



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 (X) No ()
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Columns 1 minus 2)	4 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)	1,951,762		1,951,762	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)	11,483,904		11,483,904	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)	15,701,771	544,928	15,156,843	15,600,993
27. Protected cell assets				
28. TOTALS (Line 26 and Line 27)	15,701,771	544,928	15,156,843	15,600,993
DETAILS OF WRITE-INS				
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 \$)	4,841,992	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)	7,733,378	6,822,202
25. Protected cell liabilities		
26. Total liabilities (Line 24 and Line 25)	7,733,378	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)	7,423,465	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)	7,423,465	8,778,791
36. TOTALS (Page 2, Line 28, Column 3)	15,156,843	15,600,993
DETAILS OF WRITE-INS		
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)		
RECAPTURE OF BUILDING DEPRECIATION		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. TOTALS (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)		

UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 34, Column 4)	9,047,830	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)	(1,347,693)	(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)	(1,122,985)	(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)	(1,122,985)	(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)	(805,725)	(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)	(805,725)	(1,130,955)
23. Net unrealized capital gains or (losses)	(545,569)	(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)	(1,355,326)	(1,989,196)
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35)	7,423,465	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)

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	9,400,323	8,129,776
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	4,866,997	3,688,195
3. Underwriting expenses paid	4,993,668	4,306,203
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(460,342)	135,378
6. Net investment income	254,314	131,514
7. Other income (expenses):		
7.1 Agents' balances charged off		
7.2 Net funds held under reinsurance treaties	(8,754)	(57,216)
7.3 Net amount withheld or retained for account of others		
7.4 Aggregate write-ins for miscellaneous items	5,221	6,447
7.5 Total other income (Line 7.1 to Line 7.4)	(3,533)	(50,769)
8. Dividends to policyholders on direct business, less \$		
dividends on reinsurance assumed or ceded (net)		
9. Federal and foreign income taxes (paid) recovered	136,260	109,117
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	(73,301)	325,240
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	221,000	674,947
11.2 Stocks	4,366,136	3,463,327
11.3 Mortgage loans		
11.4 Real estate	161,942	
11.5 Other invested assets	100,817	2,644
11.6 Net gains or (losses) on cash and short-term investments		
11.7 Miscellaneous proceeds		
11.8 Total investment proceeds (Line 11.1 to Line 11.7)	4,849,895	4,140,918
12. Cost of investments acquired (long-term only):		
12.1 Bonds	591,531	1,288,743
12.2 Stocks	4,178,703	1,753,928
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Miscellaneous applications		
12.7 Total investments acquired (Line 12.1 to Line 12.6)	4,770,234	3,042,671
13. Net cash from investments (Line 11.8 minus Line 12.7)	79,661	1,098,247
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in		
14.2 Capital notes, \$		
less amounts repaid \$		
14.3 Net transfers from affiliates	1,079	47,480
14.4 Borrowed funds received		
14.5 Other cash provided		
14.6 Total (Lines 14.1 to 14.5)	1,079	47,480
15. Cash applied:		
15.1 Dividends to stockholders paid		
15.2 Net transfers to affiliates		
15.3 Borrowed funds repaid		
15.4 Other applications		
15.5 Total (Line 15.1 to Line 15.4)		
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	1,079	47,480
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10 plus Line 13 plus Line 16)	7,439	1,470,967
18. Cash and short-term investments:		
18.1 Beginning of year	2,887,189	1,416,222
18.2 End of year (Line 17 plus Line 18.1)	2,894,628	2,887,189
DETAILS OF WRITE-INS		
7.401		
7.402 Other income	5,221	6,447
7.403		
7.498 Summary of remaining write-ins for Line 7.4 from overflow page		
7.499 Totals (Line 7.401 through Line 7.403 plus Line 7.498) (Line 7.4 above)	5,221	6,447

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	2,580,271	3,054,957
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	4,841,992	9,047,830
DETAILS OF WRITE-INS				
3301.				
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A-RECAPITULATION OF ALL PREMIUMS

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

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running More Than One Year from Date of Policy) (b)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire	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	2,580,271				2,580,271
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	4,841,992				4,841,992
35. Accrued retrospective premiums based on experience					
36. Earned but unbilled premiums					
37. Balance (Sum of Line 34 through Line 36)					4,841,992
DETAILS OF WRITE-INS					
3301.					
3302.					
3303.					
3398. Summary of remaining write-ins for Line 33 from overflow page					
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)					

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B-PREMIUMS WRITTEN

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

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	878,334	672,358			147,478	1,403,214
2. Allied lines						
3. Farmowners multiple peril	2,984,654				501,142	2,483,512
4. Homeowners multiple peril	1,477,943				248,156	1,229,787
5. Commercial multiple peril	3,481,660				584,592	2,897,068
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				111,173
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	864,404				145,139	719,265
21. Auto physical damage	226,514				38,033	188,481
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft	665,742				111,782	553,960
27. Boiler and machinery						
28. Credit						
29. International						
30. Reinsurance - Nonproportional Assumed Property	XXX					
31. Reinsurance - Nonproportional Assumed Liability	XXX					
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX					
33. Aggregate write-ins for other lines of business						
34. TOTALS	10,579,251	783,531			1,776,322	9,586,460
DETAILS OF WRITE-INS						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page						
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)						

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Net Losses Unpaid Current Year (Part 2A Column 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Column 4 plus 5 minus 6)	Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1. Fire	373,521	266,463	48,111	591,873	168,956	149,481	611,348	53.5
2. Allied lines								
3. Farmowners multiple peril	2,073,461		447,733	1,625,728	427,756	34,289	2,019,195	87.0
4. Homeowners multiple peril	1,069,219		200,509	868,710	185,602	221,039	833,273	68.7
5. Commercial multiple peril	1,113,858		192,014	921,844	567,675	782,417	707,102	23.1
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		11,863		11,863	17,524	7,500	21,887	23.1
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	96,032			96,032	316,870		412,902	72.1
21. Auto physical damage	146,161			146,161	51,191		197,352	126.3
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft	79,048			79,048	35,470	27,163	87,355	17.8
27. Boiler and machinery								
28. Credit								
29. International								
30. Reinsurance- Nonproportional Assumed Property	XXX							
31. Reinsurance- Nonproportional Assumed Liability	XXX							
32. Reinsurance- Nonproportional Assumed Financial Lines	XXX							
33. Aggregate write-ins for other lines of business								
34. TOTALS	4,951,300	278,326	888,367	4,341,259	1,771,044	1,221,889	4,890,414	54.1
DETAILS OF WRITE-INS								
3301								
3302								
3303								
3398. Summary of remaining write-ins for Line 33 from overflow page								
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)								

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	97,956		15,000	82,956	37,310	48,690		168,956	8,735
2. Allied lines									
3. Farmowners multiple peril	535,046		111,290	423,756	4,000			427,756	41,183
4. Homeowners multiple peril	223,255		42,653	180,602	5,000			185,602	23,457
5. Commercial multiple peril	830,848		477,392	353,456	214,219			567,675	33,197
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical malpractice - occurrence									
11.2 Medical malpractice - claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability - occurrence		17,524		17,524				17,524	1,755
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	346,613		59,743	286,870	30,000			316,870	5,630
21. Auto physical damage	51,191			51,191				51,191	9,750
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft	35,470			35,470				35,470	6,137
27. Boiler and machinery									
28. Credit									
29. International									
30. Reinsurance- Nonproportional Assumed Property	XXX				XXX				
31. Reinsurance- Nonproportional Assumed Liability	XXX				XXX				
32. Reinsurance- Nonproportional Assumed Financial Lines	XXX				XXX				
33. Aggregate write-ins for other lines of business									
34. TOTALS	2,120,379	17,524	706,078	1,431,825	290,529	48,690		1,771,044	129,844
DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page									
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct				
1.2 Reinsurance assumed				
1.3 Reinsurance ceded				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)				
2. Commission and brokerage:				
2.1 Direct excluding contingent		1,801,033		1,801,033
2.2 Reinsurance assumed excluding contingent		321,103		321,103
2.3 Reinsurance ceded excluding contingent		65,586		65,586
2.4 Contingent - direct		106,043		106,043
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		2,162,593		2,162,593
3. Allowances to manager and agents		184		184
4. Advertising		9,240		9,240
5. Boards, bureaus and associations		98,961		98,961
6. Surveys and underwriting reports		72,626		72,626
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries		1,125,810	20,000	1,145,810
8.2 Payroll taxes		91,844	1,000	92,844
9. Employee relations and welfare		262,914		262,914
10. Insurance		18,928		18,928
11. Directors' fees		63,470	33,000	96,470
12. Travel and travel items		82,546		82,546
13. Rent and rent items		1,580		1,580
14. Equipment		99,482	8,000	107,482
15. Cost or Depreciation of EDP equipment and software		452,671		452,671
16. Printing and stationery		123,639	5,000	128,639
17. Postage, telephone and telegraph, exchange and express		133,915		133,915
18. Legal and auditing	511,441	123,592	23,879	658,912
19. Totals (Lines 3 to 18)	511,441	2,761,402	90,879	3,363,722
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		(1,049)		(1,049)
20.2 Insurance department licenses and fees		21,364		21,364
20.3 Gross guaranty association assessments		(15,135)		(15,135)
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		5,180		5,180
21. Real estate expenses		47,570		47,570
22. Real estate taxes		12,367		12,367
23. Reimbursements by uninsured accident and health plans				
24. Aggregate write-ins for miscellaneous expenses		4,556		4,556
25. Total expenses incurred	511,441	4,993,668	90,879	(a) 5,595,988
26. Less unpaid expenses - current year	129,845			129,845
27. Add unpaid expenses - prior year	120,596			120,596
28. Amounts receivable relating to uninsured accident and health plans, prior year				
29. Amounts receivable relating to uninsured accident and health plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	502,192	4,993,668	90,879	5,586,739
DETAILS OF WRITE-INS				
2401. Donations		4,362		4,362
2402. Miscellaneous Expense		194		194
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)		4,556		4,556

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

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 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
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903 plus Line 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus Line 1598) (Line 15 above)		
(a) Includes \$ 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				3,750
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)			(545,569)	(648,552)
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903 plus Line 0998) (Line 9 above)					

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Line 10 to Line 17 and Line 19 to Line 23, Column 2	421,172	456,454	35,282
2. Other Nonadmitted Assets:			
2.1 Bills receivable			
2.2 Furniture, equipment and supplies	52,335	31,380	(20,955)
2.3 Leasehold improvements			
2.4 Loans on personal security, endorsed or not			
3. Total (Line 2.1 to Line 2.4)	52,335	31,380	(20,955)
4. Aggregate write-ins for other assets	71,421	53,062	(18,359)
5. Total (Line 1 plus Line 3 and Line 4)	544,928	540,896	(4,032)
DETAILS OF WRITE-INS			
0401. Automobiles	46,944	44,590	(2,354)
0402. Prepaid Insurance	24,477	8,472	(16,005)
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page			
0499. Totals (Line 0401 through Line 0403 plus Line 0498) (Line 4 above)	71,421	53,062	(18,359)

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE STATEMENT HAS BEEN COMPLETED IN ACCORDANCE WITH THE NAIC ACCOUNTING PRACTICES AND PROCEDURES MANUAL EXCEPT TO THE EXTENT THAT STATE LAW DIFFERS.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

INCLUDED IN THIS STATEMENT IS AN ADJUSTMENT FOR HEALTH CARE BENEFITS AND DIRECTORS BENEFITS THAT IS A FUTURE LIABILITY.

3. BUSINESS COMBINATION AND GOODWILL

MIAMI VALLEY MUTUAL INSURANCE ASSOCIATION WAS MERGED INTO MIAMI MUTUAL INSURANCE COMPANY ON 05/31/01. THIS INCREASED SURPLUS BY \$3,249,608.

4. DISCONTINUED OPERATIONS

NONE.

5. INVESTMENTS

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

NONE.

7. INVESTMENT INCOME

8. DERIVATIVE INSTRUMENTS

NONE.

9. INCOME TAXES

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES.

NONE

11. DEBT

THE COMPANY HAS NO OUTSTANDING DEBENTURES.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, AND OTHER POSTRETIREMENT BENEFITS PLAN

401(K) EMPLOYEE BENEFIT PLAN EXISTS AND AS A MATTER OF POLICY, ALL 401(K) COSTS ARE FUNDED AS THEY ACCRUE AND VEST PURSUANT TO SCHEDULE. FOR KEY OR LONG TERM EMPLOYEES A DEFERRED COMPENSATION IS PROVIDED. A DIRECTOR RETIREMENT PLAN FOR DIRECTORS ELECTED TO THE BOARD PRIOR TO JAN. 1, 1997 IS IN PLACE.

13. CAPITAL AND SURPLUS AND SHAREHOLDER'S DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

THE COMPANY HAS NO OUTSTANDING STOCK.

14. CONTINGENCIES

ANY CONTINGENT LIABILITIES ARISING FROM LITIGATION AND OTHER MATTERS ARE NOT CONSIDERED MATERIAL IN RELATION TO THE FINANCIAL POSITION OF THE COMPANY.

15. LEASES

THE COMPANY DOES NOT HAVE ANY MATERIAL LEASE OBLIGATIONS AT THIS TIME.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

NONE.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

NONE.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM INSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS.

NONE.

19. DIRECT PREMIUM WRITTEN BY MANAGING GENERAL AGENTS/THIRD PARTY

NONE.

20. OTHER ITEMS

NOT APPLICABLE.

21. EVENTS SUBSEQUENT

NONE

22. REINSURANCE RECOVERABLE IN DISPUTE

A& B NONE.

C. THE COMPANY HAS ASSUMED REINSURANCE FROM AN AFFILIATE, LAND OF LAKES MUTUAL INSURANCE COMPANY OF HOPKINS, MINNESOTA EFFECTIVE 7/1/95. SAID REINSURANCE TRANSACTION WAS APPROVED BY THE OHIO DEPARTMENT OF INSURANCE AND THE MINNESOTA DEPARTMENT OF COMMERCE. THE MAXIMUM AMOUNT OF RETURN COMMISSION IF THE REINSURANCE WAS CANCELLED WOULD BE 35% OF ASSUMED PREMIUM.

NOTES TO FINANCIAL STATEMENTS

23. RETROSPECTIVELY RATED CONTRACTS

NONE.

24. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

THERE HAVE BEEN NO CHANGES IN PROVISIONS FOR PRIOR YEAR EVENTS/

25. INTERCOMPANY POOLING

NONE

26. STRUCTURED SETTLEMENTS

NONE

27. HEALTH CARE RECEIVABLES

NOT APPLICABLE.

28. PARTICIPATING POLICIES

NONE.

29. PREMIUM DEFICIENCY RESERVES

NONE

30. HIGH DEDUCTIBLES

NONE.

31. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

NONE.

32. ASBESTOS/ENVIRONMENTAL RESERVES

33. SUBSCRIBER SAVINGS ACCOUNTS

NONE

34. MULTIPLE PERIL CROP INSURANCE

NONE

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	2.543	300,243	2.614
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	20.250	2,383,240	20.753
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	1,951,762	16.414	1,951,762	16.996
3.3 Publically traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated	3,491,896	29.366	3,111,486	27.094
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	6.875	817,545	7.119
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	24.343	2,894,628	25.206
9. Other invested assets	25,000	0.210	25,000	0.218
10. Total invested assets	11,891,095	100.000	11,483,904	100.000

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: 12/31/1999
- 3.2 State the as of date of 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. 12/31/1999
- 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). 06/01/2001
- 3.4 By what department or departments?
Ohio Department of Insurance
- 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 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 name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any reporting 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;
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the reporting entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (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?
 Crowe Chizek, One Columbus 10 West Broad Street, Columbus, OH

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?
 Stephanie Albrink, Rector and Associates

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

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

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

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

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

BOARD OF DIRECTORS

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

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 () No (X)

FINANCIAL

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

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

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

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

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

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

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

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

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

16.2 If answer is yes:

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

**GENERAL INTERROGATORIES
(Continued)**

INVESTMENT

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

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

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

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

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

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

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

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

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

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

19.4 For category (19.28) provide the following:

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

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

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

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

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

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

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
Cin Fin Capital Management	Cincinnati
.....
.....

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
.....	Fifth Third Bank	Dayton
.....	Cin Fin Capital Management	Cincinnati
.....

OTHER

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

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
.....	\$
.....	\$
.....	\$
.....	\$

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

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
.....	\$
.....	\$
.....	\$
.....	\$

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

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

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

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

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

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

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

- 5.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

- 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:

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

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

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

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

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

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

- 10.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | |
|---|----------|
| 10.11 Unpaid losses | \$ |
| 10.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ |
- 10.2 Of the amount on Line 10.3 of the assets schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds. \$
- 10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes () No () N/A (X)
- 10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | |
|------------|---------|
| 10.41 From | % |
| 10.42 To | % |
- 10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes () No (X)
- 10.6 If yes, state the amount thereof at December 31 of the current year:
- | | |
|----------------------------------|----------|
| 10.61 Letters of credit | \$ |
| 10.62 Collateral and other funds | \$ |
- 11.1 What amount of installment notes is owned and now held by the reporting entity? \$
- 11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Yes () No (X)
- 11.3 If yes, what amount? \$
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 50,000
- 12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes () No (X)
- 12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 5
- 13.1 Has the reporting entity guaranteed any financial premium accounts? Yes () No (X)
- 13.2 If yes, give full information.

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

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

* Disclose type of coverage:

FIVE-YEAR HISTORICAL DATA

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

	1 2002	2 2001	3 2000	4 1999	5 1998
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	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)	(1,347,693)	(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)	(805,725)	(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)	15,156,843	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)	7,733,378	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)	4,841,992	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)	7,423,465	8,778,791	7,513,718	7,473,692	8,237,252
Risk-Based Capital Analysis					
27. Total adjusted capital	7,423,465	8,778,791	7,513,718	7,473,692	8,237,252
28. Authorized control level risk-based capital	1,325,317	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)	23.4	20.4	13.4	19.9	16.4
30. Stocks (Line 2.1 and Line 2.2)	44.1	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)	7.1	7.4	9.9	9.6	8.1
33. Cash and short-term investments (Line 5)	25.2	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)	(545,569)	(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)	(1,355,326)	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)	54.1	47.8	45.3	44.4	50.2
63. Loss expenses incurred (Line 3)	5.7	4.6	3.8	2.7	0.1
64. Other underwriting expenses incurred (Line 4)	55.2	57.1	56.0	57.5	61.3
65. Net underwriting gain (loss) (Line 8)	(14.9)	(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)	59.7	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	1,740,087	1,601,520	1,740,087	
	36. Canada				
	37. Other Countries				
	38. Totals	1,740,087	1,601,520	1,740,087	
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks	1,951,762	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	5,063,248	4,923,906	5,443,658	
	56. Total Bonds and Stocks	7,746,731	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		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)	7,746,731
4. Total gain (loss), Column 14, Part 4	(549,395)	8. Total valuation allowance
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	(200,076)	9. Subtotal (Line 7 plus Line 8)
	4,587,136	7,746,731
		10. Total nonadmitted amounts
		7,746,731
		11. Statement value of bonds and stocks, current period
		7,746,731

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	10,598	1,551	9,047	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	61.8	76.1	59.4				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 P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT		
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	11 One Year	12 Two Year	
1. Prior													
2. 1993	1,572	1,607	1,558	1,553	1,552	1,526	1,526	1,526	1,526	1,460	(66)	(66)	
3. 1994	XXX	1,700	1,477	1,465	1,421	1,464	1,365	1,365	1,365	1,955	590	590	
4. 1995	XXX	XXX	1,814	1,913	1,951	2,039	1,967	1,977	1,977	1,436	(541)	(541)	
5. 1996	XXX	XXX	XXX	1,361	1,349	1,317	1,347	1,330	1,322	1,581	259	251	
6. 1997	XXX	XXX	XXX	XXX	1,861	1,782	1,695	1,704	1,699	1,487	(212)	(217)	
7. 1998	XXX	XXX	XXX	XXX	XXX	2,419	2,603	2,412	2,328	2,765	437	353	
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	2,843	2,998	3,020	2,297	(723)	(701)	
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,853	2,675	2,840	165	(13)	
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,563	3,564	1	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,032	XXX	XXX	
											12. Totals	(90)	(344)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	0 0 0	83	72	90	605	607	607	607	607		XXX	XXX
2. 1993	879	1,106	1,121	1,122	1,220	1,220	1,220	1,220	1,220	1,460	XXX	XXX
3. 1994	XXX	1,248	1,419	1,024	1,459	1,460	1,460	1,460	1,460	1,954	XXX	XXX
4. 1995	XXX	XXX	1,558	1,817	1,813	1,938	1,938	1,954	1,954	1,436	XXX	XXX
5. 1996	XXX	XXX	XXX	1,266	1,408	1,432	1,436	1,436	1,436	1,581	XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	1,451	1,572	1,581	1,581	1,581	1,487	XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	1,340	1,523	1,568	1,487	2,756	XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	2,272	2,820	2,709	2,276	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,589	2,229	2,770	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,096	3,364	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,562	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	10	6	4	1	1	12				
2. 1993	12	3	1	1	1					
3. 1994	XXX	17	6	5	2	19				
4. 1995	XXX	XXX	9	3	4	5				
5. 1996	XXX	XXX	XXX	4	1	1				
6. 1997	XXX	XXX	XXX	XXX	10	35				
7. 1998	XXX	XXX	XXX	XXX	XXX	29				
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	76			
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	188		
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	163	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	339

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	264,177			
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	9,536,826	4,599,624	4,347,911	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	9,843,191	4,951,301	4,612,088	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.