



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2002
OF THE CONDITION AND AFFAIRS OF THE

Beacon Insurance Company of America

NAIC Group Code 0228 0228 NAIC Company Code 2001 Employer's ID Number 31-1015321
(Current Period) (Prior Period)

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

Country of Domicile US

Incorporated July 14, 1981 Commenced Business October 1, 1981

Statutory Home Office One Park Circle, Westfield Center, Ohio 44251-5001
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office One Park Circle, Westfield Center, Ohio 44251-5001 330-887-0101
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P. O. Box 5001, Westfield Center, Ohio 44251-5001
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records One Park Circle, Westfield Center, Ohio 44251-5001
(Street and Number, City or Town, State and Zip Code)
330-887-0101
(Area Code) (Telephone Number)

Internet Website Address www.westfieldgrp.com

Statement Contact Bambi Ann Beshire 330-887-0101
(Name) (Area Code) (Telephone Number) (Extension)
(E-Mail Address) 330-887-0840
(Fax Number)

Policyowner Relations Contact One Park Circle, Westfield Center, Ohio 44251 330-887-0980
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

Chairman & CEO	Robert Cary Blair	COO	Robert Joseph Joyce
President	Roger William McManus	Sr Ex C L	#John J Adornetto
CFO & Treasurer	Robert Krisowaty	Chief Solu Officer	Robert Steven Madden
Chief Inv Officer	John Martin Haney	Chief HR Officer	Debra Lynn Cummings
Sr Ex P & C Mktg	#Alyn Kent Daugherty	Sr Ex Claims	Edward Albert Schaefer, Jr
Sr Ex P L Prod	Douglas Phillip Carpenter	Sr Ex F & S Oper	Richard Leo Kinnaird, Jr
Sr Ex Spec Rsk Und	#Richard Dayton Orr	Controller	Bambi Ann Beshire
Sr Ex Bus Dev	James Robert Clay	Sr Ex Agncy Rel	#David Milton Critchfield
Sr Ex Bus Dev	Thomas Victor Grimm	Sr Ex Reins	#Thomas Lee Kranstuber
Sr Ex P L Und	Mary Lou Solsman	Sr Ex Govt Rel	Robert Daniel Sondles, III
Corp Sec & Counsel	Michael Brooks Rorapaugh	Chief Actuary	Stephen Edward Lehecka
Sr Ex Bus Dev	#Steven Alan Fisher		

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Robert Cary Blair
Gary Dean Hallman
Susan Jane Insley
David Brantner Jones
Robert Joseph Joyce
Richard Harper LeSourd, Jr
Martin James Murphy
John Alan Root
Thomas Eldon Workman

State of Ohio }
County of Medina } 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.

_____ Roger William McManus President	_____ Robert Krisowaty CFO & Treasurer	_____ Bambi Ann Beshire Controller
		a. Is this an original filing? Yes (X) No ()
		b. If no: 1. State the amendment number <u>0</u>
		2. Date filed _____
		3. Number of pages attached <u>0</u>

Subscribed and sworn to before me this
15th day of February, 2003

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Columns 1 minus 2)	Net Admitted Assets
1. Bonds	27,828,180	0	27,828,180	22,033,654
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1)	2,447,402	0	2,447,402	1,918,000
2.2 Common stocks (Schedule D, Part 2, Section 2)	4,058,147	0	4,058,147	16,884,309
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$ 0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$ 0 encumbrances)	0	0	0	0
5. Cash (\$ 0 Schedule E, Part 1) and short-term investments (\$ 6,313,568 Schedule DA, Part 2)	6,313,568	0	6,313,568	627,863
6. Other invested assets (Schedule BA)	0	0	0	0
7. Receivable for securities	0	0	0	0
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotals, cash and invested assets (Line 1 to Line 8)	40,647,297	0	40,647,297	41,463,826
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	742,506	137,331	605,175	510,343
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ 13,425 earned but unbilled premiums)	3,347,164	0	3,347,164	2,830,438
10.3 Accrued retrospective premiums	0	0	0	0
11. Funds held by or deposited with reinsured companies	0	0	0	0
12. Bills receivable, taken for premiums	0	0	0	0
13. Amounts receivable under high deductible policies	0	0	0	0
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Columns 7 and 8)	0	0	0	0
15. Federal and foreign income tax recoverable and interest thereon (including \$ 930,856 net deferred tax asset)	1,238,117	0	1,238,117	2,035,433
16. Guaranty funds receivable or on deposit	0	0	0	0
17. Electronic data processing equipment and software	0	0	0	0
18. Interest, dividends and real estate income due and accrued	560,874	0	560,874	456,822
19. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
20. Receivable from parent, subsidiaries and affiliates	6,789	0	6,789	35,796
21. Amount due from/to protected cells	0	0	0	0
22. Equities and deposits in pools and associations	0	0	0	0
23. Amounts receivable relating to uninsured accident and health plans	0	0	0	0
24. Other assets nonadmitted (Exhibit 1)	0	0	0	0
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding protected cell assets (Line 9 through Line 25)	46,542,747	137,331	46,405,416	47,332,658
27. Protected cell assets	0	0	0	0
28. TOTALS (Line 26 and Line 27)	46,542,747	137,331	46,405,416	47,332,658
DETAILS OF WRITE-INS				
0801.	0	0	0	0
0802.	0	0	0	0
0803.	0	0	0	0
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)	0	0	0	0
2501.	0	0	0	0
2502.	0	0	0	0
2503.	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)	6,975,590	6,759,893
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	1,848,323	1,747,171
4. Commissions payable, contingent commissions and other similar charges	899,359	691,704
5. Other expenses (excluding taxes, licenses and fees)	354,651	364,404
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	220,392	227,958
7. Federal and foreign income taxes (including \$ 0 on realized capital gains (losses)) (including \$ 0 net deferred tax liability)	0	0
8. Borrowed money \$ 0 and interest thereon \$ 0	0	0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 0 and including warranty reserves of \$ 0)	5,899,808	5,244,211
10. Advance premiums	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	31,089	49,127
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (Schedule F, Part 7)	763	698
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Payable for securities	0	0
21. Liability for amounts held under uninsured accident and health plans	0	0
22. Capital notes \$ 0 and interest thereon \$ 0	0	0
23. Aggregate write-ins for liabilities	141,512	0
24. Total liabilities excluding protected cell liabilities (Line 1 through Line 23)	16,371,487	15,085,166
25. Protected cell liabilities	0	0
26. Total liabilities (Line 24 and Line 25)	16,371,487	15,085,166
27. Aggregate write-ins for special surplus funds	8,802	3,943,467
28. Common capital stock	3,520,000	3,520,000
29. Preferred capital stock	0	0
30. Aggregate write-ins for other than special surplus funds	0	0
31. Surplus notes	0	0
32. Gross paid in and contributed surplus	4,480,000	4,480,000
33. Unassigned funds (surplus)	22,025,127	20,304,025
34. Less treasury stock, at cost:		
34.1 0 shares common (value included in Line 28 \$ 0)	0	0
34.2 0 shares preferred (value included in Line 29 \$ 0)	0	0
35. Surplus as regards policyholders (Line 27 to Line 33, less Line 34) (Page 4, Line 38)	30,033,929	32,247,492
36. TOTALS (Page 2, Line 28, Column 3)	46,405,416	47,332,658
DETAILS OF WRITE-INS		
2301. Reserve for Employees Profit Sharing	141,512	0
2302.	0	0
2303.	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0
2399. TOTALS (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	141,512	0
2701. General Voluntary Reserve	8,802	3,943,467
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. TOTALS (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)	8,802	3,943,467
3001.	0	0
3002.	0	0
3003.	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. TOTALS (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 34, Column 4)	11,864,203	10,972,473
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	7,044,046	7,239,779
3. Loss expenses incurred (Part 3, Line 25, Column 1)	1,269,768	1,190,720
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	3,955,900	1,023,887
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Line 2 through Line 5)	12,269,714	9,454,386
7. Net income of protected cells	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(405,511)	1,518,087
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	2,020,817	2,454,390
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses))	1,193,865	710,931
11. Net investment gain (loss) (Line 9 plus Line 10)	3,214,682	3,165,321
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 50,076 amount charged off \$ 89,348)	(39,272)	(36,809)
13. Finance and service charges not included in premiums	0	(6)
14. Aggregate write-ins for miscellaneous income	(141,465)	1,263
15. Total other income (Line 12 through Line 14)	(180,737)	(35,552)
16. Net income before dividends to policyholders and before federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	2,628,434	4,647,856
17. Dividends to policyholders	0	0
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	2,628,434	4,647,856
19. Federal and foreign income taxes incurred	(73,206)	612,380
20. Net income (Line 18 minus Line 19) (to Line 22)	2,701,640	4,035,476
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	32,247,492	25,796,131
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	2,701,640	4,035,476
23. Net unrealized capital gains or (losses)	(2,946,385)	(852,925)
24. Change in net unrealized foreign exchange capital gain (loss)	0	0
25. Change in net deferred income tax	(1,984,167)	(826,182)
26. Change in nonadmitted assets (Exhibit 1, Line 5, Column 3)	15,413	18,438
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(64)	8,924
28. Change in surplus notes	0	0
29. Surplus (contributed to) withdrawn from protected cells	0	0
30. Cumulative effect of changes in accounting principles	0	4,067,630
31. Capital changes:		
31.1 Paid in	0	0
31.2 Transferred from surplus (Stock Dividend)	0	0
31.3 Transferred to surplus	0	0
32. Surplus adjustments:		
32.1 Paid in	0	0
32.2 Transferred to capital (Stock Dividend)	0	0
32.3 Transferred from capital	0	0
33. Net remittances from or (to) Home Office	0	0
34. Dividends to stockholders	0	0
35. Change in treasury stock (Page 3, Line 34.1 and 34.2, Column 2 minus Column 1)	0	0
36. Aggregate write-ins for gains and losses in surplus	0	0
37. Change in surplus as regards policyholders for the year (Line 22 through Line 36)	(2,213,563)	6,451,361
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35)	30,033,929	32,247,492
DETAILS OF WRITE-INS		
0501	0	0
0502	0	0
0503	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)	0	0
1401. Other Interest Income	47	1,263
1402. Reserve for Employees Profit Sharing	(141,512)	0
1403	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)	(141,465)	1,263
3601	0	0
3602	0	0
3603	0	0
3698. Summary of remaining write-ins for Line 36 from overflow page	0	0
3699. Totals (Line 3601 through Line 3603 plus Line 3698) (Line 36 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	11,885,593	8,700,844
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	7,996,965	21,791,056
3. Underwriting expenses paid	3,765,375	2,981,641
4. Other underwriting income (expenses)	0	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	123,253	(16,071,853)
6. Net investment income	1,927,575	2,643,108
7. Other income (expenses):		
7.1 Agents' balances charged off	(39,272)	(36,809)
7.2 Net funds held under reinsurance treaties	0	0
7.3 Net amount withheld or retained for account of others	0	0
7.4 Aggregate write-ins for miscellaneous items	(141,466)	34,186
7.5 Total other income (Line 7.1 to Line 7.4)	(180,738)	(2,623)
8. Dividends to policyholders on direct business, less \$ 0 dividends on reinsurance assumed or ceded (net)	0	0
9. Federal and foreign income taxes (paid) recovered	(125,365)	(599,865)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	1,744,725	(14,031,233)
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	9,547,875	14,645,172
11.2 Stocks	16,168,657	13,709,957
11.3 Mortgage loans	0	0
11.4 Real estate	0	0
11.5 Other invested assets	0	0
11.6 Net gains or (losses) on cash and short-term investments	0	0
11.7 Miscellaneous proceeds	0	0
11.8 Total investment proceeds (Line 11.1 to Line 11.7)	25,716,532	28,355,129
12. Cost of investments acquired (long-term only):		
12.1 Bonds	13,969,443	4,367,161
12.2 Stocks	7,996,654	10,806,128
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Miscellaneous applications	0	492,318
12.7 Total investments acquired (Line 12.1 to Line 12.6)	21,966,097	15,665,607
13. Net cash from investments (Line 11.8 minus Line 12.7)	3,750,435	12,689,522
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in	0	0
14.2 Capital notes, \$ 0 less amounts repaid \$ 0	0	0
14.3 Net transfers from affiliates	29,007	1,215,007
14.4 Borrowed funds received	0	0
14.5 Other cash provided	161,538	0
14.6 Total (Lines 14.1 to 14.5)	190,545	1,215,007
15. Cash applied:		
15.1 Dividends to stockholders paid	0	0
15.2 Net transfers to affiliates	0	0
15.3 Borrowed funds repaid	0	0
15.4 Other applications	0	0
15.5 Total (Line 15.1 to Line 15.4)	0	0
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	190,545	1,215,007
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10 plus Line 13 plus Line 16)	5,685,705	(126,704)
18. Cash and short-term investments:		
18.1 Beginning of year	627,863	754,567
18.2 End of year (Line 17 plus Line 18.1)	6,313,568	627,863
DETAILS OF WRITE-INS		
7.401 Other Interest Income	46	34,192
7.402 Reserve for Employees Profit Sharing	(141,512)	0
7.403 Finance and Service Charges	0	(6)
7.498 Summary of remaining write-ins for Line 7.4 from overflow page	0	0
7.499 Totals (Line 7.401 through Line 7.403 plus Line 7.498) (Line 7.4 above)	(141,466)	34,186

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	127,345	57,987	65,021	120,311
2. Allied lines	75,690	34,239	38,671	71,258
3. Farmowners multiple peril	431,729	114,382	210,650	335,461
4. Homeowners multiple peril	1,503,331	831,475	802,938	1,531,868
5. Commercial multiple peril	2,383,321	971,675	1,095,515	2,259,481
6. Mortgage guaranty	0	0	0	0
8. Ocean marine	0	0	0	0
9. Inland marine	531,087	217,236	251,474	496,849
10. Financial guaranty	0	0	0	0
11.1 Medical malpractice - occurrence	0	0	0	0
11.2 Medical malpractice - claims-made	0	0	0	0
12. Earthquake	13,610	15,899	16,182	13,327
13. Group accident and health	248	0	0	248
14. Credit accident and health (group and individual)	0	0	0	0
15. Other accident and health	0	0	0	0
16. Workers' compensation	1,109,907	427,346	460,437	1,076,816
17.1 Other liability - occurrence	539,812	216,294	270,186	485,920
17.2 Other liability - claims-made	9,743	3,851	4,363	9,231
18.1 Products liability - occurrence	10,551	3,465	4,753	9,263
18.2 Products liability - claims-made	0	0	0	0
19.1, 19.2 Private passenger auto liability	1,943,282	798,762	910,027	1,832,017
19.3, 19.4 Commercial auto liability	1,295,284	526,617	584,988	1,236,913
21. Auto physical damage	1,968,032	810,649	907,727	1,870,954
22. Aircraft (all perils)	0	0	0	0
23. Fidelity	31,353	20,711	20,537	31,527
24. Surety	340,038	160,610	192,960	307,688
26. Burglary and theft	7,401	3,141	3,408	7,134
27. Boiler and machinery	0	(228)	(228)	0
28. Credit	0	0	0	0
29. International	0	0	0	0
30. Reinsurance - Nonproportional Assumed Property	198,036	30,100	60,200	167,936
31. Reinsurance - Nonproportional Assumed Liability	0	0	0	0
32. Reinsurance - Nonproportional Assumed Financial Lines	0	0	0	0
33. Aggregate write-ins for other lines of business	0	0	0	0
34. TOTALS	12,519,800	5,244,211	5,899,809	11,864,202
DETAILS OF WRITE-INS				
3301.	0	0	0	0
3302.	0	0	0	0
3303.	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A-RECAPITULATION OF ALL PREMIUMS

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

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running More Than One Year from Date of Policy) (b)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire	64,998	23	0	0	65,021
2. Allied lines	38,660	11	0	0	38,671
3. Farmowners multiple peril	210,628	22	0	0	210,650
4. Homeowners multiple peril	802,938	0	0	0	802,938
5. Commercial multiple peril	1,095,131	384	0	0	1,095,515
6. Mortgage guaranty	0	0	0	0	0
8. Ocean marine	0	0	0	0	0
9. Inland marine	251,458	16	0	0	251,474
10. Financial guaranty	0	0	0	0	0
11.1 Medical malpractice - occurrence	0	0	0	0	0
11.2 Medical malpractice - claims-made	0	0	0	0	0
12. Earthquake	16,182	0	0	0	16,182
13. Group accident and health	0	0	0	0	0
14. Credit accident and health (group and individual)	0	0	0	0	0
15. Other accident and health	0	0	0	0	0
16. Workers' compensation	459,754	683	0	0	460,437
17.1 Other liability - occurrence	269,772	414	0	0	270,186
17.2 Other liability - claims-made	4,340	23	0	0	4,363
18.1 Products liability - occurrence	4,703	50	0	0	4,753
18.2 Products liability - claims-made	0	0	0	0	0
19.1, 19.2 Private passenger auto liability	910,027	0	0	0	910,027
19.3, 19.4 Commercial auto liability	584,985	3	0	0	584,988
21. Auto physical damage	907,727	0	0	0	907,727
22. Aircraft (all perils)	0	0	0	0	0
23. Fidelity	11,649	8,888	0	0	20,537
24. Surety	83,337	109,623	0	0	192,960
26. Burglary and theft	3,403	5	0	0	3,408
27. Boiler and machinery	(228)	0	0	0	(228)
28. Credit	0	0	0	0	0
29. International	0	0	0	0	0
30. Reinsurance - Nonproportional Assumed Property	60,200	0	0	0	60,200
31. Reinsurance - Nonproportional Assumed Liability	0	0	0	0	0
32. Reinsurance - Nonproportional Assumed Financial Lines	0	0	0	0	0
33. Aggregate write-ins for other lines of business	0	0	0	0	0
34. TOTALS	5,779,664	120,145	0	0	5,899,809
35. Accrued retrospective premiums based on experience					0
36. Earned but unbilled premiums					0
37. Balance (Sum of Line 34 through Line 36)					5,899,809
DETAILS OF WRITE-INS					
3301.	0	0	0	0	0
3302.	0	0	0	0	0
3303.	0	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)	0	0	0	0	0

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

(b) State here basis of computation used in each case. Daily Pro-Rata

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	0	127,345	0	(1,109)	1,109	127,345
2. Allied lines	0	75,690	0	332	(332)	75,690
3. Farmowners multiple peril	0	431,729	0	8,158	(8,158)	431,729
4. Homeowners multiple peril	0	1,503,331	0	(16,050)	16,050	1,503,331
5. Commercial multiple peril	0	2,383,321	0	(458)	458	2,383,321
6. Mortgage guaranty	0	0	0	0	0	0
8. Ocean marine	0	0	0	0	0	0
9. Inland marine	0	531,087	0	(5,978)	5,978	531,087
10. Financial guaranty	0	0	0	0	0	0
11.1 Medical malpractice - occurrence	0	0	0	0	0	0
11.2 Medical malpractice - claims-made	0	0	0	0	0	0
12. Earthquake	0	13,610	0	(5,097)	5,097	13,610
13. Group accident and health	0	248	0	0	0	248
14. Credit accident and health (group and individual)	0	0	0	0	0	0
15. Other accident and health	0	0	0	0	0	0
16. Workers' compensation	0	1,109,907	0	(6)	6	1,109,907
17.1 Other liability - occurrence	0	539,812	0	(15)	15	539,812
17.2 Other liability - claims-made	0	9,743	0	0	0	9,743
18.1 Products liability - occurrence	0	10,551	0	0	0	10,551
18.2 Products liability - claims-made	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability	0	1,943,282	0	(1,149)	1,149	1,943,282
19.3, 19.4 Commercial auto liability	0	1,295,284	0	483	(483)	1,295,284
21. Auto physical damage	0	1,968,032	0	1,956	(1,956)	1,968,032
22. Aircraft (all perils)	0	0	0	0	0	0
23. Fidelity	0	31,353	0	0	0	31,353
24. Surety	0	340,038	0	0	0	340,038
26. Burglary and theft	0	7,401	0	6	(6)	7,401
27. Boiler and machinery	0	0	0	0	0	0
28. Credit	0	0	0	0	0	0
29. International	0	0	0	0	0	0
30. Reinsurance - Nonproportional Assumed Property	XXX	198,036	0	0	0	198,036
31. Reinsurance - Nonproportional Assumed Liability	XXX	0	0	0	0	0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	0	0	0	0	0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0
34. TOTALS	0	12,519,800	0	(18,927)	18,927	12,519,800
DETAILS OF WRITE-INS						
3301.	0	0	0	0	0	0
3302.	0	0	0	0	0	0
3303.	0	0	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes () No (X)
 If yes: 1. The amount of such installment premiums \$ 0
 2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ 0

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	125	51,763	125	51,763	17,255	24,788	44,250	36.8
2. Allied lines	(448)	46,339	(448)	46,339	10,596	5,316	51,619	72.4
3. Farmowners multiple peril	0	296,929	0	296,929	104,512	131,491	269,950	80.5
4. Homeowners multiple peril	(580)	1,078,070	(580)	1,078,070	384,852	338,254	1,124,668	73.4
5. Commercial multiple peril	(6,341)	1,058,386	(6,341)	1,058,386	1,405,182	1,364,373	1,099,195	48.6
6. Mortgage guaranty	0	0	0	0	0	0	0	0.0
8. Ocean marine	0	0	0	0	18	(5)	23	0.0
9. Inland marine	(520)	199,634	(520)	199,634	92,497	64,000	228,131	45.9
10. Financial guaranty	0	0	0	0	0	0	0	0.0
11.1 Medical malpractice - occurrence	0	0	0	0	296	230	66	0.0
11.2 Medical malpractice - claims-made	0	0	0	0	0	0	0	0.0
12. Earthquake	0	32	0	32	(374)	(419)	77	0.6
13. Group accident and health	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual)	0	0	0	0	0	0	0	0.0
15. Other accident and health	0	0	0	0	0	0	0	0.0
16. Workers' compensation	0	678,511	0	678,511	1,500,161	1,384,157	794,515	73.8
17.1 Other liability - occurrence	189,416	212,792	155,789	246,419	451,728	467,304	230,843	47.5
17.2 Other liability - claims-made	0	1,101	0	1,101	1,735	1,867	969	10.5
18.1 Products liability - occurrence	1,240	24,744	1,240	24,744	78,093	46,205	56,632	611.3
18.2 Products liability - claims-made	0	0	0	0	0	0	0	0.0
19.1, 19.2 Private passenger auto liability	19	1,264,618	19	1,264,618	1,524,071	1,461,254	1,327,435	72.5
19.3, 19.4 Commercial auto liability	74,700	642,631	74,700	642,631	1,208,053	1,285,231	565,453	45.7
21. Auto physical damage	(8,092)	1,131,122	(8,092)	1,131,122	133,993	129,985	1,135,130	60.7
22. Aircraft (all perils)	0	2	0	2	9	9	2	0.0
23. Fidelity	0	6,126	0	6,126	8,510	8,742	5,894	18.7
24. Surety	0	23,771	0	23,771	53,212	44,865	32,118	10.4
26. Burglary and theft	0	2,038	0	2,038	373	1,136	1,275	17.9
27. Boiler and machinery	0	3	0	3	37	54	(14)	0.0
28. Credit	0	0	0	0	0	0	0	0.0
29. International	0	2	0	2	157	99	60	0.0
30. Reinsurance- Nonproportional Assumed Property	X X X	75,713	0	75,713	0	975	74,738	44.5
31. Reinsurance- Nonproportional Assumed Liability	X X X	399	0	399	622	0	1,021	0.0
32. Reinsurance- Nonproportional Assumed Financial Lines	X X X	0	0	0	0	0	0	0.0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
34. TOTALS	249,519	6,794,726	215,892	6,828,353	6,975,588	6,759,891	7,044,050	59.4
DETAILS OF WRITE-INS								
3301	0	0	0	0	0	0	0	0.0
3302	0	0	0	0	0	0	0	0.0
3303	0	0	0	0	0	0	0	0.0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0.0
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Beacon Insurance Company of America

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	0	9,157	0	9,157	2,388	8,099	2,388	17,256	5,156
2. Allied lines	0	6,191	0	6,191	351	4,405	351	10,596	1,184
3. Farmowners multiple peril	0	75,317	0	75,317	0	29,196	0	104,513	25,567
4. Homeowners multiple peril	81,256	301,577	81,256	301,577	2,207	83,275	2,207	384,852	76,788
5. Commercial multiple peril	20,000	900,353	20,000	900,353	983	504,829	983	1,405,182	712,937
6. Mortgage guaranty	0	0	0	0	0	0	0	0	0
8. Ocean marine	0	0	0	0	0	18	0	18	0
9. Inland marine	0	63,374	0	63,374	1,793	29,123	1,793	92,497	9,495
10. Financial guaranty	0	0	0	0	0	0	0	0	0
11.1 Medical malpractice - occurrence	0	59	0	59	0	237	0	296	0
11.2 Medical malpractice - claims-made	0	0	0	0	0	0	0	0	0
12. Earthquake	0	(423)	0	(423)	0	49	0	(374)	23
13. Group accident and health	0	0	0	0	0	0	0	(a) 0	0
14. Credit accident and health (group and individual)	0	0	0	0	0	0	0	(a) 0	0
15. Other accident and health	0	0	0	0	0	0	0	(a) 0	0
16. Workers' compensation	0	1,037,005	0	1,037,005	0	463,156	0	1,500,161	172,737
17.1 Other liability - occurrence	504,447	178,484	504,447	178,484	(13,417)	273,245	(13,417)	451,729	258,759
17.2 Other liability - claims-made	0	1,735	0	1,735	0	0	0	1,735	3,046
18.1 Products liability - occurrence	133,602	36,994	133,602	36,994	3,435	41,099	3,435	78,093	105,769
18.2 Products liability - claims-made	0	0	0	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability	14,014	1,288,199	14,014	1,288,199	(202)	235,872	(202)	1,524,071	231,458
19.3, 19.4 Commercial auto liability	65,773	1,037,272	65,773	1,037,272	29,713	170,781	29,713	1,208,053	183,075
21. Auto physical damage	0	84,151	0	84,151	(27)	49,842	(27)	133,993	14,856
22. Aircraft (all perils)	0	12	0	12	0	(3)	0	9	0
23. Fidelity	0	4,024	0	4,024	(338)	4,486	(338)	8,510	4,701
24. Surety	0	34,095	0	34,095	0	19,117	0	53,212	42,678
26. Burglary and theft	0	115	0	115	8	258	8	373	92
27. Boiler and machinery	0	3	0	3	0	34	0	37	4
28. Credit	0	0	0	0	0	0	0	0	0
29. International	0	157	0	157	0	0	0	157	0
30. Reinsurance- Nonproportional Assumed Property	X X X	0	0	0	X X X	0	0	0	0
31. Reinsurance- Nonproportional Assumed Liability	X X X	585	0	585	X X X	37	0	622	0
32. Reinsurance- Nonproportional Assumed Financial Lines	X X X	0	0	0	X X X	0	0	0	0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
34. TOTALS	819,092	5,058,436	819,092	5,058,436	26,894	1,917,155	26,894	6,975,591	1,848,325
DETAILS OF WRITE-INS									
3301.	0	0	0	0	0	0	0	0	0
3302.	0	0	0	0	0	0	0	0	0
3303.	0	0	0	0	0	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	321,948	0	0	321,948
1.2 Reinsurance assumed	405,370	0	0	405,370
1.3 Reinsurance ceded	307,632	0	0	307,632
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	419,686	0	0	419,686
2. Commission and brokerage:				
2.1 Direct excluding contingent	0	0	0	0
2.2 Reinsurance assumed excluding contingent	0	1,984,998	0	1,984,998
2.3 Reinsurance ceded excluding contingent	0	0	0	0
2.4 Contingent - direct	0	0	0	0
2.5 Contingent - reinsurance assumed	0	373,079	0	373,079
2.6 Contingent - reinsurance ceded	0	0	0	0
2.7 Policy and membership fees	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	2,358,077	0	2,358,077
3. Allowances to manager and agents	0	2,906	0	2,906
4. Advertising	0	4,738	0	4,738
5. Boards, bureaus and associations	2,350	57,224	0	59,574
6. Surveys and underwriting reports	0	89,794	0	89,794
7. Audit of assureds' records	0	12,155	0	12,155
8. Salary and related items:				
8.1 Salaries	362,062	497,873	12,622	872,557
8.2 Payroll taxes	28,860	38,955	968	68,783
9. Employee relations and welfare	75,046	112,978	4,338	192,362
10. Insurance	60	15,288	0	15,348
11. Directors' fees	0	0	0	0
12. Travel and travel items	41,765	41,192	850	83,807
13. Rent and rent items	50,407	78,106	1,585	130,098
14. Equipment	26,597	55,032	1,666	83,295
15. Cost or Depreciation of EDP equipment and software	4,730	6,958	139	11,827
16. Printing and stationery	17,466	29,403	946	47,815
17. Postage, telephone and telegraph, exchange and express	33,401	52,787	3,884	90,072
18. Legal and auditing	2,061	10,865	1,771	14,697
19. Totals (Lines 3 to 18)	644,805	1,106,254	28,769	1,779,828
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 3,813	0	240,093	0	240,093
20.2 Insurance department licenses and fees	0	13,150	0	13,150
20.3 Gross guaranty association assessments	0	4,939	0	4,939
20.4 All other (excluding federal and foreign income and real estate)	0	2,567	0	2,567
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	260,749	0	260,749
21. Real estate expenses	0	0	0	0
22. Real estate taxes	0	0	0	0
23. Reimbursements by uninsured accident and health plans	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses	205,277	230,820	12,369	448,466
25. Total expenses incurred	1,269,768	3,955,900	41,138	(a) 5,266,806
26. Less unpaid expenses - current year	1,848,323	1,469,006	5,397	3,322,726
27. Add unpaid expenses - prior year	1,747,171	1,278,481	5,586	3,031,238
28. Amounts receivable relating to uninsured accident and health plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured accident and health plans, current year	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	1,168,616	3,765,375	41,327	4,975,318
DETAILS OF WRITE-INS				
2401. Electronic Data Processing Service	57,650	122,549	5,386	185,585
2402. Management Fee	29,628	91,514	6,611	127,753
2403. Unallocated LAE Reserve Change and Other ULAE	114,900	0	0	114,900
2498. Summary of remaining write-ins for Line 24 from overflow page	3,099	16,757	372	20,228
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)	205,277	230,820	12,369	448,466

(a) Includes management fees of \$ 134,043 to affiliates and \$ 0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 511,331	615,479
1.1 Bonds exempt from U. S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 807,034	806,759
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 92,655	104,030
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	523,806	512,610
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract loans	0	0
6. Cash/short-term investments	(e) 23,076	23,076
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	0
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	1,957,902	2,061,954
11. Investment expenses		(g) 41,138
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 0
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. Totals deductions (Line 11 through Line 15)		41,138
17. Net investment income (Line 10 minus Line 16)		2,020,816
DETAILS OF WRITE-INS		
0901.	0	0
0902.	0	0
0903.	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus Line 0998) (Line 9 above)	0	0
1501.		0
1502.		0
1503.		0
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503 plus Line 1598) (Line 15 above)		0
(a) Includes \$ 31,845 accrual of discount less \$ 42,845 amortization of premium and less \$ 0 paid for accrued interest on purchases.	(f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.	
(b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.	(g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.	(h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.	
(d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.	(i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.	
(e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 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	1,383,959	0	0	0	1,383,959
1.1 Bonds exempt from U. S. tax	0	0	0	0	0
1.2 Other bonds (unaffiliated)	0	0	0	0	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	(28,455)	0	(28,455)
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	639,206	(829,300)	(2,917,929)	0	(3,108,023)
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash/short-term investments	0	0	0	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	2,023,165	(829,300)	(2,946,384)	0	(1,752,519)
DETAILS OF WRITE-INS					
0901.	0	0	0	0	0
0902.	0	0	0	0	0
0903.	0	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus Line 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Line 10 to Line 17 and Line 19 to Line 23, Column 2	137,331	132,720	(4,611)
2. Other Nonadmitted Assets:			
2.1 Bills receivable	0	0	0
2.2 Furniture, equipment and supplies	0	0	0
2.3 Leasehold improvements	0	0	0
2.4 Loans on personal security, endorsed or not	0	0	0
3. Total (Line 2.1 to Line 2.4)	0	0	0
4. Aggregate write-ins for other assets	0	20,025	20,025
5. Total (Line 1 plus Line 3 and Line 4)	137,331	152,745	15,414
DETAILS OF WRITE-INS			
0401. Advance on Contract	0	20,025	20,025
0402.	0	0	0
0403.	0	0	0
0498. Summary of remaining write-ins for Line 4 from overflow page	0	0	0
0499. Totals (Line 0401 through Line 0403 plus Line 0498) (Line 4 above)	0	20,025	20,025

NOTES TO FINANCIAL STATEMENTS

General Notes

1. Summary of Significant Accounting Policies-

A. Accounting Practices

The financial statements of Beacon Insurance Company of America have been prepared in conformity with the NAIC Accounting Practices and Procedures manual. The Company has not implemented any prescribed or permitted accounting practices by the state of Ohio that differ from those found in NAIC SAP.

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

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

C. Accounting Policy

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

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

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at cost plus accrued interest.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3) Common Stocks are stated at market except that investments in stocks of uncombined subsidiaries in which the Company has an interest of 20% or more are carried on the equity basis.
- (4) Preferred stocks are stated at cost.
- (5) The Company does not hold any mortgage loans.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities.
- (7) The Company has no subsidiaries, controlled or affiliated company investments.
- (8) The Company has minor ownership interests in partnerships. These have the underlying characteristics of common stock and are carried at market value.
- (9) The Company does not invest in derivative instruments.
- (10) The Company does not anticipate investment income as a factor in the premium deficiency reserve calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

2. Accounting Changes and Corrections of Errors-

A. Describe material changes in accounting principles and/or correction of errors - Not Applicable

B. Illustrative Disclosure for Insurers upon Initial Implementation of Codification

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. The State of Ohio required that insurance companies domiciled in the State of Ohio prepare their statutory basis financial statements in accordance with the most current NAIC Accounting Practices and Procedures manual, currently Version effective March 1, 2002, subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner.

Accounting changes at January 1, 2001 adopted to conform to the provision of the NAIC Accounting Practices and Procedures manual - Version effective January 1, 2001 are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a change of accounting principle, as an adjustment that increased unassigned funds (surplus), of \$4,093,200 as of January 1, 2001.

The Company, as a result of the Old Guard acquisition, has changed the former Old Guard group's accounting method to not anticipate the recovery of Salvage and Subrogation in its reserves. The effect of this accounting change resulted in a surplus decrease of \$25,570 as of December 31, 2001.

3. Business Combinations and Goodwill-

A. Statutory Purchase Method - Not Applicable

B. Statutory Merger - Not Applicable

C. Impairment Loss - Not Applicable

4. Discontinued Operations - Not Applicable

NOTES TO FINANCIAL STATEMENTS

5. Investments-

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company does not invest in mortgage loans. No Mezzanine Real Estate loans are held.

B. Debt Restructuring

The Company is not a creditor for any loan or debt which has been restructured.

C. Reverse Mortgages

The Company does not invest in reverse mortgages.

D. Loan-Backed Securities

(1) The Company has elected to use the book value as of January 1, 1994, as the cost for applying the retrospective adjustment method to securities purchased prior to that date.

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

(3) The Company used Hub Data, Inc. in determining the market value of its loan-backed securities.

(4) Not Applicable

E. Repurchase Agreements

The Company does not have any investments in repurchase agreements.

6. Joint Ventures, Partnerships and Limited Liability Companies-

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. The Company did not recognize any impairment writedown for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income-

The Company did not exclude any due and accrued income from surplus.

8. Derivative Instruments-

The Company does not hold derivative instruments.

9. Income Taxes-

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

	<u>12/31/02</u>	<u>12/31/01</u>
1 Total of all deferred tax assets (admitted and nonadmitted)	3,393,679	5,187,994
2 Total of all deferred tax liabilities	591,993	1,851,191
3 Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	1,870,831	1,410,061
4 Increase (decrease) in deferred tax assets nonadmitted	460,770	1,410,061

B. The Company had no unrecognized deferred income tax liabilities.

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

	<u>12/31/02</u>	<u>12/31/01</u>
1 Current year income tax expense	493,173	645,312
2 Tax credits	0	0
3 Other adjustment: FIT Receivable	(800,434)	(754,001)
4 Prior year (over)/under accrual of tax	0	0
5 Current income taxes incurred	(307,261)	(108,689)

The main components of the December 31, 2002 deferred tax amounts are as follows:

	<u>DTAs</u>	<u>Statutory</u>	<u>Tax</u>	<u>Difference</u>	<u>Tax Effect</u>
6 Unearned Premiums		5,897,437	4,717,475	1,179,962	412,987
7 Unpaid Losses & LAE		8,737,102	7,791,634	945,468	330,914
8 Other Expenses		377,859	159,368	218,491	76,472
9 Investments - Preferred Stock		(2,416,060)	(2,529,660)	113,600	39,760
10 Insolvency Reserve		0	(3,276)	3,276	1,147
11 Investments - Common Stock		(16,499,947)	(16,541,779)	41,832	14,641
12 Accrued Dividends		(238,711)	(256,710)	17,999	6,300
13 Properties		0	(14,594)	14,594	5,108
14 Amortization - Intangibles		0	(7,137,991)	7,137,991	2,498,297
15 Salvage & Subrogation		0	(23,014)	23,014	8,055
16 Total DTAs		(4,142,320)	(13,838,547)	9,696,227	3,393,679
17 DTAs nonadmitted				5,345,231	1,870,831

NOTES TO FINANCIAL STATEMENTS

	DTLs	Statutory	Tax	Difference	Tax Effect
18	Investments - Bonds	(16,277,222)	(14,585,814)	1,691,408	591,993
19	Other Liabilities	0	0	0	0
20	Total DTLs	(16,277,222)	(14,585,814)	1,691,408	591,993

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

DTAs resulting from book/tax differences in:		12/31/02	12/31/01	Change
21	Unearned Premiums	412,987	931,963	(518,976)
22	Unpaid Losses & LAE	330,914	909,946	(579,032)
23	Other Expenses	76,472	259,052	(182,580)
24	Investments - Preferred Stock	39,760	40,845	(1,085)
25	Investments - Common Stock	14,641	(1,824,274)	1,838,915
26	Insolvency Reserve	1,147	26,003	(24,856)
27	Accrued Dividends	6,300	5,413	887
28	Properties	5,108	796	4,312
29	Amortization - Intangibles	2,498,297	2,989,765	(491,468)
30	Salvage & Subrogation	8,055	(12,521)	20,576
31	Total DTAs	3,393,679	3,326,988	66,691
32	DTAs nonadmitted	1,870,831	1,410,061	460,770

DTLs resulting from book/tax differences in:		12/31/02	12/31/01	Change
33	Investments - Bonds	591,993	(24,211)	616,204
34	Adjustment due to foreign exchange rates	0	14,396	(14,396)
35	Total DTLs	591,993	(9,815)	601,808

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

	Amount	Tax Effect at 35%	
1	Income before taxes	1,582,439	553,854
2	Book over tax reserves	(38,147)	(13,351)
3	Unearned premiums	125,294	43,853
4	Salvage and subrogation	14,575	5,101
5	Amortization of intangibles	(1,404,195)	(491,468)
6	Accrued market discount	871	305
7	Dividends received deduction, net of proration	(195,237)	(68,333)
8	Travel and entertainment	9,403	3,291
9	Capital gains (losses)	1,529,131	535,196
10	Balances charged off	(39,214)	(13,725)
11	Other	(175,856)	(61,550)
12	Taxable income	1,409,065	493,173

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

2 The following are income taxes incurred in the current and prior years which will be available for recoupment in the event of future net losses:

Year Incurred	Amount
2002	\$398,000
2001	25,000
2000	0

F. Consolidated Federal Income Tax Return

- 1 The Company's Federal Income Tax return is consolidated with its parent, Ohio Farmers Insurance Company, FEIN 34-0438190; NAIC 24104.
- 2 Each Company in the consolidation has agreed to share any tax or recovery of tax based on their individual taxable income or loss. Each Company's current taxable income or loss will be adjusted by any prior taxable income or loss which can be carried forward to the current year.

10. Information Concerning Parent, Subsidiaries and Affiliates-

A. The Company is owned and operated by its parent company, Ohio Farmers Insurance Company.

B. The Company had no exceptional transactions with affiliates to report.

C. The Company had no exceptional transactions with affiliates to report.

NOTES TO FINANCIAL STATEMENTS

D. Affiliated Balances due to/from Beacon Insurance Company of America at 12/31/2002 and 12/31/2001 respectively were:

	12/31/02	12/31/01
Ohio Farmers Insurance Company	6,789	35,796

E. The Company did not make any guarantees for the benefit of an affiliate or related party resulting in material contingent exposure.

F. The Company does not have any management or non-GAAP cost sharing arrangements with any affiliated insurers.

G. The Company is owned and operated by its parent company, Ohio Farmers Insurance Company.

H. The Company holds no shares of an upstream parent.

I. The Company did not have any investments in subsidiaries that exceeded 10% of its admitted assets.

J. The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.

11. Debt-

A. Capital Notes

The Company has not issued capital notes.

B. All other Debt- Not Applicable

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

A. Defined Benefit Plan and the Postretirement Benefit Plans

The Company's parent, Ohio Farmers Insurance Company, sponsors a non-contributory defined benefit pension plan and certain postretirement health and life insurance plans covering U.S. employees. As of December 31, 2002, the group had accrued, in accordance with actuarially determined amounts with an offset to the pension cost accrual for the incremental asset amortization, amounts representing the present value of future benefit obligations.

A summary of assets, obligations and assumptions of the Pension and other Postretirement Benefit Plans for the affiliated group are as follows at December 31, 2002 and 2001:

1. Change in benefit obligation

	Pension		Retiree Med&Life	
	2002	2001	2002	2001
a. Benefit obligation at beginning of year	\$114,389,416	\$98,069,742	\$29,270,996	\$26,855,629
b. Service cost	3,899,520	3,047,874	1,086,644	1,394,495
c. Interest cost	8,435,846	7,619,485	2,243,492	2,151,679
d. Contribution by plan participants				
e. Actuarial (gain) loss	8,954,790	6,455,091	3,969,974	2,052,172
f. Foreign currency exchange rate changes				
g. Benefits paid	(6,463,589)	(5,892,286)	(3,250,128)	(3,182,979)
h. Plan amendments	734,544	5,089,510	1,022,752	-
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-	-	-
j. Benefit obligation at end of year	\$129,950,527	\$114,389,416	\$34,343,731	\$29,270,996

2. Change in plan assets

	Pension		Retiree Med&Life	
	2002	2001	2002	2001
a. Fair value of plan assets at beginning of year	\$140,249,582	\$140,664,143	\$11,367,394	\$11,160,963
b. Actual return on plan assets	(8,126,485)	5,477,725	(506,131)	11,403
c. Foreign currency exchange rate changes	-	-	-	-
d. Employer contribution	-	-	5,932,333	3,378,007
e. Plan participants' contributions	-	-	-	-
f. Benefits paid	(6,463,589)	(5,892,286)	(3,250,128)	(3,182,979)
g. Business combinations, divestitures and settlements	-	-	-	-
h. Fair value of plan assets at end of year	\$125,659,508	\$140,249,582	\$13,543,468	\$11,367,394

3. Funded Status

	Pension		Retiree Med&Life	
	2002	2001	2002	2001
Funded/(Unfunded)	(\$4,291,020)	\$25,860,166	(\$20,800,263)	(\$17,903,602)
a. Unamortized prior service cost	5,364,312	5,089,510	112,872	(839,868)
b. Unrecognized net gain or (loss)	42,805,356	13,385,728	8,583,903	3,403,116
c. Remaining net obligation or net asset at initial date of application	-	-	-	-
d. Prepaid assets or (accrued liabilities)	\$43,878,653	\$44,335,404	(\$12,103,488)	(\$15,340,354)
e. Intangible asset	\$5,364,312	\$5,089,510	-	-

NOTES TO FINANCIAL STATEMENTS

4. Benefit obligation for non-vested employees	Pension		Retiree Med&Life	
	2002	2001	2002	2001
	\$4,108,644	\$3,582,941	\$13,880,872	\$13,741,398

5. Components of net periodic benefit cost	Pension		Retiree Med&Life	
	2002	2001	2002	2001
a. Service cost	\$3,899,520	\$3,047,874	\$1,086,644	\$1,394,495
b. Interest cost	8,435,846	7,619,485	2,243,492	2,151,679
c. Expected return on plan assets	(12,338,352)	(12,408,362)	(781,419)	(784,547)
d. Amortization of unrecognized transition obligation or transition asset	-	-	-	-
e. Amount of recognized gains and losses	-	-	116,497	53,532
f. Amount of prior service cost recognized	459,742	-	30,253	(33,536)
g. Amount of gain or loss recognized due to a settlement or curtailment	-	-	-	-
h. Total net periodic benefit cost	\$456,756	(\$1,741,003)	\$2,695,467	\$2,781,623

6. A minimum pension liability adjustment is required when the actuarial present value of accumulated benefits exceeds plan assets and accrued pension liabilities. The minimum liability adjustment, less allowable intangible assets, net of tax benefit, is reported in the Income Statement. At December 31, 2002, and December 31, 2001, there is no additional minimum liability.

7. Weighted-average assumptions as of Dec. 31	2002	2001
a. Discount rate	6.75%	7.25%
b. Average compensation increase (graded scale)	7.30%	7.30%
c. Expected long-term rate of return on plan assets	9.00%	9.00%

For measurement purposes, an 8.75 percent annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2002. The rate was assumed to decrease gradually to 5.00 percent for 2007 and remain at that level thereafter.

8. The postretirement health care plan is contributory, with participants' contributions adjusted annually; the life insurance plan is noncontributory.

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

	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost components	\$400	(\$600)
b. Effect on postretirement benefit obligation	\$1,800	(\$2,400)

B. Defined Contribution Plan

The Company's parent, Ohio Farmers Insurance Company, sponsors a qualified defined contribution pension plan (under IRC Section 401(k)). The plan began operation on January 1, 2000, in accordance with "Safe Harbor" Treasury regulations.

Contributions of three percent (3%) of each employee's eligible compensation are made during the year. Beacon Insurance Company of America's non-elective contribution for the plan was \$26,962 and \$28,943 for 2001 and 2002, respectively.

At December 31, 2002, the total fair market value of the group's defined contribution plan assets was \$26,460,652 including unrealized gains and losses and participant loans.

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

The Company is 99.719 percent owned and operated by its parent, Ohio Farmers Insurance Company. Dividend restrictions are provided by the Insurance Regulations of the Ohio Revised Code.

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

a. Unrealized gains and losses:	0
b. Nonadmitted asset values:	137,331
c. Separate account business:	0
d. Asset valuation reserves:	0
e. Provision for reinsurance:	763

14. Contingencies-

A. Contingent Commitments-

The Company has purchased annuities of which the claimant is payee but for which the Company is contingently liable. The aggregate amount due from all life insurers is estimated to be \$264,104.

NOTES TO FINANCIAL STATEMENTS

B. Assessments-

On October 3, 2001 the Company received notification of the insolvency of Reliance Insurance Company. The insolvency has resulted in guaranty fund assessments against the Company during the current period and it is expected that assessments will be made against the Company at some future date. It is expected that the reserve established in 2001 and charged to operations in that period will be sufficient to cover the Company's estimated liability related to this insolvency.

On December 19, 2002, the Company received notification of the insolvency of Aries Insurance Company. It is expected that the insolvency will result in a guaranty fund assessment against the Company of \$1,481 that has been charged to operations in the current period.

On December 23, 2002, the Company received notification of the insolvency of Oak Casualty Insurance Company. It is estimated that the insolvency will result in a guaranty fund assessment against the Company of \$1,243 that has been charged to operations in the current period.

At this time, the Company estimates that it has adequately reserved for known insolvencies that would have a significant unfavorable effect on current or future operations.

C. Gain Contingencies- Not Applicable

D. All Other Contingencies-

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

15. Leases-

The Company does not currently have any material lease obligations.

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

The Company does not invest in financial instruments with off-balance sheet risk.

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

A. Transfer of Receivables Reported as Sales

The Company has not sold or transferred any receivables to any other parties.

B. Transfer and Servicing of Financial Assets- Not Applicable

C. Wash Sales

The Company did not have any wash sales.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans - Not Applicable

19. Direct Premium Written / Produced by Managing General Agents / Third Party Administrators- Not Applicable

20. Other Items-

A. Extraordinary Items

Effective January 1, 2001, the inter-company pooling arrangement for consolidated group 0228 was changed. Refer to Schedule Y for inter-company pooling percentages, and note 25 for further detail.

During 1996 and 1997, some companies within the affiliated group shifted the reporting of commercial package policies to the commercial multiple peril line as deemed appropriate with the NAIC Annual Statement Instructions. Previously, these policies were shown in various lines including fire, allied, other liability, and products liability. Schedule P reflects these line changes.

B. Troubled Debt Restructuring - Not Applicable

C. Other Disclosures- Not Applicable

D. At December 31, 2002 and 2001, the Company had admitted assets of \$3,952,339 and \$3,340,781, respectively, in accounts receivable for Agent's Balances or Uncollected Premiums. The Company routinely assesses the collectibility of these receivables. Based upon company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.

E. Reinsurance Accounted for as a Deposit- Not Applicable

F. Multiple Peril Crop Insurance- Not Applicable

G. Mezzanine Real Estate Loans- Not Applicable

H. Health Care Receivables - Not Applicable

NOTES TO FINANCIAL STATEMENTS

I. September 11 Events

Exposure to the Company was limited to the participation in an assumed reinsurance pool, which resulted in a loss allocation of \$-0- in 2002 and \$782,206 in 2001 for the combined group of insurance companies. There are no reinsurance recoveries applicable to this loss. Other than those allocated to the group in 2001, as noted above, there are no known or unknown unpaid claims or losses expected to impact the financial statements of the Company in 2003 or thereafter. There are no environmental remediation liabilities.

J. Real Estate- Not Applicable

K. Participating Policies- Not Applicable

L. Premium Deficiency Reserves

As of 12/31/2002, the Company had liabilities of \$0 related to premium deficiency reserves. The Company did not consider anticipated investment income when calculating its premium deficiency reserves.

M. Noncash Transactions- Not Applicable

21. Events Subsequent-

On January 1, 2003, the Company's remaining business and pooling participation was assumed by its parent, Ohio Farmers Insurance Company. The Company will remain outside the Westfield Group pool with its licenses available and under tentative contract of sale.

Additionally, the Company intends to pay, when practicable, Ohio Farmers Insurance Company an extraordinary dividend to bring its value in line with State capital and surplus requirements in an effort to prepare itself for sale.

P & C Specific Notes

22. Reinsurance-

A. Unsecured Reinsurance Recoverables

The Company has unsecured recoverable exceeding 3% of policyholder surplus with affiliated company Ohio Farmers Insurance Company FEIN 34-0438190 under Group Code 0228.

B. The Company has no material recoverable to disclose.

C. Reinsurance Assumed and Ceded

(1)	Assumed		Ceded		Net	
	Unearned Assumed	Commission Equity	Unearned Ceded	Commission Equity	Unearned Net	Commission Equity
Affiliate	5,899,807.88	937,465.96	0.00	0.00	5,899,807.88	937,465.96
Non-affiliate	0.00	0.00	0.00	0.00	0.00	0.00
Total	5,899,807.88	937,465.96	0.00	0.00	5,899,807.88	937,465.96
Direct Unearned Premium Reserve \$			0.00			

(2) Additional or Return Commission Accrued

	DIRECT	REINSURANCE		NET
		Assumed	Ceded	
Contingent Commission	0	0	9,500	(9,500)
Sliding Scale Adjustments				0
Other Profit Commission Arrangements	0	0	0	0
Total	0	0	9,500	(9,500)

The above figures do not include the intercompany pooling of Agent's Contingent Commission in the Assumed and Ceded columns.

D. Uncollectible Reinsurance - Not Applicable

E. Commutation of Ceded Reinsurance - Not Applicable

F. Retroactive Reinsurance - Not Applicable

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination - Not Applicable

NOTES TO FINANCIAL STATEMENTS

24. Changes in Incurred Losses and Loss Adjustment Expenses-

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased by \$247,000 from \$5.0 million in 2001 to \$5.3 million in 2002 as a result of reestimation of unpaid losses and loss adjustment expenses principally on Commercial Auto Liability and Workers' Compensation lines of insurance. This increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. This increase is unaffected by prior year loss development on retrospectively rated policies as the Company does not write this type of policy.

25. Intercompany Pooling Arrangements-

Prior to 2001, Ohio Farmers Insurance Company, Westfield Insurance Company, Westfield National Insurance Company, Beacon Insurance Company of America and American Select Insurance Company were participants in a 100% inter-company pooling arrangement. Old Guard Insurance Company, Old Guard Fire Insurance Company, and First Patriot Insurance Company were participants in a separate pooling arrangement (Old Guard pooling arrangement). Commencing January 1, 2001, Ohio Farmers Insurance Company and its property-casualty subsidiaries joined to participate in a single 100% reinsurance pooling arrangement and the Old Guard pooling arrangement was terminated. Data connected to underwriting operations for 2001 reflects the change in pooling arrangements and percentages effective on and after January 1, 2001. Prior year information has been presented in Schedule P in accordance with the instructions.

A. The lead company, Ohio Farmers Insurance Company, and its property-casualty companies participate in a single 100% reinsurance pooling arrangement that includes all lines of business. The following companies are participants:

Company	NAIC Number	Percent
Ohio Farmers Insurance Company	24104	8.0%
Westfield Insurance Company	24112	63.5%
Westfield National Insurance Company	24120	13.0%
Beacon Insurance Company of America	20001	1.0%
American Select Insurance Company	19992	5.0%
Old Guard Insurance Company	17558	7.0%
Old Guard Fire Insurance Company	16853	1.0%
First Patriot Insurance Company	14052	1.0%
First Delaware Insurance Company	32735	0.5%

B. Each participating company shares in all lines and types of business.

C. Any cession to non-affiliated reinsurers is prior to the cession of pooled business from the affiliated pool member to the lead company.

D. All pool members have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.

E. No discrepancies exist between pooled business entries on the assumed and ceded reinsurance schedule of the lead company and corresponding entries on the assumed and ceded reinsurance schedules of other pool participants.

F. The Provision for Reinsurance is recorded based on the Company's individual participation in its reinsurance contracts.

26. Structured Settlements-

A. The Company has not purchased annuities under which the Company is owner and payee.

B. The Company has purchased annuities of which the claimant is payee but for which the Company is contingently liable. However, the total value of all annuities due from any one life insurer does not equal or exceed 1% of the Company's policyholder surplus.

27. High Deductibles- Not Applicable

28. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses-

The Company does not discount the liabilities for unpaid losses or unpaid loss adjustment expenses for Workers' Compensation and Medical Malpractice claims.

29. Asbestos/Environmental Reserves-

A. The Company has exposure to asbestos and environmental claims. The Company's exposure arises from the general liability, commercial and homeowners multiple peril lines of business.

The Company tries to estimate the full impact of the asbestos and environmental exposure by establishing full case basis reserves on all known losses and computing incurred but not reported losses based on market share tempered by previous experience. In addition, reserves are held for future allocated loss adjustment expenses including coverage dispute costs.

NOTES TO FINANCIAL STATEMENTS

The Company's asbestos related losses (including coverage dispute costs) for each of the five most recent years were as follows after intercompany pooling.

GROSS OF REINSURANCE:

	<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>
Beginning Reserve:	\$ 52,313	\$	50,383	\$	51,714	\$	138,495	\$	137,464
Incurring Losses and Loss Adj. Expense:	14,147		9,942		98,498		17,966		49,892
CY Paid Losses and Loss Adj. Expense:	16,076		8,612		11,717		18,997		23,007
Ending Reserves:	\$ 50,384	\$	51,713	\$	138,495	\$	137,464	\$	164,349

NET OF REINSURANCE:

	<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>
Beginning Reserve:	\$ 54,313	\$	50,383	\$	51,714	\$	138,494	\$	137,463
Incurring Losses and Loss Adj. Expense:	14,147		9,942		98,498		17,966		49,892
CY Paid Losses and Loss Adj. Expense:	16,076		8,612		11,717		18,997		23,007
Ending Reserves:	\$ 52,384	\$	51,713	\$	138,495	\$	137,463	\$	164,348

B. The Company holds the following reserves for unreported claims as of the statement date on a:

1. Gross of Reinsurance Basis: \$64,770
2. Net of Reinsurance Basis: \$64,770

C. The Company holds the following reserves for future allocated loss adjustment expenses (including coverage dispute cost) as of the statement date on a:

1. Gross of Reinsurance Basis: \$76,170
2. Net of Reinsurance Basis: \$76,170

D. The Company's environmental related losses (including coverage dispute costs) for each of the five most recent calendar years were as follows after intercompany pooling:

GROSS OF REINSURANCE:

	<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>
Beginning Reserve:	\$ 86,392	\$	86,252	\$	86,576	\$	80,503	\$	76,831
Incurring Losses and Loss Adj. Expense:	3,310		3,025		639		(1,569)		5,724
CY Paid Losses and Loss Adj. Expense:	3,450		2,702		6,712		2,103		2,689
Ending Reserves:	\$ 86,252	\$	86,575	\$	80,503	\$	76,831	\$	79,866

NET OF REINSURANCE:

	<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>
Beginning Reserve:	\$ 86,392	\$	86,252	\$	86,576	\$	80,503	\$	76,831
Incurring Losses and Loss Adj. Expense:	3,310		3,025		639		(1,569)		5,724
CY Paid Losses and Loss Adj. Expense:	3,450		2,702		6,712		2,103		2,689
Ending Reserves:	\$ 86,252	\$	86,575	\$	80,503	\$	76,831	\$	79,866

B. The Company holds the following reserves for unreported claims as of the statement date on a:

1. Gross of Reinsurance Basis: \$29,230
2. Net of Reinsurance Basis: \$29,230

C. The Company holds the following reserves for future allocated loss adjustment expenses (including coverage dispute cost) as of the statement date on a:

1. Gross of Reinsurance Basis: \$43,830
2. Net of Reinsurance Basis: \$43,830

30. Subscriber Savings Accounts- NotApplicable

31. Financial Guaranty Insurance Exposures -Not Applicable

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	14,878,289	36.603	14,878,289	36.603
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	0	0.000	0	0.000
1.22 Issued by U.S. government sponsored agencies	2,092,334	5.148	2,092,334	5.148
1.3 Foreign government (including Canada, excluding mortgage-backed securities)	0	0.000	0	0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	0	0.000	0	0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	0	0.000	0	0.000
1.43 Revenue and assessment obligations	0	0.000	0	0.000
1.44 Industrial development and similar obligations	0	0.000	0	0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA	0	0.000	0	0.000
1.512 Issued by FNMA and FHLMC	0	0.000	0	0.000
1.513 Privately issued	0	0.000	0	0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC	0	0.000	0	0.000
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC	0	0.000	0	0.000
1.523 All other privately issued	3,390,856	8.342	3,390,856	8.342
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	7,466,703	18.369	7,466,703	18.369
2.2 Unaffiliated foreign securities	0	0.000	0	0.000
2.3 Affiliated securities	0	0.000	0	0.000
3. Equity interests:				
3.1 Investments in mutual funds	0	0.000	0	0.000
3.2 Preferred stocks:				
3.21 Affiliated	0	0.000	0	0.000
3.22 Unaffiliated	2,447,402	6.021	2,447,402	6.021
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated	0	0.000	0	0.000
3.32 Unaffiliated	4,058,147	9.984	4,058,147	9.984
3.4 Other equity securities:				
3.41 Affiliated	0	0.000	0	0.000
3.42 Unaffiliated	0	0.000	0	0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated	0	0.000	0	0.000
3.52 Unaffiliated	0	0.000	0	0.000
4. Mortgage loans:				
4.1 Construction and land development	0	0.000	0	0.000
4.2 Agricultural	0	0.000	0	0.000
4.3 Single family residential properties	0	0.000	0	0.000
4.4 Multifamily residential properties	0	0.000	0	0.000
4.5 Commercial loans	0	0.000	0	0.000
5. Real estate investments:				
5.1 Property occupied by company	0	0.000	0	0.000
5.2 Property held for production of income (includes \$ 0 of property acquired in satisfaction of debt)	0	0.000	0	0.000
5.3 Property held for sale (\$ 0 including property acquired in satisfaction of debt)	0	0.000	0	0.000
6. Policy loans	0	0.000	0	0.000
7. Receivables for securities	0	0.000	0	0.000
8. Cash and short-term investments	6,313,568	15.533	6,313,568	15.533
9. Other invested assets	0	0.000	0	0.000
10. Total invested assets	40,647,299	100.000	40,647,299	100.000

GENERAL INTERROGATORIES (continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP
1300 Huntington Bldg., 925 Euclid Ave., Cleveland, OH 44115-1405

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?
Robert H. Wainscott, FCAS, FCIA, MAAA
Ernst & Young LLP, Sears Tower, 233 South Wacker Dr., Chicago, IL 60606-6301

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 (X)

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

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

BOARD OF DIRECTORS

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

12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes (X) No ()

13. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees which is in or is likely to conflict with the official duties of such person? Yes (X) No ()

FINANCIAL

14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
14.11 To directors or other officers \$ 0
14.12 To stockholders not officers \$ 0
14.13 Trustees, supreme or grand (Fraternal only) \$ 0

14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
14.21 To directors or other officers \$ 0
14.22 To stockholders not officers \$ 0
14.23 Trustees, supreme or grand (Fraternal only) \$ 0

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

15.2 If yes, state the amount thereof at December 31 of the current year:
15.21 Rented from others \$ 0
15.22 Borrowed from others \$ 0
15.23 Leased from others \$ 0
15.24 Other \$ 0

Disclose in 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 \$ 0
16.22 Amount paid as expenses \$ 0
16.23 Other amounts paid \$ 0

**GENERAL INTERROGATORIES
(Continued)**

INVESTMENT

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

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price if Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred	0	0	0.00	0	Yes () No (X)	Yes () No (X)
Common	3,240	3,200	1,100.00	XXX	XXX XXX	XXX XXX

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

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

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on 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	\$	0
19.22	Subject to repurchase agreements	\$	0
19.23	Subject to reverse repurchase agreements	\$	0
19.24	Subject to dollar repurchase agreements	\$	0
19.25	Subject to reverse dollar repurchase agreements	\$	0
19.26	Pledged as collateral	\$	0
19.27	Placed under option agreements	\$	0
19.28	Letter stock or securities restricted as to sale	\$	0
19.29	Other	\$	0

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

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
JPMorgan Chase	3 Metro Tech Center - 6th Floor
.....	Brooklyn, NY 11245
.....

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
.....
.....
.....

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 52,350

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE INC	\$ 24,337
.....	\$ 0
.....	\$ 0
.....	\$ 0

24.1 Amount of payments for legal expenses, if any? \$ 8,195

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
BRICKER & ECKLER	\$ 2,371
.....	\$ 0
.....	\$ 0
.....	\$ 0

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 1,753

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
NAIL	\$ 464
.....	\$ 0
.....	\$ 0
.....	\$ 0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Beacon Insurance Company of America
GENERAL INTERROGATORIES (continued)
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes () No (X)
- 1.2 If yes, indicate premium earned on U. S. business only. \$ 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
- 1.31 Reason for excluding:
.....
.....
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Line (1.2) above. \$ 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$ 0
- 1.62 Total incurred claims \$ 0
- 1.63 Number of covered lives 0
- All years prior to most current three years:
- 1.64 Total premium earned \$ 0
- 1.65 Total incurred claims \$ 0
- 1.66 Number of covered lives 0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$ 0
- 1.72 Total incurred claims \$ 0
- 1.73 Number of covered lives 0
- All years prior to most current three years:
- 1.74 Total premium earned \$ 0
- 1.75 Total incurred claims \$ 0
- 1.76 Number of covered lives 0
- 2.1 Does the reporting entity issue both participating and non-participating policies? Yes () No (X)
- 2.2 If yes, state the amount of calendar year premiums written on:
- 2.21 Participating \$ 0
- 2.22 Non-participating policies \$ 0
3. For Mutual Reporting Entities and Reciprocal Exchange only:
- 3.1 Does the reporting entity issue assessable policies? Yes () No (X)
- 3.2 Does the reporting entity issue non-assessable policies? Yes () No (X)
- 3.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? 0.0 %
- 3.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ 0
4. For Reciprocal Exchanges only:
- 4.1 Does the exchange appoint local agents? Yes () No (X)
- 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 (X)
- 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?
Reinsurance \$35,000,000 excess of a maximum company retention of \$7,500,000.
.....
- 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:
See Exhibit A in the back of this book.
.....
- 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?
Westfield Group purchased \$207,500,000 of property catastrophe reinsurance excess of a \$20,000,000 retention.
.....
- 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. 0

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 (X) No () N/A ()
- 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 | \$ | 0 |
| 10.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ | 0 |
- 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. \$ 0
- 10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes () No (X) N/A ()
- 10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | | |
|------------|-------|---------|
| 10.41 From | | 0.000 % |
| 10.42 To | | 0.000 % |
- 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 | \$ | 0 |
| 10.62 Collateral and other funds | \$ | 0 |
- 11.1 What amount of installment notes is owned and now held by the reporting entity? \$ 0
- 11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Yes () No (X)
- 11.3 If yes, what amount? \$ 0
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 2,500,000
- 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. 4
- 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 | 0 |
| 14.13 Total book/adjusted carrying value | \$ 0 |
- 14.2 If yes, provide explanation.

- 15.1 Does the reporting entity write any warranty business? Yes () No (X)
 If yes, disclose the following information for each of the following types of warranty coverage:
- | | 1
Direct Losses
Incurred | 2
Direct Losses
Unpaid | 3
Direct Written
Premium | 4
Direct Premium
Unearned | 5
Direct Premium
Earned |
|------------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 15.11 Home | 0 | 0 | 0 | 0 | 0 |
| 15.12 Products | 0 | 0 | 0 | 0 | 0 |
| 15.13 Automobile | 0 | 0 | 0 | 0 | 0 |
| 15.14 Other* | 0 | 0 | 0 | 0 | 0 |

* 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)	4,908,579	6,329,274	10,487,074	10,135,792	10,853,494
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	2,723,165	3,564,421	6,370,427	6,393,080	6,509,288
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	4,318,381	5,826,100	9,358,594	9,159,163	9,024,736
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)	371,639	447,060	688,016	623,736	608,100
5. Nonproportional reinsurance lines (Lines 30, 31 and 32)	198,036	99,907	0	0	0
6. Total (Line 34)	12,519,800	16,266,762	26,904,111	26,311,771	26,995,618
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)	4,908,579	1,429,167	10,486,762	10,089,333	10,494,133
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	2,723,165	523,081	6,366,817	6,269,487	6,136,863
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	4,318,381	1,305,236	9,172,184	8,608,638	8,382,170
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)	371,639	48,563	688,016	623,736	608,100
11. Nonproportional reinsurance lines (Line 30, 31 and 32)	198,036	99,907	0	0	0
12. Total (Line 34)	12,519,800	3,405,954	26,713,779	25,591,194	25,621,266
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(405,511)	1,518,087	(3,933,107)	(2,839,087)	(1,669,514)
14. Net investment gain (loss) (Line 11)	3,214,682	3,165,321	3,213,054	2,548,727	3,890,332
15. Total other income (Line 15)	(180,737)	(35,552)	(70,183)	(70,479)	(804,125)
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	(73,206)	612,380	(212,908)	(726,234)	(4,015)
18. Net income (Line 20)	2,701,640	4,035,476	(577,328)	365,395	1,420,708
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding Protected Cell (Page 2, Line 26, Column 3)	46,405,416	47,332,658	64,133,039	60,378,024	58,819,306
20. Agents' balances or uncollected premiums (Page 2, Column 3)					
20.1 In course of collection (Line 10.1)	605,175	510,343	1,579,552	1,384,939	1,435,478
20.2 Deferred and not yet due (Line 10.2)	3,347,164	2,830,438	7,109,845	6,642,433	6,858,037
20.3 Accrued retrospective premiums (Line 10.3)	0	0	0	0	0
21. Total liabilities excluding Protected Cell (Page 3, Line 24)	16,371,487	15,085,166	38,336,908	35,572,106	34,708,290
22. Losses (Page 3, Line 1 and Line 2)	6,975,590	6,759,893	17,230,216	15,595,840	14,319,260
23. Loss adjustment expenses (Page 3, Line 3)	1,848,323	1,747,171	4,611,835	4,109,032	3,944,134
24. Unearned premiums (Page 3, Line 9)	5,899,808	5,244,211	12,810,730	12,248,328	12,464,497
25. Capital paid up (Page 3, Line 28 and Line 29)	3,520,000	3,520,000	3,520,000	3,520,000	3,520,000
26. Surplus as regards policyholders (Page 3, Line 35)	30,033,929	32,247,492	25,796,131	24,805,918	24,111,016
Risk-Based Capital Analysis					
27. Total adjusted capital	30,033,929	32,247,492	25,796,131	24,805,918	24,111,016
28. Authorized control level risk-based capital	1,138,063	2,195,099	3,274,249	2,861,835	2,575,958
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)	68.5	53.1	60.9	61.8	69.2
30. Stocks (Line 2.1 and Line 2.2)	16.0	45.3	37.7	34.3	28.3
31. Mortgage loans on real estate (Line 3.1 and Line 3.2)	0.0	0.0	0.0	0.0	0.0
32. Real estate (Lines 4.1, 4.2 and 4.3)	0.0	0.0	0.0	0.0	0.0
33. Cash and short-term investments (Line 5)	15.5	1.5	1.4	3.9	2.5
34. Other invested assets (Line 6)	0.0	0.0	0.0	0.0	0.0
35. Receivable for securities (Line 7)	0.0	0.0	0.0	0.0	0.0
36. Aggregate write-ins for invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
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)	0	0	0	0	0
39. Affiliated preferred stocks (Schedule D, Summary, Line 39, Column 1)	0	0	0	0	0
40. Affiliated common stocks (Schedule D, Summary, Line 53, Column 2)	0	0	0	0	0
41. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Column 5 Line 11)	0	0	0	0	0
42. Affiliated mortgage loans on real estate	0	0	0	0	0
43. All other affiliated	0	0	0	0	0
44. Total of above Line 38 through Line 43	0	0	0	0	0
45. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 44 above divided by Page 3, Column 1, Line 34 x 100.0)	0.0	0.0	0.0	0.0	0.0

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)	(2,946,385)	(852,925)	980,225	239,108	(174,883)
47. Dividends to stockholders (Line 34)	0	0	0	0	0
48. Change in surplus as regards policyholders for the year (Line 37)	(2,213,563)	6,451,361	990,213	694,901	1,098,645
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)	3,089,772	15,376,804	6,761,937	8,059,270	11,842,997
50. Property lines (Lines 1, 2, 9, 12, 21 and 26)	1,421,993	2,039,828	4,029,520	4,023,700	3,835,751
51. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	2,426,469	7,245,110	6,439,090	6,178,694	5,732,527
52. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)	29,899	179,977	32,966	22,825	45,148
53. Nonproportional reinsurance lines (Lines 30, 31, and 32)	76,112	35,430	0	0	0
54. Total (Line 34)	7,044,245	24,877,149	17,263,513	18,284,489	21,456,423
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)	2,858,024	10,477,961	6,705,131	6,917,242	6,951,972
56. Property lines (Lines 1, 2, 9, 12, 21 and 26)	1,430,928	1,844,446	4,021,368	3,888,717	3,655,590
57. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	2,433,390	5,251,189	6,072,998	5,758,145	4,390,904
58. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)	29,899	127,875	32,966	22,825	45,148
59. Nonproportional reinsurance lines (Lines 30, 31, and 32)	76,112	34,202	0	0	0
60. Total (Line 34)	6,828,353	17,735,673	16,832,463	16,586,929	15,043,614
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)	59.4	66.0	70.6	69.2	65.9
63. Loss expenses incurred (Line 3)	10.7	10.9	11.7	10.0	8.1
64. Other underwriting expenses incurred (Line 4)	33.3	9.3	32.7	31.8	32.6
65. Net underwriting gain (loss) (Line 8)	(3.4)	13.8	(15.0)	(11.0)	(6.7)
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)	33.0	31.1	32.3	32.3	35.1
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)	70.1	76.8	82.3	79.2	74.0
68. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 34 divided by Page 3, Line 35, Column 1 x 100.0)	41.7	10.6	103.6	103.2	106.3
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)	201	54	762	188	265
70. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 69 above divided by Page 4, Line 21, Column 1 x 100.0)	0.6	0.2	3.1	0.8	1.2
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)	325	357	728	270	506
72. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 71 above divided by Page 4, Line 21, Column 2 x 100.0)	1.3	1.4	3.0	1.2	2.4

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	16,970,622	20,632,880	16,866,410	16,600,000
	2. Canada	0	0	0	0
	3. Other Countries	0	0	0	0
	4. Totals	16,970,622	20,632,880	16,866,410	16,600,000
States, Territories and Possessions (Direct and guaranteed)	5. United States	0	0	0	0
	6. Canada	0	0	0	0
	7. Other Countries	0	0	0	0
	8. Totals	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States	0	0	0	0
	10. Canada	0	0	0	0
	11. Other Countries	0	0	0	0
	12. Totals	0	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	0	0	0	0
	14. Canada	0	0	0	0
	15. Other Countries	0	0	0	0
	16. Totals	0	0	0	0
Public Utilities (unaffiliated)	17. United States	3,884,140	4,574,180	3,873,820	4,000,000
	18. Canada	0	0	0	0
	19. Other Countries	0	0	0	0
	20. Totals	3,884,140	4,574,180	3,873,820	4,000,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	6,973,418	7,382,826	7,007,751	6,800,000
	22. Canada	0	0	0	0
	23. Other Countries	0	0	0	0
	24. Totals	6,973,418	7,382,826	7,007,751	6,800,000
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0
	26. Total Bonds	27,828,180	32,589,886	27,747,981	27,400,000
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27. United States	0	0	0	0
	28. Canada	0	0	0	0
	29. Other Countries	0	0	0	0
	30. Totals	0	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States	1,880,000	1,880,000	1,993,600	0
	32. Canada	0	0	0	0
	33. Other Countries	0	0	0	0
	34. Totals	1,880,000	1,880,000	1,993,600	0
Industrial and Miscellaneous (unaffiliated)	35. United States	567,402	571,900	567,402	0
	36. Canada	0	0	0	0
	37. Other Countries	0	0	0	0
	38. Totals	567,402	571,900	567,402	0
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0	0
	40. Total Preferred Stocks	2,447,402	2,451,900	2,561,002	0
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States	0	0	0	0
	42. Canada	0	0	0	0
	43. Other Countries	0	0	0	0
	44. Totals	0	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	0	0	0	0
	46. Canada	0	0	0	0
	47. Other Countries	0	0	0	0
	48. Totals	0	0	0	0
Industrial and Miscellaneous (unaffiliated)	49. United States	2,969,247	2,969,247	3,569,626	0
	50. Canada	0	0	0	0
	51. Other Countries	1,088,900	1,088,900	1,195,420	0
	52. Totals	4,058,147	4,058,147	4,765,046	0
Parent, Subsidiaries and Affiliates	53. Totals	0	0	0	0
	54. Total Common Stocks	4,058,147	4,058,147	4,765,046	0
	55. Total Stocks	6,505,549	6,510,047	7,326,048	0
	56. Total Bonds and Stocks	34,333,729	39,099,933	35,074,029	0

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ 3,390,856 .

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year	40,835,964	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3	21,966,097	6.1 Column 17, Part 1	0
3. Increase (decreased) by adjustment:		6.2 Column 13, Part 2, Section 1	0
3.1 Column 16, Part 1	754	6.3 Column 11, Part 2, Section 2	0
3.2 Column 12, Part 2, Section 1	(38,000)	6.4 Column 11, Part 4	0
3.3 Column 10, Part 2, Section 2	(1,155,931)	7. Book/adjusted carrying value at end of current period	34,333,733
3.4 Column 10, Part 4	(3,581,785)	8. Total valuation allowance	0
4. Total gain (loss), Column 14, Part 4	(2,023,166)	9. Subtotal (Line 7 plus Line 8)	34,333,733
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	25,716,532	10. Total nonadmitted amounts	0
		11. Statement value of bonds and stocks, current period	34,333,733

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	50	11	14	0	5	0	4	57	XXX
2. 1993	7,515	773	6,741	4,455	371	304	29	340	0	140	4,699	XXX
3. 1994	8,058	737	7,322	5,211	646	303	34	414	0	163	5,247	XXX
4. 1995	8,528	898	7,630	5,117	446	305	32	456	0	169	5,399	XXX
5. 1996	8,980	1,097	7,883	5,993	687	293	36	512	1	189	6,074	XXX
6. 1997	9,462	1,004	8,458	5,533	427	256	19	538	1	202	5,880	XXX
7. 1998	10,024	901	9,123	6,011	343	232	12	558	4	192	6,443	XXX
8. 1999	10,442	845	9,596	6,510	398	223	14	660	18	195	6,963	XXX
9. 2000	10,972	1,245	9,728	6,255	492	157	9	694	6	188	6,599	XXX
10. 2001	11,321	349	10,972	5,643	9	100	0	709	0	145	6,443	XXX
11. 2002	12,283	419	11,864	3,912	28	29	0	610	0	85	4,522	XXX
12. Totals	XXX	XXX	XXX	54,690	3,859	2,217	187	5,496	30	1,672	58,327	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.	287	150	169	0	16	0	166	0	16	0	0	504	XXX
2.	32	1	26	0	2	0	20	0	3	0	0	81	XXX
3.	41	2	26	0	3	0	11	0	4	0	0	83	XXX
4.	102	5	28	0	7	0	13	0	11	0	0	156	XXX
5.	98	34	34	0	12	0	11	0	10	0	0	131	XXX
6.	123	8	41	0	12	0	20	0	14	0	0	203	XXX
7.	238	44	90	1	26	0	38	0	23	0	0	371	XXX
8.	414	27	130	2	48	0	71	1	39	2	0	670	XXX
9.	741	48	156	11	82	0	129	2	70	0	0	1,117	XXX
10.	1,261	1	310	9	133	0	159	3	115	0	0	1,964	XXX
11.	2,068	25	969	39	167	0	221	10	194	0	0	3,545	XXX
12.	5,404	345	1,979	62	508	0	861	16	498	2	0	8,824	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter - Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	306	198
2.	5,181	402	4,779	68.9	51.9	70.9	0	0	1.0	57	24
3.	6,013	682	5,331	74.6	92.6	72.8	0	0	1.0	65	19
4.	6,039	484	5,555	70.8	53.9	72.8	0	0	1.0	124	32
5.	6,963	758	6,205	77.5	69.1	78.7	0	0	1.0	98	33
6.	6,538	455	6,083	69.1	45.3	71.9	0	0	1.0	157	46
7.	7,217	403	6,813	72.0	44.8	74.7	0	0	1.0	284	87
8.	8,095	462	7,633	77.5	54.7	79.5	0	0	1.0	515	155
9.	8,284	568	7,716	75.5	45.6	79.3	0	0	1.0	838	279
10.	8,430	23	8,407	74.5	6.6	76.6	0	0	1.0	1,560	403
11.	8,169	102	8,067	66.5	24.4	68.0	0	0	1.0	2,973	573
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	6,976	1,848

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	2,531	2,235	2,182	2,095	2,217	2,255	2,277	2,384	2,473	2,506	33	122
2. 1993	4,888	4,709	4,497	4,437	4,416	4,417	4,417	4,407	4,428	4,437	9	30
3. 1994	XXX	5,267	4,975	4,887	4,811	4,874	4,869	4,865	4,876	4,913	36	48
4. 1995	XXX	XXX	5,278	5,098	4,983	5,042	5,033	5,043	5,052	5,088	36	45
5. 1996	XXX	XXX	XXX	5,682	5,726	5,728	5,682	5,647	5,654	5,683	29	36
6. 1997	XXX	XXX	XXX	XXX	5,625	5,523	5,537	5,551	5,525	5,532	7	(20)
7. 1998	XXX	XXX	XXX	XXX	XXX	6,078	6,140	6,225	6,220	6,236	17	12
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	6,815	6,898	6,899	6,954	55	56
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,961	6,909	6,958	49	(4)
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,654	7,584	(71)	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,264	XXX	XXX
12. Totals											201	325

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	823	1,280	1,541	1,713	1,792	1,860	1,917	1,966	2,018	XXX	XXX
2. 1993	2,212	3,223	3,753	4,023	4,190	4,273	4,310	4,325	4,341	4,359	XXX	XXX
3. 1994	XXX	2,593	3,673	4,119	4,439	4,656	4,734	4,768	4,785	4,833	XXX	XXX
4. 1995	XXX	XXX	2,571	3,696	4,272	4,590	4,766	4,864	4,897	4,944	XXX	XXX
5. 1996	XXX	XXX	XXX	3,155	4,448	4,976	5,271	5,397	5,502	5,563	XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	3,146	4,218	4,754	5,088	5,247	5,343	XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	3,379	4,663	5,323	5,707	5,889	XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	3,768	5,242	5,862	6,321	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,699	5,237	5,911	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,108	5,735	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,912	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	693	368	277	139	223	251	242	317	365	335
2. 1993	749	359	158	110	80	70	56	41	47	46
3. 1994	XXX	784	294	207	101	89	62	43	45	37
4. 1995	XXX	XXX	775	353	156	112	67	75	40	41
5. 1996	XXX	XXX	XXX	661	303	240	142	74	29	45
6. 1997	XXX	XXX	XXX	XXX	815	365	199	160	76	61
7. 1998	XXX	XXX	XXX	XXX	XXX	897	379	207	140	128
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	895	335	188	198
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	976	393	272
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,226	457
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,142

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	0	0	0	0	0	0	0	0
2. Alaska	AK No	0	0	0	0	0	0	0	0
3. Arizona	AZ No	0	0	0	0	0	0	0	0
4. Arkansas	AR Yes	0	0	0	0	0	0	0	0
5. California	CA No	0	0	0	0	0	0	0	0
6. Colorado	CO No	0	0	0	0	0	0	0	0
7. Connecticut	CT Yes	0	0	0	0	0	0	0	0
8. Delaware	DE No	0	0	0	0	0	0	0	0
9. Dist. Columbia	DC No	0	0	0	0	0	0	0	0
10. Florida	FL Yes	0	0	0	0	0	0	0	0
11. Georgia	GA No	0	0	0	0	0	0	0	0
12. Hawaii	HI No	0	0	0	0	0	0	0	0
13. Idaho	ID No	0	0	0	0	0	0	0	0
14. Illinois	IL No	0	0	0	0	0	0	0	0
15. Indiana	IN No	0	0	0	0	0	0	0	0
16. Iowa	IA No	0	0	0	0	0	0	0	0
17. Kansas	KS Yes	0	0	0	0	0	0	0	0
18. Kentucky	KY Yes	0	0	0	0	0	0	0	0
19. Louisiana	LA Yes	0	0	0	0	0	0	0	0
20. Maine	ME No	0	0	0	0	0	0	0	0
21. Maryland	MD No	0	0	0	0	0	0	0	0
22. Massachusetts	MA Yes	0	0	0	0	0	0	0	0
23. Michigan	MI No	0	0	0	0	0	0	0	0
24. Minnesota	MN No	0	0	0	0	0	0	0	0
25. Mississippi	MS No	0	0	0	0	0	0	0	0
26. Missouri	MO No	0	0	0	0	0	0	0	0
27. Montana	MT No	0	0	0	0	0	0	0	0
28. Nebraska	NE No	0	0	0	0	0	0	0	0
29. Nevada	NV No	0	0	0	0	0	0	0	0
30. New Hampshire	NH No	0	0	0	0	0	0	0	0
31. New Jersey	NJ Yes	0	0	0	0	0	0	0	0
32. New Mexico	NM No	0	0	0	0	0	0	0	0
33. New York	NY No	0	0	0	0	0	0	0	0
34. North Carolina	NC No	0	0	0	0	0	0	0	0
35. North Dakota	ND No	0	0	0	0	0	0	0	0
36. Ohio	OH Yes	0	0	0	249,520	250,918	845,986	0	0
37. Oklahoma	OK Yes	0	0	0	0	0	0	0	0
38. Oregon	OR No	0	0	0	0	0	0	0	0
39. Pennsylvania	PA No	0	0	0	0	0	0	0	0
40. Rhode Island	RI No	0	0	0	0	0	0	0	0
41. South Carolina	SC No	0	0	0	0	0	0	0	0
42. South Dakota	SD No	0	0	0	0	0	0	0	0
43. Tennessee	TN No	0	0	0	0	0	0	0	0
44. Texas	TX Yes	0	0	0	0	0	0	0	0
45. Utah	UT No	0	0	0	0	0	0	0	0
46. Vermont	VT No	0	0	0	0	0	0	0	0
47. Virginia	VA No	0	0	0	0	0	0	0	0
48. Washington	WA No	0	0	0	0	0	0	0	0
49. West Virginia	WV No	0	0	0	0	0	0	0	0
50. Wisconsin	WI No	0	0	0	0	0	0	0	0
51. Wyoming	WY No	0	0	0	0	0	0	0	0
52. American Samoa	AS No	0	0	0	0	0	0	0	0
53. Guam	GU No	0	0	0	0	0	0	0	0
54. Puerto Rico	PR No	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI No	0	0	0	0	0	0	0	0
56. Canada	CN No	0	0	0	0	0	0	0	0
57. Aggregate other alien	OT XXX	0	0	0	0	0	0	0	0
58. Totals	(a) 11	0	0	0	249,520	250,918	845,986	0	0
DETAILS OF WRITE-INS									
5701	XXX	0	0	0	0	0	0	0	0
5702	XXX	0	0	0	0	0	0	0	0
5703	XXX	0	0	0	0	0	0	0	0
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX	0	0	0	0	0	0	0	0
5799. Totals (Line 5701 through Line 5703 plus Line 5798) (Line 57 above)	XXX	0	0	0	0	0	0	0	0

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

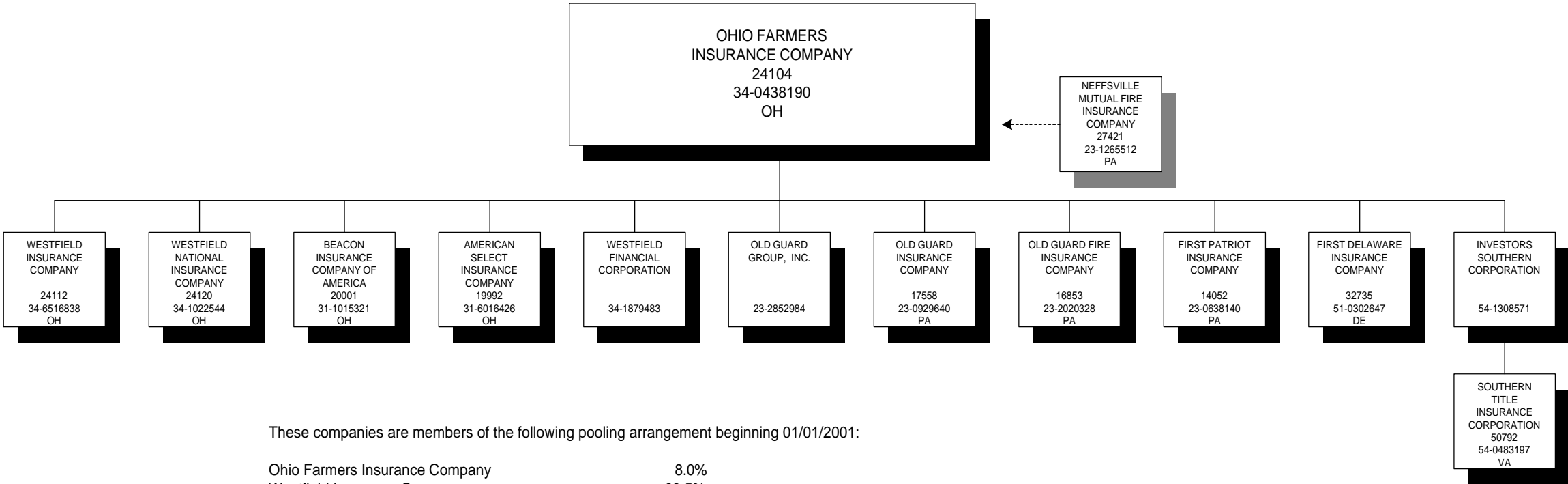
Inland Marine and Other Accident and Health - Residence of Insured

All Other Lines - Location of Risk

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

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

PART 1 - ORGANIZATIONAL CHART



These companies are members of the following pooling arrangement beginning 01/01/2001:

Ohio Farmers Insurance Company	8.0%
Westfield Insurance Company	63.5%
Westfield National Insurance Company	13.0%
Old Guard Insurance Company	7.0%
American Select Insurance Company	5.0%
Beacon Insurance Company of America	1.0%
First Patriot Insurance Company	1.0%
Old Guard Fire Insurance Company	1.0%
First Delaware Insurance Company	0.5%
Total	100.0%

←----- REINSURANCE