



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

NAIC Group Code 0035 (Current Period) 0035 (Prior Period) NAIC Company Code 20176 Employer's ID Number 34-4202015
Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio
Country of Domicile United States of America
Incorporated 11/12/1919 Commenced Business 02/23/1920
Statutory Home Office 1 Insurance Square, Celina, OH 45822
Main Administrative Office 1 Insurance Square, Celina, OH 45822-1690
Mail Address 1 Insurance Square, Celina, OH 45822-1690
Primary Location of Books and Records 1 Insurance Square, Celina, OH 45822-1690
Internet Website Address www.CelinaGroup.com
Statement Contact Philip Marion Fullenkamp, 419-586-5181-8227
Policyowner Relations Contact 1 Insurance Square, Celina, OH 45822-1690

OFFICERS

Chief Executive Officer & President William West Montgomery
Secretary Michael Stanley Kleinhenz
Sr VP - Finance & Treasurer Philip Marion Fullenkamp

VICE PRESIDENTS

Philip Marion Fullenkamp Duane Eugene Kimball William Junior Balthis
Donald George Robinson Robert Mark Shoenfelt William Rodney Stapleton

DIRECTORS OR TRUSTEES

William West Montgomery Philip Marion Fullenkamp Donald West Montgomery
Charles Joseph VanArsdel Nancy Montgomery Goldberg David Thomas Mellin

State of Ohio
County of Mercer } 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.

William West Montgomery Chief Executive Officer & President
Michael Stanley Kleinhenz Secretary
Philip Marion Fullenkamp Sr VP - Finance & Treasurer

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

a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Celina Mutual Insurance Company

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds	12,453,214		12,453,214	12,851,453
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1)	213,550		213,550	116,761
2.2 Common stocks (Schedule D, Part 2, Section 2)	4,991,175		4,991,175	5,461,205
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)	741,228		741,228	791,219
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ (1,193,728) Schedule E, Part 1) and short-term investments(\$ 1,048,999 Schedule DA, Part 2)	(144,729)		(144,729)	(435,302)
6. Other invested assets (Schedule BA)	571,500	571,500	0	0
7. Receivable for securities			0	0
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8)	18,825,939	571,500	18,254,439	18,785,336
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	4,139,652	23,402	4,116,250	438,984
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (Including \$ 69,981 earned but unbilled premiums)	3,652,166	6,500	3,645,666	3,336,836
10.3 Accrued retrospective premiums			0	0
11. Funds held by or deposited with reinsured companies	27,703		27,703	27,703
12. Bills receivable, taken for premiums			0	0
13. Amounts receivable under high deductible policies			0	0
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Cols. 7 and 8)	3,620,411		3,620,411	78,606
15. Federal and foreign income tax recoverable and interest thereon (including \$ 0 net deferred tax asset)	3,253,098	3,253,098	0	0
16. Guaranty funds receivable or on deposit	32,951		32,951	115,590
17. Electronic data processing equipment and software	196,765	122,016	74,750	82,202
18. Interest, dividends and real estate income due and accrued	129,816		129,816	155,364
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Receivable from parent, subsidiaries and affiliates	831,167		831,167	574,520
21. Amount due from/to protected cells			0	0
22. Equities and deposits in pools and associations	7,236		7,236	8,607
23. Amounts receivable relating to uninsured accident and health plans			0	0
24. Other assets nonadmitted (Exhibit 1)	65,912	65,912	0	0
25. Aggregate write-ins for other than invested assets	100,694	73,512	27,182	0
26. Total assets excluding protected cell assets (Lines 9 through 25)	34,883,510	4,115,940	30,767,570	23,603,748
27. Protected cell assets			0	0
28. TOTALS (Lines 26 and 27)	34,883,510	4,115,940	30,767,570	23,603,748
DETAILS OF WRITE-INS				
0801.				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0
2501. Prepaid expenses	73,512	73,512	0	0
2502. State taxes recoverable	27,182		27,182	0
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	100,694	73,512	27,182	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Celina Mutual Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)	6,170,032	6,138,330
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6)	3,236,032	6,631
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	1,651,080	1,713,600
4. Commissions payable, contingent commissions and other similar charges	126,312	99,603
5. Other expenses (excluding taxes, licenses and fees)	185,018	145,513
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	200,355	159,691
7. Federal and foreign income taxes (including \$ on realized capital gains (losses)) (including \$ net deferred tax liability)	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$10,304,159 and including warranty reserves of \$0)	6,563,132	6,707,668
10. Advance premiums	8,016	
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	5,588,932	544,961
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		0
14. Amounts withheld or retained by company for account of others	9,226	6,524
15. Remittances and items not allocated	96,404	35,606
16. Provision for reinsurance (Schedule F, Part 7)	12,386	12,386
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding	73,518	14,380
19. Payable to parent, subsidiaries and affiliates		0
20. Payable for securities		0
21. Liability for amounts held under uninsured accident and health plans		0
22. Capital Notes \$and interest thereon \$		0
23. Aggregate write-ins for liabilities	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	23,920,442	15,584,894
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	23,920,442	15,584,894
27. Aggregate write-ins for special surplus funds	1,400,000	1,400,000
28. Common capital stock		0
29. Preferred capital stock		0
30. Aggregate write-ins for other than special surplus funds	0	0
31. Surplus notes		0
32. Gross paid in and contributed surplus		0
33. Unassigned funds (surplus)	5,447,128	6,618,854
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)		0
34.2 shares preferred (value included in Line 29 \$)		0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 38)	6,847,128	8,018,854
36. TOTALS (Page 2, Line 28, Col. 3)	30,767,570	23,603,748
DETAILS OF WRITE-INS		
2301.		
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	0	0
2701. Permanent Safety Fund.....	1,400,000	1,400,000
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	1,400,000	1,400,000
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Celina Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 34, Column 4)	15,586,753	17,016,735
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	10,831,094	11,358,085
3. Loss expenses incurred (Part 3, Line 25, Column 1)	1,630,948	1,469,052
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	4,923,580	5,533,692
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	17,385,622	18,360,829
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(1,798,870)	(1,344,094)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	761,849	804,357
10. Net realized capital gains or (losses) (Exhibit of Capital Gains (Losses))	221,696	250,126
11. Net investment gain or (loss) (Lines 9 + 10)	983,545	1,054,483
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 39,928 amount charged off \$ 135,886)	(95,958)	(87,212)
13. Finance and service charges not included in premiums	236,227	312,469
14. Aggregate write-ins for miscellaneous income	(2,889)	(6,805)
15. Total other income (Lines 12 through 14)	137,380	218,453
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	(677,944)	(71,158)
17. Dividends to policyholders		0
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	(677,944)	(71,158)
19. Federal and foreign income taxes incurred	0	0
20. Net income (Line 18 minus Line 19) (to Line 22)	(677,944)	(71,158)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	8,018,854	8,105,374
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	(677,944)	(71,158)
23. Net unrealized capital gains or (losses)	(202,430)	(240,411)
24. Change in net unrealized foreign exchange capital gain (loss)		0
25. Change in net deferred income tax	124,043	79,680
26. Change in nonadmitted assets (Exhibit 1, Line 5, Col. 3)	(415,395)	129,750
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	5,046
28. Change in surplus notes		0
29. Surplus (contributed to) withdrawn from protected cells		
30. Cumulative effect of changes in accounting principles		10,573
31. Capital changes:		
31.1. Paid in		0
31.2. Transferred from surplus (Stock Dividend)		0
31.3. Transferred to surplus		0
32. Surplus adjustments:		
32.1. Paid in		0
32.2. Transferred to capital (Stock Dividend)		0
32.3. Transferred from capital		0
33. Net remittances from or (to) Home Office		0
34. Dividends to stockholders (cash)		0
35. Change in treasury stock (Page 3, Lines 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 (Lines 22 through 36)	(1,171,726)	(86,520)
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35)	6,847,128	8,018,854
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0
1401. Miscellaneous Income	398	(375)
1402. Cash Short & Over	(3,287)	(6,430)
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(2,889)	(6,805)
3601.		
3602.		
3603.		
3698. Summary of remaining write-ins for Line 36 from overflow page	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Celina Mutual Insurance Company

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	16,544,581	16,799,921
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	12,685,330	13,821,767
3. Underwriting expenses paid	4,816,702	5,554,271
4. Other underwriting income (expenses)	16,887	172,544
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(940,563)	(2,403,573)
6. Net investment income	967,868	1,073,593
7. Other income (expenses):		
7.1 Agents' balances charged off	(95,958)	(87,212)
7.2 Net funds held under reinsurance treaties	0	0
7.3 Net amount withheld or retained for account of others	2,701	1,995
7.4 Aggregate write-ins for miscellaneous items	234,709	309,806
7.5 Total other income (Lines 7.1 to 7.4)	141,452	224,589
8. Dividends to policyholders on direct business, less \$ dividends on reinsurance assumed or ceded (net)	0	0
9. Federal and foreign income taxes (paid) recovered	0	0
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	168,757	(1,105,391)
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	6,199,459	8,463,615
11.2 Stocks	0	29,433
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	100	8,815
11.8 Total investment proceeds (Lines 11.1 to 11.7)	6,199,559	8,501,862
12. Cost of investments acquired (long-term only):		
12.1 Bonds	5,768,015	7,882,049
12.2 Stocks	121,368	70,307
12.3 Mortgage loans	0	0
12.4 Real estate	14,818	0
12.5 Other invested assets	0	0
12.6 Miscellaneous applications	0	0
12.7 Total investments acquired (Lines 12.1 to 12.6)	5,904,201	7,952,356
13. Net Cash from investments (Line 11.8 minus Line 12.7)	295,358	549,507
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in	0	0
14.2 Capital notes \$ less amounts repaid \$	0	0
14.3 Net transfers from affiliates	0	0
14.4 Borrowed funds received	0	0
14.5 Other cash provided	111,026	199,572
14.6 Total (Lines 14.1 to 14.5)	111,026	199,572
15. Cash applied:		
15.1 Dividends to stockholders paid	0	0
15.2 Net transfers to affiliates	256,647	1,070,275
15.3 Borrowed funds repaid	0	0
15.4 Other applications	27,920	0
15.5 Total (Lines 15.1 to 15.4)	284,567	1,070,275
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(173,541)	(870,703)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	290,573	(1,426,587)
18. Cash and short-term investments:		
18.1 Beginning of year	(435,302)	991,285
18.2 End of year (Line 17 plus Line 18.1)	(144,729)	(435,302)
DETAILS OF WRITE-INS		
07.401 Finance and Service Charges.....	236,227	312,469
07.402 Equities and Deposits in Pools and Associations.....	1,371	4,141
07.403 Miscellaneous Income.....	398	(375)
07.498 Summary of remaining write-ins for Line 7.4 from overflow page	(3,287)	(6,430)
07.499 Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above)	234,709	309,806

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Lines of Business		1	2	3	4
		Net Premiums Written per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 2	Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	350,193	222,779	177,648	395,324
2.	Allied lines	198,125	131,968	103,004	227,089
3.	Farmowners multiple peril	1,355,163	639,698	658,357	1,336,504
4.	Homeowners multiple peril	2,401,326	1,105,724	1,185,024	2,322,027
5.	Commercial multiple peril	514,142	178,432	263,725	428,849
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	239,779	146,352	115,254	270,878
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	49,396	23,336	21,618	51,113
13.	Group accident and health	0	0	0	0
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	166,081	113,636	89,432	190,285
17.1	Other liability - occurrence	349,898	203,174	118,995	434,077
17.2	Other liability - claims-made	0	0	0	0
18.1	Products liability - occurrence	107,226	63,915	47,872	123,269
18.2	Products liability - claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	4,949,355	1,887,572	1,843,844	4,993,083
19.3,19.4	Commercial auto liability	626,608	383,321	272,487	737,443
21.	Auto physical damage	4,125,022	1,582,183	1,642,840	4,064,365
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	4,166	1,941	1,641	4,466
24.	Surety	678	264	275	667
26.	Burglary and theft	6,556	3,495	2,737	7,314
27.	Boiler and machinery	0	0	0	0
28.	Credit	0	0	0	0
29.	International	0	0	0	0
30.	Reinsurance - Nonproportional Assumed Property	0	0	0	0
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	15,443,713	6,687,791	6,544,752	15,586,753
DETAILS OF WRITE-INS					
3301.				
3302.				
3303.				
3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	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 Cols: 1 + 2 + 3 + 4
1.	Fire	177,648				177,648
2.	Allied lines	103,004				103,004
3.	Farmowners multiple peril	658,357				658,357
4.	Homeowners multiple peril	1,185,024				1,185,024
5.	Commercial multiple peril	263,725				263,725
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	115,254				115,254
10.	Financial guaranty					0
11.1	Medical malpractice - occurrence					0
11.2	Medical malpractice - claims-made					0
12.	Earthquake	21,618				21,618
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation	94,919		(5,487)		89,432
17.1	Other liability - occurrence	131,889		(12,893)		118,995
17.2	Other liability - claims-made					0
18.1	Products liability - occurrence	47,872				47,872
18.2	Products liability - claims-made					0
19.1,19.2	Private passenger auto liability	1,843,844				1,843,844
19.3,19.4	Commercial auto liability	272,487				272,487
21.	Auto physical damage	1,642,840				1,642,840
22.	Aircraft (all perils)					0
23.	Fidelity	1,641				1,641
24.	Surety	275				275
26.	Burglary and theft	2,737				2,737
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Reinsurance - Nonproportional Assumed Property					0
31.	Reinsurance - Nonproportional Assumed Liability					0
32.	Reinsurance - Nonproportional Assumed Financial Lines					0
33.	Aggregate write-ins for other lines of business	0	0	0	0	0
34.	TOTALS	6,563,132	0	(18,380)	0	6,544,752
35.	Accrued retrospective premiums based on experience					
36.	Earned but unbilled premiums					18,380
37.	Balance (Sum of Line 34 through 36)					6,563,132
DETAILS OF WRITE-INS						
3301.					
3302.					
3303.					
3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0

(a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force.

Are they so returned in this statement? Yes [X] No []

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Celina Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

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

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	1,192,517	350,193		1,084,681	107,836	350,193
2. Allied lines	860,489	198,125		781,161	79,328	198,125
3. Farmowners multiple peril	6,100,678	1,355,163		3,272,456	2,828,222	1,355,163
4. Homeowners multiple peril	1,153,432	2,401,326		1,151,737	1,695	2,401,326
5. Commercial multiple peril	2,272,734	514,142		2,171,707	101,027	514,142
6. Mortgage guaranty						0
8. Ocean marine						0
9. Inland marine	702,363	239,779		657,908	44,455	239,779
10. Financial guaranty						0
11.1 Medical malpractice - occurrence						0
11.2 Medical malpractice - claims-made						0
12. Earthquake	99,072	49,396		82,830	16,242	49,396
13. Group accident and health						0
14. Credit accident and health (group and individual)						0
15. Other accident and health						0
16. Workers' compensation	1,260,410	166,081	70,067	1,330,428	49	166,081
17.1 Other liability - occurrence	2,030,946	349,898		1,160,167	870,780	349,898
17.2 Other liability - claims-made						0
18.1 Products liability - occurrence	457,346	107,226		449,794	7,552	107,226
18.2 Products liability - claims-made						0
19.1,19.2 Private passenger auto liability	2,747,006	4,949,355		2,432,958	314,048	4,949,355
19.3,19.4 Commercial auto liability	2,983,066	626,608	24,955	2,955,596	52,425	626,608
21. Auto physical damage	3,247,854	4,125,022		2,940,435	307,419	4,125,022
22. Aircraft (all perils)						0
23. Fidelity	12,075	4,166		12,075		4,166
24. Surety	2,260	678		2,260		678
26. Burglary and theft	20,233	6,556		20,233		6,556
27. Boiler and machinery						0
28. Credit						0
29. International						0
30. Reinsurance - Nonproportional Assumed Property	XXX					0
31. Reinsurance - Nonproportional Assumed Liability	XXX					0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX					0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0
34. TOTALS	25,142,481	15,443,713	95,022	20,506,426	4,731,077	15,443,713
DETAILS OF WRITE-INS						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	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 \$

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Celina Mutual Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Previous Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	1,340,315	390,130	1,361,286	369,159	12,524	31,034	350,649	88.7
2. Allied lines	516,996	289,584	530,800	275,780	3,577	51,909	227,448	100.2
3. Farmowners multiple peril	3,356,705	1,030,289	3,387,212	999,782	237,429	169,184	1,068,026	79.9
4. Homeowners multiple peril	1,096,541	2,269,937	1,211,957	2,154,521	370,022	439,899	2,084,644	89.8
5. Commercial multiple peril	772,625	252,956	779,573	246,008	100,439	156,374	190,073	44.3
6. Mortgage guaranty				.0	.0	.0	.0	0.0
8. Ocean marine				.0	.0	.0	.0	0.0
9. Inland marine	277,895	139,243	283,318	133,820	18,635	16,552	135,903	50.2
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	.0	.0	.0	0.0
13. Group accident and health				.0	.0	.0	.0	0.0
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	592,451	319,524	704,863	207,113	719,445	670,072	256,486	134.8
17.1 Other liability - occurrence	1,532,458	498,975	1,567,498	463,935	499,603	739,350	224,188	51.6
17.2 Other liability - claims-made				.0	.0	.0	.0	0.0
18.1 Products liability - occurrence	147,787	148,106	173,459	122,433	87,780	106,651	103,562	84.0
18.2 Products liability - claims-made				.0	.0	.0	.0	0.0
19.1,19.2 Private passenger auto liability	1,149,020	3,360,777	1,359,690	3,150,106	3,204,033	2,820,554	3,533,585	70.8
19.3,19.4 Commercial auto liability	1,383,861	547,511	1,438,673	492,699	777,642	799,669	470,672	63.8
21. Auto physical damage	1,751,023	2,287,103	1,854,224	2,183,902	125,524	124,730	2,184,696	53.8
22. Aircraft (all perils)				.0	.0	.0	.0	0.0
23. Fidelity			58	(58)	.0	.0	(58)	(1.3)
24. Surety				.0	3,000	3,000	.0	0.0
26. Burglary and theft	90	27	117	.0	1,050	.0	1,050	14.4
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			.0	.0	.0	.0	0.0
31. Reinsurance - Nonproportional Assumed Liability	XXX	832	640	192	9,327	9,350	169	0.0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX			.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	13,917,767	11,534,995	14,653,369	10,799,393	6,170,032	6,138,330	10,831,094	69.5
DETAILS OF WRITE-INS								
3301.								
3302.								
3303.								
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0.0

6

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Celina Mutual Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	87,091	8,924	92,491	3,524	8,525	9,000	8,525	12,524	10,200
2. Allied lines	39,500	12,577	39,500	12,577	9,300	(9,000)	9,300	3,577	9,600
3. Farmowners multiple peril	524,302	232,029	581,272	175,059	168,925	62,100	168,655	237,429	49,080
4. Homeowners multiple peril	181,741	266,748	190,516	257,972	83,150	121,500	92,600	370,022	152,400
5. Commercial multiple peril	164,000	90,569	194,000	60,569	101,725	39,600	101,455	100,439	39,000
6. Mortgage guaranty				0				0	
8. Ocean marine				0				0	
9. Inland marine	34,499	15,635	34,499	15,635	2,650	3,000	2,650	18,635	1,950
10. Financial guaranty				0				0	
11.1 Medical malpractice - occurrence				0				0	
11.2 Medical malpractice - claims-made				0				0	
12. Earthquake				0				0	
13. Group accident and health				0				(a) 0	
14. Credit accident and health (group and individual)				0				0	
15. Other accident and health				0				(a) 0	
16. Workers' compensation	1,491,156	1,828,190	2,698,900	620,445	447,325	120,000	468,325	719,445	126,300
17.1 Other liability - occurrence	1,336,146	378,913	1,433,766	281,293	1,068,850	286,500	1,137,040	499,603	436,500
17.2 Other liability - claims-made				0				0	
18.1 Products liability - occurrence	94,000	31,950	105,070	20,880	239,725	75,000	247,825	87,780	42,000
18.2 Products liability - claims-made				0				0	
19.1,19.2 Private passenger auto liability	1,068,322	2,271,005	1,280,694	2,058,633	731,375	1,228,400	814,375	3,204,033	501,300
19.3,19.4 Commercial auto liability	2,141,909	639,319	2,331,576	449,652	1,225,975	408,600	1,306,585	777,642	238,950
21. Auto physical damage	97,887	132,574	97,887	132,574	(13,100)	(16,500)	(22,550)	125,524	43,500
22. Aircraft (all perils)				0				0	
23. Fidelity				0				0	
24. Surety	10,000	3,000	10,000	3,000				3,000	150
26. Burglary and theft	3,500	1,050	3,500	1,050				1,050	150
27. Boiler and machinery				0				0	
28. Credit				0				0	
29. International				0				0	
30. Reinsurance - Nonproportional Assumed Property	XXX			0	XXX			0	
31. Reinsurance - Nonproportional Assumed Liability	XXX	40,417	31,090	9,327	XXX			9,327	
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX			0	XXX			0	
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
34. TOTALS	7,274,052	5,952,900	9,124,761	4,102,192	4,074,425	2,328,200	4,334,785	6,170,032	1,651,080
DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	874,293			874,293
1.2 Reinsurance assumed	516,074			516,074
1.3 Reinsurance ceded	880,568			880,568
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	509,799	0	0	509,799
2. Commission and brokerage:				
2.1 Direct excluding contingent		3,851,936		3,851,936
2.2 Reinsurance assumed excluding contingent		1,635,843		1,635,843
2.3 Reinsurance ceded excluding contingent		3,879,080		3,879,080
2.4 Contingent-direct		338,210		338,210
2.5 Contingent-reinsurance assumed		165,881		165,881
2.6 Contingent-reinsurance ceded		277,996		277,996
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	1,834,795	0	1,834,795
3. Allowances to managers and agents		1,156		1,156
4. Advertising		11,849		11,849
5. Boards, bureaus and associations	5,473	92,369		97,842
6. Surveys and underwriting reports		145,826		145,826
7. Audit of assureds' records		7,561		7,561
8. Salary and related items:				
8.1 Salaries	653,705	1,297,711	21,793	1,973,209
8.2 Payroll taxes	48,504	98,718	1,776	148,999
9. Employee relations and welfare	90,000	193,069	1,694	284,764
10. Insurance	9,642	33,076	816	43,534
11. Directors' fees	6,176	20,675		26,850
12. Travel and travel items	46,820	75,265	297	122,381
13. Rent and rent items	68,661	181,271	1,053	250,985
14. Equipment	50,071	183,531	1,695	235,297
15. Cost or depreciation of EDP equipment and software	26,084	93,431	0	119,516
16. Printing and stationery	14,681	51,490	445	66,616
17. Postage, telephone and telegraph, exchange and express	59,490	105,181	2,147	166,819
18. Legal and auditing	12,030	38,652	370	51,053
19. Totals (Lines 3 to 18)	1,091,338	2,630,832	32,086	3,754,256
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 20,863		281,171		281,171
20.2 Insurance department licenses and fees		37,860		37,860
20.3 Gross guaranty association assessments		31,371		31,371
20.4 All other (excluding federal and foreign income and real estate)		484		484
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	350,886	0	350,886
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured accident and health plans				0
24. Aggregate write-ins for miscellaneous expenses	29,811	107,067	29,753	166,631
25. Total expenses incurred	1,630,948	4,923,580	61,839	(a) 6,616,367
26. Less unpaid expenses - current year	1,651,080	511,685	0	2,162,765
27. Add unpaid expenses - prior year	1,713,600	404,807	0	2,118,407
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
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	1,693,468	4,816,702	61,839	6,572,009
DETAILS OF WRITE-INS				
2401. Other expenses	29,811	107,067	29,753	166,631
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	29,811	107,067	29,753	166,631

(a) Includes management fees of \$ 101,016 paid to affiliates and \$ paid to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 129,019	110,886
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 557,441	549,913
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 12,583	12,989
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		14,539
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d) 134,335	134,335
5. Contract loans		
6. Cash/short-term investments	(e) 8,297	8,004
7. Derivative instruments	(f)	
8. Other invested assets	55,245	55,245
9. Aggregate write-ins for investment income	2,588	2,588
10. Total gross investment income	914,045	888,497
11. Investment expenses		(g) 61,839
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) 64,809
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		126,648
17. Net Investment Income - (Line 10 minus Line 16)		761,849
DETAILS OF WRITE-INS		
0901. Interest on Reinsurance Deposits	166	166
0902. Other Interest Income	2,421	2,421
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	2,588	2,588
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 8,792 accrual of discount less \$ 124,454 amortization of premium and less \$ 47,660 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ 38,003 for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ 64,809 depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. Government bonds	26,311				26,311
1.1 Bonds exempt from U.S. tax					0
1.2 Other bonds (unaffiliated)	195,285		(72,730)		122,555
1.3 Bonds of affiliates					0
2.1 Preferred stocks (unaffiliated)			(10,038)		(10,038)
2.11 Preferred stocks of affiliates					0
2.2 Common stocks (unaffiliated)			(273,265)		(273,265)
2.21 Common stocks of affiliates			(211,444)		(211,444)
3. Mortgage loans					0
4. Real estate					0
5. Contract loans					0
6. Cash/Short-term investments					0
7. Derivative instruments					0
8. Other invested assets					0
9. Aggregate write-ins for capital gains (losses)	100	0	0	0	100
10. Total capital gains (losses)	221,696	0	(567,477)	0	(345,780)
DETAILS OF WRITE-INS					
0901. Sale of miscellaneous assets	100				100
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	100	0	0	0	100

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Lines 10 to 17 and 19 to 23, Column 2	3,405,016	3,017,792	(387,224)
2. Other Nonadmitted Assets:			
2.1 Bills receivable	0	0	0
2.2 Furniture, equipment and supplies	65,174	86,853	21,679
2.3 Leasehold improvements	738	0	(738)
2.4 Loans on personal security, endorsed or not	0	16,641	16,641
3. Total (Lines 2.1 to 2.4)	65,912	103,494	37,581
4. Aggregate write-ins for other assets	73,512	7,760	(65,752)
5. Total (Line 1 plus Lines 3 and 4)	3,544,440	3,129,045	(415,395)
0401. Prepaid Expenses.....	73,512	7,760	(65,752)
0402.			
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	73,512	7,760	(65,752)

NOTES TO FINANCIAL STATEMENTS

Item 1. Summary of Significant Accounting Policies

(A). Accounting Practices

The accompanying financial statements of the Company have been prepared in conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals.

(B). Use of Estimates in Preparation of 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 business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable. In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at either amortized cost (using the interest method) or the lower of amortized cost or fair value.
- (3) Common stocks are stated at market except for investment in stocks of affiliates which are carried on the equity basis.
- (4) Preferred stocks are stated at fair value and the lower of cost or fair value.
- (5) Loan-backed securities are stated at amortized cost. The retrospective adjustment method is used to value such securities.
- (6) The Company does not anticipate investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
- (7) 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 used for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.

Item 2. Accounting Changes and Corrections of Errors

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

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures manual are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a net change of accounting principle, as an adjustment that increased unassigned funds (surplus), of \$10,573 as of January 1, 2001. Included in this total adjustment is a reduction in unassigned funds of approximately \$1,219,000 related to realized losses on stocks with a corresponding increase in unrealized gains on stocks; an increase in unassigned funds of approximately \$23,000 related to earned but unbilled premiums; and a decrease in unassigned funds of approximately \$13,000 related to non-admitted electronic data processing equipment.

Item 3. Business Combinations

None to report.

Item 4. Discontinued Operations

None to report.

NOTES TO FINANCIAL STATEMENTS

Item 5. Investments

Loan-Backed Securities - Significant changes in estimated cash flows from the original purchase assumptions are accounted for using the retrospective method. Prepayment assumptions for loan-backed bonds or structured securities were obtained from dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment. The Company used Interactive Data Corporation's pricing service in determining the market value of its loan-backed securities.

Item 6. Joint Ventures, Partnerships and Limited Liability Corporations

None to report.

Item 7. Investment Income

There is no investment income due and accrued which is past due.

Item 8. Derivative Investments

None to report

Item 9. Income Taxes

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

	<u>2002</u>	<u>2001</u>
(1) Total of all deferred tax assets (admitted and non-admitted)	3,268,294	2,807,085
(2) Total of all deferred liabilities	15,196	42,938
(3) Total deferred tax assets non-admitted in accordance with SSAP No. 10 , Income Taxes	3,253,098	2,764,147
(4) Increase (decrease) in deferred tax assets non-admitted	488,951	79,680

B. There are no deferred tax liabilities not recognized.

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

	<u>2002</u>	<u>2001</u>
Current year expense	0	0
Adjustments	<u>0</u>	<u>0</u>
Current income tax incurred	0	0

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

	<u>Statutory</u>	<u>Tax</u>	<u>Difference</u>	<u>Tax Effect</u>
DTA's				
Reserves	14,384,244	12,189,645	2,194,599	746,164
Unrealized losses	1,573,638	0	1,573,638	535,037
Real estate	(741,228)	(1,208,817)	467,589	158,980
EDP equipment	(74,750)	(269,658)	194,908	66,269
Non-admitted equipment	0	(360,416)	360,416	122,541
Other DTA's	213,982	0	213,982	72,754
NOL carryforwards		-4,607,496	4,607,496	<u>1,566,549</u>
Total DTA's				3,268,294
DTA's non-admitted				<u>3,253,098</u>
Admitted DTA's				15,196
DTL's				
Bond discount accrual	1,374,255	1,363,847	10,408	3,539
Accrued receivables	32,951	0	32,951	11,203
Accrued dividends	1,337	0	1,337	<u>454</u>
Total DTL's				15,196

NOTES TO FINANCIAL STATEMENTS

The changes in main components of DTA's and DTL's are as follows:

DTA's resulting from book/tax differences in:	<u>2002</u>	<u>2001</u>	<u>Change</u>
Reserves	746,164	796,921	(50,757)
Unrealized losses	535,037	170,129	364,908
Real estate	158,980	168,079	(9,099)
EDP equipment	66,269	149,632	(83,363)
Non-admitted equipment	122,541	0	122,541
Other DTA's	72,754	65,522	7,232
NOL carryforwards	<u>1,566,549</u>	<u>1,456,802</u>	<u>109,747</u>
Total DTA's	<u>3,268,294</u>	<u>2,807,085</u>	<u>461,209</u>
DTA's non-admitted	<u>3,253,098</u>	<u>2,764,147</u>	<u>488,951</u>
Admitted	15,196	42,938	(27,742)

DTA's resulting from boon/tax differences in:	<u>2002</u>	<u>2001</u>	<u>Change</u>
Bond discount accrual	3,539	3,321	218
Accrued receivables	11,203	39,301	(28,098)
Accrued dividends	<u>454</u>	<u>316</u>	<u>138</u>
Total DTA's	15,196	42,938	(27,742)

Net admitted deferred tax asset	0	0	0
---------------------------------	---	---	---

The change in net deferred income taxes before non-admitted balances is as follows:

	<u>2002</u>	<u>2001</u>	<u>Change</u>
Total deferred tax assets	3,268,294	2,807,085	461,209
Total deferred tax liabilities	<u>15,196</u>	<u>42,938</u>	<u>(27,742)</u>
Net deferred tax asset	3,253,098	2,764,147	488,951
Tax effect of unrealized gains (losses)			<u>(364,908)</u>
Change in net deferred income tax			124,043

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

	<u>Amount</u>	<u>Tax Effect</u>
Income before taxes	(677,944)	(230,501)
Book over tax reserves	(120,380)	(40,929)
Unearned premium discount	(28,907)	(9,828)
Depreciation	(70,995)	(24,138)
Accrued market discount	(3,389)	(1,152)
Dividends received deduction	(10,178)	(3,461)
Accrued expenses	102,184	34,743
Other items	(19,463)	(6,617)
Net operating loss generated	<u>829,072</u>	<u>281,883</u>
Taxable income	0	0

E. 1. At December 31, 2002, the Company had \$4,607,496 of operating loss carry forwards originating in 1991 through 2002 which expire, if unused, in years 2006 through 2022.

2. The amount of federal income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

2002 (current year)	0
2001 (first preceding year)	0
2000 (second preceding year)	0

F. The Company's federal income tax return is consolidated with West Virginia Fire & Casualty Company. The method of inter-company tax allocation is determined by written agreement and is based upon separate return calculations with current credit for net losses. Inter-company tax balances are settled at the time federal tax obligations are discharged.

NOTES TO FINANCIAL STATEMENTS

Item 10. Information Concerning Parent, Subsidiaries and Affiliates

The Company has a service agreement with Celina Financial Corporation (CFC) whereby CFC provides sales, underwriting, claims, accounting, data processing, supervisory, administrative and investment management services to the Company. The Company reimburses CFC for the cost of the services plus an additional amount based on the number of policies in-force and investment portfolio. Such fee amounted to \$101,016 and is allocated to expense category in proportion to expenses incurred by CFC.

The Company owns 38.1% of the Common Shares of Celina Financial Corporation; 100% of the common shares of West Virginia Fire & Casualty Company; and 100% of the common stock of National Mutual Insurance Group.

Item 11. Debt

None to report.

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

The Company and its affiliates participate in a qualified, noncontributory defined contribution pension plan, sponsored by Celina Financial Corporation, covering substantially all employees having one year of service and who have attained age 21. The Company makes annual contributions of 5.25% of each employee's compensation for employees under the age of 40 and 7% for those employees 40 and older. The Company's share of net expense for the qualified pension plan was \$119,340 and \$106,450 for 2002 and 2001. At December 31, 2002 the fair value of the entire Plan was \$6,125,205.

Liabilities include approximately \$109,662 for certain current and former employees supplemental compensation agreements.

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

The Board of Directors of the Company has voluntarily assigned \$1,400,000 of its surplus. The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

Unrealized losses	(1,038,601)
Nonadmitted values	(3,544,440)
Provision for reinsurance	(12,386)

Item 14. Contingencies

A. The Company has no contingent commitments to report.

B. The Company has received notification of the insolvency of PHICO Insurance Company and anticipates that the insolvency will result in an immaterial guaranty fund assessment against the company which has been charged to operations in the current period.

C. The Company has no gain contingencies to report.

D. 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.

Item 15. Leases

The Company leases home office real estate with its affiliated companies. The Company's annual rent expense under a lease commencing on January 1, 1999 for a fifteen year term was \$99,750 in 2002 and 2001.

The Company also leases equipment, automobiles and other office space under various noncancelable operating lease agreements that expire through May 2005. Rental expense for 2002 and 2001 was approximately \$115,020 and \$108,930, respectively.

NOTES TO FINANCIAL STATEMENTS

At January 1, 2003, the minimum aggregate rental commitments are approximately \$598,000. Future minimum aggregate rental payments for the five succeeding years are as follows:

<u>Year ending December 31</u>	<u>Operating Leases</u>
2003	169,000
2004	122,000
2005	107,000
2006	100,000
2007	100,000

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

None to report.

Item 17. Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

None to report.

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

None to report.

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

None to report.

Item 20. Other Items

None to report.

Item 21. Events Subsequent

On January 24, 2003, West Virginia Fire and Casualty Company announced its intention to withdraw from writing new business in West Virginia and to cancel or non-renew all policies which do not have statutory renewal protection. This decision will result in a decline in written premium in excess of \$8 million for the Celina Property and Casualty Pool. The Companies anticipate that much of this premium will be replaced by policy growth in other states.

Item 22. Reinsurance

(A) Unsecured Reinsurance Recoverables

The Company has an unsecured aggregate recoverable for losses, loss adjustment expenses and unearned premiums that exceeds 3% of surplus from the following reinsurers:

	<u>NAIC #</u>	<u>FEIN #</u>	<u>Amount</u>
National Mutual Insurance Company	20184	34-4312510	19,047,658
General Reinsurance Corp.	22039	13-2673100	3,671,802
American Reinsurance Co.	10227	13-4924125	1,370,547
Auto-Owners Insurance Co.	18988	38-0315280	253,780
Swiss Reinsurance America Corp	25364	13-1675535	216,020

(B) Reinsurance Recoverable in Dispute

None to report.

NOTES TO FINANCIAL STATEMENTS

(C) Reinsurance Assumed and Ceded

(1) The following table presents the maximum amount of return commission which would be due to or from reinsurers in the event all reinsurance contracts were canceled at December 31, 2002, with a return of the unearned premium reserve.

		Assumed Premium <u>Reserve</u>	Reinsurance Commission <u>Equity</u>	Ceded Premium <u>Reserve</u>	Reinsurance Commission <u>Equity</u>	Net Premium <u>Reserve</u>	Commission <u>Equity</u>
a.	Affiliates	6,563,132	683,878	8,290,379	981,385	(1,727,247)	(297,507)
b.	All other	<u>34,612</u>	<u>9,887</u>	<u>2,013,780</u>	<u>621,862</u>	<u>(1,979,168)</u>	<u>(611,975)</u>
c.	Total	6,597,744	693,765	10,304,159	1,603,247	(3,706,415)	(909,482)

d. Direct Unearned Premium Reserve \$12,934,601

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

		Direct	Reinsurance Assumed	Ceded	Net
Contingent		328,207	177,504	328,207	177,504
Sliding Scale Adjustments			(35,202)		(35,202)
Other			<u>(15,990)</u>		<u>(15,990)</u>
Total		<u>328,207</u>	126,312	<u>328,207</u>	126,312

(D) Uncollectible Reinsurance

None to report.

(E) Commutation of Ceded Reinsurance

None to report.

(F) Retroactive Reinsurance

None to report.

Item 23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

None to report

Item 24. Change in Incurred Losses and Loss Adjustment Expenses

There were no material changes in 2002 in the reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years.

Item 25. Inter-company Pooling Arrangements

The Company maintains a reinsurance pooling agreement with certain affiliated companies. All net retained business is ceded into the pool and retroceded back to individual companies on a predetermined basis.

Participation percentages are:

<u>NAIC #</u>	<u>Company</u>	<u>Percent</u>
20184	National Mutual Insurance Company	35%
20176	Celina Mutual Insurance Company	30%
20192	Republic Mutual Insurance Company	20%
38504	West Virginia Fire & Casualty Company	15%

National Mutual acts as the lead pooling company.

NOTES TO FINANCIAL STATEMENTS

Item 26. Structured Settlements

The company has purchased several annuities on which claimants are payees in settlement of claims under the company's policies. The company has obtained releases from the respective claimants acknowledging that receipt of the structured settlement under each annuity is full payment of the claim. The company has no contingent liability for these annuities since ownership has been transferred to another insurance company.

Item 27. High Deductibles

None to report.

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

None to report.

Item 29. Asbestos/Environmental Reserves

A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses?

Yes (X) No ()

The Company's exposure to asbestos losses arises from the sale of general liability insurance.

The Company tries to estimate the full impact of asbestos exposure by establishing full case basis reserves on all known losses and computing incurred but not reported losses based on previous experience.

Asbestos related losses (including coverage dispute costs) for each of the five most recent calendar years, based upon the Company's pool participation percentage, were as follows:

(1) Gross of Reinsurance -

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
A. Beginning reserves:	3,450	7,589	0	0	0
B. Incurred losses and loss adjustment expenses:	4,544	(7,589)	0	0	25,394
C. Calendar year payments for losses and loss adjustment expenses:	<u>405</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>512</u>
D. Ending reserves:	7,589	0	0	0	24,883

(2) Net of Reinsurance -

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
A. Beginning reserves:	3,450	7,589	0	0	0
B. Incurred losses and loss adjustment expenses:	4,544	(7,589)	0	0	25,394
C. Calendar year payments for losses and loss adjustment expenses:	<u>405</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>512</u>
D. Ending reserves:	7,589	0	0	0	24,883

State the amount of ending reserves held for Bulk + IBNR included in A (Loss & LAE):

1. Gross of Reinsurance Basis: 0
2. Net of Reinsurance Basis: 0

State the amount of ending reserves for loss adjustment expenses included in A (Case, Bulk + IBNR):

1. Gross of Reinsurance Basis: 6,133
2. Net of Reinsurance Basis: 6,133

NOTES TO FINANCIAL STATEMENTS

D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses?

Yes (X) No ()

The Company's exposure to environmental losses arises primarily from the sale of general liability insurance.

The Company tries to estimate the full impact of environmental exposure by establishing full case basis reserves on all known losses and computing incurred but not reported losses based on previous experience.

Environmental related losses (including coverage dispute costs) for each of the five most recent calendar years, based upon the Company's pool participation percentage, were as follows:

(1) Gross of Reinsurance

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
A. Beginning reserves:	285,924	67,179	59,714	8,671	16,954
B. Incurred losses and loss adjustment expenses:	1,077,761	39,215	48,986	15,672	11,628
C. Calendar year payments for losses and loss adjustment expenses:	<u>1,296,506</u>	<u>46,679</u>	<u>100,029</u>	<u>7,389</u>	<u>24,459</u>
D. Ending reserves:	67,179	59,714	8,671	16,954	4,123

(2) Net of Reinsurance -

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
A. Beginning reserves:	285,924	67,179	59,714	8,671	16,954
B. Incurred losses and loss adjustment expenses:	(188,115)	38,624	48,986	8,050	8,966
C. Calendar year payments for losses and loss adjustment expenses:	<u>30,630</u>	<u>46,088</u>	<u>100,029</u>	<u>(233)</u>	<u>21,797</u>
D. Ending reserves:	67,179	59,714	8,671	16,954	4,123

State the amount of ending reserves held for Bulk + IBNR included in D (Loss & LAE):

1. Gross of Reinsurance Basis: \$ 0
2. Net of Reinsurance Basis: \$ 0

State the amount of ending reserves for loss adjustment expenses included in D (Case, Bulk + IBNR):

1. Gross of Reinsurance Basis: \$ 823
2. Net of Reinsurance Basis: \$ 823

Item 30. Subscriber Savings Accounts

None to report.

Item 31. Financial Guaranty Insurance Exposures

None to report.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. Treasury securities	1,032,360	5.655	1,032,360	5.655
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	1,691,685	9.267	1,691,685	9.267
1.3 Foreign government (including Canada, excluding mortgaged-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	524,209	2.872	524,209	2.872
1.43 Revenue and assessment obligations	1,180,854	6.469	1,180,854	6.469
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	419,732	2.299	419,732	2.299
1.513 Privately issued	0	0.000	0	0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC	2,542,025	13.926	2,542,025	13.926
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	1,617,803	8.863	1,617,803	8.863
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	3,415,271	18.709	3,415,271	18.709
2.2 Unaffiliated foreign securities	29,275	0.160	29,275	0.160
2.3 Affiliated securities	0	0.000	0	0.000
3. Equity interests:				
3.1 Investments in mutual funds	971,579	5.322	971,579	5.322
3.2 Preferred stocks:				
3.21 Affiliated	0	0.000	0	0.000
3.22 Unaffiliated	213,550	1.170	213,550	1.170
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated	0	0.000	0	0.000
3.32 Unaffiliated	0	0.000	0	0.000
3.4 Other equity securities:				
3.41 Affiliated	4,019,595	22.020	4,019,595	22.020
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 the company	741,228	4.061	741,228	4.061
5.2 Property held for the 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	(144,729)	(0.793)	(144,729)	(0.793)
9. Other invested assets	0	0.000	0	0.000
10. Total invested assets	18,254,439	100.000	18,254,439	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] NA []
- 1.3 State Regulating? Ohio
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/1999
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/1999
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).11/08/2000
- 3.4 By what department or departments? Ohio
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control;
- 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity
.....
.....

GENERAL INTERROGATORIES

(continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 1100 Huntington Center, 41 South High Street, Columbus, Ohio 43215.....
9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Peter G. Wick, 45800 Bluemound Road, Brookfield, WI 53005-6069 - actuary associated with Milliman USA.....
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA []

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 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) | \$ |
- 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) | \$ |
- 15.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? Yes [] No [X]
- 15.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|--|----------------------------------|----------|
| | 15.21 Rented from others | \$ |
| | 15.22 Borrowed from others | \$ |
| | 15.23 Leased from others | \$ |
| | 15.24 Other | \$ |
- Disclose in Notes to Financial Statements the nature of each of these obligations.
- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 16.2 If answer is yes,
- | | | |
|--|--|----------|
| | 16.21 Amount paid as losses or risk adjustment | \$ |
| | 16.22 Amount paid as expenses | \$ |
| | 16.23 Other amounts paid | \$ |

GENERAL INTERROGATORIES

(continued)
INVESTMENT

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

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

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

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

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

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

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

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

19.31	19.35
19.32	19.36
19.33	19.37
19.34	19.38
	19.39

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

19.4. For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

20.1. Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

20.2. If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA []
If no, attach a description with this statement.

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Community First Bank & Trust.....	225 N. Main Street, Celina, Ohio.....

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 []

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
109875.....	Asset Allocation & Management.....	30 N. LaSalle Street 35th Floor, Chicago, IL 60602.....
104751.....	Zazove & Associates.....	940 Southwood Blvd. Suite 200, Incline Village, NV 89451.....

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?..... \$.....79,515

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.....	\$.....45,880
	\$.....
	\$.....

24.1 Amount of payments for legal expenses, if any?..... \$.....13,807

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
Taft, Stettinius & Hollister.....	\$.....13,807
	\$.....
	\$.....

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

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

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

GENERAL INTERROGATORIES

(continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U. S. business only \$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
- 1.31 Reason for excluding
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
- 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$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 net premiums written on:
- 2.21 Participating policies \$
- 2.22 Non-participating policies \$
3. For Mutual Reporting Entities and Reciprocal Exchanges Only:
- 3.1 Does the reporting entity issue assessable policies? Yes [] No [X]
- 3.2 Does the reporting entity issue non-assessable policies? Yes [X] No []
- 3.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? %
- 3.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums? \$
4. For Reciprocal Exchanges Only:
- 4.1 Does the Exchange appoint local agents? Yes [] No []
- 4.2 If yes, is the commission paid:
- 4.21 Out of Attorney's-in-fact compensation Yes [] No [] NA []
- 4.22 As a direct expense of the Exchange Yes [] No [] NA []
- 4.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?
- 4.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No []
- 4.5 If yes, give full information
- 5.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
- All risks in excess of \$250,000 are reinsured up to \$10,000,000.....
- 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.
- Risk Management Solutions, Inc. provided estimates of probable maximum losses using a series of simulated tornado/hail storms encompassing a range of probable United States events. These analyses included an OEP analysis and an average annual loss analysis. Concentrations of exposures with a higher potential exist in western Ohio and central Indiana.....
- 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?.....
- The company has purchased catastrophe protection for 95% of \$14.65 million of property losses in excess of \$1.5 million per occurrence.....
- 5.4 Does the reporting entity carry catastrophe reinsurance protection, with provision 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 this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract which includes a provision which would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provision)? Yes [] No [X]
- 6.2 If yes, indicate the number of reinsurance contracts containing such provisions:

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

- 7.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on 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 entity would have been required to charge had it retained the risks. Has this been done?..... Yes [X] No [] NA []
- 9.1 Has this reporting entity guaranteed policies issued by any other entity and now in force?..... Yes [] No [X]
- 9.2 If yes, give full information
- 10.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 10.11 Unpaid losses..... \$
- 10.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$
- 10.2 Of the amount on Line 10.3 of the assets schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds..... \$
- 10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?..... Yes [] No [X] NA []
- 10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 10.41 From..... %
- 10.42 To..... %
- 10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?..... Yes [] No [X]
- 10.6 If yes, state the amount thereof at December 31 of the current year:
- 10.61 Letters of credit..... \$
- 10.62 Collateral and other funds..... \$
- 11.1 What amount of installment notes is owned and now held by the reporting entity?..... \$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?..... \$
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):..... \$250,000
- 12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?..... Yes [] No [X]
- 12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of this amount.....3
- 13.1 Has this reporting entity guaranteed any financed premium accounts?..... Yes [] No [X]
- 13.2 If yes, give full information
- 14.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?..... Yes [] No [X]
- 14.11 Name of real estate holding company
- 14.12 Number of parcels involved
- 14.13 Total book/adjusted carrying value \$
- 14.2 If yes, provide explanation:
- 15.1 Does the reporting entity write any warranty business?..... Yes [] No [X]
- If yes, disclose the following information for each of the following types of warranty coverage:

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

* Disclose type of coverage:

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Celina Mutual Insurance Company

FIVE-YEAR HISTORICAL DATA

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

	1 2002	2 2001	3 2000	4 1999	5 1998
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	15,772,965	16,758,330	16,707,118	16,746,536	17,244,519
2. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	11,091,599	11,505,378	10,809,269	10,365,540	10,242,233
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	13,797,474	9,823,467	6,888,198	6,432,993	6,302,428
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	19,179	23,991	37,611	34,414	26,836
5. Non-proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	2	0
6. Total (Line 34)	40,681,216	38,111,166	34,442,196	33,579,485	33,816,016
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	6,199,168	7,308,983	7,178,902	7,345,732	7,673,518
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	4,969,071	5,471,140	5,150,066	4,916,393	4,903,613
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	4,270,631	4,125,499	3,197,536	2,899,979	3,058,515
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	4,844	6,394	10,365	9,140	7,407
11. Non-proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	1	0
12. Total (Line 34)	15,443,713	16,912,017	15,536,868	15,171,245	15,643,053
Statement of Income (Page 4)					
13. Net Underwriting Gain (Loss) (Line 8)	(1,798,870)	(1,344,094)	(1,497,408)	(1,335,338)	(1,587,155)
14. Net Investment Gain (Loss) (Line 11)	983,545	1,054,483	1,391,373	959,240	1,294,971
15. Total Other Income (Line 15)	137,380	218,453	82,892	145,616	181,154
16. Dividends to Policyholders (Line 17)	0	0	0	0	0
17. Federal and Foreign Income Taxes Incurred (Line 19)	0	0	0	0	(15,615)
18. Net Income (Line 20)	(677,944)	(71,158)	(23,143)	(230,483)	(95,415)
Balance Sheet Lines (Pages 2 and 3)					
19. Total Admitted Assets excluding Protected Cell (Page 2, Line 26, Col. 3)	30,767,570	23,603,748	24,895,463	27,568,249	28,076,718
20. Agents' Balances or Uncollected Premiums (Page 2, Col. 3)					
20.1 In Course of Collection (Line 10.1)	4,116,250	438,984	(523,213)	(541,892)	(234,015)
20.2 Deferred and not yet due (Line 10.2)	3,645,666	3,336,836	3,647,284	3,804,893	3,516,551
20.3 Accrued Retrospective Premiums (Line 10.3)	0	0	0	0	0
21. Total Liabilities excluding Protected Cell (Page 3, Line 24)	23,920,442	15,584,894	16,790,090	18,740,162	19,520,426
22. Losses (Page 3, Lines 1 and 2)	9,406,064	6,144,962	6,490,936	7,569,947	7,978,162
23. Loss Adjustment Expenses (Page 3, Line 3)	1,651,080	1,713,600	1,903,500	1,998,600	2,133,600
24. Unearned premiums (Page 3, Line 9)	6,563,132	6,707,668	6,834,377	6,702,345	6,706,398
25. Capital Paid Up (Page 3, Lines 28 & 29)	0	0	0	0	0
26. Surplus as Regards Policyholders (Page 3, Line 35)	6,847,128	8,018,854	8,105,374	8,828,087	8,556,292
Risk-Based Capital Analysis					
27. Total Adjusted Capital	6,847,128	8,018,854	8,105,374	8,828,087	8,556,292
28. Authorized Control Level Risk-Based Capital	2,200,475	2,420,389	2,533,066	2,111,480	2,241,599
Percentage Distribution of Cash and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 9, Col. 3) x 100.0					
29. Bonds (Line 1)	68.2	68.4	63.4	65.9	53.0
30. Stocks (Lines 2.1 & 2.2)	28.5	29.7	27.5	27.2	24.2
31. Mortgage Loans on Real Estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
32. Real Estate (Lines 4.1, 4.2 & 4.3)	4.1	4.2	4.4	4.5	4.7
33. Cash and Short-Term Investments (Line 5)	(0.8)	(2.3)	4.7	2.4	17.6
34. Other Invested Assets (Line 6)	0.0	0.0	0.0	0.0	0.5
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, Col. 1)	0	0	0	0	0
39. Affiliated Preferred Stocks (Schedule D, Summary, Line 39, Col. 1)	0	0	0	0	0
40. Affiliated Common Stocks (Schedule D, Summary, Line 53, Col. 2)	4,019,595	4,231,039	4,288,200	4,593,319	4,443,670
41. Affiliated Short-Term Investments (subtotals included in Schedule DA, Part 2, Col. 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 Lines 38 to 43	4,019,595	4,231,039	4,288,200	4,593,319	4,443,670
45. Percentage of Investments in Parent, Subsidiaries and Affiliates to Surplus as Regards Policyholders (Line 44 above divided by Page 3, Col. 1, Line 35 x 100.0)	58.7	52.8	52.9	52.0	51.9

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)	(202,430)	(240,411)	(995,348)	399,876	281,895
47. Dividends to Stockholders (Line 34)	0	0	0	0	0
48. Change in surplus as regards policyholders for the year (Line 37)	(1,171,726)	(86,520)	(722,714)	271,795	27,976
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
49. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	9,680,470	11,435,141	13,636,432	13,204,992	18,219,547
50. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	6,992,406	7,818,232	5,734,421	7,222,973	5,562,143
51. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	8,779,054	6,847,907	3,583,871	2,815,765	3,913,192
52. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	5,964	0	0	14,539
53. Non-Proportional Reinsurance Lines (Lines 30, 31 & 32)	832	6	14	(2,148)	2,004
54. Total (Line 34)	25,452,762	26,107,250	22,954,738	23,241,582	27,711,425
Net Losses Paid (Page 9, Part 2, Col. 4)					
55. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	4,436,286	5,200,307	5,728,011	6,140,962	6,265,809
56. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	2,962,661	3,465,797	3,421,360	3,059,770	3,272,868
57. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	3,400,311	3,043,689	2,135,648	1,861,267	2,172,381
58. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	(58)	1,376	0	0	3,355
59. Non-Proportional Reinsurance Lines (Lines 30, 31 & 32)	192	1	3	(496)	462
60. Total (Line 34)	10,799,393	11,711,171	11,285,022	11,061,503	11,714,875
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)	69.5	66.7	66.1	70.4	70.9
63. Loss Expenses Incurred (Line 3)	10.5	8.6	10.0	10.6	10.7
64. Other Underwriting Expenses Incurred (Line 4)	31.6	32.5	33.7	27.8	28.6
65. Net Underwriting gain (loss) (Line 8)	(11.5)	(7.9)	(9.7)	(8.8)	(10.2)
Other Percentages					
66. Other Underwriting Expenses to Net Premiums Written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0)	31.0	31.4	32.9	26.8	27.4
67. Losses and Loss Expenses Incurred to Premiums Earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	80.0	75.4	76.0	81.0	81.6
68. Net Premiums Written to Policyholders' Surplus (Page 8, Part 1B, Col. 6, Line 34 divided by Page 3, Line 35, Col. 1 x 100.0)	225.6	210.9	191.7	171.9	182.8
One Year Loss Development (000 omitted)					
69. Development in Estimated Losses and Loss Expenses Incurred Prior to Current Year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(167)	19	(242)	436	432
70. Percent of Development of Loss and Loss Expenses Incurred to Policyholders' Surplus of Previous Year End (Line 69 above divided by Page 4, Line 21, Col. 1 x 100.0)	(2.1)	0.2	(2.7)	5.1	5.1
Two Year Loss Development (000 omitted)					
71. Development in Estimated Losses and Loss Expenses Incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	113	(295)	(181)	684	(212)
72. Percent of Development of Loss and Loss Expenses Incurred to Reported Policyholders' Surplus of Second Previous Year End (Line 71 above divided by Page 4, Line 21, Col. 2 x 100.0)	1.4	(3.3)	(2.1)	8.0	(2.9)

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Celina Mutual Insurance Company

SCHEDULE D - SUMMARY BY COUNTRY

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

Description	1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS				
Governments (Including all obligations guaranteed by governments)	1. United States 2,724,045 2. Canada 0 3. Other Countries 0 4. Totals 2,724,045	2,801,891 0 0 2,801,891	2,752,892 0 0 2,752,892	2,550,000 0 0 2,550,000
States, Territories and Possessions (Direct and guaranteed)	5. United States 0 6. Canada 0 7. Other Countries 0 8. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States 524,209 10. Canada 0 11. Other Countries 0 12. Totals 524,209	524,209 0 0 524,209	524,900 0 0 524,900	500,000 0 0 500,000
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States 3,739,564 14. Canada 0 15. Other Countries 0 16. Totals 3,739,564	3,739,564 0 0 3,739,564	3,783,701 0 0 3,783,701	3,626,710 0 0 3,626,710
Public Utilities (unaffiliated)	17. United States 0 18. Canada 0 19. Other Countries 13,000 20. Totals 13,000	0 0 13,000 13,000	0 0 19,850 19,850	0 0 20,000 20,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States 5,436,121 22. Canada 0 23. Other Countries 16,275 24. Totals 5,452,396	5,576,150 0 16,275 5,592,425	5,556,382 0 21,675 5,578,057	5,616,640 0 35,000 5,651,640
Parent, Subsidiaries and Affiliates	25. Totals 0 26. Total Bonds 12,453,214	0 12,671,088	0 12,659,400	0 12,348,350
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States 7,375 28. Canada 0 29. Other Countries 0 30. Totals 7,375	7,375 0 0 7,375	24,600 0 0 24,600	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States 70,295 32. Canada 0 33. Other Countries 0 34. Totals 70,295	70,295 0 0 70,295	62,309 0 0 62,309	
Industrial and Miscellaneous (unaffiliated)	35. United States 135,880 36. Canada 0 37. Other Countries 0 38. Totals 135,880	137,870 0 0 137,870	134,127 0 0 134,127	
Parent, Subsidiaries and Affiliates	39. Totals 0 40. Total Preferred Stocks 213,550	0 215,540	0 221,036	
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States 0 42. Canada 0 43. Other Countries 0 44. Totals 0	0 0 0 0	0 0 0 0	
Banks, Trust and Insurance Companies (unaffiliated)	45. United States 0 46. Canada 0 47. Other Countries 0 48. Totals 0	0 0 0 0	0 0 0 0	
Industrial and Miscellaneous (unaffiliated)	49. United States 971,579 50. Canada 0 51. Other Countries 0 52. Totals 971,579	971,579 0 0 971,579	1,747,638 0 0 1,747,638	
Parent, Subsidiaries and Affiliates	53. Totals 4,019,595 54. Total Common Stocks 4,991,175	4,019,595 4,991,175	4,727,372 6,475,009	
	55. Total Stocks 5,204,725 56. Total Bonds and Stocks 17,657,939	5,206,715 17,877,803	6,696,045 19,355,445	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ 6,284,623 .

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year 18,429,419	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3 5,889,383	6.1 Column 17, Part 1 0
3. Increase (decrease) by adjustment:	6.2 Column 13, Part 2, Sec. 1 0
3.1 Column 16, Part 1 (160,840)	6.3 Column 11, Part 2, Sec. 2 0
3.2 Column 12, Part 2, Sec. 1 (10,038)	6.4 Column 11, Part 4 0
3.3 Column 10, Part 2, Sec. 2 (484,569)	
3.4 Column 10, Part 4 (27,551) (682,999)	7. Book/adjusted carrying value at end of current period 17,657,939
4. Total gain (loss), Col. 14, Part 4 221,596	8. Total valuation allowance 0
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 6,199,459	9. Subtotal (Lines 7 plus 8) 17,657,939
	10. Total nonadmitted amounts 0
	11. Statement value of bonds and stocks, current period 17,657,939

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Celina Mutual Insurance Company

**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 (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
				Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior	XXX	XXX	XXX	168	35	56	4	9	0	5	194	XXX
2. 1993	24,594	5,931	18,662	14,820	2,672	710	130	1,509	0	428	14,236	XXX
3. 1994	24,263	7,970	16,293	16,652	5,233	623	78	1,576	0	470	13,541	XXX
4. 1995	22,400	6,618	15,782	14,244	4,877	871	225	1,484	0	420	11,498	XXX
5. 1996	19,928	3,741	16,187	12,644	1,990	604	133	1,316	0	417	12,440	XXX
6. 1997	19,274	4,730	14,544	11,575	1,574	572	61	1,280	0	474	11,792	XXX
7. 1998	19,143	3,532	15,611	12,266	1,886	292	25	1,248	4	499	11,891	XXX
8. 1999	18,706	3,531	15,175	12,520	2,036	265	10	1,241	4	455	11,976	XXX
9. 2000	18,736	3,331	15,405	12,093	1,744	198	6	1,154	5	399	11,689	XXX
10. 2001	18,628	1,611	17,017	9,938	286	118	3	1,047	1	322	10,814	XXX
11. 2002	18,666	3,079	15,587	8,501	796	52	4	904	7	190	8,650	XXX
12. Totals	XXX	XXX	XXX	125,422	23,130	4,360	678	12,769	21	4,079	118,721	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1.	709	185	(1)	0	0	0	52	7	22	0	1	589	XXX
2.	96	76	(2)	0	0	0	8	0	2	0	2	29	XXX
3.	29	0	2	0	0	0	11	0	3	0	2	45	XXX
4.	36	0	0	0	0	0	17	0	3	0	3	56	XXX
5.	78	15	2	0	0	0	22	1	6	0	4	92	XXX
6.	113	42	6	0	0	0	36	0	11	0	6	125	XXX
7.	173	94	45	15	0	0	40	2	30	0	9	177	XXX
8.	327	57	89	45	0	0	87	3	56	0	18	454	XXX
9.	694	631	253	233	0	0	137	6	114	1	34	326	XXX
10.	1,003	16	591	113	0	0	175	9	191	2	102	1,822	XXX
11.	2,436	476	1,759	272	0	0	228	14	450	5	216	4,106	XXX
12. Totals	5,695	1,593	2,746	678	0	0	813	42	889	8	395	7,821	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	523	67
2.	17,144	2,878	14,265	69.7	48.5	76.4	0	0	30.0	19	11
3.	18,896	5,310	13,586	77.9	66.6	83.4	0	0	30.0	32	13
4.	16,656	5,102	11,554	74.4	77.1	73.2	0	0	30.0	36	20
5.	14,673	2,140	12,533	73.6	57.2	77.4	0	0	30.0	65	27
6.	13,594	1,678	11,917	70.5	35.5	81.9	0	0	30.0	78	47
7.	14,095	2,026	12,069	73.6	57.4	77.3	0	0	30.0	110	68
8.	14,584	2,155	12,430	78.0	61.0	81.9	0	0	30.0	314	140
9.	14,642	2,627	12,016	78.1	78.8	78.0	0	0	30.0	83	244
10.	13,064	429	12,636	70.1	26.6	74.3	0	0	30.0	1,466	355
11.	14,330	1,575	12,756	76.8	51.1	81.8	0	0	30.0	3,446	660
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	6,170	1,651

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.

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Celina Mutual Insurance Company

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	2	3	4	5	6	7	8	9	10	11	12
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	One Year	Two Year
1. Prior	7,867	8,175	8,130	7,857	7,799	7,526	7,604	7,530	7,617	7,732	115	201
2. 1993	12,572	12,672	12,846	12,743	12,792	12,757	12,760	12,756	12,759	12,754	(5)	(2)
3. 1994	XXX	11,811	12,039	12,150	12,110	12,037	11,882	11,858	11,896	12,007	110	148
4. 1995	XXX	XXX	10,244	9,947	10,032	10,217	10,288	10,117	10,077	10,067	(10)	(50)
5. 1996	XXX	XXX	XXX	11,470	11,353	11,417	11,509	11,234	11,207	11,211	4	(23)
6. 1997	XXX	XXX	XXX	XXX	9,949	10,512	10,674	10,721	10,669	10,625	(44)	(96)
7. 1998	XXX	XXX	XXX	XXX	XXX	10,936	11,121	11,006	10,819	10,795	(24)	(211)
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	10,695	11,070	11,194	11,137	(57)	67
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,678	10,750	10,754	5	77
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,661	11,400	(261)	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,413	XXX	XXX
12. Totals											(167)	113

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior	000	2,347	4,603	5,638	6,281	6,541	6,829	6,854	6,980	7,165	XXX	XXX
2. 1993	6,878	9,934	11,269	11,752	12,292	12,419	12,587	12,699	12,709	12,727	XXX	XXX
3. 1994	XXX	7,318	9,766	10,572	11,106	11,512	11,699	11,751	11,820	11,965	XXX	XXX
4. 1995	XXX	XXX	5,402	7,448	8,403	9,149	9,658	9,926	9,985	10,014	XXX	XXX
5. 1996	XXX	XXX	XXX	6,827	9,296	10,338	10,850	11,003	11,096	11,124	XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	6,716	8,987	9,814	10,235	10,389	10,512	XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	7,266	9,472	10,185	10,564	10,647	XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	6,859	9,265	10,379	10,739	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,580	10,081	10,541	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,653	9,768	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,753	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	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior	3,157	2,076	1,069	544	362	224	88	51	37	43
2. 1993	3,423	1,476	881	373	241	151	64	20	19	7
3. 1994	XXX	2,514	1,115	812	609	394	102	40	21	13
4. 1995	XXX	XXX	2,903	1,409	935	521	349	107	33	17
5. 1996	XXX	XXX	XXX	2,663	1,203	597	449	158	62	23
6. 1997	XXX	XXX	XXX	XXX	1,706	817	462	251	105	42
7. 1998	XXX	XXX	XXX	XXX	XXX	2,000	930	381	174	69
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	1,844	762	328	128
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	806	287	151
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,001	645
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,701

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Celina Mutual Insurance Company

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	No.	0	0	0	0	0	0	0
2. Alaska	AK	No.	0	0	0	0	0	0	0
3. Arizona	AZ	No.	0	0	0	0	0	0	0
4. Arkansas	AR	No.	0	0	0	0	0	0	0
5. California	CA	No.	0	0	0	0	0	0	0
6. Colorado	CO	No.	0	0	0	0	0	0	0
7. Connecticut	CT	No.	0	0	0	0	0	0	0
8. Delaware	DE	No.	0	0	0	0	0	0	0
9. District of Columbia	DC	No.	0	0	0	0	0	0	0
10. Florida	FL	No.	0	0	0	0	0	0	0
11. Georgia	GA	No.	0	0	0	0	0	0	0
12. Hawaii	HI	No.	0	0	0	0	0	0	0
13. Idaho	ID	No.	0	0	0	0	0	0	0
14. Illinois	IL	No.	0	0	0	0	6,000	0	0
15. Indiana	IN	Yes	5,216,697	4,783,013	2,039,373	2,717,988	1,871,063	22,455	0
16. Iowa	IA	Yes	3,099,527	1,813,285	778,412	932,611	154,199	19,630	0
17. Kansas	KS	No.	0	0	0	0	0	0	0
18. Kentucky	KY	Yes	607,480	436,644	268,782	269,458	70,723	11,743	0
19. Louisiana	LA	No.	0	0	0	0	0	0	0
20. Maine	ME	No.	0	0	0	0	0	0	0
21. Maryland	MD	No.	0	0	0	0	0	0	0
22. Massachusetts	MA	No.	0	0	0	0	0	0	0
23. Michigan	MI	Yes	150	150	105,957	85,644	309,824	0	0
24. Minnesota	MN	No.	0	0	0	0	0	0	0
25. Mississippi	MS	No.	0	0	0	0	0	0	0
26. Missouri	MO	No.	0	0	0	0	0	0	0
27. Montana	MT	No.	0	0	0	0	0	0	0
28. Nebraska	NE	No.	0	0	0	0	0	0	0
29. Nevada	NV	No.	0	0	0	0	0	0	0
30. New Hampshire	NH	No.	0	0	0	0	0	0	0
31. New Jersey	NJ	No.	0	0	0	0	0	0	0
32. New Mexico	NM	No.	0	0	0	0	0	0	0
33. New York	NY	No.	0	0	0	0	0	0	0
34. North Carolina	NC	No.	0	0	0	0	0	0	0
35. North Dakota	ND	No.	0	0	0	0	0	0	0
36. Ohio	OH	Yes	14,935,839	14,653,976	9,103,230	10,754,321	8,159,741	116,305	0
37. Oklahoma	OK	No.	0	0	0	0	0	0	0
38. Oregon	OR	No.	0	0	0	0	0	0	0
39. Pennsylvania	PA	Yes	842,523	741,465	1,511,161	1,314,878	716,587	6,405	0
40. Rhode Island	RI	No.	0	0	0	0	0	0	0
41. South Carolina	SC	No.	0	0	0	0	0	0	0
42. South Dakota	SD	No.	0	0	0	0	0	0	0
43. Tennessee	TN	Yes	440,214	429,212	110,851	151,216	60,339	2,960	0
44. Texas	TX	No.	0	0	0	0	0	0	0
45. Utah	UT	No.	0	0	0	0	0	0	0
46. Vermont	VT	No.	0	0	0	0	0	0	0
47. Virginia	VA	No.	0	0	0	0	0	0	0
48. Washington	WA	No.	0	0	0	0	0	0	0
49. West Virginia	WV	Yes	50	50	0	(10,000)	0	0	0
50. Wisconsin	WI	No.	0	0	0	0	0	0	0
51. Wyoming	WY	No.	0	0	0	0	0	0	0
52. American Samoa	AS	No.	0	0	0	0	0	0	0
53. Guam	GU	No.	0	0	0	0	0	0	0
54. Puerto Rico	PR	No.	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	No.	0	0	0	0	0	0	0
56. Canada	CN	No.	0	0	0	0	0	0	0
57. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0
58. Totals	(a) 8		25,142,481	22,857,795	13,917,767	16,216,116	11,348,477	179,498	0
DETAILS OF WRITE-INS									
5701.	XXX								
5702.	XXX								
5703.	XXX								
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX		0	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX		0	0	0	0	0	0	0

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

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

Actual premiums entered for all risks by location of risk or address of insured, whichever is applicable.

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

PART 1 - ORGANIZATIONAL CHART

