



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

Westfield National Insurance Company

NAIC Group Code 0228 0228 NAIC Company Code 24120 Employer's ID Number 34-1022544
(Current Period) (Prior Period)

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

Country of Domicile US

Incorporated April 11, 1968 Commenced Business April 11, 1968

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

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

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

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

Internet Website Address www.westfieldgrp.com

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

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

OFFICERS

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

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

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

State of Ohio }
County of Medina } SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Roger William McManus
President

Robert Krisowaty
CFO & Treasurer

Bambi Ann Beshire
Controller

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

a. Is this an original filing? Yes (X) No ()
b. If no: 1. State the amendment number 0
2. Date filed _____
3. Number of pages attached 0

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Columns 1 minus 2)	Net Admitted Assets
1. Bonds	166,895,603	0	166,895,603	177,052,578
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1)	3,293,633	0	3,293,633	475,000
2.2 Common stocks (Schedule D, Part 2, Section 2)	69,366,713	0	69,366,713	61,782,884
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$ 0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$ 0 encumbrances)	0	0	0	0
5. Cash (\$ 0 Schedule E, Part 1) and short-term investments (\$ 2,302,050 Schedule DA, Part 2)	2,302,050	0	2,302,050	4,080,251
6. Other invested assets (Schedule BA)	0	0	0	0
7. Receivable for securities	0	0	0	0
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotals, cash and invested assets (Line 1 to Line 8)	241,857,999	0	241,857,999	243,390,713
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	9,652,578	1,785,307	7,867,271	6,634,453
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ 174,525 earned but unbilled premiums)	43,513,132	0	43,513,132	36,795,690
10.3 Accrued retrospective premiums	0	0	0	0
11. Funds held by or deposited with reinsured companies	0	0	0	0
12. Bills receivable, taken for premiums	0	0	0	0
13. Amounts receivable under high deductible policies	0	0	0	0
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Columns 7 and 8)	0	0	0	0
15. Federal and foreign income tax recoverable and interest thereon (including \$ 5,968,323 net deferred tax asset)	6,052,863	0	6,052,863	276,949
16. Guaranty funds receivable or on deposit	0	0	0	120
17. Electronic data processing equipment and software	0	0	0	0
18. Interest, dividends and real estate income due and accrued	2,666,315	0	2,666,315	2,702,887
19. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
20. Receivable from parent, subsidiaries and affiliates	291,371	0	291,371	0
21. Amount due from/to protected cells	0	0	0	0
22. Equities and deposits in pools and associations	0	0	0	0
23. Amounts receivable relating to uninsured accident and health plans	0	0	0	0
24. Other assets nonadmitted (Exhibit 1)	0	0	0	0
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding protected cell assets (Line 9 through Line 25)	304,034,258	1,785,307	302,248,951	289,800,812
27. Protected cell assets	0	0	0	0
28. TOTALS (Line 26 and Line 27)	304,034,258	1,785,307	302,248,951	289,800,812
DETAILS OF WRITE-INS				
0801.	0	0	0	0
0802.	0	0	0	0
0803.	0	0	0	0
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)	0	0	0	0
2501.	0	0	0	0
2502.	0	0	0	0
2503.	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)	90,682,667	87,878,603
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	24,028,205	22,713,219
4. Commissions payable, contingent commissions and other similar charges	11,691,673	8,992,151
5. Other expenses (excluding taxes, licenses and fees)	4,610,465	4,737,275
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,865,094	2,963,448
7. Federal and foreign income taxes (including \$ 0 on realized capital gains (losses)) (including \$ 0 net deferred tax liability)	0	0
8. Borrowed money \$ 0 and interest thereon \$ 0	0	0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 102,923,162 and including warranty reserves of \$ 0)	76,697,503	68,174,744
10. Advance premiums	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	404,163	638,650
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (Schedule F, Part 7)	93,256	9,074
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	2,465,916
20. Payable for securities	291,060	15,886
21. Liability for amounts held under uninsured accident and health plans	0	0
22. Capital notes \$ 0 and interest thereon \$ 0	0	0
23. Aggregate write-ins for liabilities	904,817	0
24. Total liabilities excluding protected cell liabilities (Line 1 through Line 23)	212,268,903	198,588,966
25. Protected cell liabilities	0	0
26. Total liabilities (Line 24 and Line 25)	212,268,903	198,588,966
27. Aggregate write-ins for special surplus funds	10,993,290	24,918,716
28. Common capital stock	2,500,000	2,500,000
29. Preferred capital stock	0	0
30. Aggregate write-ins for other than special surplus funds	0	0
31. Surplus notes	0	0
32. Gross paid in and contributed surplus	1,250,000	1,250,000
33. Unassigned funds (surplus)	75,236,758	62,543,130
34. Less treasury stock, at cost:		
34.1 0 shares common (value included in Line 28 \$ 0)	0	0
34.2 0 shares preferred (value included in Line 29 \$ 0)	0	0
35. Surplus as regards policyholders (Line 27 to Line 33, less Line 34) (Page 4, Line 38)	89,980,048	91,211,846
36. TOTALS (Page 2, Line 28, Column 3)	302,248,951	289,800,812
DETAILS OF WRITE-INS		
2301. Reserve for Employees Profit Sharing	904,817	0
2302.	0	0
2303.	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0
2399. TOTALS (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	904,817	0
2701. General Voluntary Reserve	10,993,290	24,918,716
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. TOTALS (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)	10,993,290	24,918,716
3001.	0	0
3002.	0	0
3003.	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. TOTALS (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 34, Column 4)	154,234,641	142,642,145
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	91,572,606	94,117,127
3. Loss expenses incurred (Part 3, Line 25, Column 1)	16,506,986	15,479,356
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	51,426,695	47,472,480
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Line 2 through Line 5)	159,506,287	157,068,963
7. Net income of protected cells	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(5,271,646)	(14,426,818)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	14,549,199	13,362,339
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses))	3,687,323	4,231,191
11. Net investment gain (loss) (Line 9 plus Line 10)	18,236,522	17,593,530
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 650,993 amount charged off \$ 1,161,523)	(510,530)	(478,521)
13. Finance and service charges not included in premiums	1,268,275	1,374,703
14. Aggregate write-ins for miscellaneous income	(888,806)	3,388
15. Total other income (Line 12 through Line 14)	(131,061)	899,570
16. Net income before dividends to policyholders and before federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	12,833,815	4,066,282
17. Dividends to policyholders	297,359	219,789
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	12,536,456	3,846,493
19. Federal and foreign income taxes incurred	4,693,776	1,890,022
20. Net income (Line 18 minus Line 19) (to Line 22)	7,842,680	1,956,471
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	91,211,846	96,276,415
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	7,842,680	1,956,471
23. Net unrealized capital gains or (losses)	(9,258,784)	(4,108,292)
24. Change in net unrealized foreign exchange capital gain (loss)	0	0
25. Change in net deferred income tax	234,984	883,905
26. Change in nonadmitted assets (Exhibit 1, Line 5, Column 3)	33,504	(237,618)
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(84,182)	35,827
28. Change in surplus notes	0	0
29. Surplus (contributed to) withdrawn from protected cells	0	0
30. Cumulative effect of changes in accounting principles	0	(3,594,862)
31. Capital changes:		
31.1 Paid in	0	0
31.2 Transferred from surplus (Stock Dividend)	0	0
31.3 Transferred to surplus	0	0
32. Surplus adjustments:		
32.1 Paid in	0	0
32.2 Transferred to capital (Stock Dividend)	0	0
32.3 Transferred from capital	0	0
33. Net remittances from or (to) Home Office	0	0
34. Dividends to stockholders	0	0
35. Change in treasury stock (Page 3, Line 34.1 and 34.2, Column 2 minus Column 1)	0	0
36. Aggregate write-ins for gains and losses in surplus	0	0
37. Change in surplus as regards policyholders for the year (Line 22 through Line 36)	(1,231,798)	(5,064,569)
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35)	89,980,048	91,211,846
DETAILS OF WRITE-INS		
0501	0	0
0502	0	0
0503	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)	0	0
1401. Other Interest Income	16,011	3,388
1402. Reserve for Employees Profit Sharing	(904,817)	0
1403	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)	(888,806)	3,388
3601	0	0
3602	0	0
3603	0	0
3698. Summary of remaining write-ins for Line 36 from overflow page	0	0
3699. Totals (Line 3601 through Line 3603 plus Line 3698) (Line 36 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	154,512,707	147,988,866
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	103,960,543	101,266,642
3. Underwriting expenses paid	48,949,872	45,967,679
4. Other underwriting income (expenses)	0	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	1,602,292	754,545
6. Net investment income	13,945,157	12,873,313
7. Other income (expenses):		
7.1 Agents' balances charged off	(510,530)	(478,521)
7.2 Net funds held under reinsurance treaties	0	0
7.3 Net amount withheld or retained for account of others	0	0
7.4 Aggregate write-ins for miscellaneous items	379,590	1,367,538
7.5 Total other income (Line 7.1 to Line 7.4)	(130,940)	889,017
8. Dividends to policyholders on direct business, less \$ 0 dividends on reinsurance assumed or ceded (net)	297,359	219,789
9. Federal and foreign income taxes (paid) recovered	(5,568,064)	(128,229)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	9,551,086	14,168,857
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	42,316,765	30,109,013
11.2 Stocks	10,796,503	32,431,546
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	275,174	1,232,092
11.8 Total investment proceeds (Line 11.1 to Line 11.7)	53,388,442	63,772,651
12. Cost of investments acquired (long-term only):		
12.1 Bonds	31,901,564	53,216,514
12.2 Stocks	31,057,142	33,574,152
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 (Line 12.1 to Line 12.6)	62,958,706	86,790,666
13. Net cash from investments (Line 11.8 minus Line 12.7)	(9,570,264)	(23,018,015)
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in	0	0
14.2 Capital notes, \$ 0 less amounts repaid \$ 0	0	0
14.3 Net transfers from affiliates	0	9,625,114
14.4 Borrowed funds received	0	0
14.5 Other cash provided	998,265	0
14.6 Total (Lines 14.1 to 14.5)	998,265	9,625,114
15. Cash applied:		
15.1 Dividends to stockholders paid	0	0
15.2 Net transfers to affiliates	2,757,288	0
15.3 Borrowed funds repaid	0	0
15.4 Other applications	0	0
15.5 Total (Line 15.1 to Line 15.4)	2,757,288	0
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(1,759,023)	9,625,114
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10 plus Line 13 plus Line 16)	(1,778,201)	775,956
18. Cash and short-term investments:		
18.1 Beginning of year	4,080,251	3,304,295
18.2 End of year (Line 17 plus Line 18.1)	2,302,050	4,080,251
DETAILS OF WRITE-INS		
7.401 Finance and Service Charges	1,268,275	1,374,699
7.402 Other Net Interest Income (Expense)	16,012	(7,221)
7.403 Guaranty Funds Receivable or on Deposit	120	60
7.498 Summary of remaining write-ins for Line 7.4 from overflow page	(904,817)	0
7.499 Totals (Line 7.401 through Line 7.403 plus Line 7.498) (Line 7.4 above)	379,590	1,367,538

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 2	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Column 1 plus 2 minus 3)
1. Fire	1,655,483	753,826	845,274	1,564,035
2. Allied lines	983,969	445,110	502,721	926,358
3. Farmowners multiple peril	5,612,472	1,486,970	2,738,445	4,360,997
4. Homeowners multiple peril	19,543,298	10,809,173	10,438,189	19,914,282
5. Commercial multiple peril	30,983,179	12,631,775	14,241,691	29,373,263
6. Mortgage guaranty	0	0	0	0
8. Ocean marine	0	0	0	0
9. Inland marine	6,904,129	2,824,068	3,269,168	6,459,029
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	176,926	206,692	210,360	173,258
13. Group accident and health	3,226	0	0	3,226
14. Credit accident and health (group and individual)	0	0	0	0
15. Other accident and health	0	0	0	0
16. Workers' compensation	14,428,785	5,555,499	5,985,685	13,998,599
17.1 Other liability - occurrence	7,017,551	2,811,818	3,512,422	6,316,947
17.2 Other liability - claims-made	126,661	50,059	56,713	120,007
18.1 Products liability - occurrence	137,169	45,041	61,783	120,427
18.2 Products liability - claims-made	0	0	0	0
19.1, 19.2 Private passenger auto liability	25,262,669	10,383,902	11,830,356	23,816,215
19.3, 19.4 Commercial auto liability	16,838,697	6,846,016	7,604,848	16,079,865
21. Auto physical damage	25,584,422	10,538,437	11,800,447	24,322,412
22. Aircraft (all perils)	0	0	0	0
23. Fidelity	407,585	269,249	266,980	409,854
24. Surety	4,420,500	2,087,931	2,508,483	3,999,948
26. Burglary and theft	96,210	40,839	44,298	92,751
27. Boiler and machinery	0	(2,961)	(2,961)	0
28. Credit	0	0	0	0
29. International	0	0	0	0
30. Reinsurance - Nonproportional Assumed Property	2,574,467	391,300	782,600	2,183,167
31. Reinsurance - Nonproportional Assumed Liability	0	0	0	0
32. Reinsurance - Nonproportional Assumed Financial Lines	0	0	0	0
33. Aggregate write-ins for other lines of business	0	0	0	0
34. TOTALS	162,757,398	68,174,744	76,697,502	154,234,640
DETAILS OF WRITE-INS				
3301.	0	0	0	0
3302.	0	0	0	0
3303.	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A-RECAPITULATION OF ALL PREMIUMS

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

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running More Than One Year from Date of Policy) (b)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire	844,976	298	0	0	845,274
2. Allied lines	502,572	149	0	0	502,721
3. Farmowners multiple peril	2,738,154	291	0	0	2,738,445
4. Homeowners multiple peril	10,438,189	0	0	0	10,438,189
5. Commercial multiple peril	14,236,696	4,995	0	0	14,241,691
6. Mortgage guaranty	0	0	0	0	0
8. Ocean marine	0	0	0	0	0
9. Inland marine	3,268,954	214	0	0	3,269,168
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	210,358	2	0	0	210,360
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	5,976,807	8,878	0	0	5,985,685
17.1 Other liability - occurrence	3,507,035	5,387	0	0	3,512,422
17.2 Other liability - claims-made	56,410	303	0	0	56,713
18.1 Products liability - occurrence	61,139	644	0	0	61,783
18.2 Products liability - claims-made	0	0	0	0	0
19.1, 19.2 Private passenger auto liability	11,830,356	0	0	0	11,830,356
19.3, 19.4 Commercial auto liability	7,604,809	39	0	0	7,604,848
21. Auto physical damage	11,800,447	0	0	0	11,800,447
22. Aircraft (all perils)	0	0	0	0	0
23. Fidelity	151,433	115,547	0	0	266,980
24. Surety	1,083,389	1,425,094	0	0	2,508,483
26. Burglary and theft	44,234	64	0	0	44,298
27. Boiler and machinery	(2,961)	0	0	0	(2,961)
28. Credit	0	0	0	0	0
29. International	0	0	0	0	0
30. Reinsurance - Nonproportional Assumed Property	782,600	0	0	0	782,600
31. Reinsurance - Nonproportional Assumed Liability	0	0	0	0	0
32. Reinsurance - Nonproportional Assumed Financial Lines	0	0	0	0	0
33. Aggregate write-ins for other lines of business	0	0	0	0	0
34. TOTALS	75,135,597	1,561,905	0	0	76,697,502
35. Accrued retrospective premiums based on experience					0
36. Earned but unbilled premiums					0
37. Balance (Sum of Line 34 through Line 36)					76,697,502
DETAILS OF WRITE-INS					
3301.	0	0	0	0	0
3302.	0	0	0	0	0
3303.	0	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)	0	0	0	0	0

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B-PREMIUMS WRITTEN

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

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	844,662	1,655,483	0	802,619	42,043	1,655,483
2. Allied lines	366,323	983,969	0	350,935	15,388	983,969
3. Farmowners multiple peril	0	5,612,472	0	35,773	(35,773)	5,612,472
4. Homeowners multiple peril	61,879,033	19,543,298	90,810	60,046,225	1,923,618	19,543,298
5. Commercial multiple peril	0	30,983,179	0	(10,664)	10,664	30,983,179
6. Mortgage guaranty	0	0	0	0	0	0
8. Ocean marine	0	0	0	0	0	0
9. Inland marine	6,149,822	6,904,129	1,599	5,848,191	303,229	6,904,130
10. Financial guaranty	0	0	0	0	0	0
11.1 Medical malpractice - occurrence	0	0	0	0	0	0
11.2 Medical malpractice - claims-made	0	0	0	0	0	0
12. Earthquake	1,237,652	176,926	0	477,471	760,181	176,926
13. Group accident and health	0	3,226	0	0	0	3,226
14. Credit accident and health (group and individual)	0	0	0	0	0	0
15. Other accident and health	0	0	0	0	0	0
16. Workers' compensation	6,876,637	14,428,785	0	6,793,494	83,143	14,428,785
17.1 Other liability - occurrence	6,258,306	7,017,551	0	6,037,960	220,346	7,017,551
17.2 Other liability - claims-made	0	126,661	0	0	0	126,661
18.1 Products liability - occurrence	0	137,169	0	0	0	137,169
18.2 Products liability - claims-made	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability	68,537,619	25,262,669	0	67,210,914	1,326,705	25,262,669
19.3, 19.4 Commercial auto liability	0	16,838,697	0	0	0	16,838,697
21. Auto physical damage	49,754,839	25,584,422	0	49,202,982	551,857	25,584,422
22. Aircraft (all perils)	0	0	0	0	0	0
23. Fidelity	223,189	407,585	0	221,804	1,385	407,585
24. Surety	0	4,420,500	0	0	0	4,420,500
26. Burglary and theft	0	96,210	0	29	(29)	96,210
27. Boiler and machinery	0	0	0	0	0	0
28. Credit	0	0	0	0	0	0
29. International	0	0	0	0	0	0
30. Reinsurance - Nonproportional Assumed Property	XXX	2,574,467	0	0	0	2,574,467
31. Reinsurance - Nonproportional Assumed Liability	XXX	0	0	0	0	0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	0	0	0	0	0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0
34. TOTALS	202,128,082	162,757,398	92,409	197,017,733	5,202,757	162,757,399
DETAILS OF WRITE-INS						
3301.	0	0	0	0	0	0
3302.	0	0	0	0	0	0
3303.	0	0	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Net Losses Unpaid Current Year (Part 2A Column 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Column 4 plus 5 minus 6)	Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1. Fire	274,021	672,921	274,021	672,921	224,318	321,982	575,257	36.8
2. Allied lines	388,090	602,409	388,090	602,409	137,751	69,104	671,056	72.4
3. Farmowners multiple peril	0	3,860,079	0	3,860,079	1,358,662	1,709,389	3,509,352	80.5
4. Homeowners multiple peril	46,609,852	14,014,603	46,609,544	14,014,911	5,003,075	4,397,297	14,620,689	73.4
5. Commercial multiple peril	0	13,759,017	0	13,759,017	18,267,367	17,736,853	14,289,531	48.6
6. Mortgage guaranty	0	0	0	0	0	0	0	0.0
8. Ocean marine	0	0	0	0	233	(62)	295	0.0
9. Inland marine	1,525,924	2,595,240	1,525,924	2,595,240	1,202,455	832,000	2,965,695	45.9
10. Financial guaranty	0	0	0	0	0	0	0	0.0
11.1 Medical malpractice - occurrence	0	0	0	0	3,853	2,991	862	0.0
11.2 Medical malpractice - claims-made	0	0	0	0	0	0	0	0.0
12. Earthquake	3,125	411	3,125	411	(4,865)	(5,443)	989	0.6
13. Group accident and health	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual)	0	0	0	0	0	0	0	0.0
15. Other accident and health	0	0	0	0	0	0	0	0.0
16. Workers' compensation	2,323,836	8,820,644	2,323,836	8,820,644	19,502,092	17,994,040	10,328,696	73.8
17.1 Other liability - occurrence	1,157,877	3,203,437	1,157,877	3,203,437	5,872,470	6,074,952	3,000,955	47.5
17.2 Other liability - claims-made	0	14,307	0	14,307	22,555	24,275	12,587	10.5
18.1 Products liability - occurrence	0	321,674	0	321,674	1,015,207	600,666	736,215	611.3
18.2 Products liability - claims-made	0	0	0	0	0	0	0	0.0
19.1, 19.2 Private passenger auto liability	41,650,874	16,439,581	41,650,424	16,440,031	19,812,928	18,996,304	17,256,655	72.5
19.3, 19.4 Commercial auto liability	0	8,354,198	0	8,354,198	15,704,694	16,708,002	7,350,890	45.7
21. Auto physical damage	28,483,767	14,704,580	28,483,767	14,704,580	1,741,913	1,689,799	14,756,694	60.7
22. Aircraft (all perils)	0	26	0	26	112	118	20	0.0
23. Fidelity	0	79,636	0	79,636	110,626	113,649	76,613	18.7
24. Surety	0	309,017	0	309,017	691,750	583,250	417,517	10.4
26. Burglary and theft	0	26,495	0	26,495	4,854	14,769	16,580	17.9
27. Boiler and machinery	0	36	0	36	484	700	(180)	0.0
28. Credit	0	0	0	0	0	0	0	0.0
29. International	0	27	0	27	2,047	1,289	785	0.0
30. Reinsurance- Nonproportional Assumed Property	X X X	984,264	0	984,264	0	12,680	971,584	44.5
31. Reinsurance- Nonproportional Assumed Liability	X X X	5,181	0	5,181	8,085	0	13,266	0.0
32. Reinsurance- Nonproportional Assumed Financial Lines	X X X	0	0	0	0	0	0	0.0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
34. TOTALS	122,417,366	88,767,783	122,416,608	88,768,541	90,682,666	87,878,604	91,572,603	59.4
DETAILS OF WRITE-INS								
3301	0	0	0	0	0	0	0	0.0
3302	0	0	0	0	0	0	0	0.0
3303	0	0	0	0	0	0	0	0.0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0.0
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Westfield National Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	39,057	119,038	39,057	119,038	39,731	105,281	39,731	224,319	67,027
2. Allied lines	24,000	82,481	26,000	80,481	19,434	57,270	19,434	137,751	15,398
3. Farmowners multiple peril	0	979,119	0	979,119	0	379,543	0	1,358,662	332,369
4. Homeowners multiple peril	13,145,915	3,920,503	13,145,915	3,920,503	3,913,455	1,082,572	3,913,455	5,003,075	998,249
5. Commercial multiple peril	0	11,708,716	4,125	11,704,591	0	6,562,776	0	18,267,367	9,268,177
6. Mortgage guaranty	0	0	0	0	0	0	0	0	0
8. Ocean marine	0	0	0	0	0	233	0	233	0
9. Inland marine	143,669	823,857	143,669	823,857	364,120	378,597	364,120	1,202,454	123,429
10. Financial guaranty	0	0	0	0	0	0	0	0	0
11.1 Medical malpractice - occurrence	0	767	0	767	0	3,086	0	3,853	0
11.2 Medical malpractice - claims-made	0	0	0	0	0	0	0	0	0
12. Earthquake	0	(5,499)	0	(5,499)	1,745	634	1,745	(4,865)	293
13. Group accident and health	0	0	0	0	0	0	0	(a) 0	0
14. Credit accident and health (group and individual)	0	0	0	0	0	0	0	(a) 0	0
15. Other accident and health	0	0	0	0	0	0	0	0	0
16. Workers' compensation	3,339,750	13,503,643	3,362,330	13,481,063	1,512,803	6,021,029	1,512,803	19,502,092	2,245,578
17.1 Other liability - occurrence	205,500	2,560,387	445,600	2,320,287	2,800,513	3,552,183	2,800,513	5,872,470	3,363,866
17.2 Other liability - claims-made	0	22,555	0	22,555	0	0	0	22,555	39,602
18.1 Products liability - occurrence	0	495,917	15,000	480,917	0	534,290	0	1,015,207	1,374,992
18.2 Products liability - claims-made	0	0	0	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability	44,496,825	16,746,588	44,496,825	16,746,588	8,476,280	3,066,340	8,476,280	19,812,928	3,008,954
19.3, 19.4 Commercial auto liability	0	13,484,538	0	13,484,538	0	2,220,156	0	15,704,694	2,379,971
21. Auto physical damage	1,517,249	1,093,969	1,517,249	1,093,969	1,261,436	647,944	1,261,436	1,741,913	193,127
22. Aircraft (all perils)	0	154	0	154	0	(42)	0	112	0
23. Fidelity	0	52,311	0	52,311	24,466	58,316	24,466	110,627	61,109
24. Surety	0	443,333	100	443,233	0	248,517	0	691,750	554,813
26. Burglary and theft	0	1,501	0	1,501	0	3,353	0	4,854	1,200
27. Boiler and machinery	0	42	0	42	0	443	0	485	49
28. Credit	0	0	0	0	0	0	0	0	0
29. International	0	2,047	0	2,047	0	0	0	2,047	0
30. Reinsurance- Nonproportional Assumed Property	X X X	0	0	0	X X X	0	0	0	0
31. Reinsurance- Nonproportional Assumed Liability	X X X	7,603	0	7,603	X X X	482	0	8,085	0
32. Reinsurance- Nonproportional Assumed Financial Lines	X X X	0	0	0	X X X	0	0	0	0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
34. TOTALS	62,911,965	66,043,570	63,195,870	65,759,665	18,413,983	24,923,003	18,413,983	90,682,668	24,028,203
DETAILS OF WRITE-INS									
3301.	0	0	0	0	0	0	0	0	0
3302.	0	0	0	0	0	0	0	0	0
3303.	0	0	0	0	0	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	2,207,373	0	0	2,207,373
1.2 Reinsurance assumed	5,504,551	0	0	5,504,551
1.3 Reinsurance ceded	2,256,016	0	0	2,256,016
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	5,455,908	0	0	5,455,908
2. Commission and brokerage:				
2.1 Direct excluding contingent	0	28,339,632	0	28,339,632
2.2 Reinsurance assumed excluding contingent	0	25,804,975	0	25,804,975
2.3 Reinsurance ceded excluding contingent	0	28,339,632	0	28,339,632
2.4 Contingent - direct	0	6,071,015	0	6,071,015
2.5 Contingent - reinsurance assumed	0	4,850,021	0	4,850,021
2.6 Contingent - reinsurance ceded	0	6,071,015	0	6,071,015
2.7 Policy and membership fees	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	30,654,996	0	30,654,996
3. Allowances to manager and agents	0	37,781	0	37,781
4. Advertising	0	61,588	0	61,588
5. Boards, bureaus and associations	30,554	743,915	0	774,469
6. Surveys and underwriting reports	0	1,167,327	0	1,167,327
7. Audit of assureds' records	0	158,014	0	158,014
8. Salary and related items:				
8.1 Salaries	4,706,807	6,472,351	164,080	11,343,238
8.2 Payroll taxes	375,180	506,413	12,585	894,178
9. Employee relations and welfare	975,596	1,468,715	56,394	2,500,705
10. Insurance	785	198,740	0	199,525
11. Directors' fees	0	0	0	0
12. Travel and travel items	542,939	535,494	11,048	1,089,481
13. Rent and rent items	655,297	1,015,382	20,599	1,691,278
14. Equipment	345,760	715,414	21,655	1,082,829
15. Cost or Depreciation of EDP equipment and software	61,498	90,457	1,806	153,761
16. Printing and stationery	227,064	382,241	12,308	621,613
17. Postage, telephone and telegraph, exchange and express	434,208	686,232	50,489	1,170,929
18. Legal and auditing	26,792	141,247	23,027	191,066
19. Totals (Lines 3 to 18)	8,382,480	14,381,311	373,991	23,137,782
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 49,568	0	3,121,207	0	3,121,207
20.2 Insurance department licenses and fees	0	170,947	0	170,947
20.3 Gross guaranty association assessments	0	64,211	0	64,211
20.4 All other (excluding federal and foreign income and real estate)	0	33,372	0	33,372
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	3,389,737	0	3,389,737
21. Real estate expenses	0	0	0	0
22. Real estate taxes	0	0	0	0
23. Reimbursements by uninsured accident and health plans	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses	2,668,598	3,000,651	160,799	5,830,048
25. Total expenses incurred	16,506,986	51,426,695	534,790	(a) 68,468,471
26. Less unpaid expenses - current year	24,028,205	19,097,076	70,157	43,195,438
27. Add unpaid expenses - prior year	22,713,219	16,620,252	72,621	39,406,092
28. Amounts receivable relating to uninsured accident and health plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured accident and health plans, current year	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	15,192,000	48,949,871	537,254	64,679,125
DETAILS OF WRITE-INS				
2401. Electronic Data Processing Service	749,455	1,593,136	70,019	2,412,610
2402. Management Fee	385,165	1,189,682	85,939	1,660,786
2403. Unallocated LAE Reserve Change and Other ULAE	1,493,698	0	0	1,493,698
2498. Summary of remaining write-ins for Line 24 from overflow page	40,280	217,833	4,841	262,954
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)	2,668,598	3,000,651	160,799	5,830,048

(a) Includes management fees of \$ 1,742,554 to affiliates and \$ 0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 4,797,433	4,592,208
1.1 Bonds exempt from U. S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 7,920,081	7,992,578
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 634,969	634,969
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	1,709,643	1,805,795
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract loans	0	0
6. Cash/short-term investments	(e) 58,438	58,438
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	0
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	15,120,564	15,083,988
11. Investment expenses		(g) 534,790
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 0
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. Totals deductions (Line 11 through Line 15)		534,790
17. Net investment income (Line 10 minus Line 16)		14,549,198
DETAILS OF WRITE-INS		
0901.	0	0
0902.	0	0
0903.	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus Line 0998) (Line 9 above)	0	0
1501.		0
1502.		0
1503.		0
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503 plus Line 1598) (Line 15 above)		0
(a) Includes \$ 963,231 accrual of discount less \$ 325,078 amortization of premium and less \$ 0 paid for accrued interest on purchases.	(f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.	
(b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.	(g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.	(h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.	
(d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.	(i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.	
(e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	Total
1. U. S. Government bonds	1,584,099	0	0	0	1,584,099
1.1 Bonds exempt from U. S. tax	0	0	0	0	0
1.2 Other bonds (unaffiliated)	(1,026,783)	0	(937,242)	0	(1,964,025)
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	(116,202)	0	(116,202)
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	3,130,007	0	(8,205,340)	0	(5,075,333)
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash/short-term investments	0	0	0	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	3,687,323	0	(9,258,784)	0	(5,571,461)
DETAILS OF WRITE-INS					
0901.	0	0	0	0	0
0902.	0	0	0	0	0
0903.	0	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus Line 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Line 10 to Line 17 and Line 19 to Line 23, Column 2	1,785,307	1,725,362	(59,945)
2. Other Nonadmitted Assets:			
2.1 Bills receivable	0	0	0
2.2 Furniture, equipment and supplies	0	0	0
2.3 Leasehold improvements	0	0	0
2.4 Loans on personal security, endorsed or not	0	0	0
3. Total (Line 2.1 to Line 2.4)	0	0	0
4. Aggregate write-ins for other assets	0	93,448	93,448
5. Total (Line 1 plus Line 3 and Line 4)	1,785,307	1,818,810	33,503
DETAILS OF WRITE-INS			
0401. Advance on Contract	0	93,448	93,448
0402.	0	0	0
0403.	0	0	0
0498. Summary of remaining write-ins for Line 4 from overflow page	0	0	0
0499. Totals (Line 0401 through Line 0403 plus Line 0498) (Line 4 above)	0	93,448	93,448

NOTES TO FINANCIAL STATEMENTS

General Notes

1. Summary of Significant Accounting Policies-

A. Accounting Practices

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

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

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

C. Accounting Policy

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

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

In addition, the Company uses the following accounting policies:

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

2. Accounting Changes and Corrections of Errors-

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

B. Illustrative Disclosure for Insurers upon Initial Implementation of Codification

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

Accounting changes at January 1, 2001 adopted to conform to the provision of the NAIC Accounting Practices and Procedures manual - Version effective January 1, 2001 are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a change of accounting principle, as an adjustment that decreased unassigned funds (surplus), of \$3,262,452 as of January 1, 2001.

The Company, as a result of the Old Guard acquisition, has changed the former Old Guard group's accounting method to not anticipate the recovery of Salvage and Subrogation in its reserves. The effect of this accounting change resulted in a surplus decrease of \$332,410 as of December 31, 2001.

3. Business Combinations and Goodwill-

A. Statutory Purchase Method - Not Applicable

B. Statutory Merger - Not Applicable

C. Impairment Loss - Not Applicable

4. Discontinued Operations - Not Applicable

NOTES TO FINANCIAL STATEMENTS

5. Investments-

A. Mortgage Loans, including Mezzanine Real Estate Loans

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

B. Debt Restructuring

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

C. Reverse Mortgages

The Company does not invest in reverse mortgages.

D. Loan-Backed Securities

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

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

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

(4) Not Applicable

E. Repurchase Agreements

The Company does not have any investments in repurchase agreements.

6. Joint Ventures, Partnerships and Limited Liability Companies-

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

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

7. Investment Income-

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

8. Derivative Instruments-

The Company does not hold derivative instruments.

9. Income Taxes-

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

	<u>12/31/02</u>	<u>12/31/01</u>
1 Total of all deferred tax assets (admitted and nonadmitted)	10,625,256	10,417,138
2 Total of all deferred tax liabilities	4,656,933	9,350,441
3 Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	0	0
4 Increase (decrease) in deferred tax assets nonadmitted	0	0

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

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

	<u>12/31/02</u>	<u>12/31/01</u>
1 Current year income tax expense	4,361,789	1,901,579
2 Tax credits	0	(22,167)
3 Other adjustment: FIT Receivable	(4,446,329)	(1,064,848)
4 Prior year (over)/under accrual of tax	0	0
5 Current income taxes incurred	(84,540)	814,564

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

	<u>DTAs</u>	<u>Statutory</u>	<u>Tax</u>	<u>Difference</u>	<u>Tax Effect</u>
6 Unpaid Losses & LAE		113,582,326	101,291,240	12,291,086	4,301,880
7 Unearned Premiums		76,666,678	62,164,018	14,502,660	5,075,931
8 Other Expenses		4,912,173	2,175,694	2,736,479	957,768
9 Insolvency Reserve		0	(42,589)	42,589	14,906
10 Salvage & Subrogation		0	(299,178)	299,178	104,712
11 Investments - Preferred Stock		(473,000)	(621,867)	148,867	52,103
12 Accrued Dividends		(2,713,464)	(2,860,754)	147,290	51,552
13 Depreciation - Software		0	(189,726)	189,726	66,404
14 Total DTAs		191,974,713	161,616,838	30,357,875	10,625,256
15 DTAs nonadmitted				0	0

NOTES TO FINANCIAL STATEMENTS

	DTLs	Statutory	Tax	Difference	Tax Effect
16	Investments - Common Stock	(64,192,776)	(52,079,478)	12,113,298	4,239,654
17	Investments - Bonds	(165,011,112)	(163,818,887)	1,192,225	417,279
18	Other Liabilities	0	0	0	0
19	Total DTLs	(229,203,888)	(215,898,365)	13,305,523	4,656,933

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

DTAs resulting from book/tax differences in:		12/31/02	12/31/01	Change
20	Unpaid Losses & LAE	4,301,880	4,599,799	(297,919)
21	Unearned Premiums	5,075,931	4,419,135	656,796
22	Other Expenses	957,768	1,199,972	(242,204)
23	Insolvency Reserve	14,906	145,319	(130,413)
24	Salvage & Subrogation	104,712	8,814	95,898
25	Investments - Preferred Stock	52,103	0	52,103
26	Accrued Dividends	51,552	11,590	39,962
27	Depreciation - Software	66,404	10,341	56,063
28	Total DTAs	10,625,256	10,394,970	230,286
29	DTAs nonadmitted	0	0	0
DTLs resulting from book/tax differences in:		12/31/02	12/31/01	Change
30	Investments - Common Stock	4,239,654	8,726,116	(4,486,462)
31	Investments - Bonds	417,279	519,434	(102,155)
32	Investments - Preferred Stock	0	11,375	(11,375)
33	Other Liabilities	0	93,515	(93,515)
34	Total DTLs	4,656,933	9,350,440	(4,693,507)

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

	Amount	Tax Effect at 35%
1	Income before taxes	10,118,562
2	Book over tax reserves	(495,905)
3	Unearned premiums	1,648,842
4	Salvage and subrogation	189,475
5	Accrued market discount	(379,761)
6	Dividends received deduction, net of proration	(487,748)
7	Accrued dividends	(297,359)
8	Travel and entertainment	122,241
9	Capital gains (losses)	3,904,976
10	Balances charged off	(509,780)
11	Other	(1,351,289)
12	Taxable income	12,462,254
		4,361,789

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

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

Year Incurred	Amount
2002	\$3,518,000
2001	680,000
1999	32,000

F. Consolidated Federal Income Tax Return

1 The Company's Federal Income Tax return is consolidated with its parent, Ohio Farmers Insurance Company, FEIN 34-0438190; NAIC 24104.

2 Each Company in the consolidation has agreed to share any tax or recovery of tax based on their individual taxable income or loss. Each Company's current taxable income or loss will be adjusted by any prior taxable income or loss which can be carried forward to the current year.

10. Information Concerning Parent, Subsidiaries and Affiliates-

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

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

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

NOTES TO FINANCIAL STATEMENTS

D. Affiliated Balances due to (from) Westfield National Insurance Company at 12/31/2002 and 12/31/2001 respectively were:

	12/31/02	12/31/01
Ohio Farmers Insurance Company	128,948	(2,465,916)
Westfield Insurance Company	162,423	
	291,371	(2,465,916)

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

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

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

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

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

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

11. Debt-

A. Capital Notes

The Company has not issued capital notes.

B. All Other Debt - Not Applicable

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

A. Defined Benefit Plan and the Postretirement Benefit Plans

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

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

1. Change in benefit obligation

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

2. Change in plan assets

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

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

B. Defined Contribution Plan

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

Contributions of three percent (3%) of each employee's eligible compensation are made during the year. Westfield National Insurance Company's non-elective contribution for the plan was \$1,712,099 and \$1,837,886 for 2001 and 2002, respectively.

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

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

The Company is 99.91 percent owned and operated by its parent, Ohio Farmers Insurance Company. Dividend restrictions are provided by the Insurance Regulations of the Ohio Revised Code.

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

a. Unrealized gains and losses:	0
b. Nonadmitted asset values:	1,785,307
c. Separate account business:	0
d. Asset valuation reserves:	0
e. Provision for reinsurance:	93,256

NOTES TO FINANCIAL STATEMENTS

14. Contingencies-
- A. Contingent Commitments-
- The Company has purchased annuities of which the claimant is payee but for which the Company is contingently liable. The aggregate amount due from all life insurers is estimated to be \$3,109,744.
- B. Assessments-
- On October 3, 2001 the Company received notification of the insolvency of Reliance Insurance Company. The insolvency has resulted in guaranty fund assessments against the Company during the current period and it is expected that assessments will be made against the Company at some future date. It is expected that the reserve established in 2001 and charged to operations in that period will be sufficient to cover the Company's estimated liability related to this insolvency.
- On December 19, 2002, the Company received notification of the insolvency of Aries Insurance Company. It is expected that the insolvency will result in a guaranty fund assessment against the Company of \$19,255 that has been charged to operations in the current period.
- On December 23, 2002, the Company received notification of the insolvency of Oak Casualty Insurance Company. It is estimated that the insolvency will result in a guaranty fund assessment against the Company of \$16,162 that has been charged to operations in the current period.
- At this time, the Company estimates that it has adequately reserved for known insolvencies that would have a significant unfavorable effect on current or future operations.
- C. Gain Contingencies- Not Applicable
- D. All Other Contingencies-
- Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.
15. Leases-
- The Company does not currently have any material lease obligations.
16. Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk-
- The Company does not invest in financial instruments with off-balance sheet risk.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities-
- A. Transfer of Receivables Reported as Sales
- The Company has not sold or transferred any receivables to any other parties.
- B. Transfer and Servicing of Financial Assets - Not Applicable
- C. Wash Sales
- The Company did not have any wash sales.
18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans - Not Applicable
19. Direct Premium Written / Produced by Managing General Agents / Third Party Administrators- Not Applicable
20. Other Items-
- A. Extraordinary Items
- Effective January 1, 2001, the inter-company pooling arrangement for consolidated group 0228 was changed. Refer to Schedule Y for inter-company pooling percentages, and note 25 for further detail.
- During 1996 and 1997, some companies within the affiliated group shifted the reporting of commercial package policies to the commercial multiple peril line as deemed appropriate with the NAIC Annual Statement Instructions. Previously, these policies were shown in various lines including fire, allied, other liability, and products liability. Schedule P reflects these line changes.
- B. Troubled Debt Restructuring - Not Applicable
- C. Other Disclosures- Not Applicable
- D. At December 31, 2002 and 2001, the Company had admitted assets of \$51,380,404 and \$43,430,143, respectively, in accounts receivable for Agent's Balances or Uncollected Premiums. The Company routinely assesses the collectibility of these receivables. Based upon company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.
- E. Reinsurance Accounted for as a Deposit- Not Applicable
- F. Multiple Peril Crop Insurance- Not Applicable
- G. Mezzanine Real Estate Loans- Not Applicable
- H. Health Care Receivables - Not Applicable

NOTES TO FINANCIAL STATEMENTS

I. September 11 Events

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

J. Real Estate - Not Applicable

K. Participating Policies - Not Applicable

L. Premium Deficiency Reserves

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

M. Noncash Transactions - Not Applicable

21. Events Subsequent - Not Applicable

P & C Specific Notes

22. Reinsurance-

A. Unsecured Reinsurance Recoverables

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

B. The Company has no material recoverable to disclose.

C. Reinsurance Assumed and Ceded

(1)	Assumed		Ceded		Net	
	Unearned Assumed	Commission Equity	Unearned Ceded	Commission Equity	Unearned Net	Commission Equity
Affiliate	76,697,502.39	12,187,057.42	102,885,712.88	14,799,394.86	(26,188,210.49)	(2,612,337.44)
Non-affiliate	0.00	0.00	37,449.55	0.00	(37,449.55)	0.00
Total	76,697,502.39	12,187,057.42	102,923,162.43	14,799,394.86	(26,225,660.04)	(2,612,337.44)

Direct Unearned Premium Reserve \$ 102,923,162.43

(2) Additional or Return Commission Accrued

	DIRECT	REINSURANCE		NET
		Assumed	Ceded	
Contingent Commission	6,071,015	0	123,504	5,947,511
Sliding Scale Adjustments				0
Other Profit Commission Arrangements	0	0	0	0
Total	6,071,015	0	123,504	5,947,511

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

D. Uncollectible Reinsurance - Not Applicable

E. Commutation of Ceded Reinsurance - Not Applicable

F. Retroactive Reinsurance - Not Applicable

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

24. Changes in Incurred Losses and Loss Adjustment Expenses-

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased by \$3,206,000 from \$65.4 million in 2001 to \$68.6 million in 2002 as a result of reestimation of unpaid losses and loss adjustment expenses principally on Commercial Auto Liability and Workers' Compensation lines of insurance. This increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. This increase is unaffected by prior year loss development on retrospectively rated policies as the Company does not write this type of policy.

NOTES TO FINANCIAL STATEMENTS

25. Intercompany Pooling Arrangements-

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

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

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

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

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

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

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

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

26. Structured Settlements-

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

B. The total present value of all annuities due from each life insurer exceeding 1% of the Company's policyholders surplus:

Jefferson Pilot Financial	\$3,059,130
Aggregate due from all life insurers	\$3,109,744

27. High Deductibles -Not Applicable

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

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

29. Asbestos/Environmental Reserves-

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

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

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

GROSS OF REINSURANCE:

	<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>
Beginning Reserve:	\$ 680,066	\$	654,983	\$	672,284	\$	1,800,429	\$	1,787,021
Incurring Losses and Loss Adj. Expense:	183,911		129,250		1,280,469		233,553		648,601
CY Paid Losses and Loss Adj. Expense:	208,994		111,950		152,323		246,961		299,095
Ending Reserves:	\$ 654,983	\$	672,283	\$	1,800,430	\$	1,787,021	\$	2,136,527

NOTES TO FINANCIAL STATEMENTS

NET OF REINSURANCE:

	<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>	
Beginning Reserve:	\$	680,064	\$	654,981	\$	672,281	\$	1,800,427	\$	1,787,019
Incurring Losses and Loss Adj. Expense:		183,911		129,250		1,280,469		233,553		648,601
CY Paid Losses and Loss Adj. Expense:		208,994		111,950		152,323		246,961		299,095
Ending Reserves:	\$	654,981	\$	672,281	\$	1,800,427	\$	1,787,019	\$	2,136,525

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

1. Gross of Reinsurance Basis:	\$842,010
2. Net of Reinsurance Basis:	\$842,010

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

1. Gross of Reinsurance Basis:	\$990,210
2. Net of Reinsurance Basis:	\$990,210

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

GROSS OF REINSURANCE:

	<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>	
Beginning Reserve:	\$	1,123,102	\$	1,121,279	\$	1,125,488	\$	1,046,540	\$	998,798
Incurring Losses and Loss Adj. Expense:		43,033		39,330		8,312		(20,403)		74,417
CY Paid Losses and Loss Adj. Expense:		44,856		35,121		87,260		27,339		34,952
Ending Reserves:	\$	1,121,279	\$	1,125,488	\$	1,046,540	\$	998,798	\$	1,038,263

NET OF REINSURANCE:

	<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>	
Beginning Reserve:	\$	1,123,102	\$	1,121,279	\$	1,125,488	\$	1,046,540	\$	998,798
Incurring Losses and Loss Adj. Expense:		43,033		39,330		8,312		(20,403)		74,417
CY Paid Losses and Loss Adj. Expense:		44,856		35,121		87,260		27,339		34,952
Ending Reserves:	\$	1,121,279	\$	1,125,488	\$	1,046,540	\$	998,798	\$	1,038,263

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

1. Gross of Reinsurance Basis:	\$379,990
2. Net of Reinsurance Basis:	\$379,990

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

1. Gross of Reinsurance Basis:	\$569,790
2. Net of Reinsurance Basis:	\$569,790

30. Subscriber Savings Accounts - Not Applicable

31. Financial Guaranty Insurance Exposures - Not Applicable

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	40,138,937	16.596	40,138,937	16.596
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	0	0.000	0	0.000
1.22 Issued by U.S. government sponsored agencies	16,649,507	6.884	16,649,507	6.884
1.3 Foreign government (including Canada, excluding mortgage-backed securities)	0	0.000	0	0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	3,609,825	1.493	3,609,825	1.493
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	0	0.000	0	0.000
1.43 Revenue and assessment obligations	3,073,516	1.271	3,073,516	1.271
1.44 Industrial development and similar obligations	0	0.000	0	0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA	0	0.000	0	0.000
1.512 Issued by FNMA and FHLMC	1,909,471	0.790	1,909,471	0.790
1.513 Privately issued	0	0.000	0	0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC	30,533,724	12.625	30,533,724	12.625
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC	9,645,501	3.988	9,645,501	3.988
1.523 All other privately issued	0	0.000	0	0.000
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	61,335,123	25.360	61,335,123	25.360
2.2 Unaffiliated foreign securities	0	0.000	0	0.000
2.3 Affiliated securities	0	0.000	0	0.000
3. Equity interests:				
3.1 Investments in mutual funds	0	0.000	0	0.000
3.2 Preferred stocks:				
3.21 Affiliated	0	0.000	0	0.000
3.22 Unaffiliated	3,293,633	1.362	3,293,633	1.362
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated	0	0.000	0	0.000
3.32 Unaffiliated	69,366,713	28.681	69,366,713	28.681
3.4 Other equity securities:				
3.41 Affiliated	0	0.000	0	0.000
3.42 Unaffiliated	0	0.000	0	0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated	0	0.000	0	0.000
3.52 Unaffiliated	0	0.000	0	0.000
4. Mortgage loans:				
4.1 Construction and land development	0	0.000	0	0.000
4.2 Agricultural	0	0.000	0	0.000
4.3 Single family residential properties	0	0.000	0	0.000
4.4 Multifamily residential properties	0	0.000	0	0.000
4.5 Commercial loans	0	0.000	0	0.000
5. Real estate investments:				
5.1 Property occupied by company	0	0.000	0	0.000
5.2 Property held for production of income (includes \$ 0 of property acquired in satisfaction of debt)	0	0.000	0	0.000
5.3 Property held for sale (\$ 0 including property acquired in satisfaction of debt)	0	0.000	0	0.000
6. Policy loans	0	0.000	0	0.000
7. Receivables for securities	0	0.000	0	0.000
8. Cash and short-term investments	2,302,049	0.952	2,302,049	0.952
9. Other invested assets	0	0.000	0	0.000
10. Total invested assets	241,857,999	100.000	241,857,999	100.000

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (X) No ()
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes (X) No () N/A ()
- 1.3 State Regulating? Ohio
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes () No (X)
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made: 12/31/1997
- 3.2 State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1997
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 07/13/1999
- 3.4 By what department or departments?
Ohio
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
 4.11 sales of new business? Yes () No (X)
 4.12 renewals? Yes () No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
 4.21 sales of new business? Yes () No (X)
 4.22 renewals? Yes () No (X)
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)
- 5.2 If yes, provide name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any reporting entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes () No (X)
- 6.2 If yes, give full information:
.....
.....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes () No (X)
- 7.2 If yes, 0.0 %
 7.21 State the percentage of foreign control;
 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the reporting entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g.; individual, corporation, government, manager or attorney-in-fact).

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

GENERAL INTERROGATORIES (continued)

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

9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Robert H. Wainscott, FCAS, FCIA, MAAA
Ernst & Young LLP, Sears Tower, 233 South Wacker Dr., Chicago, IL 60606-6301

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

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

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

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

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

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

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

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

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

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

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

16.2 If answer is yes:
16.21 Amount paid as losses or risk adjustment \$ 0
16.22 Amount paid as expenses \$ 0
16.23 Other amounts paid \$ 0

GENERAL INTERROGATORIES (Continued)

INVESTMENT

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

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price if Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred	0	0	0.00	0	Yes () No (X)	Yes () No (X)
Common	10,000	10,000	250.00	XXX	XXX XXX	XXX XXX

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

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

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

19.2 If yes, state the amount thereof at December 31 of the current year:	19.21 Loaned to others	\$	0
	19.22 Subject to repurchase agreements	\$	0
	19.23 Subject to reverse repurchase agreements	\$	0
	19.24 Subject to dollar repurchase agreements	\$	0
	19.25 Subject to reverse dollar repurchase agreements	\$	0
	19.26 Pledged as collateral	\$	0
	19.27 Placed under option agreements	\$	0
	19.28 Letter stock or securities restricted as to sale	\$	0
	19.29 Other	\$	0

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

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

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

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	0
.....	0
.....	0

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

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

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

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

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

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

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

GENERAL INTERROGATORIES (continued)

INVESTMENT

22.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year? Yes () No (X)

22.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

22.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 680,552

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

1 Name	2 Amount Paid
INSURANCE SERVICES OFFICE INC	\$ 316,385
.....	\$ 0
.....	\$ 0
.....	\$ 0

24.1 Amount of payments for legal expenses, if any? \$ 106,529

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

1 Name	2 Amount Paid
BRICKER & ECKLER	\$ 30,819
.....	\$ 0
.....	\$ 0
.....	\$ 0

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 22,785

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

1 Name	2 Amount Paid
NAIL	\$ 6,030
.....	\$ 0
.....	\$ 0
.....	\$ 0

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

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes () No (X)
- 1.2 If yes, indicate premium earned on U. S. business only. \$ 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
- 1.31 Reason for excluding:
.....
.....
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Line (1.2) above. \$ 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$ 0
- 1.62 Total incurred claims \$ 0
- 1.63 Number of covered lives 0
- All years prior to most current three years:
- 1.64 Total premium earned \$ 0
- 1.65 Total incurred claims \$ 0
- 1.66 Number of covered lives 0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$ 0
- 1.72 Total incurred claims \$ 0
- 1.73 Number of covered lives 0
- All years prior to most current three years:
- 1.74 Total premium earned \$ 0
- 1.75 Total incurred claims \$ 0
- 1.76 Number of covered lives 0
- 2.1 Does the reporting entity issue both participating and non-participating policies? Yes (X) No ()
- 2.2 If yes, state the amount of calendar year premiums written on:
- 2.21 Participating \$ 7,130,979
- 2.22 Non-participating policies \$ 194,997,103
3. For Mutual Reporting Entities and Reciprocal Exchange only:
- 3.1 Does the reporting entity issue assessable policies? Yes () No (X)
- 3.2 Does the reporting entity issue non-assessable policies? Yes () No (X)
- 3.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? 0.0 %
- 3.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ 0
4. For Reciprocal Exchanges only:
- 4.1 Does the exchange appoint local agents? Yes () No (X)
- 4.2 If yes, is the commission paid:
- 4.21 Out of Attorney's-in-fact compensation Yes () No () N/A (X)
- 4.22 As a direct expense of the exchange Yes () No () N/A (X)
- 4.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?
.....
.....
- 4.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred? Yes () No (X)
- 4.5 If yes, give full information.
.....
.....
- 5.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
Reinsurance \$35,000,000 excess of a maximum company retention of \$7,500,000.
.....
- 5.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
See Exhibit A in the back of this book.
.....
- 5.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
Westfield Group purchased \$207,500,000 of property catastrophe reinsurance excess of a \$20,000,000 retention.
.....
- 5.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes (X) No ()
- 5.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.
.....
.....
- 6.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract which includes a provision which would limit the reinsurers's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)? Yes () No (X)
- 6.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0

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

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

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

- 10.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | |
|---|------------|
| 10.11 Unpaid losses | \$ 0 |
| 10.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ 0 |
- 10.2 Of the amount on Line 10.3 of the assets schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds. \$ 0
- 10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes () No (X) N/A ()
- 10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | |
|------------|---------------|
| 10.41 From | 0.000 % |
| 10.42 To | 0.000 % |
- 10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes () No (X)
- 10.6 If yes, state the amount thereof at December 31 of the current year:
- | | |
|----------------------------------|------------|
| 10.61 Letters of credit | \$ 0 |
| 10.62 Collateral and other funds | \$ 0 |
- 11.1 What amount of installment notes is owned and now held by the reporting entity? \$ 0
- 11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Yes () No (X)
- 11.3 If yes, what amount? \$ 0
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 2,500,000
- 12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes () No (X)
- 12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 4
- 13.1 Has the reporting entity guaranteed any financial premium accounts? Yes () No (X)
- 13.2 If yes, give full information.

- 14.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes () No (X)
- | | |
|---|------------|
| 14.11 Name of real estate holding company | |
| 14.12 Number of parcels involved | 0 |
| 14.13 Total book/adjusted carrying value | \$ 0 |
- 14.2 If yes, provide explanation.

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

* Disclose type of coverage:

FIVE-YEAR HISTORICAL DATA

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

	1 2002	2 2001	3 2000	4 1999	5 1998
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	145,484,094	193,524,283	122,763,793	125,699,026	132,288,169
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	93,756,036	128,881,649	85,161,969	87,673,656	84,927,392
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	118,108,792	160,172,577	99,197,590	98,043,527	94,942,503
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)	5,054,500	6,016,630	3,275,056	2,914,261	2,848,415
5. Nonproportional reinsurance lines (Lines 30, 31 and 32)	2,574,467	1,298,796	0	0	0
6. Total (Line 34)	364,977,889	489,893,935	310,398,408	314,330,470	315,006,479
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	63,811,532	59,411,996	48,938,224	47,083,557	48,972,621
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	35,401,140	32,131,186	29,711,812	29,257,606	28,638,694
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	56,138,949	54,239,377	42,803,525	40,173,647	39,116,794
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)	4,831,311	3,952,125	3,210,740	2,910,765	2,837,796
11. Nonproportional reinsurance lines (Line 30, 31 and 32)	2,574,467	1,298,796	0	0	0
12. Total (Line 34)	162,757,399	151,033,480	124,664,301	119,425,575	119,565,905
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(5,271,646)	(14,426,818)	(18,354,501)	(13,249,070)	(7,791,065)
14. Net investment gain (loss) (Line 11)	18,236,522	17,593,530	18,472,875	12,534,267	24,089,330
15. Total other income (Line 15)	(131,061)	899,570	1,145,635	1,403,785	(1,973,183)
16. Dividends to policyholders (Line 17)	297,359	219,789	94,686	78,266	88,689
17. Federal and foreign income taxes incurred (Line 19)	4,693,776	1,890,022	1,197,905	361,689	5,038,915
18. Net income (Line 20)	7,842,680	1,956,471	(28,582)	249,027	9,197,478
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding Protected Cell (Page 2, Line 26, Column 3)	302,248,951	289,800,812	273,862,192	264,872,075	254,900,685
20. Agents' balances or uncollected premiums (Page 2, Column 3)					
20.1 In course of collection (Line 10.1)	7,867,271	6,634,453	7,371,239	6,463,047	6,698,894
20.2 Deferred and not yet due (Line 10.2)	43,513,132	36,795,690	33,179,278	30,998,019	32,004,174
20.3 Accrued retrospective premiums (Line 10.3)	0	0	0	0	0
21. Total liabilities excluding Protected Cell (Page 3, Line 24)	212,268,903	198,588,966	177,585,777	166,581,534	161,672,455
22. Losses (Page 3, Line 1 and Line 2)	90,682,667	87,878,603	80,407,675	72,780,588	66,823,212
23. Loss adjustment expenses (Page 3, Line 3)	24,028,205	22,713,219	21,521,895	19,175,483	18,405,960
24. Unearned premiums (Page 3, Line 9)	76,697,503	68,174,744	59,783,406	57,158,862	58,167,652
25. Capital paid up (Page 3, Line 28 and Line 29)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
26. Surplus as regards policyholders (Page 3, Line 35)	89,980,048	91,211,846	96,276,415	98,290,541	93,228,230
Risk-Based Capital Analysis					
27. Total adjusted capital	89,980,048	91,211,846	96,276,415	98,290,541	93,228,230
28. Authorized control level risk-based capital	14,704,515	13,827,557	13,502,577	12,696,548	12,108,363
Percentage Distribution of Cash and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 9, Column 3) x 100.0					
29. Bonds (Line 1)	69.0	72.7	69.3	68.2	65.7
30. Stocks (Line 2.1 and Line 2.2)	30.0	25.6	28.2	29.6	29.0
31. Mortgage loans on real estate (Line 3.1 and Line 3.2)	0.0	0.0	0.0	0.0	0.0
32. Real estate (Lines 4.1, 4.2 and 4.3)	0.0	0.0	0.0	0.0	0.0
33. Cash and short-term investments (Line 5)	1.0	1.7	1.5	2.2	5.3
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	1.0	0.0	0.0
36. Aggregate write-ins for invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
37. Cash and invested assets (Line 9)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
38. Affiliated bonds (Schedule D, Summary, Line 25, Column 1)	0	0	0	0	0
39. Affiliated preferred stocks (Schedule D, Summary, Line 39, Column 1)	0	0	0	0	0
40. Affiliated common stocks (Schedule D, Summary, Line 53, Column 2)	0	0	0	0	0
41. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Column 5 Line 11)	0	0	0	0	0
42. Affiliated mortgage loans on real estate	0	0	0	0	0
43. All other affiliated	0	0	0	0	0
44. Total of above Line 38 through Line 43	0	0	0	0	0
45. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 44 above divided by Page 3, Column 1, Line 34 x 100.0)	0.0	0.0	0.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Capital and Surplus Accounts (Page 4)					
46. Net unrealized capital gains (losses) (Line 23)	(9,258,784)	(4,108,292)	(4,726,352)	4,391,431	(7,523,361)
47. Dividends to stockholders (Line 34)	0	0	0	0	0
48. Change in surplus as regards policyholders for the year (Line 37)	(1,231,798)	(5,064,569)	(2,014,126)	5,062,312	831,252
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
49. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	82,286,428	204,014,952	80,844,984	78,856,669	85,563,523
50. Property lines (Lines 1, 2, 9, 12, 21 and 26)	49,276,983	55,525,695	51,256,416	48,483,689	46,207,432
51. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	78,243,613	110,011,737	75,012,734	72,466,329	47,371,802
52. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)	388,680	1,056,044	153,841	106,520	210,694
53. Nonproportional reinsurance lines (Lines 30, 31, and 32)	989,445	460,588	0	0	0
54. Total (Line 34)	211,185,149	371,069,016	207,267,975	199,913,207	179,353,451
Net Losses Paid (Page 9, Part 2, Column 4)					
55. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	37,154,291	34,345,758	31,290,614	32,280,457	32,442,531
56. Property lines (Lines 1, 2, 9, 12, 21 and 26)	18,602,056	19,344,442	18,766,381	18,147,350	17,059,422
57. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	31,634,069	32,463,306	28,340,660	26,871,347	20,490,889
58. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)	388,680	380,482	153,841	106,520	210,694
59. Nonproportional reinsurance lines (Lines 30, 31, and 32)	989,445	444,621	0	0	0
60. Total (Line 34)	88,768,541	86,978,609	78,551,496	77,405,674	70,203,536
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
61. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
62. Losses incurred (Line 2)	59.4	66.0	70.6	69.2	65.9
63. Loss expenses incurred (Line 3)	10.7	10.9	11.7	10.0	8.1
64. Other underwriting expenses incurred (Line 4)	33.3	33.3	32.7	31.8	32.6
65. Net underwriting gain (loss) (Line 8)	(3.4)	(10.1)	(15.0)	(11.0)	(6.7)
Other Percentages					
66. Other underwriting expenses to net premiums written (Page 4, Lines 4 plus 5 minus 15 divided by Page 8, Part 1B, Column 6, Line 34 x 100.0)	31.7	30.8	31.1	30.9	33.6
67. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 plus Line 3 divided by Page 4, Line 1 x 100.0)	70.1	76.8	82.3	79.2	74.0
68. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 34 divided by Page 3, Line 35, Column 1 x 100.0)	180.9	165.6	129.5	121.5	128.3
One Year Loss Development (000 omitted)					
69. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	2,610	697	3,556	879	1,238
70. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 69 above divided by Page 4, Line 21, Column 1 x 100.0)	2.9	0.7	3.6	0.9	1.3
Two Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	4,224	4,641	3,399	1,258	2,361
72. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 71 above divided by Page 4, Line 21, Column 2 x 100.0)	4.4	4.7	3.6	1.4	2.9

SCHEDULE D - SUMMARY BY COUNTRY

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	56,788,443	63,300,454	55,827,986	54,339,155
	2. Canada	0	0	0	0
	3. Other Countries	0	0	0	0
	4. Totals	56,788,443	63,300,454	55,827,986	54,339,155
States, Territories and Possessions (Direct and guaranteed)	5. United States	0	0	0	0
	6. Canada	3,609,825	4,258,560	3,629,730	3,500,000
	7. Other Countries	0	0	0	0
	8. Totals	3,609,825	4,258,560	3,629,730	3,500,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States	0	0	0	0
	10. Canada	0	0	0	0
	11. Other Countries	0	0	0	0
	12. Totals	0	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	35,516,711	35,516,711	34,603,562	35,650,588
	14. Canada	0	0	0	0
	15. Other Countries	0	0	0	0
	16. Totals	35,516,711	35,516,711	34,603,562	35,650,588
Public Utilities (unaffiliated)	17. United States	18,192,318	19,530,925	19,240,785	19,000,000
	18. Canada	0	0	0	0
	19. Other Countries	0	0	0	0
	20. Totals	18,192,318	19,530,925	19,240,785	19,000,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	52,788,306	56,271,062	51,302,156	55,000,000
	22. Canada	0	0	0	0
	23. Other Countries	0	0	0	0
	24. Totals	52,788,306	56,271,062	51,302,156	55,000,000
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0
	26. Total Bonds	166,895,603	178,877,712	164,604,219	167,489,743
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27. United States	0	0	0	0
	28. Canada	0	0	0	0
	29. Other Countries	0	0	0	0
	30. Totals	0	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States	480,000	480,000	442,500	0
	32. Canada	0	0	0	0
	33. Other Countries	0	0	0	0
	34. Totals	480,000	480,000	442,500	0
Industrial and Miscellaneous (unaffiliated)	35. United States	2,813,633	2,813,633	3,000,000	0
	36. Canada	0	0	0	0
	37. Other Countries	0	0	0	0
	38. Totals	2,813,633	2,813,633	3,000,000	0
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0	0
	40. Total Preferred Stocks	3,293,633	3,293,633	3,442,500	0
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States	4,735,982	4,735,982	5,174,781	0
	42. Canada	0	0	0	0
	43. Other Countries	0	0	0	0
	44. Totals	4,735,982	4,735,982	5,174,781	0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	4,226,478	4,226,478	3,401,226	0
	46. Canada	0	0	0	0
	47. Other Countries	0	0	0	0
	48. Totals	4,226,478	4,226,478	3,401,226	0
Industrial and Miscellaneous (unaffiliated)	49. United States	47,625,983	47,625,983	37,607,067	0
	50. Canada	2,404,511	2,404,511	2,534,846	0
	51. Other Countries	10,373,758	10,373,758	8,569,393	0
	52. Totals	60,404,252	60,404,252	48,711,306	0
Parent, Subsidiaries and Affiliates	53. Totals	0	0	0	0
	54. Total Common Stocks	69,366,712	69,366,712	57,287,313	0
	55. Total Stocks	72,660,345	72,660,345	60,729,813	0
	56. Total Bonds and Stocks	239,555,948	251,538,057	225,334,032	0

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ 47,935,890 .

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year	239,310,462	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3	62,958,706	6.1 Column 17, Part 1	0
3. Increase (decreased) by adjustment:		6.2 Column 13, Part 2, Section 1	0
3.1 Column 16, Part 1	(268,225)	6.3 Column 11, Part 2, Section 2	0
3.2 Column 12, Part 2, Section 1	(181,367)	6.4 Column 11, Part 4	0
3.3 Column 10, Part 2, Section 2	(7,058,384)	7. Book/adjusted carrying value at end of current period	239,555,951
3.4 Column 10, Part 4	(5,779,296)	8. Total valuation allowance	0
4. Total gain (loss), Column 14, Part 4	3,687,323	9. Subtotal (Line 7 plus Line 8)	239,555,951
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	53,113,268	10. Total nonadmitted amounts	0
		11. Statement value of bonds and stocks, current period	239,555,951

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	646	145	184	6	68	0	48	747	XXX
2. 1993	97,690	10,052	87,638	57,910	4,821	3,958	383	4,416	0	1,822	61,081	XXX
3. 1994	104,760	9,576	95,184	67,740	8,397	3,936	445	5,383	1	2,113	68,216	XXX
4. 1995	110,870	11,674	99,196	66,520	5,800	3,965	420	5,930	4	2,200	70,192	XXX
5. 1996	116,739	14,257	102,482	77,915	8,934	3,805	469	6,655	9	2,456	78,962	XXX
6. 1997	123,000	13,046	109,954	71,932	5,553	3,332	251	6,998	12	2,630	76,445	XXX
7. 1998	130,310	11,711	118,599	78,145	4,461	3,021	155	7,253	49	2,490	83,754	XXX
8. 1999	135,741	10,988	124,753	84,634	5,176	2,901	188	8,576	233	2,534	90,515	XXX
9. 2000	142,638	16,179	126,459	81,310	6,399	2,046	112	9,021	80	2,444	85,787	XXX
10. 2001	147,179	4,537	142,642	73,365	115	1,301	0	9,220	6	1,890	83,765	XXX
11. 2002	159,681	5,446	154,235	50,855	369	371	1	7,926	1	1,106	58,782	XXX
12. Totals	XXX	XXX	XXX	710,972	50,169	28,822	2,429	71,445	396	21,733	758,245	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	3,736	1,949	2,193	0	205	0	2,164	0	203	0	0	6,552	XXX
2.	413	17	341	0	21	0	260	0	33	0	0	1,051	XXX
3.	533	25	334	0	45	0	146	0	51	0	0	1,084	XXX
4.	1,322	68	358	0	88	0	175	0	148	0	0	2,024	XXX
5.	1,269	443	446	0	155	0	141	0	130	0	0	1,698	XXX
6.	1,595	98	538	0	160	0	258	0	186	0	0	2,639	XXX
7.	3,090	569	1,174	7	338	0	499	3	294	0	0	4,817	XXX
8.	5,380	349	1,690	27	624	0	921	12	513	28	0	8,711	XXX
9.	9,631	623	2,024	139	1,064	0	1,680	31	913	0	0	14,520	XXX
10.	16,394	18	4,031	123	1,723	0	2,069	39	1,490	0	0	25,527	XXX
11.	26,884	330	12,594	504	2,177	0	2,875	124	2,516	0	0	46,088	XXX
12.	70,248	4,488	25,723	800	6,601	0	11,188	208	6,476	28	0	114,711	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	3,980	2,572
2.	67,352	5,221	62,131	68.9	51.9	70.9	0	0	13.0	737	314
3.	78,167	8,868	69,300	74.6	92.6	72.8	0	0	13.0	842	241
4.	78,507	6,291	72,216	70.8	53.9	72.8	0	0	13.0	1,613	412
5.	90,515	9,855	80,660	77.5	69.1	78.7	0	0	13.0	1,272	426
6.	84,999	5,915	79,084	69.1	45.3	71.9	0	0	13.0	2,035	604
7.	93,815	5,243	88,572	72.0	44.8	74.7	0	0	13.0	3,689	1,128
8.	105,238	6,012	99,226	77.5	54.7	79.5	0	0	13.0	6,694	2,018
9.	107,690	7,384	100,306	75.5	45.6	79.3	0	0	13.0	10,893	3,627
10.	109,593	301	109,292	74.5	6.6	76.6	0	0	13.0	20,284	5,242
11.	106,199	1,329	104,870	66.5	24.4	68.0	0	0	13.0	38,643	7,444
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	90,683	24,028

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	11 One Year	12 Two Year
1. Prior	32,899	29,058	28,360	27,239	28,821	29,321	29,599	30,997	32,150	32,579	429	1,583
2. 1993	63,545	61,219	58,467	57,682	57,408	57,417	57,415	57,291	57,563	57,683	120	392
3. 1994	XXX	68,470	64,672	63,535	62,544	63,363	63,291	63,243	63,394	63,867	473	624
4. 1995	XXX	XXX	68,615	66,277	64,774	65,548	65,434	65,562	65,671	66,142	471	580
5. 1996	XXX	XXX	XXX	73,869	74,439	74,466	73,866	73,412	73,507	73,885	377	473
6. 1997	XXX	XXX	XXX	XXX	73,129	71,802	71,981	72,168	71,819	71,913	94	(255)
7. 1998	XXX	XXX	XXX	XXX	XXX	79,020	79,821	80,924	80,856	81,074	218	150
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	88,600	89,675	89,685	90,398	713	723
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	90,498	89,819	90,453	633	(46)
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	99,505	98,588	(917)	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	94,429	XXX	XXX
12. Totals											2,610	4,224

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	0 0 0	10,699	16,643	20,032	22,271	23,291	24,176	24,924	25,552	26,231	XXX	XXX
2. 1993	28,762	41,898	48,793	52,296	54,469	55,555	56,027	56,221	56,435	56,665	XXX	XXX
3. 1994	XXX	33,704	47,752	53,549	57,706	60,530	61,548	61,984	62,202	62,834	XXX	XXX
4. 1995	XXX	XXX	33,427	48,043	55,535	59,666	61,955	63,227	63,660	64,266	XXX	XXX
5. 1996	XXX	XXX	XXX	41,012	57,825	64,690	68,528	70,164	71,524	72,317	XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	40,903	54,828	61,807	66,150	68,213	69,460	XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	43,927	60,619	69,193	74,192	76,551	XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	48,987	68,152	76,202	82,171	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	48,086	68,080	76,846	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	53,406	74,551	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	50,857	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior	9,009	4,783	3,598	1,811	2,894	3,269	3,147	4,115	4,742	4,356
2. 1993	9,734	4,670	2,058	1,433	1,045	911	729	528	606	601
3. 1994	XXX	10,190	3,824	2,686	1,313	1,156	806	564	582	480
4. 1995	XXX	XXX	10,070	4,591	2,033	1,456	876	970	514	533
5. 1996	XXX	XXX	XXX	8,595	3,943	3,122	1,844	965	383	586
6. 1997	XXX	XXX	XXX	XXX	10,597	4,743	2,581	2,074	983	796
7. 1998	XXX	XXX	XXX	XXX	XXX	11,656	4,929	2,692	1,824	1,664
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	11,633	4,349	2,442	2,571
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,689	5,111	3,535
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,934	5,938
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14,841

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL No	0	0	0	0	0	0	0	0
2. Alaska	AK No	0	0	0	0	0	0	0	0
3. Arizona	AZ Yes	0	0	0	0	0	0	0	0
4. Arkansas	AR No	0	0	0	0	0	0	0	0
5. California	CA Yes	0	0	0	0	0	0	0	0
6. Colorado	CO Yes	0	0	0	0	0	0	0	0
7. Connecticut	CT No	0	0	0	0	0	0	0	0
8. Delaware	DE No	0	0	0	0	0	0	0	0
9. Dist. Columbia	DC No	0	0	0	0	0	0	0	0
10. Florida	FL Yes	1,660,347	1,683,161	0	772,232	572,316	537,967	1,051	0
11. Georgia	GA Yes	143,460	536,576	0	323,648	270,802	78,806	384	0
12. Hawaii	HI No	0	0	0	0	0	0	0	0
13. Idaho	ID No	0	0	0	0	0	0	0	0
14. Illinois	IL Yes	5,765,723	5,130,084	0	3,864,719	4,155,697	2,436,443	17,551	0
15. Indiana	IN Yes	20,974,105	19,594,365	0	13,597,002	13,698,798	8,273,703	107,506	0
16. Iowa	IA Yes	3,125,379	2,729,221	36,889	1,471,749	1,963,254	1,240,394	17,075	0
17. Kansas	KS No	0	0	0	0	0	0	0	0
18. Kentucky	KY Yes	9,760,563	9,216,124	0	8,913,083	9,831,376	4,020,947	41,605	0
19. Louisiana	LA No	0	0	0	0	0	0	0	0
20. Maine	ME No	0	0	0	0	0	0	0	0
21. Maryland	MD No	0	0	0	0	0	0	0	0
22. Massachusetts	MA No	0	0	0	0	0	0	0	0
23. Michigan	MI Yes	858,650	685,826	49,786	453,261	437,997	825,374	3,981	0
24. Minnesota	MN Yes	9,941,635	9,149,195	81,366	5,608,609	5,189,686	2,513,195	37,811	0
25. Mississippi	MS No	0	0	0	0	0	0	0	0
26. Missouri	MO No	0	0	0	0	0	0	0	0
27. Montana	MT No	0	0	0	0	0	0	0	0
28. Nebraska	NE No	0	0	0	0	0	0	0	0
29. Nevada	NV No	0	0	0	0	0	0	0	0
30. New Hampshire	NH No	0	0	0	0	0	0	0	0
31. New Jersey	NJ No	0	0	0	0	0	0	0	0
32. New Mexico	NM Yes	0	0	0	0	0	0	0	0
33. New York	NY No	0	0	0	0	0	0	0	0
34. North Carolina	NC No	0	0	0	0	0	0	0	0
35. North Dakota	ND Yes	2,023,356	2,224,919	0	909,318	644,931	350,319	9,315	0
36. Ohio	OH Yes	139,094,038	133,073,950	0	82,222,052	80,093,511	56,278,187	990,919	0
37. Oklahoma	OK No	0	0	0	0	0	0	0	0
38. Oregon	OR No	0	0	0	0	0	0	0	0
39. Pennsylvania	PA Yes	5,071,609	2,773,246	104,691	1,416,135	2,358,951	3,226,236	20,321	0
40. Rhode Island	RI No	0	0	0	0	0	0	0	0
41. South Carolina	SC No	0	0	0	0	0	0	0	0
42. South Dakota	SD Yes	639,226	1,392,169	0	735,278	704,615	278,985	4,994	0
43. Tennessee	TN Yes	2,479,914	2,322,824	0	1,419,322	1,515,279	647,216	12,236	0
44. Texas	TX Yes	0	0	0	0	0	0	0	0
45. Utah	UT No	0	0	0	0	0	0	0	0
46. Vermont	VT No	0	0	0	0	0	0	0	0
47. Virginia	VA No	0	0	0	0	0	0	0	0
48. Washington	WA No	0	0	0	0	0	0	0	0
49. West Virginia	WV Yes	304	725	0	2,810	2,785	10	1	0
50. Wisconsin	WI Yes	589,773	1,458,542	24,627	708,149	156,518	618,169	3,526	0
51. Wyoming	WY No	0	0	0	0	0	0	0	0
52. American Samoa	AS No	0	0	0	0	0	0	0	0
53. Guam	GU No	0	0	0	0	0	0	0	0
54. Puerto Rico	PR No	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI No	0	0	0	0	0	0	0	0
56. Canada	CN No	0	0	0	0	0	0	0	0
57. Aggregate other alien	OT XXX	0	0	0	0	0	0	0	0
58. Totals	(a) 20	202,128,082	191,970,927	297,359	122,417,367	121,596,516	81,325,951	1,268,276	0
DETAILS OF WRITE-INS									
5701.	XXX	0	0	0	0	0	0	0	0
5702.	XXX	0	0	0	0	0	0	0	0
5703.	XXX	0	0	0	0	0	0	0	0
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX	0	0	0	0	0	0	0	0
5799. Totals (Line 5701 through Line 5703 plus Line 5798) (Line 57 above)	XXX	0	0	0	0	0	0	0	0

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

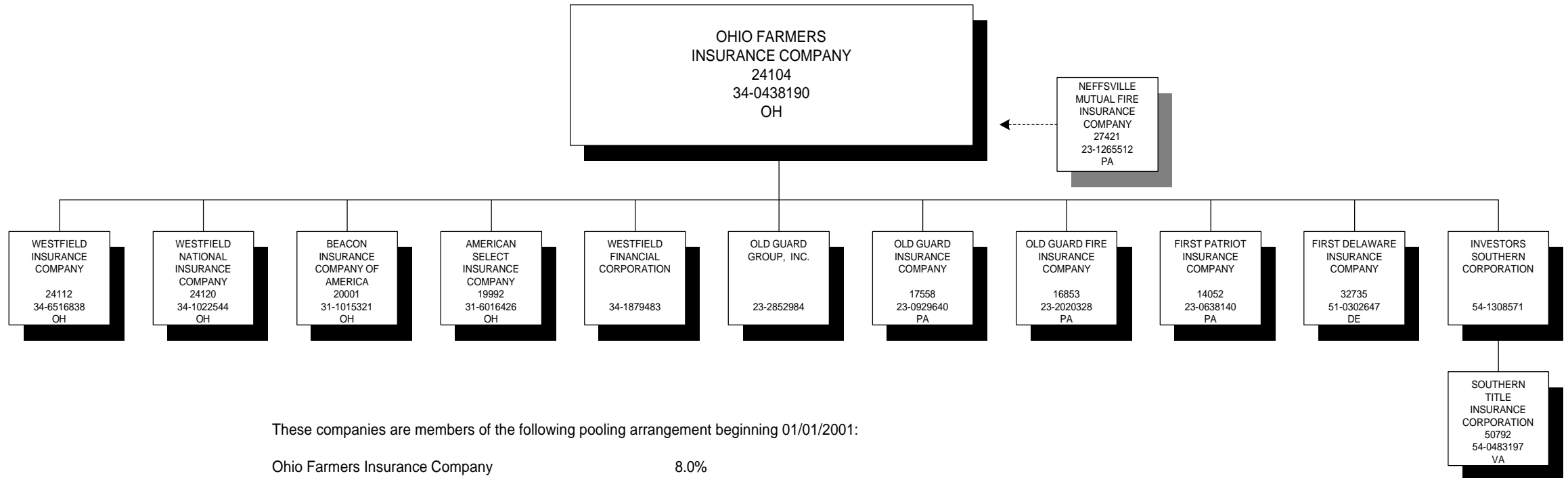
Inland Marine and Other Accident and Health - Residence of Insured

All Other Lines - Location of Risk

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

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

PART 1 - ORGANIZATIONAL CHART



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

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

←----- REINSURANCE