



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

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

NAIC Group Code 0626 (Current Period) 0626 (Prior Period) NAIC Company Code 22764 Employer's ID Number 23-1859893
Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio
Country of Domicile United States of America
Incorporated 03/15/1972 Commenced Business 10/01/1972
Statutory Home Office 5005 Rockside Road, Independence, OH 44131
Main Administrative Office 5005 Rockside Road, Independence, OH 44131
Mail Address 5005 Rockside Road, Independence, OH 44131
Primary Location of Books and Records 5005 Rockside Road, Independence, OH 44131
Internet Website Address WWW.ACE-INA.COM
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OFFICERS

PRESIDENT SUSAN RIVERA # TREASURER FRANCIS WILLIAM MCDONNELL #
SECRETARY GEORGE DENNIS MULLIGAN

VICE PRESIDENTS

FORREST TAYLOR ATKINS SAMUEL BECK CUPP JR. WILLIAM NICHOLAS CURCIO
VICTOR PAUL DI FELICE BRIAN EDWARD DOWD JOHN STEVE EDMONDS
RICHARD CONLYN FRANKLIN ROBERT JOSEPH GAFFNEY KENNETH RAY GARRETT
WILLIAM PAUL GARRIGAN GEOFFREY GORDON GREGORY # WILLIAM JOHN KAUTTER JR.
DAVID JAMES LUPICA JOHN JOSEPH LUPICA MICHAEL ANTHONY McCLELLAND
FRANCIS WILLIAM MCDONNELL # GEORGE KENT MILLER PAUL GERARD O'CONNELL #
ED KOICHI OTA JR. WILLIAM MARTIN SIEGLE JOSEPH STAGLIANO
CHARLES EDWARD STAUBER # GREGORY PAUL STERN # JOSE VASQUEZ
MARC DENNIS VIVORI LESLIE HOWARD YESNER EDWARD DOMINIC ZACCARIA #

DIRECTORS OR TRUSTEES

WILLIAM NICHOLAS CURCIO BRIAN EDWARD DOWD RICHARD CONLYN FRANKLIN
ROBERT JOSEPH GAFFNEY WILLIAM PAUL GARRIGAN GEOFFREY GORDON GREGORY #
JOHN JOSEPH LUPICA FRANCIS WILLIAM MCDONNELL # PAUL GERARD O'CONNELL #
ED KOICHI OTA JR. SUSAN RIVERA # CHARLES EDWARD STAUBER #
EDWARD DOMINIC ZACCARIA #

State of PENNSYLVANIA
County of PHILADELPHIA } 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.

SUSAN RIVERA PRESIDENT FRANCIS WILLIAM MCDONNELL TREASURER GEORGE DENNIS MULLIGAN SECRETARY

Subscribed and sworn to before me this 3rd day of FEBRUARY, 2003
a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number 0
2. Date filed
3. Number of pages attached 0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ACE INSURANCE COMPANY OF OHIO

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds	20,824,608	0	20,824,608	16,950,993
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1)	0	0	0	0
2.2 Common stocks (Schedule D, Part 2, Section 2)	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$0 encumbrances)	0	0	0	0
5. Cash (\$0 Schedule E, Part 1) and short-term investments(\$ .....468,541 Schedule DA, Part 2)	468,541	0	468,541	1,329,681
6. Other invested assets (Schedule BA)	0	0	0	0
7. Receivable for securities	17,176	0	17,176	979
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8)	21,310,325	0	21,310,325	18,281,653
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	278,454	0	278,454	729,808
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (Including \$0 earned but unbilled premiums)	340,885	0	340,885	250,453
10.3 Accrued retrospective premiums	4,583	458	4,125	4,242
11. Funds held by or deposited with reinsured companies	0	0	0	0
12. Bills receivable, taken for premiums	0	0	0	0
13. Amounts receivable under high deductible policies	0	0	0	0
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Cols. 7 and 8)	830,628	0	830,628	1,073,352
15. Federal and foreign income tax recoverable and interest thereon (including \$85,837 net deferred tax asset)	85,837	51,942	33,895	31,329
16. Guaranty funds receivable or on deposit	0	0	0	0
17. Electronic data processing equipment and software	0	0	0	0
18. Interest, dividends and real estate income due and accrued	244,942	0	244,942	280,794
19. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
20. Receivable from parent, subsidiaries and affiliates	0	0	0	4,090,363
21. Amount due from/to protected cells	0	0	0	0
22. Equities and deposits in pools and associations	0	0	0	0
23. Amounts receivable relating to uninsured accident and health plans	0	0	0	0
24. Other assets nonadmitted (Exhibit 1)	0	0	0	0
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding protected cell assets (Lines 9 through 25)	23,095,654	52,400	23,043,254	24,741,994
27. Protected cell assets	0	0	0	0
28. TOTALS (Lines 26 and 27)	23,095,654	52,400	23,043,254	24,741,994
DETAILS OF WRITE-INS				
0801.	0	0	0	0
0802.	0	0	0	0
0803.	0	0	0	0
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0
2501.	0	0	0	0
2502.	0	0	0	0
2503.	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)	241,744	394,183
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	217,960	252,054
4. Commissions payable, contingent commissions and other similar charges	13,797	15,009
5. Other expenses (excluding taxes, licenses and fees)	35,086	53,510
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	45,374	40,915
7. Federal and foreign income taxes (including \$0 on realized capital gains (losses)) (including \$0 net deferred tax liability)	37,011	387,045
8. Borrowed money \$0 and interest thereon \$0	0	0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$856,971 and including warranty reserves of \$0)	95,218	294,789
10. Advance premiums	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	212,071	3,908,124
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (Schedule F, Part 7)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	1,969,159	0
20. Payable for securities	0	556,192
21. Liability for amounts held under uninsured accident and health plans	0	0
22. Capital Notes \$0 and interest thereon \$0	0	0
23. Aggregate write-ins for liabilities	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	2,867,420	5,901,821
25. Protected cell liabilities	0	0
26. Total liabilities (Lines 24 and 25)	2,867,420	5,901,821
27. Aggregate write-ins for special surplus funds	0	0
28. Common capital stock	2,999,300	2,999,300
29. Preferred capital stock	0	0
30. Aggregate write-ins for other than special surplus funds	0	0
31. Surplus notes	0	0
32. Gross paid in and contributed surplus	1,801,700	1,801,700
33. Unassigned funds (surplus)	15,374,835	14,039,175
34. Less treasury stock, at cost:		
34.1 .....0 shares common (value included in Line 28 \$0)	0	0
34.2 .....0 shares preferred (value included in Line 29 \$0)	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 38)	20,175,835	18,840,175
36. TOTALS (Page 2, Line 28, Col. 3)	23,043,255	24,741,996
DETAILS OF WRITE-INS		
2301.	0	0
2302.	0	0
2303.	0	0
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.	0	0
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
3001.	0	0
3002.	0	0
3003.	0	0
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 ACE INSURANCE COMPANY OF OHIO

UNDERWRITING AND INVESTMENT EXHIBIT STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 34, Column 4)	683,732	1,090,672
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	350,508	324,771
3. Loss expenses incurred (Part 3, Line 25, Column 1)	62,530	(98,101)
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	(617,184)	(1,002,673)
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	(204,146)	(776,003)
7. Net income of protected cells	0	0
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	887,878	1,866,675
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,129,586	1,147,133
10. Net realized capital gains or (losses) (Exhibit of Capital Gains (Losses))	79,751	149,741
11. Net investment gain or (loss) (Lines 9 + 10)	1,209,337	1,296,874
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$0 amount charged off \$0)	0	0
13. Finance and service charges not included in premiums	0	0
14. Aggregate write-ins for miscellaneous income	0	0
15. Total other income (Lines 12 through 14)	0	0
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	2,097,215	3,163,549
17. Dividends to policyholders	0	0
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	2,097,215	3,163,549
19. Federal and foreign income taxes incurred	765,000	1,099,000
20. Net income (Line 18 minus Line 19) (to Line 22)	1,332,215	2,064,549
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	18,840,176	16,740,507
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	1,332,215	2,064,549
23. Net unrealized capital gains or (losses)	562	4,262
24. Change in net unrealized foreign exchange capital gain (loss)	0	0
25. Change in net deferred income tax	41,148	7,390
26. Change in nonadmitted assets (Exhibit 1, Line 5, Col. 3)	(38,266)	(471)
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	0
28. Change in surplus notes	0	0
29. Surplus (contributed to) withdrawn from protected cells	0	0
30. Cumulative effect of changes in accounting principles	0	23,939
31. Capital changes:		
31.1. Paid in	0	0
31.2. Transferred from surplus (Stock Dividend)	0	0
31.3. Transferred to surplus	0	0
32. Surplus adjustments:		
32.1. Paid in	0	0
32.2. Transferred to capital (Stock Dividend)	0	0
32.3. Transferred from capital	0	0
33. Net remittances from or (to) Home Office	0	0
34. Dividends to stockholders (cash)	0	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)	1,335,659	2,099,669
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35)	20,175,835	18,840,176
DETAILS OF WRITE-INS		
0501.	0	0
0502.	0	0
0503.	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0
1401.	0	0
1402.	0	0
1403.	0	0
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)	0	0
3601.	0	0
3602.	0	0
3603.	0	0
3698. Summary of remaining write-ins for Line 36 from overflow page	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	(3,334,660)	5,369,850
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	356,847	1,328,994
3. Underwriting expenses paid	0	(1,054,656)
4. Other underwriting income (expenses)	0	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(3,691,507)	5,095,512
6. Net investment income	1,165,438	1,018,184
7. Other income (expenses):		
7.1 Agents' balances charged off	0	0
7.2 Net funds held under reinsurance treaties	0	0
7.3 Net amount withheld or retained for account of others	0	0
7.4 Aggregate write-ins for miscellaneous items	0	0
7.5 Total other income (Lines 7.1 to 7.4)	0	0
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	(1,117,600)	(960,955)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	(3,643,669)	5,152,741
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	7,115,496	7,020,181
11.2 Stocks	0	0
11.3 Mortgage loans	0	0
11.4 Real estate	0	0
11.5 Other invested assets	0	0
11.6 Net gains or (losses) on cash and short-term investments	0	0
11.7 Miscellaneous proceeds	0	0
11.8 Total investment proceeds (Lines 11.1 to 11.7)	7,115,496	7,020,181
12. Cost of investments acquired (long-term only):		
12.1 Bonds	10,932,696	12,643,940
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Miscellaneous applications	556,192	(556,192)
12.7 Total investments acquired (Lines 12.1 to 12.6)	11,488,888	12,087,748
13. Net Cash from investments (Line 11.8 minus Line 12.7)	(4,373,392)	(5,067,567)
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	6,059,522	0
14.4 Borrowed funds received	0	0
14.5 Other cash provided	1,096,401	0
14.6 Total (Lines 14.1 to 14.5)	7,155,923	0
15. Cash applied:		
15.1 Dividends to stockholders paid	0	0
15.2 Net transfers to affiliates	0	4,766,593
15.3 Borrowed funds repaid	0	0
15.4 Other applications	0	32,695
15.5 Total (Lines 15.1 to 15.4)	0	4,799,288
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	7,155,923	(4,799,288)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	(861,138)	(4,714,114)
18. Cash and short-term investments:		
18.1 Beginning of year	1,329,682	6,043,796
18.2 End of year (Line 17 plus Line 18.1)	468,544	1,329,682
DETAILS OF WRITE-INS		
07.401		
07.402		
07.403		
07.498 Summary of remaining write-ins for Line 7.4 from overflow page	0	0
07.499 Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above)	0	0

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	0	6	6	0
2.	Allied lines	0	0	0	0
3.	Farmowners multiple peril	21,844	9,477	9,931	21,390
4.	Homeowners multiple peril	0	0	0	0
5.	Commercial multiple peril	3,764	3,338	1,648	5,454
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	17,742	7,617	8,777	16,582
9.	Inland marine	389,260	148,903	69,229	468,934
10.	Financial guaranty	0	0	0	0
11.1	Medical malpractice - occurrence	1,250	1,982	(579)	3,811
11.2	Medical malpractice - claims-made	11	661	661	11
12.	Earthquake	2,940	0	2,466	474
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	0	(1)	(1)	0
17.1	Other liability - occurrence	11,177	7,282	(4,646)	23,105
17.2	Other liability - claims-made	3,620	3,928	6,368	1,180
18.1	Products liability - occurrence	0	0	0	0
18.2	Products liability - claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	0	0	0	0
19.3,19.4	Commercial auto liability	549	55	274	330
21.	Auto physical damage	103	1	39	65
22.	Aircraft (all perils)	31,892	111,048	580	142,360
23.	Fidelity	0	0	0	0
24.	Surety	0	0	0	0
26.	Burglary and theft	0	0	0	0
27.	Boiler and machinery	26	19	5	40
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	484,178	294,316	94,758	683,736
DETAILS OF WRITE-INS					
3301.	+0.....	0	0	0	0
3302.	+0.....	0	0	0	0
3303.	+0.....	0	0	0	0
3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0
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	6	.0	.0	.0	6
2. Allied lines .....	.0	.0	.0	.0	.0
3. Farmowners multiple peril	9,931	.0	.0	.0	9,931
4. Homeowners multiple peril .....	.0	.0	.0	.0	.0
5. Commercial multiple peril	1,673	.0	.0	(25)	1,648
6. Mortgage guaranty .....	.0	.0	.0	.0	.0
8. Ocean marine	8,777	.0	.0	.0	8,777
9. Inland marine	43,388	25,841	.0	.0	69,229
10. Financial guaranty .....	.0	.0	.0	.0	.0
11.1 Medical malpractice - occurrence	(579)	.0	.0	.0	(579)
11.2 Medical malpractice - claims-made .....	.661	.0	.0	.0	.661
12. Earthquake	2,466	.0	.0	.0	2,466
13. Group accident and health .....	.0	.0	.0	.0	.0
14. Credit accident and health (group and individual) .....	.0	.0	.0	.0	.0
15. Other accident and health .....	.0	.0	.0	.0	.0
16. Workers' compensation	(1)	.0	.0	.0	(1)
17.1 Other liability - occurrence	(4,448)	(198)	.0	.0	(4,646)
17.2 Other liability - claims-made	6,368	.0	.0	.0	6,368
18.1 Products liability - occurrence .....	.0	.0	.0	.0	.0
18.2 Products liability - claims-made .....	.0	.0	.0	.0	.0
19.1,19.2 Private passenger auto liability .....	.0	.0	.0	.0	.0
19.3,19.4 Commercial auto liability	4	270	.0	.0	274
21. Auto physical damage	39	.0	.0	.0	39
22. Aircraft (all perils)	1,507	(493)	.0	(434)	580
23. Fidelity .....	.0	.0	.0	.0	.0
24. Surety .....	.0	.0	.0	.0	.0
26. Burglary and theft .....	.0	.0	.0	.0	.0
27. Boiler and machinery .....	.0	5	.0	.0	5
28. Credit .....	.0	.0	.0	.0	.0
29. International .....	.0	.0	.0	.0	.0
30. Reinsurance - Nonproportional Assumed Property .....	.0	.0	.0	.0	.0
31. Reinsurance - Nonproportional Assumed Liability .....	.0	.0	.0	.0	.0
32. Reinsurance - Nonproportional Assumed Financial Lines .....	.0	.0	.0	.0	.0
33. Aggregate write-ins for other lines of business .....	.0	.0	.0	.0	.0
34. TOTALS	69,792	25,425	0	(459)	94,758
35. Accrued retrospective premiums based on experience					458
36. Earned but unbilled premiums .....					.0
37. Balance (Sum of Line 34 through 36)					95,216
DETAILS OF WRITE-INS					
3301. ....	.0	.0	.0	.0	.0
3302. ....	.0	.0	.0	.0	.0
3303. ....	.0	.0	.0	.0	.0
3398. Summary of remaining write-ins for Line 33 from overflow page .....	.0	.0	.0	.0	.0
3399. Totals (Lines 3301 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 [] No []

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1B - PREMIUMS WRITTEN

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

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	0	0	0	0	0	0
2. Allied lines	4,384,496	0	0	4,384,496	0	0
3. Farmowners multiple peril	218,437	0	0	196,593	0	21,844
4. Homeowners multiple peril	0	0	0	0	0	0
5. Commercial multiple peril	37,642	0	0	35,916	(2,038)	3,764
6. Mortgage guaranty	0	0	0	0	0	0
8. Ocean marine	177,421	0	0	159,679	0	17,742
9. Inland marine	3,892,602	0	0	3,503,342	0	389,260
10. Financial guaranty	0	0	0	0	0	0
11.1 Medical malpractice - occurrence	12,500	0	0	11,250	0	1,250
11.2 Medical malpractice - claims-made	110	0	0	99	0	11
12. Earthquake	29,392	0	0	26,452	0	2,940
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	0	0	0	0	0	0
17.1 Other liability - occurrence	137,693	0	0	126,469	47	11,177
17.2 Other liability - claims-made	10,279	0	0	6,659	0	3,620
18.1 Products liability - occurrence	0	0	0	0	0	0
18.2 Products liability - claims-made	0	0	0	0	0	0
19.1,19.2 Private passenger auto liability	0	0	0	0	0	0
19.3,19.4 Commercial auto liability	3,596	0	1,886	4,284	649	549
21. Auto physical damage	1,023	0	0	818	102	103
22. Aircraft (all perils)	318,919	0	0	287,027	0	31,892
23. Fidelity	0	0	0	0	0	0
24. Surety	0	0	0	0	0	0
26. Burglary and theft	0	0	0	0	0	0
27. Boiler and machinery	260	0	0	(26)	260	26
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
31. Reinsurance - Nonproportional Assumed Liability	XXX	0	0	0	0	0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	0	0	0	0	0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0
34. TOTALS	9,224,370	0	1,886	8,743,058	(980)	484,178
DETAILS OF WRITE-INS						
3301.	0	0	0	0	0	0
3302.	0	0	0	0	0	0
3303.	0	0	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0
3399. Totals (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 [X] No []

If yes: 1. The amount of such installment premiums \$915,547

2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$915,547

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ACE INSURANCE COMPANY OF OHIO

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	.0	.0	.0	.0	.0	.0	.0	.0
2. Allied lines	7,582,377	.0	7,582,377	.0	.0	.0	.0	.0
3. Farmowners multiple peril	32,745	.0	29,470	3,275	6,733	11	9,997	46.7
4. Homeowners multiple peril	.0	.0	.0	.0	(1,762)	(1,742)	(20)	.0
5. Commercial multiple peril	501,620	.0	236,738	264,882	1,540	13,459	252,963	4,638.1
6. Mortgage guaranty	.0	.0	.0	.0	.0	.0	.0	.0
8. Ocean marine	66,598	.0	59,938	6,660	8,479	8,409	6,730	40.6
9. Inland marine	200,059	.0	180,053	20,006	67,771	35,441	52,336	11.2
10. Financial guaranty	.0	.0	.0	.0	.0	.0	.0	.0
11.1 Medical malpractice - occurrence	.0	.0	.0	.0	(1,248)	(865)	(383)	(10.0)
11.2 Medical malpractice - claims-made	.0	.0	.0	.0	267	.0	267	2,427.3
12. Earthquake	.0	.0	.0	.0	37	.0	37	7.8
13. Group accident and health	.0	.0	.0	.0	.0	.0	.0	.0
14. Credit accident and health (group and individual)	.0	.0	.0	.0	.0	.0	.0	.0
15. Other accident and health	.0	.0	.0	.0	.0	.0	.0	.0
16. Workers' compensation	.0	.0	.0	.0	.0	.0	.0	.0
17.1 Other liability - occurrence	42,510	.0	38,259	4,251	88,013	88,225	4,039	17.5
17.2 Other liability - claims-made	.0	.0	.0	.0	3,563	.0	3,563	301.9
18.1 Products liability - occurrence	.0	.0	.0	.0	17,806	31,631	(13,825)	.0
18.2 Products liability - claims-made	.0	.0	.0	.0	.0	.0	.0	.0
19.1,19.2 Private passenger auto liability	(240)	.0	(216)	(24)	(94)	(90)	(28)	.0
19.3,19.4 Commercial auto liability	14,000	743	669	14,074	38,016	123,276	(71,186)	(21,571.5)
21. Auto physical damage	(280)	.0	(252)	(28)	1,386	8,350	(6,992)	(10,756.9)
22. Aircraft (all perils)	1,898,516	.0	1,708,665	189,851	11,265	88,094	113,022	79.4
23. Fidelity	.0	.0	.0	.0	.0	.0	.0	.0
24. Surety	.0	.0	.0	.0	.0	.0	.0	.0
26. Burglary and theft	.0	.0	.0	.0	.0	.0	.0	.0
27. Boiler and machinery	.0	.0	.0	.0	(27)	(13)	(14)	(35.0)
28. Credit	.0	.0	.0	.0	.0	.0	.0	.0
29. International	.0	.0	.0	.0	.0	.0	.0	.0
30. Reinsurance - Nonproportional Assumed Property	XXX	.0	.0	.0	.0	.0	.0	.0
31. Reinsurance - Nonproportional Assumed Liability	XXX	.0	.0	.0	.0	.0	.0	.0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	.0	.0	.0	.0	.0	.0	.0
33. Aggregate write-ins for other lines of business	.0	.0	.0	.0	.0	.0	.0	.0
34. TOTALS	10,337,905	743	9,835,701	502,947	241,745	394,186	350,506	51.3
DETAILS OF WRITE-INS								
3301. +0	.0	.0	.0	.0	.0	.0	.0	.0
3302. +0	.0	.0	.0	.0	.0	.0	.0	.0
3303. +0	.0	.0	.0	.0	.0	.0	.0	.0
3398. Summary of remaining write-ins for Line 33 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0.0

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE ACE INSURANCE COMPANY OF OHIO

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	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. Allied lines	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. Farmowners multiple peril	27,700	.0	24,930	2,770	39,625	.0	35,662	6,733	7,028
4. Homeowners multiple peril	2,000	.0	1,800	200	(1,616)	(18,000)	(17,654)	(1,762)	(684)
5. Commercial multiple peril	122,548	.0	105,793	16,755	176,132	(333,000)	(141,653)	1,540	4,817
6. Mortgage guaranty	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Ocean marine	43,483	.0	39,135	4,348	19,312	13,000	28,181	8,479	(5,589)
9. Inland marine	33,193	.0	29,873	3,320	785,503	(126,000)	595,052	67,771	17,264
10. Financial guaranty	.0	.0	.0	.0	.0	.0	.0	.0	.0
11.1 Medical malpractice - occurrence	.0	.0	.0	.0	(2,476)	(3,000)	(4,228)	(1,248)	4,585
11.2 Medical malpractice - claims-made	.0	.0	.0	.0	2,672	.0	2,405	267	296
12. Earthquake	.0	.0	.0	.0	372	.0	335	37	.0
13. Group accident and health	.0	.0	.0	.0	.0	.0	.0	(a)	.0
14. Credit accident and health (group and individual)	.0	.0	.0	.0	.0	.0	.0	(a)	.0
15. Other accident and health	.0	.0	.0	.0	.0	.0	.0	(a)	.0
16. Workers' compensation	.0	.0	.0	.0	.0	.0	.0	.0	.0
17.1 Other liability - occurrence	92,763	.0	89,214	3,549	889,431	380,000	1,184,967	88,013	101,943
17.2 Other liability - claims-made	.0	.0	.0	.0	52,353	.0	48,790	3,563	4,235
18.1 Products liability - occurrence	84,587	.0	77,087	7,500	326,554	(68,000)	248,248	17,806	16,575
18.2 Products liability - claims-made	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.1,19.2 Private passenger auto liability	.0	.0	.0	.0	(939)	1,000	155	(94)	344
19.3,19.4 Commercial auto liability	50,000	50	49,545	505	177,686	163,017	303,192	38,016	42,435
21. Auto physical damage	.0	.0	.0	.0	(8)	2,870	1,476	1,386	987
22. Aircraft (all perils)	86,000	.0	77,400	8,600	166,646	(140,000)	23,981	11,265	23,728
23. Fidelity	.0	.0	.0	.0	.0	.0	.0	.0	.0
24. Surety	.0	.0	.0	.0	.0	.0	.0	.0	.0
26. Burglary and theft	.0	.0	.0	.0	.0	.0	.0	.0	.0
27. Boiler and machinery	.0	.0	.0	.0	(270)	.0	(243)	(27)	(4)
28. Credit	.0	.0	.0	.0	.0	.0	.0	.0	.0
29. International	.0	.0	.0	.0	.0	.0	.0	.0	.0
30. Reinsurance - Nonproportional Assumed Property	XXX	.0	.0	.0	XXX	.0	.0	.0	.0
31. Reinsurance - Nonproportional Assumed Liability	XXX	.0	.0	.0	XXX	.0	.0	.0	.0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	.0	.0	.0	XXX	.0	.0	.0	.0
33. Aggregate write-ins for other lines of business	.0	.0	.0	.0	.0	.0	.0	.0	.0
34. TOTALS	542,274	50	494,777	47,547	2,630,977	(128,113)	2,308,666	241,745	217,960
DETAILS OF WRITE-INS									
3301.	.0	.0	.0	.0	.0	.0	.0	.0	.0
3302.	.0	.0	.0	.0	.0	.0	.0	.0	.0
3303.	.0	.0	.0	.0	.0	.0	.0	.0	.0
3398. Summary of remaining write-ins for Line 33 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0
3399. Totals (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	19,018	0	0	19,018
1.2 Reinsurance assumed	31,742	0	0	31,742
1.3 Reinsurance ceded	23,209	0	0	23,209
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	27,551	0	0	27,551
2. Commission and brokerage:				
2.1 Direct excluding contingent	0	560,646	0	560,646
2.2 Reinsurance assumed excluding contingent	0	96	0	96
2.3 Reinsurance ceded excluding contingent	0	1,440,691	0	1,440,691
2.4 Contingent-direct	0	(1,212)	0	(1,212)
2.5 Contingent-reinsurance assumed	0	0	0	0
2.6 Contingent-reinsurance ceded	0	0	0	0
2.7 Policy and membership fees	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	(881,161)	0	(881,161)
3. Allowances to managers and agents	0	468	0	468
4. Advertising	22	1,183	0	1,205
5. Boards, bureaus and associations	0	0	0	0
6. Surveys and underwriting reports	8	727	0	735
7. Audit of assureds' records	0	335	0	335
8. Salary and related items:				
8.1 Salaries	14,160	72,970	0	87,130
8.2 Payroll taxes	988	4,680	0	5,668
9. Employee relations and welfare	2,620	13,027	0	15,647
10. Insurance	672	4,618	0	5,290
11. Directors' fees	0	0	0	0
12. Travel and travel items	937	8,134	0	9,071
13. Rent and rent items	3,420	12,544	0	15,964
14. Equipment	174	641	0	815
15. Cost or depreciation of EDP equipment and software	302	424	0	726
16. Printing and stationery	242	8,989	0	9,231
17. Postage, telephone and telegraph, exchange and express	842	13,679	0	14,521
18. Legal and auditing	1,192	10,210	0	11,402
19. Totals (Lines 3 to 18)	25,579	152,629	0	178,208
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$	0	42,451	0	42,451
20.2 Insurance department licenses and fees	10	16,035	0	16,045
20.3 Gross guaranty association assessments	1	3	0	4
20.4 All other (excluding federal and foreign income and real estate)	0	1	0	1
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	11	58,490	0	58,501
21. Real estate expenses	3	15	0	18
22. Real estate taxes	0	0	0	0
23. Reimbursements by uninsured accident and health plans	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses	9,386	52,843	0	62,229
25. Total expenses incurred	62,530	(617,184)	0	(a) (554,654)
26. Less unpaid expenses - current year	217,960	94,257	0	312,217
27. Add unpaid expenses - prior year	252,054	109,434	0	361,488
28. Amounts receivable relating to uninsured accident and health plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured accident and health plans, current year	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	96,624	(602,007)	0	(505,383)
DETAILS OF WRITE-INS				
2401.	8,599	33,688	(11,181)	31,106
2402.	784	18,405	11,181	30,370
2403.	3	750	0	753
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)	9,386	52,843	0	62,229

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 2,491	7,312
1.1 Bonds exempt from U.S. tax	(a) 81,923	81,725
1.2 Other bonds (unaffiliated)	(a) 1,059,287	1,018,724
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e) 38,580	39,557
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	1,182,281	1,147,318
11. Investment expenses		(g) 17,730
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)
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		17,730
17. Net Investment Income - (Line 10 minus Line 16)		1,129,588
DETAILS OF WRITE-INS		
0901.		
0902.		
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)	0	0
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 \$ 15,131 accrual of discount less \$ 50,920 amortization of premium and less \$ 28,838 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 \$ 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 \$ 17,730 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 \$ 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					0
1.1 Bonds exempt from U.S. tax					0
1.2 Other bonds (unaffiliated)	79,751			562	80,313
1.3 Bonds of affiliates					0
2.1 Preferred stocks (unaffiliated)					0
2.11 Preferred stocks of affiliates					0
2.2 Common stocks (unaffiliated)					0
2.21 Common stocks of affiliates					0
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)	0	0	0	0	0
10. Total capital gains (losses)	79,751	0	0	562	80,313
DETAILS OF WRITE-INS					
0901.					
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)	0	0	0	0	0

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Lines 10 to 17 and 19 to 23, Column 2	458	471	13
2. Other Nonadmitted Assets:			
2.1 Bills receivable	0	0	0
2.2 Furniture, equipment and supplies	0	0	0
2.3 Leasehold improvements	0	0	0
2.4 Loans on personal security, endorsed or not	0	0	0
3. Total (Lines 2.1 to 2.4)	0	0	0
4. Aggregate write-ins for other assets	0	0	0
5. Total (Line 1 plus Lines 3 and 4)	458	471	13
0401. Loans on company's stock	0	0	0
0402.	0	0	0
0403.	0	0	0
0498. Summary of remaining write-ins for Line 4 from overflow page	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The Ohio Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioner's (NAIC) Accounting Practices and Procedures manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

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

The preparation of financial statements in conformity with statutory accounting principles 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

Short term investments are stated at fair value, which approximates cost.

Bonds (NAIC designations 1 & 2) are stated at amortized cost using the interest method. Bonds designated 3 to 6 are carried at the lower of amortized cost or fair value.

Common stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates are carried on the equity basis.

Preferred stocks are stated at cost.

Mortgage loans on real estate are carried at the unpaid principal balance, net of any valuation reserve.

Loan backed securities are stated at amortized cost or the lower of amortized cost or fair market value, using the interest method. The retrospective adjustment method is used to value all securities except for interest only securities, which are valued using the prospective method.

Investments in insurance subsidiaries and affiliates are valued based on the underlying statutory equity of the respective entity's financial statements.

Investments in joint ventures and partnerships are valued based on the underlying audited GAAP equity of the investee.

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP 53, Property and Casualty Contracts-Premiums.

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

NOTES TO FINANCIAL STATEMENTS

necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

Premiums are reported as earned on a pro-rata basis over the contract period. Unearned premium reserves are established to cover the unexpired portion of premiums written.

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

2. Accounting Changes and Correction of Errors

Not Applicable

3. Business Combinations and Goodwill

Not Applicable

4. Discontinued Operations

Not Applicable

5. Investments

A. Mortgage Loans

Not Applicable

B. Debt Restructuring

Not Applicable

C. Reverse Mortgages

Not Applicable

D. Loan-Backed Securities

1. The Company has not elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to this date. The company has used historical book values.

2. Prepayment assumptions for single class and multi class mortgage-backed and asset-backed securities were obtained from BondEdge, a vendor package for calculating prepayment speeds.

3. The company uses Merrill Lynch and Bear Sterns Pricing services, fair values provided by brokers or pricing matrix.

4. Not Applicable

E. Repurchase Agreements

Not Applicable

F. Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable

NOTES TO FINANCIAL STATEMENTS

7. Investment Income

1. Due and accrued income was excluded from surplus on the following basis:

Securities with loan score of 5 (workouts) and 6 (defaults).

All open receivables are aged and reviewed to determine feasibility of collecting missed payments. Dues deemed uncollectible are written off through the income statement and the Company ceases accruing interest income.

2. The amount of securities in a non-accrual status is \$-0-.

8. Derivative Instruments

Not Applicable

9. Income Tax

A. Components of the Net DTA/DTL:

	<u>12/31/2002</u>	<u>12/31/2001</u>
Total DTA (admitted and nonadmitted)	108,471	60,324
Total DTL	22,634	15,332
Total DTA nonadmitted	51,942	13,663
Increase/(decrease) in DTA nonadmitted	38,279	(16,188)

B. Not Applicable

C. Major components of Current Income Taxes:

	<u>12/31/2002</u>	<u>12/31/2001</u>
Federal Income Taxes on Ordinary Activity	737,000	1,045,000
Federal Income Taxes on Capital Activity	28,000	54,000
Foreign Income Taxes	0	0
Total Current Income Tax Expense/(Benefit)	765,000	1,099,000

Major components of the Net DTA/DTL:

	<u>12/31/2002</u>	<u>12/31/2001</u>
Deferred Tax Assets:		
Discounting on Loss Reserves	101,670	39,608
Premium related adjustments	6,801	20,715
Unrealized Loss on Equities	0	0
Unrealized Loss on Bonds	0	0
Net Operating Loss Carryforward	0	0
Other	0	0
Total DTA	<u>108,471</u>	<u>60,324</u>
Total Nonadmitted DTA	<u>51,942</u>	<u>13,663</u>
Gross Admitted DTA	<u>56,529</u>	<u>46,661</u>
Deferred Tax Liabilities:		
Unrealized Gain on Equities	0	0
Unrealized Gain on Bonds	22,634	15,332
Salvage & Subrogation	0	0
Total DTL	<u>22,634</u>	<u>15,332</u>
Net Admitted DTA	<u>33,895</u>	<u>31,329</u>

NOTES TO FINANCIAL STATEMENTS

D. Change in Net Deferred Income Taxes:

	<u>12/31/2002</u>	<u>12/31/2001</u>	Change
Total DTA (admitted and nonadmitted)	108,471	60,324	48,147
Total DTL	22,634	15,332	7,302
Net DTA (admitted and nonadmitted)	85,837	44,992	40,845
		Tax Effect on Unrealized Gains/(Losses)	<u>303</u>
		Change in Net Deferred Income Taxes	<u>41,148</u>

Statutory Tax Rate Reconciliation:

	<u>12/31/2002</u>
Statutory Tax Expense/(Benefit) at Federal Tax Rate of 35%	734,025
Tax Effect of Significant Reconciling Items:	
Tax-exempt interest income (including Proration)	(8,400)
Dividends received deduction	0
Prior years' tax adjustments	(1,400)
Other	(373)
Subtotal	<u>(10,173)</u>
Total Statutory Tax Expense/(Benefit)	723,852
Current Income Tax Expense/(Benefit)	765,000
Change in Net Deferred Income Taxes	(41,148)
Total Statutory Tax Expense/(Benefit)	<u>723,852</u>

E. Net Operating Loss Carryforwards & Income Tax Recoupment:

1) At December 31, 2002, Company had no net operating loss carryforwards.

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

Tax Year 2002	777,000
Tax Year 2001	1,099,000
Tax Year 2000	588,000

F. Consolidated Federal Income Tax Return and Tax Sharing Agreement:

1.) The Company's federal Income Tax return is consolidated with the following entities:

- ACE American Insurance Company
- ACE American Lloyds Insurance Company
- ACE American Reinsurance Company
- ACE Asset Management, Inc.
- ACE Employers Insurance Company
- ACE Financial Products, Inc.
- ACE Financial Services, Inc.
- ACE Financial Solutions, Inc.
- ACE Fire Underwriters Insurance Company
- ACE Guaranty Corp.

NOTES TO FINANCIAL STATEMENTS

ACE INA Excess and Surplus Insurance Services, Inc. (CA)
ACE INA Excess and Surplus Insurance Services, Inc. (GA)
ACE INA Excess and Surplus Insurance Services, Inc. (IL)
ACE INA Excess and Surplus Insurance Services, Inc. (PA)
ACE INA Financial Institution Solutions, Inc.
ACE INA G.B. Holdings, Ltd
ACE INA Holdings, Inc.
ACE INA International Holdings, Ltd.
ACE INA Overseas Holdings, Inc.
ACE INA Overseas Insurance Company, Ltd.
ACE INA Properties, Inc.
ACE Indemnity Insurance Company
ACE Insurance Company of Illinois
ACE Insurance Company of Ohio
ACE Insurance Company of Texas
ACE Insurance Company of the Midwest
ACE International Management Corporation
ACE Prime Holdings, Inc.
ACE Property and Casualty Insurance Company
ACE Risk Assurance Company
ACE Tempest Re USA, Inc.
AFIA (ACE) Corporation, Limited
AFIA (INA) Corporation, Limited
AFIA Finance Corporation
AFP Transferor, Inc.
AGR Financial Products, Inc.
ALIC, Incorporated
Allied Insurance Company
American Adjustment Company, Inc.
American Lenders Facilities, Inc.
Atlantic Employers Insurance Company
Bankers Standard Fire and Marine Company
Bankers Standard Insurance Company
Brandywine Holdings Corporation
Brandywine Run-off Services, Inc.
Century Indemnity Company
Century International Reinsurance Company, Ltd.
Century Reinsurance Company
CFN Agency, Inc.
CFN Agency of Hawaii, Inc.
CFN Finance, Inc.
Conference Facilities, Inc.
Cover Direct, Inc.
Craven, Dargan & Company Pacific Coast
Craven, Dargan & Company Pacific Coast of Illinois, Inc.
ESIS, Inc.
Excess and Surplus Insurance Services, Inc.
Global Surety Network, Inc.
Illinois Union Insurance Company
INA Corporation
INA Financial Corporation
INA Holdings Corporation
INA Reinsurance Company, Ltd.
INA Surplus Insurance Company
INA Tax Benefits Reporting, Inc.
INA Trust, fsb
INAC Corp of California
INAMAR Insurance Underwriting Agency of Massachusetts
INAMAR Insurance Underwriting Agency of Ohio
INAMAR Insurance Underwriting Agency of Texas
INAMAR Insurance Underwriting Agency, Inc.
INAPRO, Inc.
Indemnity Insurance Company of North America
Insurance Company of North America
Markedyne International, Inc.
NewMarkets Insurance Agency, Inc.
Pacific Employers Insurance Company
PDCN Legal Management Company, Inc.

NOTES TO FINANCIAL STATEMENTS

Recovery Services International, Inc.
RSI Health Care Recovery Inc.
The 1792 Company
YouDecide.com, Inc.

- 2) The direct and indirect subsidiaries of ACE INA Holdings, Inc., including Company, entered into a tax sharing allocation agreement ("Tax Agreement") and are included in a U.S. consolidated federal income tax return for the period January 1, 2002 through December 31, 2002. Under the Tax Agreement, any subsidiary having taxable income will pay a tax liability equivalent to what that subsidiary would have paid if it had filed a separate federal income tax return for the year. If the separately calculated federal income tax return for any subsidiary results in a tax loss, the current tax benefit resulting from such loss, to the extent utilizable on a separate return basis, will be paid to that subsidiary.

10. Information Concerning Parent, Subsidiaries, and Affiliates

The affiliated transactions of the following U.S. insurers, which are either owned or controlled by or otherwise affiliated with ACE Limited are reported hereunder:

1. ACE American Insurance Company (ACE American)
 2. ACE American Lloyds Insurance Company (ACE American Lloyds)
 3. ACE American Reinsurance Company (ACE American Re)
 4. ACE Employers Insurance Company (ACE Employers)
 5. ACE Fire Underwriters Insurance Company (ACE Fire)
 6. ACE Indemnity Insurance Company (ACE Indemnity)
 7. ACE Insurance Company (Puerto Rico)
 8. ACE Insurance Company of Illinois (ACE of Illinois)
 9. ACE Insurance Company of Ohio (ACE of Ohio)
 10. ACE Insurance Company of Texas (ACE of Texas)
 11. ACE Insurance Company of the Midwest (ACE of the Midwest)
 12. ACE Property and Casualty Insurance Company (ACE P&C)
 13. Allied Insurance Company (Allied)
 14. Atlantic Employers Insurance Company (Atlantic Employers)
 15. Bankers Standard Insurance Company (BSIC)
 16. Bankers Standard Fire and Marine Company (BSF&M)
 17. Century Indemnity Company (Century Indemnity)
 18. Century Reinsurance Company (Century Re)
 19. Illinois Union Insurance Company (Illinois Union)
 20. INA Surplus Insurance Company (INA Surplus)
 21. Indemnity Insurance Company of North America (Indemnity)
 22. Industrial Underwriters Insurance Company (Industrial Underwriters)
 23. Insurance Company of North America (INA)
 24. Pacific Employers Insurance Company (PEIC)
 25. Westchester Fire Insurance Company (WFIC)
 26. Westchester Surplus Lines Insurance Company (WSLIC)
- a. The company is indirectly owned by ACE Limited. See the organization list in Schedule Y for full particulars.
- b. & The following 2002 non-insurance transactions are reported hereunder on the
- c. basis that they involved more than ½ of 1% of the total admitted assets of the reporting entity, as of 12/31/02:

Not Applicable

- d. The Company reported net Receivables, (Payables) from/to parent, subsidiaries and affiliates as of December 31, 2002 of \$(1,969,159). The Company's policy is to settle affiliate balances no later than ninety days of statement date. The schedule below details the affiliated Company receivables, (payables).

NOTES TO FINANCIAL STATEMENTS

quarterly.

10. On December 31, 1995, and as amended January 1, 1999, Century Indemnity, along with ACE American, Allied, Atlantic Employers, ACE of Illinois, ACE of the Midwest, ACE of Ohio, ACE of Texas, ACE American Lloyds, Illinois Union and INA Surplus (the "Companies") entered into a Service Agreement whereby Century Indemnity shall provide all services required to adjust major claims, with respect to the collection of reinsurance recoverables, including without limitation, accounting, statistical, management, and other administrative services, including auditing, litigation, data processing, actuarial, and personnel services.
11. On December 31, 1995, and as amended January 1, 1999, ACE American and Century Indemnity entered into a Service Agreement whereby ACE American shall provide all services as are necessary for the discontinued insurance and reinsurance operations of Century Indemnity, including without limitation, underwriting, accounting, statistical, management, and other administrative services including auditing, litigation, data processing, actuarial, and personnel services.
12. On December 31, 1995, and as amended January 1, 1999 ACE American along with Allied, Atlantic Employers, ACE of Illinois, ACE of the Midwest, ACE of Ohio, ACE of Texas, Illinois Union and INA Surplus (the "Companies") entered into a service Agreement whereby ACE American shall provide all services as are necessary for the continuing insurance and reinsurance operations of the companies, including, without limitation, underwriting, accounting, statistical, management, and other administrative services, including auditing, litigation, data processing, actuarial, and personnel services.
13. On December 31, 1995, and as amended January 1, 1999, ACE American and ACE American Lloyds entered into a Service Agreement whereby ACE American shall provide all services as are necessary for the continuing insurance and reinsurance operations of ACE American Lloyds, including without limitation, underwriting, accounting, statistical, management, and other administrative services, including auditing, litigation, data processing, actuarial, and personnel services.
14. ACE P&C paid \$440,112 for a brokerage arrangement with Siam Liberty Co., Ltd. in 2002.
15. ACE INA Services U.K. Limited received payment in 2002 for data processing services in the amount of \$101,225 from ACE Insurance Company (Puerto Rico).
16. INA entered into a Management Agreement with its affiliate, INA Surplus, whereby INA provides underwriting, marketing, accounting, statistical, claims, and other administrative services including claims and related services to INA Surplus of a kind and quality necessary for the proper conduct of an insurance and reinsurance business. Effective January 1, 1999 INA assigned this Agreement to ACE American.
17. Effective January 1, 1996 INA and INAMAR Insurance Underwriting Agency, Inc. ("INAMAR") entered into an Employee Leasing Agreement. The services provided to INA by INAMAR are set forth in a Management Services Agreement entered into by INA and INAMAR. INAMAR provides to INA staffing services for INA's aviation and marine offices. As full compensation to INAMAR for providing workers, INA pays INAMAR a fee equal to the costs incurred by INAMAR for providing the workers. The payments due from INA shall be netted against amounts owed by INAMAR to INA and only the difference, if any, shall be payable. Effective January 1, 1999, INA assigned this Agreement to ACE

NOTES TO FINANCIAL STATEMENTS

- American. INAMAR accrued \$12,000 due from ACE American in 2002.
18. INA and its affiliate, ESIS, entered into a Cash Management and Services Agreement whereby all funds presently in the possession of ESIS or received in the future by ESIS for INA or ESIS from their respective customers are deposited in an account in the name of and under the control of INA. INA sees to the Investment of such funds in securities or cash accounts. INA subcontracts the investment duties hereunder to State Street Global Advisors, a division of State Street Bank and Trust Company. INA accounts for and provides regular reports to ESIS regarding the cash received on ESIS' account and the investment thereof, including the balance being held for ESIS, the amount of investment income credited to ESIS, the amount utilized to pay ESIS checks and drafts and the amount of any interest or fees charged by INA. ESIS pays INA a fee based upon its proportionate share of the costs and expenses INA incurs in providing advisory services to ESIS. Effective January 1, 1999 INA assigned this Agreement to ACE American.
 19. WFIC provides certain underwriting, claims handling and administrative services to its affiliate, WSLIC, pursuant to a contract effective January 1, 1993.
 20. WFIC received certain administrative services from its affiliate, Westchester Specialty Insurance Services, Inc. ("WSIS") pursuant to a contract effective January 1, 1993.
 21. WFIC entered into a General Services Agreement with its affiliate, Oasis Insurance Services Ltd., a Bermuda affiliate, effective April 30, 1998. The services provided, but not limited to, are underwriting, claims handling, legal, actuarial, audit, accounting, tax and other financial services.
 22. WFIC provides consultant services to its affiliate, ACE Bermuda Insurance Ltd., a Bermuda affiliate, pursuant to a contract effective September 20, 1999.
 23. WSLIC receives certain underwriting, claims handling and administrative services from its affiliates, WFIC and WSIS, pursuant to contracts effective January 1, 1993. WSLIC reimburses WSIS for certain expenses incurred on an allocated basis.
 24. On April 1, 2000 ACE Tempest Re USA, Inc. ("ACE Tempest USA"), a Connecticut affiliate, entered into an Administrative Services Agreement with ACE American. Under the terms of the Agreement, ACE American will provide ACE Tempest USA with certain administrative, payroll, systems and other services. Effective October 27, 2000 ACE Tempest USA and ACE American entered into Amendment #1 to the Agreement. Under the terms of Amendment #1, ACE Tempest USA may represent ACE American and meet with another affiliate, ACE Tempest Reinsurance Ltd., a Bermuda company, concerning licensing agreements for CAT models, the collection of property aggregate data for use by ACE Tempest Reinsurance Ltd. and other related reporting that ACE American provides to ACE Tempest Reinsurance Ltd., subject to such terms, conditions and fees agreed to by ACE Tempest USA and ACE American. On January 22, 2001 ACE Tempest USA and ACE American entered into Amendment #2 which set forth payment for these services to be based on head count commencing January 1, 2001. In 2002 \$172,155 was paid for these services.
 25. On April 1, 2000 ACE American and ACE P&C entered into an Underwriting Facility Manager-Company Agreement with ACE Tempest USA. ACE American and ACE P&C intend to provide property, casualty, accident and health, finite, and alternative risk transfer reinsurance products produced primarily, though not exclusively, through brokers. On March 8, 2002 and January 1, 2003 ACE American, ACE P&C and ACE

NOTES TO FINANCIAL STATEMENTS

Tempest USA amended the Agreement. Pursuant to the most recent amendment, ACE American and ACE P&C will pay ACE Tempest USA a service fee of 6% of the first \$5 million of Combined Annual Gross Written Premiums and 4% of the amounts above \$5 million up to \$30 million and 3% of amounts over \$30 million. In 2002 \$7,422,756 was charged for these services.

26. ACE American entered into a General Services Agreement with ACE Bermuda Insurance Ltd., a Bermuda affiliate, and its subsidiaries. ACE American will provide services including, but not limited to: legal, actuarial, audit, accounting, tax and other financial services, personnel and benefits administration, risk management, personnel training, investment management, treasury operations, information technology, marketing and corporate communications and public relations. This Agreement was executed on April 11, 2001 and is effective January 1, 2001.
27. ACE American entered into a General Services Agreement with ACE Limited, a Cayman Islands affiliate, and its subsidiaries. ACE American will provide services including, but not limited to: legal, actuarial, audit, accounting, tax and other financial services, personnel and benefits administration, risk management, personnel training, investment management, treasury operations, information technology, marketing and corporate communications and public relations. This Agreement was executed on June 1, 2001 and is effective January 1, 2001.
28. ACE American entered into a General Services Agreement with ACE Capital Re International Ltd., a Bermuda affiliate. ACE American will provide services including, but not limited to: legal, actuarial, audit, accounting, tax and other financial services, personnel and benefits administration, risk management, personnel training, investment management, treasury operations, information technology, marketing and corporate communications and public relations. This Agreement was executed on July 2, 2001 and is effective January 1, 2001.
29. ACE American entered into a General Services Agreement with ACE Tempest Life Reinsurance Company Limited, a Bermuda affiliate. ACE American will provide services including, but not limited to: legal, actuarial, audit, accounting, tax and other financial services, personnel and benefits administration, risk management, personnel training, investment management, treasury operations, information technology, marketing and corporate communications and public relations. This Agreement was executed on September 4, 2001 and is effective January 1, 2001.
30. A Service Agreement was entered into by and between Century Indemnity, Industrial Underwriters, a Texas affiliate, WFIC, a New York affiliate, and WSLIC, a Georgia affiliate, on October 1, 2001, in which Century Indemnity will perform certain claims adjusting services for claims arising from asbestos exposure and environmental liabilities.
31. ACE American entered into an Employee Leasing Agreement on October 10, 2001 with ACE Guaranty Corp. (formerly known as ACE Guaranty Re Inc.) ("ACE Guaranty"). The effective date of the Agreement is April 1, 2000. ACE Guaranty will provide staffing services for ACE American's financial solutions division. In 2002 ACE American paid \$6,785,402 for this service.
32. ACE American entered into a Service Agreement on October 10, 2001 with ACE Guaranty. The effective date of the Agreement is July 1, 2001. ACE Guaranty will provide administrative, tax, accounting, human resources, data processing, data systems, payroll services and legal services to ACE American's financial solutions division as

NOTES TO FINANCIAL STATEMENTS

- requested. In 2002 ACE American paid \$300,000 for these services.
33. A Service Agreement was entered into by and between ACE American and ACE Financial Solutions, Inc., an affiliate, on November 15, 2001, in which ACE American will provide services including legal, data processing, accounting, tax, financial and treasury management services to ACE Financial Solutions, Inc. In 2002 \$67,714 was paid for these services.
 34. On December 31, 2001 an Investment Advisory Agreement was entered into by and among ACE American, ACE American Lloyds, ACE American Re, ACE Employers, ACE Fire, ACE Indemnity, ACE of Texas, ACE of the Midwest, ACE P&C, BSIC, BSF&M, Century Indemnity, Century Re, INA Surplus, Indemnity, Industrial Underwriters, INA, PEIC (collectively "Client"), and ACE Asset Management, Inc. ("ACE Asset"). The effective date of the Agreement is January 1, 2001. ACE Asset will assist with the evaluation and selection of Client's investment advisors and monitor the performance, compliance and risk profile of Client's portfolio. In 2002 \$1,803,176 was paid for these services.
 35. On December 31, 2001 an Investment Advisory Agreement was entered into by and among ACE of Illinois and Illinois Union (collectively "Client"), and ACE Asset. The effective date of the Agreement is January 1, 2001. ACE Asset will assist with the evaluation and selection of Client's investment advisors and monitor the performance, compliance and risk profile of Client's portfolio. In 2002 \$38,357 was paid for these services.
 36. On December 31, 2001 an Investment Advisory Agreement was entered into by and between ACE of Ohio ("Client"), and ACE Asset. The effective date of the Agreement is January 1, 2001. ACE Asset will assist with the evaluation and selection of Client's investment advisors and monitor the performance, compliance and risk profile of Client's portfolio. In 2002 \$7,517 was paid for these services.
 37. On December 31, 2001 an Investment Advisory Agreement was entered into by and between Atlantic Employers ("Client"), and ACE Asset. The effective date of the Agreement is January 1, 2001. ACE Asset will assist with the evaluation and selection of Client's investment advisors and monitor the performance, compliance and risk profile of Client's portfolio. In 2002 \$20,287 was paid for these services.
 38. On December 31, 2001 an Investment Advisory Agreement was entered into by and between WSLIC ("Client"), and ACE Asset. The effective date of the Agreement is January 1, 2001. ACE Asset will assist with the evaluation and selection of Client's investment advisors and monitor the performance, compliance and risk profile of Client's portfolio. In 2002 \$28,227 was paid for these services.
 39. WFIC entered into an Underwriting Facility Manager-Company Agreement with its affiliate, ACE Tempest USA, effective December 5, 2001. WFIC intends to provide surety reinsurance projects primarily through, though not exclusively, through brokers.
 40. ACE American and WFIC entered into an Administrative Services Agreement effective February 21, 2002, whereby ACE American agrees to make available to WFIC upon request such services and facilities as WFIC may determine necessary to conduct its insurance business. The facilities shall include, without limitation, data processing equipment, payroll processing equipment, business property (whether owned or leased), and communications equipment. The services shall include, without limitation, accounting, data processing, tax and auditing, functional support, policyholder services, collection, payroll, commission payment, underwriting, claims administration, reinsurance recovery, public relations, and promotional services.

NOTES TO FINANCIAL STATEMENTS

41. On October 17, 2002 an Investment Advisory Agreement was entered into between WFIC ("Client") and ACE Asset. The effective date of the Agreement is September 13, 2002. ACE Asset will assist with the evaluation and selection of Client's investment advisors and monitor the performance, compliance and risk profile of Client's portfolio. In 2002 \$351,406 was paid for these services.
42. ACE American entered into an Intercompany Services Agreement with CFN Finance, Inc., a Delaware affiliate. ACE American will provide services including, but not limited to: communications, clerical and administrative and customer services as needed by CFN Finance, Inc. This Agreement was executed on August 30, 2002 and is effective March 15, 2002.

11. Debt

A. Capital Notes

Not Applicable

B. All Other Debt

Not Applicable

12. Retirement Plans, Deferred Compensation, Post Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The Company has no employees and therefore, has no retirement, deferred compensation and other postretirement benefit plans.

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

1. The Company has 100,000 shares of common stock authorized, 29,993 shares issued and outstanding with a par value of \$100 per share.

2. The Company has no preferred stock outstanding.

3. Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Ohio, to \$2,017,584, an amount that is based on restrictions relating to statutory surplus.

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

5. There are no special surplus funds.

6. There were no advances to surplus.

7. There were no shares of stock held by the Company for special purposes relating to conversion of preferred, employee stock options or stock purchase warrants.

8. See (5) above.

9. The portion of unassigned surplus represented / reduced or increased by each item below is as follows:

Unrealized gains and losses	\$	562
Nonadmitted asset values	\$	(38,266)
Provision for reinsurance	\$	0

NOTES TO FINANCIAL STATEMENTS

10. Not Applicable.

11. The Company has not undergone a quasi-reorganization.

12. See (11) above.

14. Contingencies

a. Contingent Commitments

The Company has no commitments or contingent commitments to an SCA entity, joint venture, partnership, or limited liability company (e.g., guarantees or commitments to provide additional capital contributions).

b. Assessments

The Company is not aware of any assessments that could, individually or in the aggregate, have a material financial effect. The laws imposing assessments on the Company limit the total amount of assessments that may be collected in any one year from the Company.

c. Gain Contingencies

The Company did not realize any reportable gain subsequent to the balance sheet date but prior to the issuance of financial statements.

d. All Other Contingencies

The Company is contingently liable for annuities purchased in the ordinary course of business from life insurers in settlement of claim obligations. As described in Note 26, the aggregate amount of these annuities at year end was \$889,572.

The Company is a party to various lawsuits and arbitration matters which have arisen in the ordinary course of business. Management believes the outcome of these matters will not have a material adverse effect on the Company's results of operation, liquidity or financial position.

15. Leases

Not Applicable

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentration of Credit Risk

Not Applicable

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

The Companies have an agreement with an affiliate, Recovery Services International, Inc. ("RSI") for the sale of agents' balances over ninety days past due. During 2002 the Companies recognized expenses of \$7,385 and sold \$167,128 of agents' balances to RSI as a result of this agreement.

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

Not Applicable

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

Not Applicable

NOTES TO FINANCIAL STATEMENTS

20. Other Items

A. Extraordinary Items

The Company is aware of no "Extraordinary Items"

B. Troubled Debt Restructuring

The Company was involved in no Troubled Debt Restructurings.

C. Other Disclosures

a) On February 8, 1996, the Insurance Departments of Pennsylvania and seven other domiciliary states (California, Connecticut, Illinois, Indiana, New Jersey, Ohio and Texas) approved INA Financial Corporation's Plan of Restructure and Recapitalization. This plan reorganized INA Financial's domestic property and casualty subsidiaries into two separate operations. One operation manages ongoing business and the other run-off policies and related claims, including those for asbestos related and environmental pollution exposures. The plan created business structures that enhance management's focus on its specialist strategy and positions the ongoing business for future profitable growth, while at the same time providing dedicated, specialized resources to manage each operation separately and effectively. As part of its overall reorganization plan, INA Financial contributed \$375 million of additional capital to the run-off company and assumed debts of the run-off company having a net present value of \$125 million. The active subsidiaries have provided the inactive subsidiary with an aggregate excess of loss reinsurance treaty protecting both the surplus and cash payment ability of the inactive company. The aggregate excess of loss agreement has a limit of \$800 million. In addition, INA Financial has agreed to retain at least 10% of any dividends paid by the active companies up to \$50 million as an additional source of capital for the inactive company. This dividend fund and the investment earnings on it would be contributed to the inactive company before the aggregate excess of loss treaty is triggered.

INA Financial Corporation's Plan of Restructure, effective December 31, 1995 for accounting purposes, provides for the reorganization of Insurance Company of North America (INA), the realignment of management and the segregation of the INA Financial Corporation's insurance and reinsurance businesses into active and inactive operations. As provided in the Plan of Restructure, pursuant to 15 Pa.C.S.A. Sections 1951 through 1957, INA has divided into two resulting companies, an active company which is known as INA and an inactive company which is known as CCI Insurance Company (CCI). Under the Plan of Division, INA has been allocated the name and licenses of the former INA, in-force policies, assets and liabilities associated with loss sensitive business and all the subsidiaries of INA except CIGNA Specialty. CCI has been allocated all of the run-off operations of INA, all of the reserves related to the run-off operation, designated assets, CIGNA Specialty Insurance Company and all of the former INA's policyholder's surplus except for investment in subsidiaries other than CIGNA Specialty Insurance Company. As a result of the division, each resulting company, INA and CCI respectively, is deemed to own the respective assets assigned to it. In addition to the extent liabilities are allocated to one of the resulting companies, only that company shall be

NOTES TO FINANCIAL STATEMENTS

responsible for those liabilities. However, according to 15 Pa.C.S.A. Section 1957(b)(1)(iv) and (v), if the allocation of liabilities would result in a fraud on corporate creditors or if applicable provisions of law have not been complied with, the liabilities of dividing INA shall not be affected by the division and both resulting INA and CCI shall be jointly and severally liable to that extent. CCI and CIGNA Specialty Insurance Company have been merged into Century Indemnity Company, resulting in one run-off company.

As provided in the Plan of Restructure, INA Financial Corporation has created two new intermediate holding companies. INA Holdings Corporation owns the stock of the insurance companies in the active group. The insurance companies in the active group include: Allied Insurance Company, Atlantic Employers Insurance Company, Bankers Standard Fire and Marine Company, Bankers Standard Insurance Company, ACE Employers Insurance Company, ACE Indemnity Insurance Company, ACE Fire Underwriters Insurance Company, ACE Insurance Company of Illinois, ACE Insurance Company of Ohio, ACE Insurance Company of Texas, ACE Insurance Company of the Midwest, ACE American Insurance Company, ACE Property and Casualty Insurance Company, Illinois Union Insurance Company, INA Surplus Insurance Company Indemnity Insurance Company of North America, Insurance Company of North America, and Pacific Employers Insurance Company.

As further provided in the Plan of Restructure, Brandywine Holdings Corporation owns the stock of Century Indemnity and ACE International Reinsurance Company, LTD. Century Indemnity in turn owns the stock of the inactive reinsurance companies, ACE American Reinsurance Company and Century Reinsurance Company.

The Plan of Restructure also changes the intercompany pooling arrangements which provide for sharing of premiums losses and underwriting expenses in predetermined specified amounts. The fifteen company pool effective December 31, 1977 has been dissolved. The four company pool effective December 31, 1994 has been amended to include the remaining active group subsidiaries, with the exception of Allied Insurance Company, Atlantic Employers Insurance Company, ACE Insurance Company of Illinois, ACE Insurance Company of the Midwest, ACE Insurance Company of Ohio, ACE Insurance Company of Texas, Illinois Union Insurance Company and INA Surplus Insurance Company. These subsidiaries, which are licensed in only a few states, are reinsured by ACE American Insurance Company, and through ACE American Insurance Company, the active pool.

D. Uncollectible Assets

The Company has an agreement with an affiliate, Recovery Services International (RSI), for the non-recourse sale of agents' balances over 90 days old.

E. Reinsurance Accounted for as a Deposit

Not Applicable

F. Multiple Peril Crop Insurance

Not Applicable

G. Mezzanine Real Estate Loans

NOTES TO FINANCIAL STATEMENTS

Not Applicable

H. Health Care Receivables

Not Applicable

I. September 11 Events

Not Applicable

21. Events Subsequent

There have not been any events that occurred subsequent to the close of the books or accounts for this statement, which would have a material affect on the financial condition of the Company.

22. Reinsurance

A. Unsecured Reinsurance Recoverables

Not Applicable

B. Reinsurance Recoverable in Dispute

The Company had no reinsurance recoverables in dispute subject to the disclosure requirement

C. Reinsurance Assumed and Ceded

1. Maximum amount of return commission due if all reinsurance is cancelled:

	ASSUMED REINSURANCE		CEDED REINSURANCE		NET
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve
	(1)	(2)	(3)	(4)	(5)
(6)					
Affiliates (231,382)	335	0	856,971	231,382	(856,636)
All Other 0	0	0	0	0	0
Total (231,382)	335	0	856,971	231,382	(856,636)

Direct Unearned Premium Reserve 951,852

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

	<u>REINSURANCE</u>			
	<u>Direct</u>	<u>Assumed</u>	<u>Ceded</u>	<u>NET</u>
Contingent Commission	13,797	0	0	13,797
Sliding Scale Adjustments	0	0	0	0
Other Profit Commission Agreements				
Total	13,797	0	0	13,797

3. Not Applicable

D. Uncollectible Reinsurance

NOTES TO FINANCIAL STATEMENTS

The Company had no uncollectible reinsurance written off during the year.

E. Commutation

The Company had no commutations of reinsurance ceded written off during the year.

F. Retroactive Reinsurance

Not Applicable

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Ten Percent (10%) Method of Determining Non-Admitted Retrospective Premium

Ten percent of the amount of accrued retrospective premiums not offset by retrospective return premiums, other liabilities to the same party (other than loss and loss adjustment expense reserves), or collateral, as permitted by SAAP No. 66, Retrospectively Rated Contracts, has been non-admitted.

a. Total accrued retro premium	\$4,583
b. Unsecured amount	\$4,583
c. Less: Non-admitted amount (10%)	\$ 458
d. Less: Non-admitted for any person for whom agents' balances or uncollected premiums are non- admitted	\$ 0
e. Admitted amount (a) - (c) - (d)	\$4,125

24. Change in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$133,000 from \$493,000 in 2001 to \$360,000 in 2002 as a result of reestimation of unpaid losses and loss adjustment expenses principally on commercial auto and commercial multiperil lines of insurance. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased (decreased) as additional information becomes known regarding individual claims. The Company experienced no prior year loss development on retrospectively rated policies.

25. Intercompany Pooling Agreement

Not Applicable

26. Structured Settlements

A. The Company routinely settles claims using a structured settlement approach whereby the Company purchases an annuity from a life insurer and periodic payments are made by the life insurer to the claimant. In the aggregate, amounts due from all life insurers as of year end was \$889,572.

B. The following represents the statutory reserves recorded by life insurers that exceed 1% of the Company's surplus:

<u>Life Insurance Company & Location</u>	<u>Loss Reserves Eliminated by Annuities</u>
--	--

NOTES TO FINANCIAL STATEMENTS

SAFECO Life, Redman, WA

\$595,171

27. High Deductibles

As of December 31, 2001, the amount of reserve credit recorded for high deductibles on unpaid claims was \$-0- and the amount billed and recoverable on paid claims was \$-0-.

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

Not Applicable

29. Asbestos/Environmental (Mass Tort) Reserves

The Company's exposure to asbestos and environmental claims arises from the sale of general liability and commercial multi-peril insurance.

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

The Company's asbestos and environmental related losses (including coverage dispute costs) for each of the five most recent calendar years were as follows:

Asbestos - Gross	1998	1999	2000	2001	2002
Beginning Reserves:	38,500	38,500	69,500	78,592	8,127
Incurred loss and loss adjustment expense:	8,257	43,352	15,681	(62,503)	48,111
Calendar year payments for loss & loss adjustment expenses:	8,257	12,352	6,589	7,962	56,238
Ending Reserves:	38,500	69,500	78,592	8,127	0
Asbestos - Net	1998	1999	2000	2001	2002
Beginning Reserves:	3,850	3,850	0	0	0
Incurred loss and loss adjustment expense:	826	4,335	0	0	0
Calendar year payments for loss & loss adjustment expenses:	826	8,185	0	0	0
Ending Reserves:	3,850	0	0	0	0

Ending Asbestos reserves for unreported claims included above:

Gross of Reinsurance Basis	\$	0
Net of Reinsurance Basis	\$	0

Ending Asbestos reserves for allocated loss adjustment expense included above:

Gross of Reinsurance Basis	\$	0
Net of Reinsurance Basis	\$	0

Environmental - Gross	1998	1999	2000	2001	2002
Beginning Reserves:	120,000	120,000	120,000	55,000	55,000

NOTES TO FINANCIAL STATEMENTS

Incurring loss and loss adjustment expense:	4,437	110,739	485,150	(193)	0
Calendar year payments for loss & loss adjustment expenses:	4,437	110,739	550,150	(193)	0
Ending Reserves:	120,000	120,000	55,000	55,000	55,000

Environmental - Net

	1998	1999	2000	2001	2002
Beginning Reserves:	0	0	0	0	0
Incurring loss and loss adjustment expense:	0	0	0	13	0
Calendar year payments for loss & loss adjustment expenses:	0	0	0	13	0
Ending Reserves:	0	0	0	0	0

Ending Asbestos reserves for unreported claims included above:

Gross of Reinsurance Basis	\$	0
Net of Reinsurance Basis	\$	0

Ending Asbestos reserves for allocated loss adjustment expense included above:

Gross of Reinsurance Basis	\$	0
Net of Reinsurance Basis	\$	0

30. Subscribers Savings Accounts

Not Applicable

31. Financial Guaranty Insurance Exposures

Not Applicable

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. Treasury securities	453,346	2.127	453,346	2.127
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.000		0.000
1.22 Issued by U.S. government sponsored agencies	177,608	0.833	177,608	0.833
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)	524,361	2.461	524,361	2.461
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	404,600	1.899	404,600	1.899
1.43 Revenue and assessment obligations	886,072	4.158	886,072	4.158
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA	234,981	1.103	234,981	1.103
1.512 Issued by FNMA and FHLMC	6,671,492	31.308	6,671,492	31.306
1.513 Privately issued		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC	824,150	3.868	824,150	3.867
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC		0.000		0.000
1.523 All other privately issued	949,714	4.457	949,714	4.457
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	8,148,583	38.239	8,148,583	38.238
2.2 Unaffiliated foreign securities	1,548,835	7.268	1,549,700	7.272
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (includes \$ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (\$ including property acquired in satisfaction of debt)		0.000	0	0.000
6. Policy loans		0.000		0.000
7. Receivables for securities	17,176	0.081	17,176	0.081
8. Cash and short-term investments	468,541	2.199	468,541	2.199
9. Other invested assets		0.000		0.000
10. Total invested assets	21,309,459	100.000	21,310,324	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 [] 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 [] 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 []
- 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).07/16/2002
- 3.4 By what department or departments? The Ohio Department of Insurance
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No []
- 4.12 renewals? Yes [] No []
- 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 []
- 4.22 renewals? Yes [] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- 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 []
- 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 []
- 7.2 If yes,
- 7.21 State the percentage of foreign control;100.0
- 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
CAYMAN ISLANDS.....	Corporation (ACE Limited).....
.....

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?
 PricewaterhouseCoopers
 2 Commerce Square
 2001 Market Street
 Suite 1700
 Philadelphia, PA 19103.....
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?
 Paul G. O'Connell, FCAS, MAAA
 Executive Vice President & Chief Actuary
 ACE INA
 1601 Chestnut Street
 Philadelphia PA 19103

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) | \$0 |
- 14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|--|---|-----------|
| | 14.21 To directors or other officers ... | \$0 |
| | 14.22 To stockholders not officers | \$0 |
| | 14.23 Trustees, supreme or grand (Fraternal only) | \$0 |
- 15.1 Were any 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	0	0	0.000	0	[]	[]	[]	[]
Common	100,000	29,993	100.000	XXX	XXX	XXX	XXX	XXX

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

18.2 If no, give full and complete information relating thereto:
Held pursuant to a custody agreement with State Street Bank

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 [X]
If no, attach a description with this statement.

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

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

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
State Street.....	801 Pennsylvania Ave KC MO 64105.....
.....

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
105847.....	Stein Roe & Farnham Incorporated, Chicago, IL.....	Stein Roe & Farnham Incorporated, Chicago, IL.....
107105.....	BlackRock Financial Management, Inc NY NY.....	BlackRock Financial Management, Inc NY NY.....

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?..... \$.....0

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

1 Name	2 Amount Paid
	\$
	\$
	\$

24.1 Amount of payments for legal expenses, if any?..... \$.....10,453

24.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$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 \$0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$0
- 1.31 Reason for excluding

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$0
- 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$0
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$0
- 1.62 Total incurred claims \$0
- 1.63 Number of covered 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 []
- 3.2 Does the reporting entity issue non-assessable policies? Yes [] No []
- 3.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? %
- 3.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums? \$
4. For Reciprocal Exchanges Only:
- 4.1 Does the Exchange appoint local agents? Yes [] No []
- 4.2 If yes, is the commission paid:
- 4.21 Out of Attorney's-in-fact compensation Yes [] No [] NA [X]
- 4.22 As a direct expense of the Exchange Yes [] No [] NA [X]
- 4.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

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

- 5.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
- We manage our exposures by location and purchase a Workers Compensation catastrophe reinsurance program with limits of \$292M
- 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.
- We collect total insured value, construction type, and other data on property locations and use RMS Risk Link 4.2 to estimate our Property probable maximum loss. Insured exposures are primarily commercial buildings, contents, and business interruption, but also include some residential risks. Areas of catastrophe exposure concentration are Florida, Texas, and California. On Workers Compensation business, we collect employee counts, construction type and other data to manage accumulations. We also commissioned RMS to analyze our exposures and estimate our probable maximum loss from natural catastrophe exposures for Workers Compensation.
- 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?
- We purchase a property catastrophe reinsurance program
- 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 uninsured 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 [X] No []
- 6.2 If yes, indicate the number of reinsurance contracts containing such provisions: 1

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..... \$3,932
- 10.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$651
- 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..... \$4,125
- 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 [X] No [] 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..... 0.0 %
- 10.42 To..... 6.2 %
- 10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?..... Yes [] No [X]
- 10.6 If yes, state the amount thereof at December 31 of the current year:
- 10.61 Letters of credit..... \$0
- 10.62 Collateral and other funds..... \$0
- 11.1 What amount of installment notes is owned and now held by the reporting entity?..... \$0
- 11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year?..... Yes [] No [X]
- 11.3 If yes, what amount?..... \$
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):..... \$1,600,000
- 12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?..... Yes [] No [X]
- 12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of this amount..... 2
- 13.1 Has 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 ACE INSURANCE COMPANY OF OHIO

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)	166,064	347,955	1,669,693	557,887	270,809
2. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	8,307,513	8,678,540	5,862,123	4,860,892	4,328,140
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	752,679	2,933,948	2,612,108	2,047,808	1,976,408
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
5. Non-proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	0	0
6. Total (Line 34)	9,226,256	11,960,443	10,143,924	7,466,587	6,575,357
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)	16,607	34,798	168,300	55,790	27,081
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	392,303	867,854	586,213	486,092	432,815
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	75,268	293,379	268,986	204,782	197,643
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
11. Non-proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	0	0
12. Total (Line 34)	484,178	1,196,031	1,023,499	746,664	657,539
Statement of Income (Page 4)					
13. Net Underwriting Gain (Loss) (Line 8)	887,878	1,866,674	874,502	1,718,353	1,401,024
14. Net Investment Gain (Loss) (Line 11)	1,209,337	1,296,874	1,057,742	889,326	784,170
15. Total Other Income (Line 15)	0	0	0	0	0
16. Dividends to Policyholders (Line 17)	0	0	0	0	0
17. Federal and Foreign Income Taxes Incurred (Line 19)	765,000	1,099,000	640,692	754,000	671,000
18. Net Income (Line 20)	1,332,215	2,064,548	1,291,552	1,853,679	1,514,194
Balance Sheet Lines (Pages 2 and 3)					
19. Total Admitted Assets excluding Protected Cell (Page 2, Line 26, Col. 3)	23,043,254	24,741,994	18,584,333	17,146,789	15,053,255
20. Agents' Balances or Uncollected Premiums (Page 2, Col. 3)					
20.1 In Course of Collection (Line 10.1)	278,454	729,808	913,249	611,017	416,870
20.2 Deferred and not yet due (Line 10.2)	340,885	250,453	309,727	412,084	274,158
20.3 Accrued Retrospective Premiums (Line 10.3)	4,125	4,242	(3,025)	435	19,958
21. Total Liabilities excluding Protected Cell (Page 3, Line 24)	2,867,420	5,901,821	1,843,827	1,693,618	1,456,687
22. Losses (Page 3, Lines 1 and 2)	241,744	394,183	307,472	445,632	663,921
23. Loss Adjustment Expenses (Page 3, Line 3)	217,960	252,054	367,736	457,056	494,490
24. Unearned premiums (Page 3, Line 9)	95,218	294,789	185,937	159,608	155,288
25. Capital Paid Up (Page 3, Lines 28 & 29)	2,999,300	2,999,300	2,999,300	2,999,300	2,999,300
26. Surplus as Regards Policyholders (Page 3, Line 35)	20,175,835	18,840,175	16,740,508	15,453,170	13,596,566
Risk-Based Capital Analysis					
27. Total Adjusted Capital	20,175,835	18,840,175	16,740,508	15,453,170	13,596,566
28. Authorized Control Level Risk-Based Capital	101,566	156,490	163,343	155,320	138,019
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)	97.7	92.7	64.9	92.6	84.6
30. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	0.0
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)	0.0	0.0	0.0	0.0	0.0
33. Cash and Short-Term Investments (Line 5)	2.2	7.3	35.1	7.4	15.4
34. Other Invested Assets (Line 6)	0.0	0.0	0.0	0.0	0.0
35. Receivable for Securities (Line 7)	0.1	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)	0	0	0	0	0
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	0	0	0	0	0
45. Percentage of Investments in Parent, Subsidiaries and Affiliates to Surplus as Regards Policyholders (Line 44 above divided by Page 3, Col. 1, Line 35 x 100.0)	0.0	0.0	0.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Capital and Surplus Accounts (Page 4)					
46. Net Unrealized Capital Gains (Losses) (Line 23)	562	4,262	(4,262)	754	5,097
47. Dividends to Stockholders (Line 34)	0	0	0	0	0
48. Change in surplus as regards policyholders for the year (Line 37)	1,335,659	2,099,668	1,287,338	1,856,603	1,519,888
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)	57,013	957,704	686,903	314,997	288,421
50. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	7,782,156	1,116,705	5,919,041	3,074,732	2,123,585
51. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	2,499,479	306,191	320,003	482,120	385,401
52. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
53. Non-Proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	0	0
54. Total (Line 34)	10,338,648	2,380,600	6,925,947	3,871,849	2,797,407
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)	18,301	95,770	18,691	31,499	28,842
56. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	19,978	111,671	591,905	307,474	212,359
57. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	464,668	30,620	32,001	48,211	38,541
58. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
59. Non-Proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	0	0
60. Total (Line 34)	502,947	238,061	642,597	387,184	279,742
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)	51.3	29.8	50.8	23.4	12.2
63. Loss Expenses Incurred (Line 3)	9.1	(9.0)	(8.4)	(2.5)	(4.6)
64. Other Underwriting Expenses Incurred (Line 4)	(90.3)	(91.9)	(30.4)	(159.3)	(124.0)
65. Net Underwriting gain (loss) (Line 8)	129.9	171.1	88.0	238.4	216.4
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)	(127.5)	(83.8)	(29.5)	(153.8)	(122.1)
67. Losses and Loss Expenses Incurred to Premiums Earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	60.4	20.8	42.4	20.9	7.6
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)	2.4	6.3	6.1	4.8	4.8
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)	13	(14)	(11)	(235)	(210)
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)	0.1	(0.1)	(0.1)	(1.7)	(1.7)
Two Year Loss Development (000 omitted)					
71. Development in Estimated Losses and Loss Expenses Incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(113)	(156)	(395)	(427)	(153)
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)	(0.7)	(1.0)	(2.9)	(3.5)	(1.8)

SCHEDULE D - SUMMARY BY COUNTRY

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

Description	1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS				
Governments (Including all obligations guaranteed by governments)	1. United States 865,935 2. Canada 524,361 3. Other Countries 0 4. Totals 1,390,296	872,149 541,080 0 1,413,229	866,156 535,000 0 1,401,156	843,722 500,000 0 1,343,722
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 404,600 10. Canada 0 11. Other Countries 0 12. Totals 404,600	404,600 0 0 404,600	405,625 0 0 405,625	400,000 0 0 400,000
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States 8,381,714 14. Canada 0 15. Other Countries 0 16. Totals 8,381,714	8,387,489 0 0 8,387,489	8,383,592 0 0 8,383,592	8,225,946 0 0 8,225,946
Public Utilities (unaffiliated)	17. United States 500,561 18. Canada 0 19. Other Countries 0 20. Totals 500,561	543,240 0 0 543,240	500,718 0 0 500,718	500,000 0 0 500,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States 8,597,736 22. Canada 490,016 23. Other Countries 1,059,684 24. Totals 10,147,436	9,151,167 534,980 1,163,948 10,850,095	8,566,184 487,860 1,062,767 10,116,811	8,560,931 500,000 1,025,000 10,085,931
Parent, Subsidiaries and Affiliates	25. Totals 0 26. Total Bonds 20,824,607	0 21,598,653	0 20,807,902	0 20,555,599
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States 0 28. Canada 0 29. Other Countries 0 30. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States 0 32. Canada 0 33. Other Countries 0 34. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	35. United States 0 36. Canada 0 37. Other Countries 0 38. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Parent, Subsidiaries and Affiliates	39. Totals 0 40. Total Preferred Stocks 0	0 0	0 0	0 0
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	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	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	49. United States 0 50. Canada 0 51. Other Countries 0 52. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Parent, Subsidiaries and Affiliates	53. Totals 0 54. Total Common Stocks 0 55. Total Stocks 0 56. Total Bonds and Stocks 20,824,607	0 0 0 21,598,653	0 0 0 20,807,902	0 0 0 20,555,599

(a) The aggregate value of bonds which are valued at other than actual fair value is \$11,092,021 .

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year 16,962,582	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3 10,932,696	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 (16,676)	6.3 Column 11, Part 2, Sec. 2 0
3.2 Column 12, Part 2, Sec. 1 0	6.4 Column 11, Part 4 0
3.3 Column 10, Part 2, Sec. 2 0	7. Book/adjusted carrying value at end of current period 20,824,609
3.4 Column 10, Part 4 (18,249) (34,925)	8. Total valuation allowance 0
4. Total gain (loss), Col. 14, Part 4 79,752	9. Subtotal (Lines 7 plus 8) 20,824,609
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 7,115,496	10. Total nonadmitted amounts 0
	11. Statement value of bonds and stocks, current period 20,824,609

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			
				Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
1. Prior	XXX	XXX	XXX	(5)	(5)	64	53	1	5	0	7	XXX
2. 1993	12,723	11,451	1,272	5,207	4,689	1,410	1,269	251	0	8	910	XXX
3. 1994	8,862	7,976	886	3,870	3,484	430	387	241	0	15	670	XXX
4. 1995	2,636	2,373	263	666	585	340	361	82	0	1	142	XXX
5. 1996	4,866	4,379	487	2,447	2,203	133	120	2	0	19	259	XXX
6. 1997	9,417	8,475	942	3,162	2,845	72	65	5	3	11	326	XXX
7. 1998	6,474	5,826	648	2,668	2,401	107	96	15	11	6	282	XXX
8. 1999	7,206	6,486	720	5,351	4,815	69	64	15	9	0	547	XXX
9. 2000	9,841	8,848	993	4,767	4,290	108	97	27	19	10	496	XXX
10. 2001	10,911	9,820	1,091	3,145	2,831	123	114	26	10	3	339	XXX
11. 2002	11,222	10,538	684	8,075	8,025	7	6	35	0	0	86	XXX
12. Totals	XXX	XXX	XXX	39,353	36,163	2,863	2,632	700	57	73	4,064	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					
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
1.	214	200	931	896	0	0	302	298	66	42	19	77	XXX
2.	22	20	111	100	0	0	3	2	1	0	0	15	XXX
3.	0	0	25	20	0	0	5	4	(2)	0	(3)	4	XXX
4.	0	0	52	42	0	0	26	23	1	0	0	14	XXX
5.	1	1	27	23	0	0	28	26	0	0	0	6	XXX
6.	0	0	22	19	0	0	9	6	78	0	(8)	84	XXX
7.	105	95	(79)	(67)	0	0	12	11	(1)	0	0	(2)	XXX
8.	12	11	(131)	(118)	0	0	80	73	4	0	(8)	(1)	XXX
9.	40	36	443	402	0	0	199	191	18	0	3	71	XXX
10.	81	73	531	478	0	0	150	135	16	0	(25)	92	XXX
11.	67	60	571	514	0	0	145	131	20	0	64	98	XXX
12. Totals	542	496	2,503	2,309	0	0	959	900	201	42	42	458	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	49	28
2.	7,005	6,080	925	55.1	53.1	72.7	0	0	0.0	13	2
3.	4,569	3,895	674	51.6	48.8	76.1	0	0	0.0	5	(1)
4.	1,167	1,011	156	44.3	42.6	59.3	0	0	0.0	10	4
5.	2,638	2,373	265	54.2	54.2	54.4	0	0	0.0	4	2
6.	3,348	2,938	410	35.6	34.7	43.5	0	0	0.0	3	81
7.	2,827	2,547	280	43.7	43.7	43.2	0	0	0.0	(2)	0
8.	5,400	4,854	546	74.9	74.8	75.8	0	0	0.0	(12)	11
9.	5,602	5,035	567	56.9	56.9	57.1	0	0	0.0	45	26
10.	4,072	3,641	431	37.3	37.1	39.5	0	0	0.0	61	31
11.	8,920	8,736	184	79.5	82.9	26.9	0	0	0.0	64	34
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	240	218

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 ACE INSURANCE COMPANY OF OHIO

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	1,066	1,675	1,492	1,390	1,435	1,206	1,011	1,036	955	939	(16)	(97)
2. 1993	567	559	582	717	777	696	721	693	676	674	(2)	(19)
3. 1994	XXX	458	381	429	464	456	456	445	444	435	(9)	(10)
4. 1995	XXX	XXX	167	103	84	72	70	72	68	73	5	1
5. 1996	XXX	XXX	XXX	224	312	271	271	263	259	263	4	0
6. 1997	XXX	XXX	XXX	XXX	370	527	488	370	338	329	(9)	(41)
7. 1998	XXX	XXX	XXX	XXX	XXX	294	275	258	241	278	37	20
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	405	557	567	536	(31)	(21)
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	486	625	540	(85)	54
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	281	400	119	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	128	XXX	XXX
12. Totals											13	(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	(1,683)	2,503	799	871	874	872	872	875	885	XXX	XXX
2. 1993	156	(1,791)	2,352	541	580	609	648	651	652	660	XXX	XXX
3. 1994	XXX	(1,699)	2,111	341	368	376	423	429	429	429	XXX	XXX
4. 1995	XXX	XXX	49	53	58	64	60	60	60	60	XXX	XXX
5. 1996	XXX	XXX	XXX	164	231	253	260	258	258	258	XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	267	320	314	323	323	323	XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	185	212	220	225	277	XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	296	528	540	541	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	391	483	487	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	143	324	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	50	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	536	818	552	388	463	282	114	141	65	39
2. 1993	245	221	174	115	117	51	42	38	20	12
3. 1994	XXX	192	112	64	36	25	28	17	15	6
4. 1995	XXX	XXX	95	44	20	6	10	12	8	14
5. 1996	XXX	XXX	XXX	30	52	16	10	5	1	5
6. 1997	XXX	XXX	XXX	XXX	51	199	162	47	10	5
7. 1998	XXX	XXX	XXX	XXX	XXX	81	54	23	10	(10)
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	76	25	25	(6)
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	81	133	49
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	91	68
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	72

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	0	0	0	
15. Indiana	IN	No	0	0	0	0	0	0	0	
16. Iowa	IA	No	0	0	0	0	0	0	0	
17. Kansas	KS	No	0	0	0	0	0	0	0	
18. Kentucky	KY	No	0	0	0	0	0	0	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	No	0	0	0	0	0	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	9,224,370	11,219,886	10,337,905	9,665,868	3,173,251	0	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	No	0	0	0	0	0	0	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	No	0	0	0	0	0	0	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	No	0	0	0	0	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) 1		9,224,370	11,219,886	10,337,905	9,665,868	3,173,251	0	0	
DETAILS OF WRITE-INS										
5701.	XXX		0	0	0	0	0	0	0	
5702.	XXX		0	0	0	0	0	0	0	
5703.	XXX		0	0	0	0	0	0	0	
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX		0	0	0	0	0	0	0	
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.

Location of Property: Fire, Allied Lines, Federal Flood, Farmowners Multiple peril, Homeowners Multiple Peril, Commercial Multiple Peril, Earthquake, Burglary and Theft Boiler and Machinery.
 Location of Risk: Medical Malpractice, Liability other than Auto.
 Location of Operation: Worker's Compensation, Liability other than Auto.
 Location of Principle Garage: Auto Liability, Auto Physical Damage.
 Location of Airport: Aircraft (All Perils).
 Location of Insured: Group Accident and Health, Other Accident and Health.
 Principle Office of Insured: Credit
 Surety - Judicial Bonds Allocated to State of Court location, Contract - Location of Work, Supply - Location of Contractor, License - Location of Obligee.

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

PART 1 - ORGANIZATIONAL CHART

Name	Jurisdiction of Organization	Percentage Ownership	Jurisdictions in which Authorized and Type of Business
ACE Limited	Cayman Islands	Publicly held	Bermuda, holding company
ACE Bermuda Insurance Ltd.	Bermuda	100%	Bermuda, insurance, reinsurance, general and long term; Mexico, reinsurance
ACE PCC Insurance Limited	Guernsey	100%	Guernsey, protected cell rent-a-captive business
Paget Reinsurance International Ltd.	Bermuda	100%	Bermuda, insurance/reinsurance
ACE Capital Re International Ltd.	Bermuda	100%	Bermuda, insurance/reinsurance, general and long term
ACE KRE Holdings Limited	Barbados	100%	Barbados, investment holding
ACE Capital Re USA Holdings Incorporated	Delaware	100%	Delaware, investment holding
ACE Capital Re Overseas Ltd.	Bermuda	100%	Bermuda, insurance/reinsurance, general and long term
ACE Capital Mortgage Reinsurance Company (EI# 06-1384770, NAIC# 10021, NY)	New York	100%	New York, mtg. guaranty reinsurance
ACE Capital Title Reinsurance Company (EI# 06-1434264, NAIC# 50028, NY)	New York	100%	CA, MI, NY, TX, title guaranty reinsurance
ACE Capital Re Inc.	New York	100%	New York, reinsurance intermediary
Oasis Investments Limited	Bermuda	67%	Bermuda, Investment Holding
Oasis Investments 2 Ltd.	Bermuda	67%	Bermuda, holding company
ACE Financial Solutions International, Ltd.	Bermuda	100%	Bermuda, insurance management
ACE European Markets Reinsurance Limited	Ireland	100%	Ireland, general and life reinsurance
ACE European Markets Insurance Limited	Ireland	100%	EEA/Europe, direct non-life insurance, UK branch
Corporate Officers & Directors Assurance Ltd.	Bermuda	100%	Bermuda, insurance
Oasis Real Estate Company Ltd.	Bermuda	100%	Bermuda, investment holding
Scarborough Property Holdings Ltd.	Bermuda	40%	Bermuda, investment holding
Sovereign Risk Insurance Limited	Bermuda	50%	Bermuda, insurance agent
Tripar Partnership	Bermuda	98%	Bermuda, investment holding
		2% (CODA)	
ACE Realty Holdings Limited	Bermuda	100%	Bermuda, investment holding
Oasis Personnel Limited	Cayman Islands	100%	Cayman Islands, general services
Shipowners Insurance and Guaranty Co. Limited	Bermuda	10% Series A 8% Series B	Bermuda, insurance
Intrepid Re Holdings Limited	Bermuda	38.5%	Bermuda, holding

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

PART 1 - ORGANIZATIONAL CHART

Name	Jurisdiction of Organization	Percentage Ownership	Jurisdictions in which Authorized and Type of Business
Intrepid Re Limited	Bermuda	100%	Bermuda, Reinsurance
Freisenbruch-Meyer Insurance Ltd.	Bermuda	40%	Bermuda, local and commercial insurance
Freisenbruch-Meyer Insurance Services Ltd.	Bermuda	40%	Bermuda, local and commercial insurance
ACE Global Markets Limited	United Kingdom	100%	UK, investment holding
ACE Group Holdings Limited	United Kingdom	100%	UK, investment holding
ACE Tarquin	United Kingdom	100%	UK, investment holding
ACE Capital V Limited	United Kingdom	100%	UK, Lloyd's corporate member
ACE Leadenhall Limited	United Kingdom	100%	UK, investment holding
ACE Underwriting Agencies Limited	United Kingdom	100%	UK, Lloyd's managing agent
ACE Trustees Limited	United Kingdom	100%	UK, investment holding
ACE London Group Limited	United Kingdom	100%	UK, investment holding
ACE Capital Limited	United Kingdom	100%	UK, Lloyd's corporate member
ACE Capital III Limited	United Kingdom	100%	UK, Lloyd's corporate member
ACE Capital IV Limited	United Kingdom	100%	UK, Lloyd's corporate member
ACE London Holdings Limited	United Kingdom	100%	UK, investment holding
ACE Capital II Limited	United Kingdom	100%	UK, Lloyd's corporate member
ACE London Investments Limited	United Kingdom	100%	UK, investment holding
ACE London Aviation Limited	United Kingdom	100%	UK, Lloyd's managing agent
ACE London Underwriting Limited	United Kingdom	100%	UK, Lloyd's managing agent
ACE Underwriting Services Limited	United Kingdom	100%	UK, Lloyd's service company
AGM Underwriting Limited	United Kingdom	100%	UK, dormant
ACE London Services Limited	United Kingdom	100%	UK, service company
ACE Capital VI Limited	United Kingdom	100%	UK, Lloyd's corporate member
ACE UK Limited	United Kingdom	77%	UK, investment holding
ACE UK Holdings Limited	United Kingdom	100%	UK, investment holding
ACE (MI) Limited	United Kingdom	100%	UK, dormant
ACE (MS) Limited	United Kingdom	100%	UK, dormant
ACE UK Underwriting Limited	United Kingdom	100%	Lloyd's managing agent
ACE (PM) Limited	United Kingdom	100%	UK, investment holding
ACE UK Limited	United Kingdom	23%	UK, investment holding
ACE Services Limited	Cayman Islands	100%	Cayman Islands, general services
ACE Holdings (Gibraltar) Limited	Gibraltar	100%	Gibraltar, Bermuda permit, investment holding
ACE Gibraltar Limited	Gibraltar	51%	Gibraltar, insurance intermediary

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

PART 1 - ORGANIZATIONAL CHART

Name	Jurisdiction of Organization	Percentage Ownership	Jurisdictions in which Authorized and Type of Business
ACE-ii Limited	United Kingdom	100%	dormant, to become internet company
ACE Corporate Risks Limited	United Kingdom	51%	UK, insurance intermediary
ACE-ii (Gibraltar) Limited	Gibraltar	100%	dormant,
ACE Underwriting Services (Gibraltar) Limited	Gibraltar	100%	dormant,
Arles Services Limited	Gibraltar	100%	dormant,
CGA Group Limited	Bermuda	18.20% 1.65% (ACE Guaranty Re)	Bermuda, investment holding
CGA Investment Management, Inc.	USA (Delaware)	100%	USA, investment
Commercial Guaranty Assurance Ltd.	Bermuda	100%	Bermuda, insurance
Oasis Insurance Services Ltd.	Bermuda	100%	Bermuda, general services
ACE Tempest Life Reinsurance Ltd.	Bermuda	100%	Bermuda, insurance, reinsurance, general and long term (life, health, annuities)
ACE Tempest Reinsurance Ltd.	Bermuda	100%	Bermuda, insurance/reinsurance, long term; Puerto Rico, reinsurance
Oasis Investments Limited	Bermuda	33%	Bermuda, investment holding
Oasis Investments 2 Ltd.	Bermuda	33%	Bermuda, holding company
Oasis US Inc.	Delaware	100%	USA, general services
St. George Holdings Ltd	Cayman Islands	10.71%	Cayman Islands, investment holding
St. George Investments Ltd.	Cayman Islands	100%	Cayman Islands, investment holding
ACE INA Holdings Inc.	USA (Delaware)	20%	USA, investment holding
ACE Prime Holdings Inc.	USA (Delaware)	100%	USA, investment holding
ACE INA Holdings Inc.	USA (Delaware)	80%	USA, investment holding
ACE Seguros S.A.	Argentina	99.35%	Argentina, Insurance
Huatai Insurance Company of China, Limited	China	6.129% 10% (ACE Tempest Reinsurance Ltd.) 6% (ACE US Holdings, Inc.)	China, property and casualty insurer
ACE Seguradora S.A.	Brazil	99.9% 0.1% (ACE Prime Holdings Inc.)	Brazil, insurance

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

PART 1 - ORGANIZATIONAL CHART

Name	Jurisdiction of Organization	Percentage Ownership	Jurisdictions in which Authorized and Type of Business
Servicios ACE INA S.A. de C.V.	Mexico	99.99% .00002% (ACE Prime Holdings Inc.)	Mexico, service company
ACE Tempest Re USA, Inc.	USA (Connecticut)	100%	CT, NJ, NY, OH, PA, SC, TX, reinsurance intermediary manager
INA Corporation	USA (Pennsylvania)	100%	USA, investment holding company
ACE INA Properties, Inc.	USA (Delaware)	100%	USA, holding company
Conference Facilities, Inc.	USA (Pennsylvania)	100%	USA, owns & operates corporate facilities
INA Tax Benefits Reporting, Inc.	USA (Delaware)	100%	USA, tax info & 3 rd party reporting
INA Financial Corporation	USA (Delaware)	100%	USA, investment holding
Brandywine Holdings Corporation	USA (Delaware)	100%	USA, holding company
Brandywine Run-Off Services, Inc.	USA (Delaware)	100%	USA, management company for 1792
ASSUREX Development Corporation	USA (Ohio)	11.011%	USA, provides loans to insurance agents
Cravens, Dargan & Company, Pacific Coast	USA (Delaware)	100%	USA, managing general agency
Cravens, Dargan & Company, Pacific Coast of Illinois, Inc.	USA (Illinois)	100%	USA, managing general agency
Century Indemnity Company (EI# 05-6105395, NAIC #20710, PA)	USA (Pennsylvania)	100%	USA, insurance
Century Reinsurance Company (EI# 06-0988117, NAIC #35130, PA)	USA (Pennsylvania)	100%	USA, reinsurance
ACE American Reinsurance Company (EI# 23-1740414, NAIC#22705, PA)	USA (Pennsylvania)	100%	USA, reinsurance
Brandywine Reinsurance Company S.A.-N.V.	Belgium	100%	Belgium, reinsurance
The 1792 Company	USA (Delaware)	100%	USA, (former underwriting member of New York Insurance Exchange)
Century International Reinsurance Company Ltd.	Bermuda	100%	Bermuda, insurance & reinsurance
INA Holdings Corporation	USA (Delaware)	100%	USA, holding company
INATrust, fsb	Chartered by Office of Thrift Supervision	100%	USA, savings bank

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**PART 1 - ORGANIZATIONAL CHART**

Name	Jurisdiction of Organization	Percentage Ownership	Jurisdictions in which Authorized and Type of Business
YouDecide.com, Inc.	Delaware	100%	Delaware, on-line financial marketing
CFN Finance, Inc.	Delaware	100%	Delaware, mortgage brokering
CFN Agency, Inc.	Delaware	100%	Delaware, nonresident insurance agency
CFN Agency of Hawaii, Inc.	Hawaii	100%	Hawaii, resident insurance agency
PDCN Legal Management Company, Inc.	USA (Delaware)	100%	USA, in-house law firm Administrator
INA Reinsurance Company, Ltd.	Bermuda	100%	Bermuda, reinsurance
ACE INA Financial Institution Solutions, Inc.	USA (Delaware)	100%	USA, floodplain determination & other services to financial institutions
ESIS, Inc.	USA (Pennsylvania)	100%	USA, markets risk management Programs
NewMarkets Insurance Agency, Inc.	USA (Delaware)	100%	USA, managing general agency
ACE INA Excess and Surplus Insurance Services, Inc.	USA (Georgia)	100%	USA, excess & surplus lines broker
ACE INA Excess and Surplus Insurance Services, Inc.	USA (Pennsylvania)	100%	USA, excess & surplus lines broker
ACE INA Excess and Surplus Insurance Services, Inc.	USA (California)	100%	USA, excess & surplus lines broker
ACE INA Excess and Surplus Insurance Services, Inc.	USA (Illinois)	100%	USA, excess & surplus lines broker
Excess and Surplus Insurance Services, Inc.	USA (Texas)	100%	USA, managing general agency
ACE Financial Solutions, Inc.	USA (Delaware)	100%	USA, premium finance company
Global Surety Network, Inc.	USA (Delaware)	100%	USA, management company & underwriting services
Marketyne International, Inc.	USA (Delaware)	100%	USA, marketing insurance products
Recovery Services International, Inc.	USA (Delaware)	100%	USA, subrogation, collection & recovery services
RSI Health Care Recovery, Inc.	USA (Delaware)	100%	USA, subrogation, collection & recovery services
Indemnity Insurance Company of North America (EI# 06-1016108, NAIC #43575, PA)	USA (Pennsylvania)	100%	USA, Puerto Rico, USVI, insurance
ACE Indemnity Insurance Company EI#92-0040526, NAIC #10030, PA)	USA (Pennsylvania)	100%	USA, insurance

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

PART 1 - ORGANIZATIONAL CHART

Name	Jurisdiction of Organization	Percentage Ownership	Jurisdictions in which Authorized and Type of Business
Allied Insurance Company (EI# 23-2021364, NAIC #36528, CA)	USA (California)	100%	USA, insurance
ACE American Insurance Company (EI#95-2371728, NAIC# 22667, PA)	USA (Pennsylvania)	100%	USA, Korea, Puerto Rico USVI, Guam, Bermuda permit, Taiwan (life), insurance
Pacific Employers Insurance Company (EI#95-1077060, NAIC# 22748, PA)	USA (Pennsylvania)	100%	USA, USVI, insurance
ACE Insurance Company of Texas (EI# 74-1480965, NAIC #22721, 22920, TX)	USA (Texas)	100%	USA, insurance
Illinois Union Insurance Company (EI# 36-2759195, NAIC #27960, IL)	USA (Illinois)	100%	USA, surplus lines insurer
Rain and Hail Insurance Service Incorporated	USA (Iowa)	20%	
INAMAR Insurance Underwriting Agency, Inc.	USA (New Jersey)	100%	USA, insurance agency
INAMAR Insurance Underwriting Agency, Inc. of Massachusetts	USA (Massachusetts)	100%	USA, general agency
INAMAR Insurance Underwriting Agency, Inc. of Texas	USA (Texas)	100%	USA, general agency
INAMAR Insurance Underwriting Agency, Inc. of Ohio	USA (Ohio)	100%	USA, general agency
Insurance Company of North America (EI# 23-0723970, NAIC #22713, PA)	USA (Pennsylvania)	100%	USA, Guam, Northern Mariana Islands, Philippines, Puerto Rico, Taiwan (p/c), insurance
Bankers Standard Insurance Company (EI# 75-1320184, NAIC #18279, PA)	USA (Pennsylvania)	100%	USA, insurance
Bankers Standard Fire and Marine Company (EI#75-6014863, NAIC #20591, PA)	USA (Pennsylvania)	100%	USA, insurance
ACE Property and Casualty Insurance Company (EI# 06-0237820, NAIC, #20699, PA)	USA (Pennsylvania)	100%	USA, Puerto Rico, insurance
ACE Employers Insurance Company (EI# 23-2137343, NAIC #38741, PA)	USA (Pennsylvania)	100%	USA, insurance
ACE Insurance Company of Ohio (EI#23-1859893, NAIC #22764, OH)	USA (Ohio)	100%	USA, insurance
INA Surplus Insurance Company (EI# 52-1208598, NAIC #42072, PA)	USA (Pennsylvania)	100%	USA, reinsurance

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

PART 1 - ORGANIZATIONAL CHART

Name	Jurisdiction of Organization	Percentage Ownership	Jurisdictions in which Authorized and Type of Business
ACE Fire Underwriters Insurance Company (EI# 06-6032187, NAIC #20702, PA)	USA (Pennsylvania)	100%	USA, insurance
Atlantic Employers Insurance Company (EI# 23-2173820, NAIC #38938, NJ)	USA (New Jersey)	100%	USA, insurance
Cover-All Technologies, Inc.	USA (Delaware)	7.41%	USA, develop software products for insurance industry
ALIC, Incorporated	USA (Texas)	100%	USA, general agency & attorney-in-fact for ACE Lloyds
ACE American Lloyds Insurance Company (Sponsored Lloyds Association) (EI# 75-1365570, NAIC #18511, TX)	USA (Texas)	100%	USA, Lloyds Association
ACE Insurance Company of Illinois (EI# 36-2709121, NAIC #22691, IL)	USA (Illinois)	100%	USA, insurance
ACE Insurance Company of the Midwest (EI# 06-0884361, NAIC #26417, IN)	USA (Indiana)	100%	USA, insurance
INAPRO, Inc.	USA (Delaware)	100%	USA, insurance management services & underwriting
American Adjustment Company, Inc.	USA (Delaware)	100%	USA, run-off of automobile guaranty Loans
American Lenders Facilities, Inc.	USA (California)	100%	USA, collection & loan servicing for third parties
ACE INA International Holdings, Ltd.	USA (Delaware)	100%	USA, international insurance & financial holding company
ACE Insurance S.A.	Macau	99.94%	Macau, insurance
ACE CIIC Holdings Limited	Cayman Islands	100%	Cayman Islands, holding company
ACE CIIC Insurance Company S.A.E. Egypt	Egypt	51%	Egypt, insurance
ACE Synergy Insurance Berhad	Malaysia	51%	Malaysia, insurance
ACE Insurance S.A.-N.V.	Belgium	.0523% 99.9477% (ACE INA Overseas Holdings, Inc.)	Europe, insurance/reinsurance
ACE Seguros S.A.	Chile	66.53% (AIIH) 18.70% (AFIA Finance Corporation) 13.90% - (ESIS "Chile")	Chile, insurance

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

PART 1 - ORGANIZATIONAL CHART

Name	Jurisdiction of Organization	Percentage Ownership	Jurisdictions in which Authorized and Type of Business
ACE Seguros S.A.	Colombia	99.7595% 55.1532% (INA) 24.0163% (AIIH) 9.2649% (INA Financial) 6.6923% (AFIA Finance Corporation) 4.6329% (CIRC)	Columbia, insurance
ACE Seguros S.A.	Ecuador	100%	Ecuador, insurance
ACE Seguros S.A.	Mexico	99.9%	Mexico, insurance/assumed reinsurance
Brandywine Reinsurance Co. (UK) Ltd	United Kingdom	100%	UK, reinsurance
ACE INA UK Limited	United Kingdom	100%	UK, Greece, insurance
Eksupsiri Company Limited	Thailand	49% 50.99% (Nam Ek)	Thailand, insurance
ACE Life Assurance Co. Ltd.	Thailand	70% 25% (Oriental)	Thailand, life insurance
Nam Ek Company Limited	Thailand	49%	Thailand, insurance
Chilena Consolidada Seguros Generales, S.A.	Chile	.65%	Chile, insurance
ACE Insurance Limited	South Africa	100%	South Africa, insurance
ACE Insurance Limited	New Zealand	100%	New Zealand, insurance/reinsurance
ACE International Management Corporation	Pennsylvania	100%	Management Services
Cover Direct, Inc.	USA (Delaware)	100%	Japan, direct marketing service Company
Victoria Hall Company Ltd.	Bermuda	20%	Bermuda, investment holding
ACE INA G.B. Holdings, Ltd	USA (Delaware)	100%	Delaware, UK, insurance holding
ACE INA Services U.K. Limited	United Kingdom	100%	UK, computer services for affiliates
INACAP Sociedad Anonima	Nicaragua	100%	Nicaragua, corporation
INACAP Reaseguros, Sociedad Anonima	Nicaragua	100%	Nicaragua, corporation
Century Inversiones, S.A.	Panama	100%	Panama, reinsurance administrator
ARABIA ACE Insurance Co. Limited E C	Bahrain	25%	Saudi Arabia, insurance & reinsurance
ACE Insurance Limited	Australia	100%	Australia, Pakistan, Thailand, Solomon Islands, Vanuatu, insurance & reinsurance

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

PART 1 - ORGANIZATIONAL CHART

Name	Jurisdiction of Organization	Percentage Ownership	Jurisdictions in which Authorized and Type of Business
ACE INA Superannuation Pty. Limited	Australia	100%	Australia, corporate trustee for ACE Australia superannuation plan
ACE Insurance Limited	Pakistan	100%	Pakistan, insurance
ACE INA Overseas Insurance Company Ltd.	Bermuda	100%	Bermuda, insurance/reinsurance, general and long term
ACE Insurance Limited	Singapore	100%	Singapore, insurance
ACE Insurance	Japan	100%	Japan, insurance/reinsurance
ACE Songai Service Kabushikigaisha	Japan	100%	Japanese service company
ACE INA Marketing Group C.A.	Venezuela	100%	Venezuela, services & direct marketing
ACE INA Overseas Holdings, Inc.	USA (Delaware)	100%	Delaware, holding company
INACAN Holdings, Ltd.	Canada	100%	Canada, insurance holding
ACE INA Insurance	Canada	100%	Canada, insurance & reinsurance
ACE INA Life Insurance	Canada	100%	Canada, life insurance
ACE Insurance S.A.-N.V.	Belgium	99.9477% .0523% (AIIH)	Europe, insurance/reinsurance
ACE Insurance Company (EI# 66-0437305, NAIC #30953, PR)	Puerto Rico	100%	Puerto Rico, insurance
ACE Insurance Limited	Hong Kong	100%	Hong Kong, insurance
ACE INA Bermuda Insurance Managers Ltd.	Bermuda	100%	Bermuda, management services for non-affiliates
DELPANAMA S.A.	Panama	100%	Panama, holding company
INAMEX S.A.	Mexico	100%	Mexico, reinsurance broker
Maritime General Ins. Company Ltd	Trinidad	8.06%	Trinidad insurance
Oriental Equity Holdings Limited	British Virgin Islands	100%	BVI, holding company
ACE Life Assurance Co. Ltd.	Thailand	25% 70% (Eksupsiri)	Thailand, insurance
AFIA Finance Corporation	USA (Delaware)	100%	Delaware, insurance holding
AFIA Venezolana C.A.	Venezuela	100%	Venezuela, inactive claims & settling agent
ACE ICNA Italy Societa a Responsabilita Limitata	Italy	99.7% 0.3% (AIIH)	Italy, legal representative for CIGNA Insurance Company of Europe, S.A.-N.V.

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

PART 1 - ORGANIZATIONAL CHART

Name	Jurisdiction of Organization	Percentage Ownership	Jurisdictions in which Authorized and Type of Business
Siam Liberty Company Limited	Thailand	49% (AFC) 45% (Nam EK)	Thailand, broker, surveyor & claims settling agency
ACE Servicios, S.A.	Argentina	100%	Argentina, insurance holding
AFIA Finance Corp. Chile Limitada	Chile	98% 2% (AIIH)	Chile, claims & settling agent
Fire, Equity & General Ins. Co. Ltd	Nigeria	6.25%	Nigeria, insurance
Inversiones Continental S.A. de C.V.	Honduras	1.29%	Honduras, insurance holding
PT. ACE INA Insurance	Indonesia	80%	Indonesia, insurance
PT. Adi Citra Mandiri	Indonesia	45%	Indonesia, service company
RIYAD Insurance Co. Ltd.	Bermuda	80%	Bermuda, insurance
Safire Private Ltd.	Singapore	100%	Singapore, management & computer service bureau
AFIA (INA) Corporation, Limited	USA (Delaware)	100%	Delaware, holding company
AFIA	Unincorporated Association	60%	Association for international insurance
AFIA (ACE) Corporation, Limited	USA (Delaware)	100%	Delaware, holding company
AFIA	Unincorporated Association	40%	Association for international insurance
Compania Anonima de Seguros "Avila"	Venezuela	5.6%	Venezuela, insurance
ACE Seguros S.A.	Colombia	99.86% 14.097% (other ACE entities)	Colombia, insurance
INAVEN, C.A. "Venezuela"	Venezuela	100%	Venezuela, corporation
La Positiva Co Nacional de Seguros Sociedad Anonima	Peru	7.6869%	Peru, insurance
Reaseguradora Nuevo Mundo S A	Panama	3.7246%	Panama, reinsurance
Amazonas Co Anonima de Seguros	Ecuador	1.423%	Ecuador, insurance
ACE US Holdings, Inc.	USA (Delaware)	100%	USA, investment holding
ACE Financial Solutions International, Inc.	USA (Delaware)	100%	USA, investment holding
ACE USA, Inc.	USA (Delaware)	100%	USA, investment holding
CRC Creditor Resources Canada Limited	Canada (British Columbia)	60%	Canada, warranties business
Industrial Excess & Surplus Insurance Brokers	USA (California)	100%	USA, dormant

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

PART 1 - ORGANIZATIONAL CHART

Name	Jurisdiction of Organization	Percentage Ownership	Jurisdictions in which Authorized and Type of Business
Industrial Underwriters Insurance Company (EI# 75-6015738, NAIC# 21075, TX)	USA (Texas)	100%	USA, insurance
Rhea International Marketing (L), Inc.	Malaysia	60%	Malaysia, general services
Westchester Fire Insurance Company (EI# 13-5481330, NAIC# 21121, NY)	USA (New York)	100%	USA, Bermuda permit, insurance
Westchester Surplus Lines Insurance Company (EI# 58-2139927, NAIC #10172, GA)	USA (Georgia)	100%	USA, insurance
Westchester Specialty Services, Inc.	USA (Florida)	100%	USA, warranties
Westchester Specialty Insurance Services Inc.	USA (Nevada)	100%	USA, insurance services, brokering, warranties
WDH Corporation	USA (Ohio)	80%	USA, insurance services
Dimension Service Corporation	USA (Ohio)	80%	USA, warranties
Dimension Holdings Inc.	USA (Ohio)	80%	USA, insurance services
ACE Financial Services Inc./fka Capital Re Corporation	Delaware	100%	Delaware, insurance holding company
ACE Finance Overseas Ltd.	United Kingdom	100%	
AGR Financial Products Inc.	Delaware	100%	Delaware, financial products
Capital RE LLC	Turks & Caicos	100%	Turks & Caicos, holding company
ACE (CR) Holdings	United Kingdom	100%	UK, holding co
ACE Capital VII Limited	United Kingdom	100%	UK, Lloyd's capital vehicle
ACE (RGB) Holdings Limited	United Kingdom	100%	UK, holding company
ACE (CIDR) Limited	United Kingdom	100%	UK, Lloyd's agency
Global Life Services Limited	United Kingdom	100%	UK, Lloyd's agency
Ridge Underwriting Agencies Limited	United Kingdom	100%	UK, Lloyd's agency
ACE Guaranty Corp. (EI# 52-1533088, NAIC #30180, MD)	Maryland	100%	AK, AR, CA, CO, CT, DC, FL, HI, ID, KS, KY, MA, MD, MI, MO, NE, NY, NC, ND, OH, OK, OR, PA, RI, SC, TN, TX, UT, VA, WA, Primary financial guaranty insurance company
ACE Risk Assurance Company (EI# 13-4027591, NAIC #10943, MD)	Maryland	100%	Maryland, reinsurance
CGA Group Limited	Bermuda	1.65% 18.20% (ACE Limited)	Bermuda, investment holding
ACE Asset Management Inc.	Delaware	100%	Delaware, Bermuda permit corporation

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

PART 1 - ORGANIZATIONAL CHART

Name	Jurisdiction of Organization	Percentage Ownership	Jurisdictions in which Authorized and Type of Business
ACE (Barbados) Holdings Limited	Barbados	100%	Barbados, holding company