1
8.	4,116	1,509	2,607	64.3	168.0	47.4				21	13
9.	3,744	610	3,134	51.6	58.5	50.4				70	25
10.	4,701	869	3,832	53.6	71.2	50.8				200	11
11.	6,554	1,181	5,373	61.3	76.1	58.8				1,470	74
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	1,771	130

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 T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	No							
2. Alaska	AK	No							
3. Arizona	AZ	No							
4. Arkansas	AR	No							
5. California	CA	No							
6. Colorado	CO	No							
7. Connecticut	CT	No							
8. Delaware	DE	No							
9. Dist. Columbia	DC	No							
10. Florida	FL	No							
11. Georgia	GA	No							
12. Hawaii	HI	No							
13. Idaho	ID	No							
14. Illinois	IL	No							
15. Indiana	IN	Yes	460,581	306,365	351,677	264,927			
16. Iowa	IA	No							
17. Kansas	KS	No							
18. Kentucky	KY	No							
19. Louisiana	LA	No							
20. Maine	ME	No							
21. Maryland	MD	No							
22. Massachusetts	MA	No							
23. Michigan	MI	No							
24. Minnesota	MN	Yes							
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	10,118,670	9,624,641	4,599,624	5,618,262	2,410,908		
37. Oklahoma	OK	No							
38. Oregon	OR	No							
39. Pennsylvania	PA	No							
40. Rhode Island	RI	No							
41. South Carolina	SC	No							
42. South Dakota	SD	No							
43. Tennessee	TN	No							
44. Texas	TX	No							
45. Utah	UT	No							
46. Vermont	VT	No							
47. Virginia	VA	No							
48. Washington	WA	No							
49. West Virginia	WV	No							
50. Wisconsin	WI	No							
51. Wyoming	WY	No							
52. American Samoa	AS	No							
53. Guam	GU	No							
54. Puerto Rico	PR	No							
55. U. S. Virgin Islands	VI	No							
56. Canada	CN	No							
57. Aggregate other alien	OT	XXX							
58. Totals	(a)	3	10,579,251	9,931,006	4,951,301	5,883,189	2,410,908		
DETAILS OF WRITE-INS									
5701.		XXX							
5702.		XXX							
5703.		XXX							
5798. Summary of remaining write-ins for Line 57 from overflow page		XXX							
5799. Totals (Line 5701 through Line 5703 plus Line 5798) (Line 57 above)		XXX							

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

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