



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2002
OF THE CONDITION AND AFFAIRS OF THE
PERMANENT GENERAL ASSURANCE CORPORATION OF OHIO

NAIC Group Code 0944 (Current Period) 0944 (Prior Period) NAIC Company Code 22906 Employer's ID Number 62-1482846

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

Country of Domicile United States of America

Incorporated 12/18/1991 Commenced Business 04/09/1992

Statutory Home Office 9700 Rockside Road, Suite 250 (Street and Number) Valley View, OH 44125 (City or Town, State and Zip Code)

Main Administrative Office 301 Plus Park Blvd., Suite 10 (Street and Number) Nashville, TN 37217 (City or Town, State and Zip Code) 615-242-1961 (Area Code) (Telephone Number)

Mail Address P.O. Box 305054 (Street and Number or P.O. Box) Nashville, TN 37230-5054 (City or Town, State and Zip Code)

Primary Location of Books and Records 301 Plus Park Blvd., Suite 10 (Street and Number) Nashville, TN 37217 (City or Town, State and Zip Code) 615-744-1221 (Area Code) (Telephone Number)

Internet Website Address www.pgac.com

Statement Contact Burton Barnes (Name) 615-744-1221 (Area Code) (Telephone Number) (Extension) bbarnes@pgac.com (E-mail Address) 615-366-1718 (Fax Number)

Policyowner Relations Contact 304 Plus Park Blvd., Suite 10 (Street and Number) Nashville, TN 37217 (City or Town, State and Zip Code) 615-744-1271 (Area Code) (Telephone Number) (Extension)

OFFICERS

PRESIDENT RANDY PHILIP PARKER SECRETARY WILLIAM PAUL MORELLI
TREASURER ROBERT WILLIAM MITCHELL

VICE PRESIDENTS

DAVID LEE HETTINGER SENIOR BRIAN MICHAEL DONOVAN JOHN BRUCE ALLYN
ALLISON WALKER GARRETSON CHARLES WESLEY KIRKLAND, JR. LARRY JOHN LAUDER
DOUGLAS ALLEN MARKEL GREGORY SWAN REICHERT ANDREW PETER MARTIN

DIRECTORS OR TRUSTEES

ORRIN HENRY INGRAM JOHN RIVERS INGRAM STEVEN JUDE MASON
RANDY PHILIP PARKER ROBERT WILLIAM MITCHELL

State of TENNESSEE
County of DAVIDSON 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.

RANDY P. PARKER
PRESIDENT

WILLIAM P. MORELLI
SECRETARY

ROBERT W. MITCHELL
TREASURER

Subscribed and sworn to before me this 28TH day of FEBRUARY, 2003

a. Is this an original filing? Yes [ ] No [ X ]
b. If no,
1. State the amendment number
2. Date filed 02/28/2003
3. Number of pages attached

MARIE S. FERRELL
NOTARY AT LARGE
NOVEMBER 25, 2006

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Permanent General Assurance Corporation 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 .....	4,986,673		4,986,673	4,262,754
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1) .....	0		0	0
2.2 Common stocks (Schedule D, Part 2, Section 2) .....	506,440		506,440	622,273
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....24,328,932 Schedule E, Part 1) and short-term investments(\$ .....853 Schedule DA, Part 2) .....	24,329,785		24,329,785	9,141,658
6. Other invested assets (Schedule BA) .....	0		0	0
7. Receivable for securities .....			0	0
8. Aggregate write-ins for invested assets .....	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	29,822,898	0	29,822,898	14,026,685
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection .....	1,720,409		1,720,409	13,426,827
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (Including \$ ..... earned but unbilled premiums) .....	13,493,060		13,493,060	10,175,490
10.3 Accrued retrospective premiums .....			0	0
11. Funds held by or deposited with reinsured companies .....			0	0
12. Bills receivable, taken for premiums .....			0	0
13. Amounts receivable under high deductible policies .....			0	0
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Cols. 7 and 8) .....	751,390		751,390	2,841,119
15. Federal and foreign income tax recoverable and interest thereon (including \$ .....1,570,537 net deferred tax asset) .....	2,691,758	434,883	2,256,875	598,940
16. Guaranty funds receivable or on deposit .....			0	0
17. Electronic data processing equipment and software .....			0	0
18. Interest, dividends and real estate income due and accrued .....	59,294		59,294	47,825
19. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
20. Receivable from parent, subsidiaries and affiliates .....	2,605,737		2,605,737	5,267,537
21. Amount due from/to protected cells .....			0	0
22. Equities and deposits in pools and associations .....			0	0
23. Amounts receivable relating to uninsured accident and health plans .....			0	0
24. Other assets nonadmitted (Exhibit 1) .....			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) .....	51,144,546	434,883	50,709,663	46,384,423
27. Protected cell assets .....			0	0
28. TOTALS (Lines 26 and 27)	51,144,546	434,883	50,709,663	46,384,423
<b>DETAILS OF WRITE-INS</b>				
0801. ....				
0802. ....				
0803. ....				
0898. Summary of remaining write-ins for Line 8 from overflow page .....	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above) .....	0	0	0	0
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) .....	0	0	0	0

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8) .....	8,528,579	7,813,299
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	866,558	4,034,370
3. Loss adjustment expenses (Part 2A, Line 34, Column 9) .....	2,896,096	1,466,210
4. Commissions payable, contingent commissions and other similar charges .....		1,770,123
5. Other expenses (excluding taxes, licenses and fees) .....	5,238	9,999
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	477,820	33,974
7. Federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) (including \$ ..... net deferred tax liability) .....		482,022
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....21,021,133 and including warranty reserves of \$ .....)	15,018,642	13,369,737
10. Advance premiums .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		0
11.2 Policyholders .....		0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	4,012,858	8,839,041
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....	6,375,426	0
14. Amounts withheld or retained by company for account of others .....		0
15. Remittances and items not allocated .....		0
16. Provision for reinsurance (Schedule F, Part 7) .....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		0
18. Drafts outstanding .....		0
19. Payable to parent, subsidiaries and affiliates .....		0
20. Payable for securities .....		0
21. Liability for amounts held under uninsured accident and health plans .....		0
22. Capital Notes \$ ..... and interest thereon \$ .....		0
23. Aggregate write-ins for liabilities .....	24,564	24,564
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	38,205,781	37,843,339
25. Protected cell liabilities .....		
26. Total liabilities (Lines 24 and 25) .....	38,205,781	37,843,339
27. Aggregate write-ins for special surplus funds .....	0	0
28. Common capital stock .....	2,000,000	1,000,000
29. Preferred capital stock .....		0
30. Aggregate write-ins for other than special surplus funds .....	0	0
31. Surplus notes .....		0
32. Gross paid in and contributed surplus .....	10,000,000	8,500,000
33. Unassigned funds (surplus) .....	503,882	(958,916)
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ .....)		0
34.2 ..... shares preferred (value included in Line 29 \$ .....)		0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 38) .....	12,503,882	8,541,084
36. TOTALS (Page 2, Line 28, Col. 3)	50,709,663	46,384,423
<b>DETAILS OF WRITE-INS</b>		
2301. UNCLAIMED PROPERTY .....	24,564	24,564
2302. ....		
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	24,564	24,564
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Permanent General Assurance Corporation of Ohio**

**UNDERWRITING AND INVESTMENT EXHIBIT STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 34, Column 4) .....	31,315,426	22,816,599
<b>DEDUCTIONS</b>		
2. Losses incurred (Part 2, Line 34, Column 7) .....	20,090,370	17,363,337
3. Loss expenses incurred (Part 3, Line 25, Column 1) .....	3,704,244	2,219,282
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	8,279,053	7,029,630
5. Aggregate write-ins for underwriting deductions .....	0	0
6. Total underwriting deductions (Lines 2 through 5) .....	32,073,667	26,612,249
7. Net income of protected cells .....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7) .....	(758,241)	(3,795,650)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	1,106,412	296,625
10. Net realized capital gains or (losses) (Exhibit of Capital Gains (Losses)) .....	0	107,943
11. Net investment gain or (loss) (Lines 9 + 10) .....	1,106,412	404,568
<b>OTHER INCOME</b>		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ ..... ) .....		0
13. Finance and service charges not included in premiums .....	1,342,849	687,869
14. Aggregate write-ins for miscellaneous income .....	95,110	0
15. Total other income (Lines 12 through 14) .....	1,437,959	687,869
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15) .....	1,786,130	(2,703,213)
17. Dividends to policyholders .....		0
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17) .....	1,786,130	(2,703,213)
19. Federal and foreign income taxes incurred .....	861,420	286,769
20. Net income (Line 18 minus Line 19) (to Line 22) .....	924,710	(2,989,982)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2) .....	8,541,084	5,989,399
<b>GAINS AND (LOSSES) IN SURPLUS</b>		
22. Net income (from Line 20) .....	924,710	(2,989,982)
23. Net unrealized capital gains or (losses) .....	(115,833)	(57,273)
24. Change in net unrealized foreign exchange capital gain (loss) .....		0
25. Change in net deferred income tax .....	446,200	318,074
26. Change in nonadmitted assets (Exhibit 1, Line 5, Col. 3) .....	63,421	0
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....	0	0
28. Change in surplus notes .....		0
29. Surplus (contributed to) withdrawn from protected cells .....		
30. Cumulative effect of changes in accounting principles .....	144,300	280,866
31. Capital changes:		
31.1. Paid in .....	1,000,000	0
31.2. Transferred from surplus (Stock Dividend) .....		0
31.3. Transferred to surplus .....		0
32. Surplus adjustments:		
32.1. Paid in .....	1,500,000	5,000,000
32.2. Transferred to capital (Stock Dividend) .....		0
32.3. Transferred from capital .....		0
33. Net remittances from or (to) Home Office .....		0
34. Dividends to stockholders (cash) .....		0
35. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1) .....	0	0
36. Aggregate write-ins for gains and losses in surplus .....	0	0
37. Change in surplus as regards policyholders for the year (Lines 22 through 36) .....	3,962,798	2,551,685
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35) .....	12,503,882	8,541,084
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	0	0
1401. MISCELLANEOUS INCOME .....		0
1402. FINANCE ROYALTY INCOME .....	95,110	0
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above) .....	95,110	0
3601. ....		
3602. ....		
3603. ....		
3698. Summary of remaining write-ins for Line 36 from overflow page .....	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above) .....	0	0

## CASH FLOW

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	36,526,996	8,916,234
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....	22,727,530	7,960,530
3. Underwriting expenses paid .....	9,610,091	5,163,305
4. Other underwriting income (expenses) .....	0	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	4,189,375	(4,207,601)
6. Net investment income .....	1,108,688	300,668
7. Other income (expenses):		
7.1 Agents' balances charged off .....	0	0
7.2 Net funds held under reinsurance treaties .....	6,375,426	0
7.3 Net amount withheld or retained for account of others .....	0	0
7.4 Aggregate write-ins for miscellaneous items .....	1,437,959	687,869
7.5 Total other income (Lines 7.1 to 7.4) .....	7,813,385	687,869
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 .....	(2,464,663)	367,442
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	10,646,785	(2,851,622)
<b>Cash from Investments</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....	257,586	2,539,797
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) .....	257,586	2,539,797
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....	995,253	3,286,838
12.2 Stocks .....	0	297,695
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Miscellaneous applications .....	0	0
12.7 Total investments acquired (Lines 12.1 to 12.6) .....	995,253	3,584,533
13. Net Cash from investments (Line 11.8 minus Line 12.7) .....	(737,667)	(1,044,736)
<b>Cash from Financing and Miscellaneous Sources</b>		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in .....	2,500,000	5,000,000
14.2 Capital notes \$ ..... less amounts repaid \$ .....	0	0
14.3 Net transfers from affiliates .....	2,661,800	0
14.4 Borrowed funds received .....	0	0
14.5 Other cash provided .....	117,209	8,839,041
14.6 Total (Lines 14.1 to 14.5) .....	5,279,009	13,839,041
15. Cash applied:		
15.1 Dividends to stockholders paid .....	0	0
15.2 Net transfers to affiliates .....	0	7,141,361
15.3 Borrowed funds repaid .....	0	0
15.4 Other applications .....	0	0
15.5 Total (Lines 15.1 to 15.4) .....	0	7,141,361
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	5,279,009	6,697,680
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16) .....	15,188,127	2,801,322
18. Cash and short-term investments:		
18.1 Beginning of year .....	9,141,658	6,340,336
18.2 End of year (Line 17 plus Line 18.1) .....	24,329,785	9,141,658
<b>DETAILS OF WRITE-INS</b>		
07.401 FEE INCOME .....	1,342,849	687,869
07.402 MISCELLANEOUS INCOME .....	0	0
07.403 FINANCE ROYALTY INCOME .....	95,110	0
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) .....	1,437,959	687,869

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1 - PREMIUMS EARNED

Lines of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 2	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire .....	0	0	0	0
2.	Allied lines .....	0	0	0	0
3.	Farmowners multiple peril .....	0	0	0	0
4.	Homeowners multiple peril .....	0	0	0	0
5.	Commercial multiple peril .....	0	0	0	0
6.	Mortgage guaranty .....	0	0	0	0
8.	Ocean marine .....	0	0	0	0
9.	Inland marine .....	0	0	0	0
10.	Financial guaranty .....	0	0	0	0
11.1	Medical malpractice - occurrence .....	0	0	0	0
11.2	Medical malpractice - claims-made .....	0	0	0	0
12.	Earthquake .....	0	0	0	0
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	0	0	0
17.1	Other liability - occurrence .....	0	0	0	0
17.2	Other liability - claims-made .....	0	0	0	0
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 .....	20,542,030	8,143,525	9,367,335	19,318,220
19.3,19.4	Commercial auto liability .....	0	0	0	0
21.	Auto physical damage .....	12,422,301	5,226,212	5,651,308	11,997,205
22.	Aircraft (all perils) .....	0	0	0	0
23.	Fidelity .....	0	0	0	0
24.	Surety .....	0	0	0	0
26.	Burglary and theft .....	0	0	0	0
27.	Boiler and machinery .....	0	0	0	0
28.	Credit .....	0	0	0	0
29.	International .....	0	0	0	0
30.	Reinsurance - Nonproportional Assumed Property .....	0	0	0	0
31.	Reinsurance - Nonproportional Assumed Liability .....	0	0	0	0
32.	Reinsurance - Nonproportional Assumed Financial Lines .....	0	0	0	0
33.	Aggregate write-ins for other lines of business .....	0	0	0	0
34.	<b>TOTALS</b>	<b>32,964,331</b>	<b>13,369,737</b>	<b>15,018,643</b>	<b>31,315,425</b>
<b>DETAILS OF WRITE-INS</b>					
3301.	.....				
3302.	.....				
3303.	.....				
3398.	Summary of remaining write-ins for Line 33 from overflow page .....	0	0	0	0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1A - RECAPITULATION OF ALL PREMIUMS

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

	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
Line of Business					
1. Fire .....					0
2. Allied lines .....					0
3. Farmowners multiple peril .....					0
4. Homeowners multiple peril .....					0
5. Commercial multiple peril .....					0
6. Mortgage guaranty .....					0
8. Ocean marine .....					0
9. Inland marine .....					0
10. Financial guaranty .....					0
11.1 Medical malpractice - occurrence .....					0
11.2 Medical malpractice - claims-made .....					0
12. Earthquake .....					0
13. Group accident and health .....					0
14. Credit accident and health (group and individual) .....					0
15. Other accident and health .....					0
16. Workers' compensation .....					0
17.1 Other liability - occurrence .....					0
17.2 Other liability - claims-made .....					0
18.1 Products liability - occurrence .....					0
18.2 Products liability - claims-made .....					0
19.1,19.2 Private passenger auto liability .....	9,367,335				9,367,335
19.3,19.4 Commercial auto liability .....					0
21. Auto physical damage .....	5,651,308				5,651,308
22. Aircraft (all perils) .....					0
23. Fidelity .....					0
24. Surety .....					0
26. Burglary and theft .....					0
27. Boiler and machinery .....					0
28. Credit .....					0
29. International .....					0
30. Reinsurance - Nonproportional Assumed Property .....					0
31. Reinsurance - Nonproportional Assumed Liability .....					0
32. Reinsurance - Nonproportional Assumed Financial Lines .....					0
33. Aggregate write-ins for other lines of business .....	0	0	0	0	0
34. TOTALS	15,018,643	0	0	0	15,018,643
35. Accrued retrospective premiums based on experience .....					
36. Earned but unbilled premiums .....					
37. Balance (Sum of Line 34 through 36)					15,018,643
<b>DETAILS OF WRITE-INS</b>					
3301. ....					
3302. ....					
3303. ....					
3398. Summary of remaining write-ins for Line 33 from overflow page .....	0	0	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0

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

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

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

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1B - PREMIUMS WRITTEN

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

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire						.0
2. Allied lines						.0
3. Farmowners multiple peril						.0
4. Homeowners multiple peril						.0
5. Commercial multiple peril						.0
6. Mortgage guaranty						.0
8. Ocean marine						.0
9. Inland marine						.0
10. Financial guaranty						.0
11.1 Medical malpractice - occurrence						.0
11.2 Medical malpractice - claims-made						.0
12. Earthquake						.0
13. Group accident and health						.0
14. Credit accident and health (group and individual)						.0
15. Other accident and health						.0
16. Workers' compensation						.0
17.1 Other liability - occurrence						.0
17.2 Other liability - claims-made						.0
18.1 Products liability - occurrence						.0
18.2 Products liability - claims-made						.0
19.1,19.2 Private passenger auto liability	28,261,060	20,415,153		20,914,029	7,220,154	20,542,030
19.3,19.4 Commercial auto liability						.0
21. Auto physical damage	13,814,055	12,384,367		10,332,970	3,443,151	12,422,301
22. Aircraft (all perils)						.0
23. Fidelity						.0
24. Surety						.0
26. Burglary and theft						.0
27. Boiler and machinery						.0
28. Credit						.0
29. International						.0
30. Reinsurance - Nonproportional Assumed Property	XXX					.0
31. Reinsurance - Nonproportional Assumed Liability	XXX					.0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX					.0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0
34. TOTALS	42,075,115	32,799,520	0	31,246,999	10,663,305	32,964,331
<b>DETAILS OF WRITE-INS</b>						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page	.0	.0	.0	.0	.0	.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Permanent General Assurance Corporation 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
2. Allied lines				.0	.0	.0	.0	.0
3. Farmowners multiple peril				.0	.0	.0	.0	.0
4. Homeowners multiple peril				.0	.0	.0	.0	.0
5. Commercial multiple peril				.0	.0	.0	.0	.0
6. Mortgage guaranty				.0	.0	.0	.0	.0
8. Ocean marine				.0	.0	.0	.0	.0
9. Inland marine				.0	.0	.0	.0	.0
10. Financial guaranty				.0	.0	.0	.0	.0
11.1 Medical malpractice - occurrence				.0	.0	.0	.0	.0
11.2 Medical malpractice - claims-made				.0	.0	.0	.0	.0
12. Earthquake				.0	.0	.0	.0	.0
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				.0	.0	.0	.0	.0
17.1 Other liability - occurrence				.0	.0	.0	.0	.0
17.2 Other liability - claims-made				.0	.0	.0	.0	.0
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	12,800,393	11,285,509	12,800,393	11,285,509	7,593,351	6,493,719	12,385,141	64.1
19.3,19.4 Commercial auto liability				.0	.0	.0	.0	.0
21. Auto physical damage	6,528,238	8,089,581	6,528,238	8,089,581	935,228	1,319,580	7,705,229	64.2
22. Aircraft (all perils)				.0	.0	.0	.0	.0
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	.0	.0	.0	.0
28. Credit				.0	.0	.0	.0	.0
29. International				.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	.0	.0
34. TOTALS	19,328,631	19,375,090	19,328,631	19,375,090	8,528,579	7,813,299	20,090,370	64.1
<b>DETAILS OF WRITE-INS</b>								
3301.								
3302.								
3303.								
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 Permanent General Assurance Corporation 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	
2. Allied lines				.0				.0	
3. Farmowners multiple peril				.0				.0	
4. Homeowners multiple peril				.0				.0	
5. Commercial multiple peril				.0				.0	
6. Mortgage guaranty				.0				.0	
8. Ocean marine				.0				.0	
9. Inland marine				.0				.0	
10. Financial guaranty				.0				.0	
11.1 Medical malpractice - occurrence				.0				.0	
11.2 Medical malpractice - claims-made				.0				.0	
12. Earthquake				.0				.0	
13. Group accident and health				.0			(a)	.0	
14. Credit accident and health (group and individual)				.0				.0	
15. Other accident and health				.0			(a)	.0	
16. Workers' compensation				.0				.0	
17.1 Other liability - occurrence				.0				.0	
17.2 Other liability - claims-made				.0				.0	
18.1 Products liability - occurrence				.0				.0	
18.2 Products liability - claims-made				.0				.0	
19.1,19.2 Private passenger auto liability	9,626,234	6,141,937	9,626,234	6,141,937	444,093	1,451,414	444,093	7,593,351	2,925,371
19.3,19.4 Commercial auto liability				.0				.0	
21. Auto physical damage	1,074,456	953,170	1,074,456	953,170	(61,891)	(17,942)	(61,891)	935,228	(29,275)
22. Aircraft (all perils)				.0				.0	
23. Fidelity				.0				.0	
24. Surety				.0				.0	
26. Burglary and theft				.0				.0	
27. Boiler and machinery				.0				.0	
28. Credit				.0				.0	
29. International				.0				.0	
30. Reinsurance - Nonproportional Assumed Property	XXX			.0	XXX			.0	
31. Reinsurance - Nonproportional Assumed Liability	XXX			.0	XXX			.0	
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX			.0	XXX			.0	
33. Aggregate write-ins for other lines of business	.0	.0	.0	.0	.0	.0	.0	.0	.0
34. TOTALS	10,700,690	7,095,107	10,700,690	7,095,107	382,202	1,433,472	382,202	8,528,579	2,896,096
<b>DETAILS OF WRITE-INS</b>									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0

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

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**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 .....	396,704			396,704
1.2 Reinsurance assumed .....	1,741,747			1,741,747
1.3 Reinsurance ceded .....	(9,428)			(9,428)
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....	2,147,879	0	0	2,147,879
2. Commission and brokerage:				
2.1 Direct excluding contingent .....		5,244,448		5,244,448
2.2 Reinsurance assumed excluding contingent .....	2,463,267	7,501,561		9,964,828
2.3 Reinsurance ceded excluding contingent .....	2,356,388	8,865,370		11,221,758
2.4 Contingent-direct .....		20,554		20,554
2.5 Contingent-reinsurance assumed .....				0
2.6 Contingent-reinsurance ceded .....		(758,750)		(758,750)
2.7 Policy and membership fees .....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....	106,879	4,659,943	0	4,766,822
3. Allowances to managers and agents .....				0
4. Advertising .....				0
5. Boards, bureaus and associations .....				0
6. Surveys and underwriting reports .....				0
7. Audit of assureds' records .....				0
8. Salary and related items:				
8.1 Salaries .....	1,336,594	48,149		1,384,743
8.2 Payroll taxes .....	108,074	4,424		112,498
9. Employee relations and welfare .....				0
10. Insurance .....				0
11. Directors' fees .....				0
12. Travel and travel items .....				0
13. Rent and rent items .....				0
14. Equipment .....				0
15. Cost or depreciation of EDP equipment and software .....				0
16. Printing and stationery .....	2,927			2,927
17. Postage, telephone and telegraph, exchange and express .....	1,524			1,524
18. Legal and auditing .....		650		650
19. Totals (Lines 3 to 18) .....	1,449,119	53,223	0	1,502,342
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....		956,954		956,954
20.2 Insurance department licenses and fees .....				0
20.3 Gross guaranty association assessments .....				0
20.4 All other (excluding federal and foreign income and real estate) .....				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	0	956,954	0	956,954
21. Real estate expenses .....				0
22. Real estate taxes .....				0
23. Reimbursements by uninsured accident and health plans .....				0
24. Aggregate write-ins for miscellaneous expenses .....	367	2,608,933	0	2,609,300
25. Total expenses incurred .....	3,704,244	8,279,053	0	(a) 11,983,297
26. Less unpaid expenses - current year .....	2,896,097	483,058		3,379,155
27. Add unpaid expenses - prior year .....	1,466,210	1,814,096		3,280,306
28. Amounts receivable relating to uninsured accident and health plans, prior year .....	0	0	0	0
29. Amounts receivable relating to uninsured accident and health plans, current year .....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	2,274,357	9,610,091	0	11,884,448
<b>DETAILS OF WRITE-INS</b>				
2401. Bank Charges .....		68		68
2402. Management Fees .....		2,555,000		2,555,000
2403. Miscellaneous Expense .....	367			367
2498. Summary of remaining write-ins for Line 24 from overflow page .....	0	53,865	0	53,865
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	367	2,608,933	0	2,609,300

(a) Includes management fees of \$ 2,555,000 paid to affiliates and \$ paid to non-affiliates.

### EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 11,246	11,246
1.1 Bonds exempt from U.S. tax	(a) 36,707	39,272
1.2 Other bonds (unaffiliated)	(a) 234,048	239,031
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		6,251
2.21 Common stocks of affiliates	6,200	
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e) 806,742	810,612
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	1,094,943	1,106,412
11. Investment expenses		(g)
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)		0
17. Net Investment Income - (Line 10 minus Line 16)		1,106,412
<b>DETAILS OF WRITE-INS</b>		
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 \$ 5,867 accrual of discount less \$ 19,612 amortization of premium and less \$ 4,748 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 \$ 55 accrual of discount less \$ amortization of premium and less \$ 10,485 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ 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)					0
1.3 Bonds of affiliates					0
2.1 Preferred stocks (unaffiliated)					0
2.11 Preferred stocks of affiliates					0
2.2 Common stocks (unaffiliated)			(115,833)	0	(115,833)
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)	0	0	(115,833)	0	(115,833)
<b>DETAILS OF WRITE-INS</b>					
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 .....	434,883	498,304	63,421
2. Other Nonadmitted Assets:			
2.1 Bills receivable .....		0	0
2.2 Furniture, equipment and supplies .....		0	0
2.3 Leasehold improvements .....		0	0
2.4 Loans on personal security, endorsed or not .....		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)	434,883	498,304	63,421
0401. Deferred Tax Asset Change.....		0	0
0402. ....			
0403. ....			
0498. Summary of remaining write-ins for Line 4 from overflow page .....	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	0	0	0

## NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies**

A. The accompanying financial statements of Permanent General Assurance Corporation of Ohio (PGACOH) have been prepared in accordance with the NAIC Accounting Practices and Procedures Manual except to the extent that Ohio law differs. However, as of this Statement date, there have been no requests from the State of Ohio to depart from the prescribed NAIC guidelines.

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

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

**C. Accounting Policy**

Premiums are earned over the terms of the related insurance policies. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business.

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.

- (1) Short-term investments are stated at cost.
- (2) Bonds are stated at amortized cost using the yield to maturity method.
- (3) Common stocks are stated at lower of cost or market.
- (4) The Company holds no preferred stock as of the statement date.
- (5) The Company holds no mortgage loans.
- (6) The Company holds no loan backed securities.
- (7) The Company holds no investments in affiliates.
- (8) The Company has no investments in joint ventures, partnerships & limited liability company.
- (9) The Company has no investments in derivatives.
- (10) The Company anticipates investment income as a factor in the premium deficiency calculation.
- (11) Reserve for losses represents the estimated liability for claims reported to the Company and an amount, based on actuarially determined reserves for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.

**2. Accounting Changes and Corrections of Errors:**

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures manual (Effective January 1, 2001) are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the company reported a change of accounting principle as an adjustment that increased unassigned funds (surplus) by \$144,300 as of January 1, 2002.

**3. Business Combinations and Goodwill**

Not Applicable.

**4. Discontinued Operations**

Not Applicable.

**5. Investments**

- A) The Company has no mortgage loans.
- B) The Company did not restructure any debt.
- C) The Company holds no reverse mortgages.
- D) The Company has no loan-backed securities.
- E) The Company has no repurchase agreements.
- F) The Company has no real estate investments.

**6. Joint Ventures, Partnerships and Limited Liability Companies**

Not Applicable.

**7. Investment Income**

All Investment Income due and accrued is admitted.

**8. Derivative Instruments**

None.

**9. Income Taxes**

A-D. The components of the net deferred tax asset at December 31, 2002 and December 31, 2001 in the Company's statutory statement of admitted assets, liabilities and capital and surplus are as follows (000's omitted):

	<u>December 31, 2002</u>	<u>December 31, 2001</u>
Total gross deferred tax asset	\$ 1,571	\$ 1,124
Deferred tax asset non-admitted	<u>(435)</u>	<u>(525)</u>
Net admitted deferred tax asset	<u>1,136</u>	<u>599</u>
Increase/(Decrease) in non-admitted deferred tax asset	\$ <u>(90)</u>	\$ <u>498</u>

Current income taxes incurred year to date at December 31, 2002 and December 31, 2001 consist of the following major components (000's omitted):

**NOTES TO FINANCIAL STATEMENTS**

	<u>2002</u>	<u>2001</u>
Current income tax provision (benefit)	\$ 996	\$ 95
Prior year underaccrual	<u>(135)</u>	<u>192</u>
Federal income taxes incurred	\$ <u>861</u>	\$ <u>287</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets at December 31, 2002 and December 31, 2001 are as follows (000's omitted):

	<u>December 31, 2002</u>	<u>December 31, 2001</u>
Unearned premiums	\$ 1,051	\$ 936
Unpaid losses and LAE discounts	<u>520</u>	<u>188</u>
Total deferred tax assets	1,571	1,124
Non-admitted deferred tax assets	<u>(435)</u>	<u>(525)</u>
Admitted deferred tax assets	\$ <u>1,136</u>	\$ <u>599</u>

The change in net deferred income tax assets is comprised of the following (000's omitted):

	<u>Dec. 31,</u> <u>2002</u>	<u>Dec 31,</u> <u>2001</u>	<u>Change</u>
Total net deferred tax assets	\$1,571	\$1,124	\$447

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference at December 31, 2002 are as follows (000's omitted):

Provision at statutory rate	\$ 625	35.00%
Tax exempt interest income	(13)	(.72)%
Provision to return adjustment	0	0 %
Other adjustments	<u>(198)</u>	<u>(11.10)%</u>
Total	\$ <u>414</u>	<u>23.18%</u>
Federal income taxes incurred	\$ 861	48.20%
Change in net deferred taxes	<u>(447)</u>	<u>(25.02)%</u>
Total federal income taxes	\$ <u>414</u>	<u>23.18%</u>

E. As of December 31, the Company had no operating loss carry forwards.

F. (1) The company's federal income tax return will be consolidated its parent Ingram Industries Inc.

(2) The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled bi-monthly.

**10. Information Concerning Parent, Subsidiaries and Affiliates**

A,B,C. PGACOH received \$2,500,000 in additional capital from its parent, Ingram Industries Inc. (Ingram) in September 2002.

D. At December 31, 2002, the Company reported \$4,862,612 receivable from its parent and affiliates. The terms of the settlement requires these amounts are settled within 90 days.

E. The Company has made no guarantees or undertakings for the benefit of the parent or affiliates.

F. PGACOH is a wholly owned subsidiary of Ingram and as such has a tax agreement in place with this parent company. PGACOH also has a service agreement in place with its affiliate Permanent General Companies, Inc (PGC), which is also a wholly owned subsidiary of Ingram. Under this agreement PGC performs administrative services on behalf of PGACOH. These services include; claims administration, underwriting, policy issuance and record keeping, legal services, data processing and accounting. Beginning in April 1997, the company began issuing policies through A-1 General Insurance Agency, Inc.(A-1) an Ohio corporation and affiliate of PGACOH (see Schedule Y for organizational chart). A-1 serves as a captive insurance agency for PGACOH and provides underwriting and customer services for all policies issued through its network of sales offices.

G. All outstanding shares of the company are owned by the parent company, Ingram Industries Inc.

H. There is no affiliate stock held by the company, therefore no valuation adjustments are needed.

I,J. The Company has no investments in an SCA entity.

**11. Debt**

The company has no capital note obligations or other long-term debt.

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

None.

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

(1) The company has 750 shares of \$10,000 par value common stock authorized of which 200 shares are issued and outstanding.

(2) The company has no preferred stock issued.

(3) The maximum amount of dividends which can be paid by an Ohio domiciled insurance company without prior approval of the insurance commissioner is subject to restrictions based upon statutory surplus.

(4) The portion of the Company's profits that may be paid as ordinary dividends to stockholders is limited by # (3) above. However, the maximum dividend payout which can be made in 2003 without prior approval is \$503,882.

(5) There are no restrictions placed on the Unassigned Surplus.

(6) Not applicable.

(7) There is no stock held by PGACOH for special purposes.

(8) There are no special surplus funds established on PGACOH.

## NOTES TO FINANCIAL STATEMENTS

- (9) Refer to Page 4 lines 22 through 35 and page 13 for detail on adjustments to unassigned surplus.
- (10) The company has no surplus notes.
- (11) The company has not been reorganized.
- (12) N/A

**14. Contingencies**

- (A) The company has no contingent commitments to joint ventures, partnerships, or limited liability companies.
- (B) There were no assessments made that could materially effect the presentation of the enclosed financials.
- (C),(D) The company has no other known contingencies.

**15. Leases**

None.

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

None.

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

None.

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

None.

**19. Direct Premium Written/Produced by MGA/3rd Party Administration**

None.

**20. Other Items.**

None.

**21. Events Subsequent**

None.

**22. Reinsurance**

A. Unsecured Reinsurance Recoverable

<u>Fed ID</u>	<u>NAIC Co Code</u>	<u>Company</u>	<u>Amount</u>
06-0383030	22357	Hartford Accident & Indemnity	\$463,000
13-2781282	25070	Odyssey Re Corp	\$3,439,000
23-2153760	39675	PMA Capital Insurance Co.	\$3,321,000

B. Reinsurance Recoverable in Dispute.

None

C. Reinsurance Assumed and Ceded

	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>	
	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>
a) Affiliates	15,028,760	4,565,888	15,613,910	4,138,025
b) All Others	-	-	<u>5,407,223</u>	<u>1,351,806</u>
c) Total	15,028,760	4,565,888	21,021,133	5,489,831

D. Uncollectible Reinsurance

None.

E. Commutation of Ceded Reinsurance

None.

F. Retroactive Reinsurance

None.

**23. Retrospectively Rated Contracts**

None.

**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 increased (decreased) by (\$369,000) from 2001 to 2002 as a result of reestimation of unpaid losses and loss adjustment expenses principally on physical damage and auto liability lines of insurance. This increase (decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

## NOTES TO FINANCIAL STATEMENTS

25. **Intercompany Pooling Arrangements**  
Effective January 1, 1995, the Company entered into a reinsurance pooling agreement with PGAC (NAIC Company code - 37648), an affiliated property and casualty insurance company domiciled in Tennessee. The business includes private passenger auto liability & auto physical damage with PGAC receiving 72% & PGACOH receiving 28% respectively, for 2002.
26. **Structured Settlements**  
None.
27. **Health Care Receivables**  
None.
28. **Participating Policies**  
None.
29. **Premium Deficiency Reserves**  
None.
30. **High Deductibles**  
None.
31. **Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**  
None.
32. **Asbestos/Environmental Reserves**  
None.
33. **Subscriber Savings Accounts**  
None
34. **Multi Peril Crop Insurance**  
None

## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. Treasury securities .....		0.000		0.000
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....	208,654	0.695	208,654	0.700
1.22 Issued by U.S. government sponsored agencies .....		0.000		0.000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities) .....		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations .....	854,825	2.849	854,825	2.866
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....		0.000		0.000
1.43 Revenue and assessment obligations .....		0.000		0.000
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 .....		0.000		0.000
1.512 Issued by FNMA and FHLMC .....	567,087	1.890	567,087	1.902
1.513 Privately issued .....		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC .....	246,235	0.821	246,235	0.826
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 .....	626,266	2.087	626,266	2.100
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....	522,797	1.742	522,797	1.753
2.2 Unaffiliated foreign securities .....	992,733	3.308	992,733	3.329
2.3 Affiliated securities .....		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds .....	691,489	2.304	506,440	1.698
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 .....		0.000	0	0.000
8. Cash and short-term investments .....	24,329,785	81.078	24,329,785	81.581
9. Other invested assets .....	968,079	3.226	968,079	3.246
10. Total invested assets	30,007,950	100.000	29,822,901	100.000

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [ X ] No [ ] NA [ ]
- 1.3 State Regulating? ..... Ohio Department of Insurance.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....  
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/1999
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....12/31/1999
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....01/31/2001
- 3.4 By what department or departments? Ohio Department of Insurance .....
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? ..... Yes [ ] No [ X ]
- 4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? ..... Yes [ ] No [ X ]
- 4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

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

## GENERAL INTERROGATORIES

(continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 Price Waterhouse, Birmingham, Alabama.....
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?  
 Tillinghast, St. Louis, Mo. 63105.....
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	[ ]	[ X ]	[ X ]	[ ]
Common	750	200	10,000.000	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 [ X ] No [ ]

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

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

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

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

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

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

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

19.4 For category (19.28) provide the following:

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
.....	.....
.....	.....

## 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)
Fleet National Bank.....	One Federal Street, Boston, Ma. 02211.....	The agreement contains no provision for indemnification for loss of securities.....

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
105900 (IARD / CRD #).....	General Re / New England Asset Mgmt.....	Pond View Corporate Center, Farmington, Ct. 06032.....

### 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?..... \$.....0

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 ..... \$ .....0
- 2.22 Non-participating policies ..... \$ .....0
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? ..... \$ .....0
4. For Reciprocal Exchanges Only:
- 4.1 Does the Exchange appoint local agents? ..... Yes [ ] No [ ]
- 4.2 If yes, is the commission paid:
- 4.21 Out of Attorney's-in-fact compensation ..... Yes [ ] No [ ] NA [ ]
- 4.22 As a direct expense of the Exchange ..... Yes [ ] No [ ] NA [ ]
- 4.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?  
 .....
- 4.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? ..... Yes [ ] No [ ]
- 4.5 If yes, give full information  
 .....
- 5.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? .....  
 Not Applicable.....
- 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. ....  
 Not Applicable.....
- 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?.....  
 Not Applicable.....
- 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..... \$ .....0
- 10.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$ .....0
- 10.2 Of the amount on Line 10.3 of the assets schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds..... \$ .....0
- 10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?..... Yes [ ] No [ ] NA [X]
- 10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 10.41 From..... %
- 10.42 To..... %
- 10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?..... Yes [ ] No [ X ]
- 10.6 If yes, state the amount thereof at December 31 of the current year:
- 10.61 Letters of credit..... \$ .....
- 10.62 Collateral and other funds..... \$ .....
- 11.1 What amount of installment notes is owned and now held by the reporting entity?..... \$ .....
- 11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year?..... Yes [ ] No [ X ]
- 11.3 If yes, what amount?..... \$ .....
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):..... \$ .....37,500
- 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 Permanent General Assurance Corporation 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
<b>Gross Premiums Written</b> (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)	48,676,213	39,951,860	19,825,241	17,938,269	19,868,058
2. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	26,198,422	22,230,484	9,881,090	8,471,658	9,527,782
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
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)	74,874,635	62,182,344	29,706,331	26,409,927	29,395,840
<b>Net Premiums Written</b> (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)	20,542,030	20,309,716	4,251,220	3,410,841	3,892,975
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	12,422,301	13,097,186	2,327,698	2,134,195	2,172,978
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
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)	32,964,331	33,406,902	6,578,918	5,545,036	6,065,953
<b>Statement of Income</b> (Page 4)					
13. Net Underwriting Gain (Loss) (Line 8)	(758,241)	(3,795,650)	(839,599)	371,337	(319,165)
14. Net Investment Gain (Loss) (Line 11)	1,106,412	404,568	403,885	195,668	226,901
15. Total Other Income (Line 15)	1,437,959	687,869	425,564	485,358	803,490
16. Dividends to Policyholders (Line 17)	0	0	0	0	0
17. Federal and Foreign Income Taxes Incurred (Line 19)	861,420	286,769	(187,241)	(25,372)	330,994
18. Net Income (Line 20)	924,710	(2,989,982)	177,091	1,077,735	380,232
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total Admitted Assets excluding Protected Cell (Page 2, Line 26, Col. 3)	50,709,663	46,384,423	14,670,309	12,247,586	13,228,195
20. Agents' Balances or Uncollected Premiums (Page 2, Col. 3)					
20.1 In Course of Collection (Line 10.1)	1,720,409	13,426,827	(9,047,974)	(6,320,065)	(1,391,582)
20.2 Deferred and not yet due (Line 10.2)	13,493,060	10,175,490	8,159,623	6,935,157	6,767,275
20.3 Accrued Retrospective Premiums (Line 10.3)	0	0	0	0	0
21. Total Liabilities excluding Protected Cell (Page 3, Line 24)	38,205,781	37,843,339	8,680,910	6,423,335	9,481,679
22. Losses (Page 3, Lines 1 and 2)	9,395,137	11,847,669	3,214,314	3,258,085	3,634,919
23. Loss Adjustment Expenses (Page 3, Line 3)	2,896,096	1,466,210	841,000	789,000	790,808
24. Unearned premiums (Page 3, Line 9)	15,018,642	13,369,737	2,779,434	2,204,089	2,673,915
25. Capital Paid Up (Page 3, Lines 28 & 29)	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000
26. Surplus as Regards Policyholders (Page 3, Line 35)	12,503,882	8,541,084	5,989,399	5,824,251	3,746,516
<b>Risk-Based Capital Analysis</b>					
27. Total Adjusted Capital	12,503,882	8,541,084	5,989,399	5,824,251	3,746,516
28. Authorized Control Level Risk-Based Capital	2,799,185	2,370,544	1,324,067	981,662	1,228,484
<b>Percentage Distribution of Cash and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 9, Col. 3) x 100.0					
29. Bonds (Line 1)	16.7	30.4	33.6	98.9	106.3
30. Stocks (Lines 2.1 & 2.2)	1.7	4.4	3.8	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)	81.6	65.2	62.6	1.1	(6.3)
34. Other Invested Assets (Line 6)	0.0	0.0	0.0	0.0	0.0
35. Receivable for Securities (Line 7)	0.0	0.0	0.0	0.0	0.0
36. Aggregate Write-Ins for Invested Assets (Line 8)	0.0	0.0	0.0	0.0	0.0
37. Cash and Invested Assets (Line 9)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
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
<b>Capital and Surplus Accounts (Page 4)</b>					
46. Net Unrealized Capital Gains (Losses) (Line 23) .....	(115,833)	(57,273)	(11,943)	0	0
47. Dividends to Stockholders (Line 34) .....	0	0	0	0	0
48. Change in surplus as regards policyholders for the year (Line 37) .....	3,962,798	2,551,685	165,148	2,077,735	380,232
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
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) .....	24,085,902	17,647,244	13,245,261	12,586,929	12,170,458
50. Property Lines (Lines 1, 2, 9, 12, 21 & 26) .....	14,617,819	11,299,401	5,668,595	5,056,158	6,066,820
51. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) .....	0	0	0	0	0
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) .....	38,703,721	28,946,645	18,913,856	17,643,087	18,237,278
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
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) .....	11,285,509	5,854,759	2,670,521	2,787,873	2,904,996
56. Property Lines (Lines 1, 2, 9, 12, 21 & 26) .....	8,089,581	5,802,002	1,564,708	1,301,667	1,593,151
57. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) .....	0	0	0	0	0
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) .....	19,375,090	11,656,761	4,235,229	4,089,540	4,498,147
<b>Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0</b>					
61. Premiums Earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
62. Losses Incurred (Line 2) .....	64.2	76.1	67.8	62.7	67.9
63. Loss Expenses Incurred (Line 3) .....	11.8	9.7	6.3	10.9	10.0
64. Other Underwriting Expenses Incurred (Line 4) .....	26.4	30.8	39.9	20.3	26.8
65. Net Underwriting gain (loss) (Line 8) .....	(2.4)	(16.6)	(14.0)	6.2	(4.7)
<b>Other Percentages</b>					
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) .....	20.8	19.0	29.9	13.2	16.8
67. Losses and Loss Expenses Incurred to Premiums Earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	76.0	85.8	74.1	73.6	77.9
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) .....	263.6	391.1	109.8	95.2	161.9
<b>One Year Loss Development (000 omitted)</b>					
69. Development in Estimated Losses and Loss Expenses Incurred Prior to Current Year (Schedule P - Part 2 - Summary, Line 12, Col. 11) .....	(369)	1,188	(16)	183	461
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) .....	(4.3)	19.8	(0.3)	4.9	13.7
<b>Two Year Loss Development (000 omitted)</b>					
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) .....	214	630	149	537	658
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) .....	3.6	10.8	4.0	16.0	20.2

## 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
<b>BONDS</b>				
Governments (Including all obligations guaranteed by governments)	1. United States ..... 208,654 2. Canada ..... 0 3. Other Countries ..... 0 4. Totals ..... 208,654	229,062 0 0 229,062	212,000 0 0 212,000	200,000 0 0 200,000
States, Territories and Possessions (Direct and guaranteed)	5. United States ..... 255,379 6. Canada ..... 0 7. Other Countries ..... 0 8. Totals ..... 255,379	255,379 0 0 255,379	261,628 0 0 261,628	250,000 0 0 250,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States ..... 740,529 10. Canada ..... 0 11. Other Countries ..... 0 12. Totals ..... 740,529	740,529 0 0 740,529	744,944 0 0 744,944	695,000 0 0 695,000
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States ..... 907,141 14. Canada ..... 0 15. Other Countries ..... 0 16. Totals ..... 907,141	907,141 0 0 907,141	903,654 0 0 903,654	914,926 0 0 914,926
Public Utilities (unaffiliated)	17. United States ..... 107,836 18. Canada ..... 0 19. Other Countries ..... 0 20. Totals ..... 107,836	115,166 0 0 115,166	108,044 0 0 108,044	105,000 0 0 105,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States ..... 1,774,401 22. Canada ..... 347,752 23. Other Countries ..... 644,981 24. Totals ..... 2,767,134	1,793,764 390,964 644,981 2,829,709	1,777,699 347,389 651,648 2,776,736	1,770,000 350,000 600,000 2,720,000
Parent, Subsidiaries and Affiliates	25. Totals ..... 0 26. <b>Total Bonds</b> ..... 4,986,673	0 5,076,986	0 5,007,006	0 4,884,926
<b>PREFERRED STOCKS</b>				
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. <b>Total Preferred Stocks</b> ..... 0	0 0	0 0	0 0
<b>COMMON STOCKS</b>				
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 ..... 506,440 50. Canada ..... 0 51. Other Countries ..... 0 52. Totals ..... 506,440	506,440 0 0 506,440	691,489 0 0 691,489	0 0 0 0
Parent, Subsidiaries and Affiliates	53. Totals ..... 0 54. <b>Total Common Stocks</b> ..... 506,440	0 506,440	0 691,489	0 691,489
	55. <b>Total Stocks</b> ..... 506,440 56. <b>Total Bonds and Stocks</b> ..... 5,493,113	506,440 5,583,426	691,489 5,698,495	691,489 5,698,495

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ .....3,699,980 .

## SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year ..... 4,885,027	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3 ..... 995,253	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 ..... (13,944)	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 ..... (115,833)	7. Book/adjusted carrying value at end of current period ..... 5,493,115
3.4 Column 10, Part 4 ..... 198 ..... (129,579)	8. Total valuation allowance ..... 0
4. Total gain (loss), Col. 14, Part 4 ..... 0	9. Subtotal (Lines 7 plus 8) ..... 5,493,115
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 ..... 257,586	10. Total nonadmitted amounts ..... 0
	11. Statement value of bonds and stocks, current period ..... 5,493,115

**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			
1. Prior	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX
2. 1993	14,886	7,443	7,443	11,865	5,926	319	161	700	294	193	6,503	XXX
3. 1994	15,142	7,591	7,551	10,854	5,416	285	141	998	389	204	6,191	XXX
4. 1995	16,262	11,846	4,416	13,201	9,681	451	201	1,100	518	243	4,352	XXX
5. 1996	19,685	13,811	5,874	16,235	11,640	541	211	1,488	963	229	5,450	XXX
6. 1997	24,377	18,163	6,214	16,843	12,457	547	263	1,470	1,444	213	4,696	XXX
7. 1998	28,710	21,910	6,800	18,981	14,540	603	359	2,644	2,368	192	4,961	XXX
8. 1999	27,586	21,570	6,016	17,566	13,787	580	402	1,834	1,561	168	4,230	XXX
9. 2000	27,387	21,383	6,004	19,003	14,852	452	313	2,435	2,013	151	4,712	XXX
10. 2001	48,649	25,833	22,816	30,428	14,960	398	131	3,154	1,873	549	17,017	XXX
11. 2002	66,347	35,032	31,315	26,288	12,840	233	83	3,238	1,822	489	15,014	XXX
12. Totals	XXX	XXX	XXX	181,264	116,099	4,409	2,265	19,061	13,245	2,631	73,125	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					
1. ....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
2. ....	0	0	(7)	(6)	0	0	(12)	(10)	0	0	0	(3)	XXX
3. ....	13	12	(8)	(7)	0	0	(13)	(11)	0	0	0	(2)	XXX
4. ....	9	0	(12)	(10)	0	0	(20)	(17)	0	0	0	4	XXX
5. ....	8	0	(12)	(10)	0	0	(20)	(17)	0	0	0	3	XXX
6. ....	52	12	(10)	(9)	0	0	(15)	(14)	2	0	0	40	XXX
7. ....	53	25	(6)	(7)	0	0	(9)	(11)	7	0	0	38	XXX
8. ....	200	158	(3)	(6)	0	0	(6)	(11)	12	0	0	62	XXX
9. ....	1,030	907	7	(7)	0	0	21	(11)	36	0	1	205	XXX
10. ....	3,336	2,027	212	5	0	0	398	8	156	0	3	2,062	XXX
11. ....	13,095	7,560	1,654	439	0	0	2,731	718	251	0	305	9,014	XXX
12. Totals	17,796	10,701	1,815	382	0	0	3,055	624	465	0	309	11,424	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	0	0
2. ....	12,865	6,365	6,500	86.4	85.5	87.3	0	0		(1)	(2)
3. ....	12,129	5,940	6,189	80.1	78.3	82.0	0	0		0	(2)
4. ....	14,729	10,373	4,356	90.6	87.6	98.6	0	0	15.0	7	(3)
5. ....	18,240	12,787	5,453	92.7	92.6	92.8	0	0	15.0	6	(3)
6. ....	18,890	14,153	4,737	77.5	77.9	76.2	0	0	15.0	39	1
7. ....	22,273	17,274	4,999	77.6	78.8	73.5	0	0	15.0	29	9
8. ....	20,183	15,891	4,292	73.2	73.7	71.3	0	0	15.0	45	17
9. ....	22,984	18,067	4,917	83.9	84.5	81.9	0	0	15.0	137	68
10. ....	38,082	19,004	19,078	78.3	73.6	83.6	0	0	28.0	1,516	546
11. ....	47,490	23,462	24,028	71.6	67.0	76.7	0	0	28.0	6,750	2,264
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	8,528	2,896

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 Permanent General Assurance Corporation 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	210	198	235	233	234	233	231	227	226	226	0	(1)	
2. 1993	5,837	6,020	6,123	6,051	6,099	6,095	6,100	6,103	6,102	6,094	(8)	(9)	
3. 1994	XXX	5,634	5,820	5,572	5,577	5,574	5,578	5,591	5,582	5,580	(2)	(11)	
4. 1995	XXX	XXX	3,687	3,547	3,546	3,821	3,789	3,776	3,769	3,774	5	(2)	
5. 1996	XXX	XXX	XXX	4,562	4,778	4,900	4,945	4,930	4,915	4,928	13	(2)	
6. 1997	XXX	XXX	XXX	XXX	4,552	4,624	4,680	4,663	4,705	4,708	3	45	
7. 1998	XXX	XXX	XXX	XXX	XXX	4,576	4,683	4,682	4,846	4,716	(130)	34	
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	3,835	3,854	4,327	4,007	(320)	153	
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,452	4,994	4,459	(535)	7	
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,036	17,641	605	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,361	XXX	XXX	
											12. Totals	(369)	214

**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	147	210	226	234	232	231	226	226	226	XXX	XXX
2. 1993	3,444	5,190	5,780	5,968	6,074	6,097	6,100	6,103	6,102	6,097	XXX	XXX
3. 1994	XXX	3,426	4,937	5,360	5,523	5,553	5,580	5,583	5,582	5,582	XXX	XXX
4. 1995	XXX	XXX	2,168	3,116	3,366	3,709	3,751	3,763	3,769	3,770	XXX	XXX
5. 1996	XXX	XXX	XXX	3,033	4,213	4,626	4,825	4,892	4,915	4,925	XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	2,686	3,971	4,405	4,595	4,657	4,670	XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	2,723	4,074	4,488	4,636	4,685	XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	2,281	3,498	3,841	3,957	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,647	3,964	4,290	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,996	15,735	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,598	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	11	0	0	0	0	0	0	0	0	0	0	0
2. 1993	89	0	64	0	0	(4)	0	0	0	0	0	(3)
3. 1994	XXX	300	156	0	0	(10)	0	0	0	0	0	(3)
4. 1995	XXX	XXX	277	0	0	(7)	1	0	0	0	0	(5)
5. 1996	XXX	XXX	XXX	257	0	(16)	19	0	0	0	0	(5)
6. 1997	XXX	XXX	XXX	XXX	392	53	72	0	0	0	0	(2)
7. 1998	XXX	XXX	XXX	XXX	XXX	523	158	27	0	0	0	3
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	492	127	0	0	0	8
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	551	0	0	0	46
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,059	0	0	597
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,228

**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	33,641,676	31,773,104	18,202,412	18,161,025	10,361,470	1,115,863	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	Yes	8,433,439	3,428,164	1,126,219	1,847,641	721,422	226,986	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) 2		42,075,115	35,201,268	19,328,631	20,008,666	11,082,892	1,342,849	0
<b>DETAILS OF WRITE-INS</b>									
5701.	XXX								
5702.	XXX								
5703.	XXX								
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX		0	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX		0	0	0	0	0	0	0

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

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

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

