

ANNUAL STATEMENT
Including Index and Supplements

OF THE

of _____

in the state of _____

TO THE

Insurance Department

OF THE

STATE OF

FOR THE YEAR ENDED
December 31, 2002

PROPERTY AND CASUALTY

2002



32573200220100100

ANNUAL STATEMENT

For the Year Ended December 31, 2002
OF THE CONDITION AND AFFAIRS OF THE

Ohio FAIR Plan Underwriting Association

NAIC Group Code 0000 0000 NAIC Company Code 32573 Employer's ID Number 23-7024436
(Current Period) (Prior Period)

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

Country of Domicile UNITED STATES

Incorporated: October 25, 1968 Commenced Business: June 1, 1974

Statutory Home Office: 2500 Corporate Exchange Dr. Suite 250 Columbus, OH 43231

Main Administrative Office: 2500 Corporate Exchange Dr. Suite 250 Columbus, OH 43231 614-839-6446

Mail Address: 2500 Corporate Exchange Dr. Suite 250 Columbus, OH 43231

Primary Location of Books and Records: 2500 Corporate Exchange Dr. Suite 250 Columbus, OH 43231 614-839-6446

Internet Website Address: www.ohiofairplan.com

Statement Contact: David E. Hatten 614-839-6446 141
dhatten@ohiofairplan.com 614-839-2882
(E-Mail Address) (Fax Number)

Policyowner Relations Contact: 2500 Corporate Exchange Dr. Suite 250 Columbus, OH 43231 614-839-6446 113

OFFICERS

Chairman of the Board
SHARON ANN HALL

President NORMAN E. BEAL
Secretary ELLEN R. LESLIE
Treasurer NORMAN E. BEAL
Actuary ERNST & YOUNG

Vice-Presidents

ELLEN R. LESLIE DAVID J. ENGLESON DAVID H. CULLER III
[Empty lines for additional names]

DIRECTORS OR TRUSTEES

CHARLES E. CALL STEPHANIE MICHELE COLEGROVE MICHAEL DAVID FINCH SHARON ANN HALL
#DENISE ANN HOWELL JOSEPH H. JOHNSON JOHN ALLEN MILESKI JANET FOLEY OROSZ
#GENE RICHARD ROBERTS AAREN LAYNE STEPHENS MICHAEL LEO THOMAS
[Empty lines for additional names]

State of OHIO
County of FRANKLIN 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.

(Signature) (Signature) (Signature)
SHARON ANN HALL NORMAN E. BEAL ELLEN R. LESLIE
(Printed Name) (Printed Name) (Printed Name)
President (CHAIRMAN OF THE BOARD) Secretary (PRESIDENT) Treasurer (SECRETARY)

Subscribed and sworn to before me this
24th day of FEBRUARY, 2003

- a. Is this an original filing? YES [X] NO []
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds				
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1)				
2.2 Common stocks (Schedule D, Part 2, Section 2)				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 899,649 Schedule E, Part 1) and short-term investments (\$ 3,283,156 Schedule DA, Part 2)	4,182,805		4,182,805	2,449,013
6. Other invested assets (Schedule BA)				
7. Receivable for securities				
8. Aggregate write-ins for invested assets				
9. Subtotals, cash and invested assets (Lines 1 to 8)	4,182,805		4,182,805	2,449,013
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	3,152,766	91,240	3,061,526	1,241,978
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
10.3 Accrued retrospective premiums				
11. Funds held by or deposited with reinsured companies				
12. Bills receivable, taken for premiums				
13. Amounts receivable under high deductible policies				
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Cols. 7 and 8)				
15. Federal and foreign income tax recoverable and interest thereon (including \$ 0 net deferred tax asset)				
16. Guaranty funds receivable or on deposit				
17. Electronic data processing equipment and software	234,654	234,654		
18. Interest, dividends and real estate income due and accrued	6,221		6,221	8,282
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Receivable from parent, subsidiaries and affiliates	10,199,593	10,199,593		
21. Amount due from/to protected cells				
22. Equities and deposits in pools and associations				
23. Amounts receivable relating to uninsured accident and health plans				
24. Other assets nonadmitted (Exhibit 1)	320,277	320,277		
25. Aggregate write-ins for other than invested assets	162,078	103,170	58,908	90,423
26. Total assets excluding protected cell assets (Lines 9 through 25)	18,258,394	10,948,934	7,309,460	3,789,696
27. Protected cell assets				
28. TOTALS (Lines 26 and 27)	18,258,394	10,948,934	7,309,460	3,789,696

DETAILS OF WRITE-INS				
0801.				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Lines 0801 through 0803 + 0898) (Line 8 above)				
2501. Intangible Asset	80,384	80,384		
2502. Accounts Receivable - MSI	47,389		47,389	56,755
2503. Accounts Receivable - MISC	22,786	22,786		
2598. Summary of remaining write-ins for Line 25 from overflow page	11,519		11,519	33,668
2599. Totals (Lines 2501 through 2503 + 2598) (Line 25 above)	162,078	103,170	58,908	90,423

LIABILITIES, SURPLUS AND OTHER FUNDS	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)	5,047,080	4,758,109
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	852,276	730,479
4. Commissions payable, contingent commissions and other similar charges	218,840	96,368
5. Other expenses (excluding taxes, licenses and fees)	150,628	131,421
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	52,798	39,184
7. Federal and foreign income taxes (including \$ 0 on realized capital gains (losses) (including \$ 0 net deferred tax liability)		
8. Borrowed money \$ 0 and interest thereon \$ 0	26,724	47,901
9. Unearned premiums (Part 1A, Line 37, Column 5)(after deducting unearned premiums for ceded reinsurance of \$ 0 and including warranty reserves of \$ 0)	10,593,331	5,708,244
10. Advance premium	169,189	105,583
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14. Amounts withheld or retained by company for account of others	25,347	2,029
15. Remittances and items not allocated		3,605
16. Provision for reinsurance (Schedule F, Part 7)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Payable for securities		
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$ 0 and interest thereon \$ 0		
23. Aggregate write-ins for liabilities	1,122,181	663,627
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	18,258,394	12,286,550
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	18,258,394	12,286,550
27. Aggregate write-ins for special surplus funds		
28. Common capital stock		
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus		
33. Unassigned funds (surplus)	(10,948,934)	(8,496,854)
34. Less treasury stock, at cost:		
34.1 0 shares common (value included in Line 28 \$ 0)		
34.2 0 shares preferred (value included in Line 29 \$ 0)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 38)	(10,948,934)	(8,496,854)
36. TOTALS (Page 2, Line 28, Col. 3)	7,309,460	3,789,696
DETAILS OF WRITE-INS		
2301. Pension Benefits	480,076	125,807
2302. Post Retirement Benefits	366,025	284,471
2303. Refunds Payable	144,593	80,360
2398. Summary of remaining write-ins for Line 23 from overflow page	131,487	172,989
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	1,122,181	663,627
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)		

UNDERWRITING AND INVESTMENT EXHIBIT STATEMENT OF INCOME UNDERWRITING INCOME	1	2
	Current Year	Prior Year
1. Premiums earned (Part 1, Line 34, Column 4)	14,142,699	9,807,792
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	9,482,058	8,467,995
3. Loss expenses incurred (Part 3, Line 25, Column 1)	1,797,053	1,409,087
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	5,181,955	3,433,604
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	16,461,066	13,310,686
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(2,318,367)	(3,502,894)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	30,463	83,834
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses))		
11. Net investment gain (loss) (Lines 9 + 10)	30,463	83,834
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 36,559)	(36,559)	(30,602)
13. Finance and service charges not included in premiums	54,317	35,413
14. Aggregate write-ins for miscellaneous income	2,270,146	3,414,249
15. Total other income (Lines 12 through 14)	2,287,904	3,419,060
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)		
17. Dividends to policyholders		
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)		
19. Federal and foreign income taxes incurred		
20. Net income (Line 18 minus Line 19) (to Line 22)		
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	(8,496,854)	(7,210,138)
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)		
23. Net unrealized capital gains or (losses)		
24. Change in net unrealized foreign exchange capital gain (loss)		
25. Change in net deferred income tax		
26. Change in nonadmitted assets (Exhibit 1, Line 5, Col. 3)	(2,452,080)	(844,141)
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
28. Change in surplus notes		
29. Surplus (contributed to) withdrawn from protected cells		
30. Cumulative effect of changes in accounting principles		(442,575)
31. Capital changes:		
31.1 Paid in		
31.2 Transferred from surplus (Stock Dividend)		
31.3 Transferred to surplus		
32. Surplus adjustments:		
32.1 Paid in		
32.2 Transferred to capital (Stock Dividend)		
32.3 Transferred from capital		
33. Net remittances from or (to) Home Office		
34. Dividends to stockholders		
35. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)		
36. Aggregate write-ins for gains and losses in surplus		
37. Change in surplus as regards policyholders for the year (Lines 22 through 36)	(2,452,080)	(1,286,716)
38. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 37) (Page 3, Line 35)	(10,948,934)	(8,496,854)

DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 through 0503 plus Line 0598) (Line 5 above)		
1401. Net effect of change in EBUB	2,239,322	3,373,031
1402. MSI Adjustment Services	30,824	41,218
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus Line 1498) (Line 14 above)	2,270,146	3,414,249
3601.		
3602.		
3603.		
3698. Summary of remaining write-ins for Line 36 from overflow page		
3699. Totals (Lines 3601 through 3603 plus Line 3698) (Line 36 above)		

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	17,172,752	10,057,131
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	10,871,948	9,197,165
3. Underwriting expenses paid	5,026,662	3,313,779
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	1,274,142	(2,453,813)
6. Net Investment income	32,523	100,781
7. Other income (expenses):		
7.1 Agents' balances charged off	(36,559)	(30,602)
7.2 Net funds held under reinsurance treaties		
7.3 Net amount withheld or retained for account of others	23,318	(6)
7.4 Aggregate write-ins for miscellaneous items	85,141	2,576,631
7.5 Total other income (Lines 7.1 to 7.4)	71,900	2,546,023
8. Dividends to policyholders on direct business, less \$ 0 dividends on reinsurance assumed or ceded (net)		
9. Federal and foreign income taxes (paid) recovered		
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	1,378,565	192,991
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds		
11.2 Stocks		
11.3 Mortgage loans		
11.4 Real estate		
11.5 Other invested assets		
11.6 Net gains or (losses) on cash and short-term investments		
11.7 Miscellaneous proceeds		
11.8 Total investment proceeds (Lines 11.1 to 11.7)		
12. Cost of investments acquired (long-term only):		
12.1 Bonds		
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Miscellaneous applications		
12.7 Total investment acquired (Lines 12.1 to 12.6)		
13. Net cash from investments (Line 11.8 minus Line 12.7)		
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in		
14.2 Capital notes \$ 0 less amounts repaid \$ 0		
14.3 Net transfers from affiliates		
14.4 Borrowed funds received		30,772
14.5 Other cash provided	432,531	89,822
14.6 Total (Lines 14.1 to 14.5)	432,531	120,594
15. Cash applied:		
15.1 Dividends to stockholders paid		
15.2 Net transfers to affiliates		
15.3 Borrowed funds repaid	21,177	
15.4 Other applications	56,127	15,300
15.5 Total (Lines 15.1 to 15.4)	77,304	15,300
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	355,227	105,294
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	1,733,792	298,285
18. Cash and short-term investments:		
18.1 Beginning of year	2,449,013	2,150,728
18.2 End of year (Line 17 plus Line 18.1)	4,182,805	2,449,013
DETAILS OF WRITE-INS		
7.401 Installment Service Charges	54,317	35,413
7.402 MSI Adjustment Services	30,824	41,218
7.403 Assessments Received		2,500,000
7.498 Summary of remaining write-ins for Line 7.4 from overflow page		
7.499 Totals (Lines 7.401 through 7.403 + 7.498) (Line 7.4 above)	85,141	2,576,631

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1- PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 2	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire	4,664,738	1,478,232	2,487,061	3,655,909
2. Allied lines	1,388,029	456,312	739,910	1,104,431
3. Farmowners multiple peril				
4. Homeowners multiple peril	12,913,103	3,753,734	7,334,914	9,331,923
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical malpractice - occurrence				
11.2 Medical malpractice - claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence	35,900	9,445	16,798	28,547
17.2 Other liability - claims-made				
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft	26,016	10,521	14,648	21,889
27. Boiler and machinery				
28. Credit				
29. International				
30. Reinsurance-Nonproportional Assumed Property				
31. Reinsurance-Nonproportional Assumed Liability				
32. Reinsurance-Nonproportional Assumed Financial Lines				
33. Aggregate write-ins for other lines of business				
34. TOTALS	19,027,786	5,708,244	10,593,331	14,142,699

DETAILS OF WRITE-INS				
3301.				
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)				

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1A - RECAPITULATION OF ALL PREMIUMS

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

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running More Than One Year from Date of Policy) (b)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire	2,487,061				2,487,061
2. Allied lines	739,910				739,910
3. Farmowners multiple peril					
4. Homeowners multiple peril	7,334,914				7,334,914
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine					
10. Financial guaranty					
11.1 Medical malpractice - occurrence					
11.2 Medical malpractice - claims-made					
12. Earthquake					
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability - occurrence	16,798				16,798
17.2 Other liability - claims-made					
18.1 Products liability - occurrence					
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability					
19.3, 19.4 Commercial auto liability					
21. Auto physical damage					
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft	14,648				14,648
27. Boiler and machinery					
28. Credit					
29. International					
30. Reinsurance-Nonproportional Assumed Property					
31. Reinsurance-Nonproportional Assumed Liability					
32. Reinsurance-Nonproportional Assumed Financial Lines					
33. Aggregate write-ins for other lines of business					
34. TOTALS	10,593,331				10,593,331
35. Accrued retrospective premiums based on experience					
36. Earned but unbilled premiums					
37. Balance (Sum of Line 34 through 36)					10,593,331

DETAILS OF WRITE-INS					
3301.					
3302.					
3303.					
3398. Summary of remaining write-ins for Line 33 from overflow page					
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)					

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

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

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	4,664,738					4,664,738
2. Allied lines	1,388,029					1,388,029
3. Farmowners multiple peril						
4. Homeowners multiple peril	12,913,103					12,913,103
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine						
10. Financial guaranty						
11.1 Medical malpractice - occurrence						
11.2 Medical malpractice - claims-made						
12. Earthquake						
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence	35,900					35,900
17.2 Other liability - claims-made						
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability						
19.3, 19.4 Commercial auto liability						
21. Auto physical damage						
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft	26,016					26,016
27. Boiler and machinery						
28. Credit						
29. International						
30. Reinsurance-Nonproportional Assumed Property	X X X					
31. Reinsurance-Nonproportional Assumed Liability	X X X					
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X					
33. Aggregate write-ins for other lines of business						
34. TOTALS	19,027,786					19,027,786

DETAILS OF WRITE-INS						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page						
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)						

(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 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	594,277			594,277	43,000			637,277	107,614
2. Allied lines	245,598			245,598	19,000			264,598	44,682
3. Farmowners multiple peril									
4. Homeowners multiple peril	3,893,205			3,893,205	246,000			4,139,205	698,967
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical malpractice - occurrence									
11.2 Medical malpractice - claims - made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability - occurrence					1,000			1,000	169
17.2 Other liability - claims - made									
18.1 Products liability - occurrence									
18.2 Products liability - claims - made									
19.1, 19.2 Private passenger auto liability									
19.3, 19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft	4,000			4,000	1,000			5,000	844
27. Boiler and machinery									
28. Credit									
29. International									
30. Reinsurance-Nonproportional Assumed Property	X X X				X X X				
31. Reinsurance-Nonproportional Assumed Liability	X X X				X X X				
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X				X X X				
33. Aggregate write-ins for other lines of business									
34. TOTALS	4,737,080			4,737,080	310,000			5,047,080	852,276
DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page									
3399. Totals (Lines 3301 through 3303 + 3398) (Line 33 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	471,832			471,832
1.2 Reinsurance assumed				
1.3 Reinsurance ceded				
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	471,832			471,832
2. Commission and brokerage:				
2.1 Direct excluding contingent		1,939,280		1,939,280
2.2 Reinsurance assumed excluding contingent				
2.3 Reinsurance ceded excluding contingent				
2.4 Contingent-direct				
2.5 Contingent-reinsurance assumed				
2.6 Contingent-reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		1,939,280		1,939,280
3. Allowances to manager and agents				
4. Advertising	9,666	38,714		48,380
5. Boards, bureaus and associations	7,911	25,929		33,840
6. Surveys and underwriting reports		573,154		573,154
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	585,837	1,070,428		1,656,265
8.2 Payroll taxes	43,392	79,479		122,871
9. Employee relations and welfare	133,476	243,947		377,423
10. Insurance	11,441	11,158		22,599
11. Directors' fees				
12. Travel and travel items	37,860	45,342		83,202
13. Rent and rent items	48,258	90,548		138,806
14. Equipment	51,095	209,965		261,060
15. Cost of depreciation of EDP equipment and software	32,441	64,864		97,305
16. Printing and stationery	61,673	82,955		144,628
17. Postage, telephone and telegraph, exchange and express	120,932	212,897		333,829
18. Legal and auditing	14,973	40,444		55,417
19. Totals (Lines 3 to 18)	1,158,955	2,789,824		3,948,779
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 0		73,725		73,725
20.2 Insurance department licenses and fees				
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		73,725		73,725
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured accident and health plans				
24. Aggregate write-ins for miscellaneous expenses	166,266	379,126	93	545,485
25. Total expenses incurred	1,797,053	5,181,955	93	6,979,101
26. Less unpaid expenses-current year	852,276	422,266		1,274,542
27. Add unpaid expenses-prior year	730,479	266,973		997,452
28. Amounts receivable relating to uninsured accident and health plans, prior year				
29. Amounts receivable relating to uninsured accident and health plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	1,675,256	5,026,662	93	6,702,011
DETAILS OF WRITE-INS				
2401. Data Processing	165,013	353,477		518,490
2402. Bank Charges		23,702	93	23,795
2403. Miscellaneous	1,253	1,947		3,200
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	166,266	379,126	93	545,485

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e) 32,616	30,556
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	32,616	30,556
11. Investment expenses		(g) 93
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		93
17. Net investment income - (Line 10 minus Line 16)		30,463
DETAILS OF WRITE-INS		
0901.	NONE	
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)		
1501.	NONE	
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		
(a) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.		
(c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.		
(e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.		
(g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.		
(h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.		
(i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	5 Total
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash/short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)					
DETAILS OF WRITE-INS					
0901.	NONE				
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)					

**EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS
AND RELATED ITEMS**

	1	2	3
	End of Current Year	End of Prior Year	Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Lines 10 to 17 and 19 to 23, Column 2	10,525,487	8,224,074	(2,301,413)
2. Other Nonadmitted Assets:			
2.1 Bills receivable			
2.2 Furniture, equipment and supplies	320,277	252,778	(67,499)
2.3 Leasehold improvements			
2.4 Loans on personal security, endorsed or not			
3. Total (Lines 2.1 to 2.4)	320,277	252,778	(67,499)
4. Aggregate write-ins for other assets	103,170	20,002	(83,168)
5. Total (Line 1 plus Lines 3 and 4)	10,948,934	8,496,854	(2,452,080)
DETAILS OF WRITE-INS			
0401. Intangible Asset	80,384		(80,384)
0402. Accounts Receivable - Miscellaneous	22,786	20,002	(2,784)
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page			
0499. Totals (Lines 0401 through 0403 plus 0498) (Line 4 above)	103,170	20,002	(83,168)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Ohio FAIR Plan Underwriting Association are presented on a basis of accounting practices prescribed or permitted by the Ohio Department of Insurance, which is in accordance with the NAIC Accounting Practices and Procedures manual.

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

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

C. Accounting Policy

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

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at cost.
- (2-9) N/A
- (10) The Company does not anticipate investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts – Premiums.
- (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. No material changes or corrections of errors were found during the preparation of the current years financial statement.
- B. The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of OHIO. Effective January 1, 2001, the State of OHIO required that insurance companies domiciled in the State of OHIO prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the State of OHIO insurance commissioner.

Accounting changes adopted to conform to the provisions of the NAIC *Accounting Practices and Procedures Manual* – 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 principles. 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 \$442,575 as of January 1, 2001.

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable

NOTES TO FINANCIAL STATEMENTS

5. Investments

Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

7. Investment Income

Not applicable

8. Derivative Instruments

Not applicable

9. Income Taxes

The Association is treated as partnership for federal income tax purposes. As such, federal income taxes, if any, are payable by member insurance companies, and a provision for a federal income tax is not reflected in the accompanying financial statements.

10. Information Concerning Parent, Subsidiaries and Affiliates

Not applicable

11. Debt

A. Capital Notes

Not applicable

B. All Other Debt

The Company has an outstanding liability for borrowed money in the amount of \$26,724 due to Ford Credit. The principal is repayable over a 36-month term, which began on 11/11/01. The interest rate is 0% on this debt.

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

Postretirement Benefits Plan

A. Defined Benefit Plans

The Company sponsors a non-contributory defined benefit pension plan covering its employees. As of December 31, 2002 the Company accrued in accordance with the actuarially determined amounts with an offset to the pension cost accrual for the incremental asset amortization.

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefits Plans are as follows at December 31, 2002 and 2001.

	Pension	Benefits	Other	Benefits
	2002	2001	2002	2001
(1) Change in benefit obligation				
a. Benefit obligation at beginning of year	\$2,355,018	\$1,882,342	\$ 323,856	\$ 267,835
b. Service cost	\$ 104,730	\$ 91,794	\$ 56,915	\$
c. Interest cost	\$ 173,540	\$ 156,567	\$ 32,384	\$ 22,244
d. Contribution by plan participants	\$ 0	\$	\$ 0	\$ 0
e. Actuarial gain (loss)	\$ 177,571	\$ 268,335	\$ 161,591	\$ 42,830
f. Foreign currency exchange rate changes	\$ 0	\$ 0	\$ 0	\$ 0
g. Benefits paid	\$ 35,590	\$ 44,020	\$ 13,994	\$ 9,053
h. Plan amendments	\$	\$	\$	\$
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

j. Benefit obligation at end of year	\$2,775,269	\$2,355,018	\$ 560,752	\$ 323,856
(2) Change in plan assets				
a. Fair value of plan assets at beginning of year	\$1,953,570	\$2,000,100	\$	\$
b. Actual return on plan assets	\$(198,891)	\$ (36,652)	\$	\$
c. Foreign currency exchange rate changes	\$ 0	\$ 0	\$	\$
d. Employer contribution	\$ 55,864	\$ 34,142	\$	\$
e. Plan participants' contribution	\$ 0	\$ 0	\$	\$
f. Benefits paid	\$ 35,590	\$ 44,020	\$	\$
g. Business combinations, divestitures and settlements	\$ 0	\$ 0	\$	\$
h. Fair value of plan assets at end of year	\$1,774,953	\$1,953,570	\$	\$
(3) Funded status				
a. Unamortized prior service cost	\$ 0	\$ 0	\$ 35,545	\$
b. Unrecognized net gain or (loss)	\$(808,208)	\$ 264,461	\$ (230,272)	\$ (39,385)
c. Remaining net obligation or net asset at Initial date of application	\$ 80,384	\$ 90,332	\$ 0	\$ 0
d. Prepaid assets or accrued liabilities	\$ 111,724	\$ 46,655	\$ (366,025)	\$ (284,471)
e. Intangible asset	\$ 80,384	\$	\$	\$
(4) Benefit obligation for non vested employees	\$ 60,587	\$ 41,347	\$ 573,730	\$ 347,787
(5) Components of net periodic benefit cost				
a. Service cost	\$ 104,730	\$ 91,794	\$ 0	\$ 0
b. Interest Cost	\$ 173,540	\$ 156,567	\$ 453,676	\$ 301,117
c. Expected return on plan assets	\$(176,068)	\$ 178,744	\$ 0	\$ 0
d. Amortization of unrecognized transition Obligation or transition asset	\$ 9,948	\$ 11,180	\$ 0	\$ 0
e. Amount of recognized gains and losses	\$ 8,783	\$ 0	\$ 0	\$ 0
f. Amount of prior service cost recognized	\$ 0	\$ 0	\$ 0	\$ 0
g. Amount of gain or loss recognized due To a settlement or curtailment	\$ 0	\$ 0	\$ 0	\$ 0
h. Total net periodic benefit cost	\$ 120,933	\$ 80,797	\$ 95,548	\$ 22,288

(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 benefits, is reported as income in the Income Statement. At December 31, 2002, the additional minimum liability was \$0.

(7) Weighted-average assumptions as of Dec. 31	2002	2001	2002	2001
a. Discount rate	\$ 6.75	\$ 7.25	\$ 6.75	\$ 7.25
b. Rate of compensation increase	\$ 4.0	\$ 4.5	\$ 4.0	\$ 4.5
c. Expected long-term rate of return on Plan assets	\$ 9%	\$ 9%	\$ N/A	\$ N/A

For measurement purposes, a 12% percent annual rate of increase in the per capita cost of covered health care benefits was assumed for 2002. The rate was assumed to decrease gradually to 5.0% percent for 2009 and remain at that level thereafter.

(8) The company has multiple non-pension postretirement benefits plans. The health care plans are contributory, with participants' contributions adjusted annually; the life insurance plan is noncontributory. The accounting for the health care plans anticipates future cost-sharing changes to the written plan that are consistent with the company's expressed intent to change retiree contributions each year to coincide with changes in employees contributions.

(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:

NOTES TO FINANCIAL STATEMENTS

	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost components	\$ 14,375	\$ (11,860)
b. Effect on postretirement benefit obligation	\$ 72,711	\$ (61,551)

B. Defined Contribution Plan

Insurance company employees are covered by a qualified defined contribution pension plan sponsored by the Association.

Contributions of up to 100% of 6 percent of each employee's compensation are made each year. The Company's contribution for the plan was \$ 79,816 and \$ 68,751 for 2002 and 2001, respectively. At December 31, 2002, the fair value of plan assets was \$2,074,049.

C. Multiemployer Plans:

Not applicable

D. Consolidated/Holding Company Plans

Not applicable

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

Not applicable

14. Contingencies

Not applicable

15. Leases

A. Operating Lease

(1) During 2001, the Association occupied office facilities under an operating lease, which expired on August 31, 2002. During 2002, the Association entered into a new operating lease for office facilities, which expires on October 31, 2009. The new lease provides for minimum rent of \$10,200 per month, increasing to \$11,800 per month over the lease term, plus additional charges for taxes and operating expenses estimated to be \$7,718 per month. Rental expense under the operating lease for 2002 and 2001 was \$138,806 and \$165,946, respectively, and is net of amounts allocated to the JUA Trust and OMSIUA.

The association also leases office equipment under an operating lease, which expires on June 30, 2006. Minimum monthly rent of \$2,252 per month through March of 2003, then declines to \$1,169 per month through June 30, 2006.

(2) Minimum lease payments under all operating lease agreements for the years subsequent to December 31, 2002 are as follows:

Operating Leases	
2003	\$ 154,908
2004	\$ 154,880
2005	\$ 158,101
2006	\$ 141,681
2007	\$ 136,378
Thereafter	<u>\$ 280,249</u>
	\$ 1,026,197

(3) The company is not involved in any material sales – leaseback transactions.

B. Not applicable

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

Not applicable

NOTES TO FINANCIAL STATEMENTS

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

Not applicable

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

Not applicable

21. Event Subsequent

Not applicable

22. Reinsurance

Not applicable

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

24. Change in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$1,550,000 from \$5,488,588 million in 2001 to \$3,938,588 million in 2002 as a result of reestimation of unpaid losses and loss adjustment expenses principally on Commercial and Homeowners lines of insurance. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. There were no additional or return premiums associated with the prior year effects.

25. Intercompany Pooling Arrangements

Not applicable

26. Structured Settlements

Not applicable

27. High Deductibles

Not applicable

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

Not applicable

29. Asbestos/Environment Reserves

Not applicable

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				
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (including residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA				
1.512 Issued by FNMA and FHLMC				
1.513 Privately issued				
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC				
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC				
1.523 All other privately issued				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (includes \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ 0 including property acquired in satisfaction of debt)				
6. Policy loans				
7. Receivables for securities				
8. Cash and short-term investments	4,182,805	100.000	4,182,805	100.000
9. Other invested assets				
10. Total invested assets	4,182,805	100.000	4,182,805	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No [X]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] N/A [X]
- 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. 12/31/2002
-
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2002
-
- 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). 02/05/2003
-
- 3.4 By what department or departments? Ernst & Young LLP, CPA's

- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
	00000	
	00000	
	00000	
	00000	
	00000	

- 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 %
- 7.21 State the percentage of foreign control _____
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, 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, Certified Public Accountants
1100 Huntington Center, 41 South High St., Columbus, OH 43215
9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? N/A (Exemption granted by the Ohio Department of Insurance)
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] 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 \$ _____
- 14.12 To stockholders not officers \$ _____
- 14.13 Trustees, supreme or grand (Fraternal only) \$ _____
- 14.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.21 To directors or other officers \$ _____
- 14.22 To stockholder not officers \$ _____
- 14.23 Trustees, supreme or grand (Fraternal only) \$ _____
- 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 \$ _____
- 15.22 Borrowed from others \$ _____
- 15.23 Leased from others \$ _____
- 15.24 Other \$ _____
- Disclose in Notes to Financial 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 \$ _____
- 16.22 Amount paid as expenses \$ _____
- 16.23 Other amounts paid \$ _____

GENERAL INTERROGATORIES
(continued)
INVESTMENT

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

Class	1 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					Yes [] No []	Yes [] No []
Common				X X X	X X X X X X	X X X X X X

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

18.2 If no, give full and complete information, relating thereto Actual certificates are held in safekeeping by Bank One, N. A.
0
0

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 Schedule E - Part 2 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1). Yes [] No [X]

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

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

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

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. \$ _____

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
Bank One, N.A.	100 E. Broad St., Columbus, OH 43215

GENERAL INTERROGATORIES

(continued)

INVESTMENT

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

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

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

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

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

22.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/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
00443	Bank One Securities Corp.	100 E. Broad St. Columbus, OH 43215

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 33,048

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
ISO Commercial Risk Services, Inc.	\$ 20,048
Property Insurance Plans Service Office	\$ 13,000
	\$
	\$

24.1 Amount of payments for legal expenses, if any? \$ 6,917

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
Crabbe Brown & James	\$ 6,917
	\$
	\$
	\$

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

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
	\$
	\$
	\$
	\$

**GENERAL INTERROGATORIES
(continued)**

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? YES [] NO [X]
- 1.2 If yes, indicate premium earned on U. S. business only. \$ _____
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ _____
- 1.31 Reason for excluding _____
-
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ _____
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ _____
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$ _____
- 1.62 Total incurred claims \$ _____
- 1.63 Number of covered lives \$ _____
- All years prior to most current three years:
- 1.64 Total premium earned \$ _____
- 1.65 Total incurred claims \$ _____
- 1.66 Number of covered lives \$ _____
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$ _____
- 1.72 Total incurred claims \$ _____
- 1.73 Number of covered lives \$ _____
- All years prior to most current three years:
- 1.74 Total premium earned \$ _____
- 1.75 Total incurred claims \$ _____
- 1.76 Number of covered lives \$ _____
- 2.1 Does the reporting entity issue both participating and non-participating policies? YES [] NO [X]
- 2.2 If yes, state the amount of calendar year premiums written on:
- 2.21 Participating \$ _____
- 2.22 Non-participating policies \$ _____
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? \$ _____
- 3.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ _____
4. For Reciprocal Exchanges Only:
- 4.1 Does the exchange appoint local agents? YES [] NO [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 an 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: Entity does not issue workers compensation policies
-
- 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: N/A
-
- 5.3 What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types of concentrations of insured exposures comprising its probable maximum property insurance loss? N/A
-
- 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 [] NO [X]
- 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: Assessment of member companies
-
- 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 reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or similar provisions)? YES [] NO [X]
- 6.2 If yes, indicate the number of reinsurance contracts containing such provisions. _____

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES (Continued)

- 7.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this 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 a charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? YES [] NO [] N/A [X]
- 9.1 Has the 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 asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | | | |
|--|-------------------------------------------------------------------------|----|--|
| | 10.11 Unpaid losses | \$ | |
| | 10.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ | |
- 10.2 Of the amount on Line 10.3 of the asset schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds? \$
- 10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? YES [] NO [] N/A [X]
- 10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | | | |
|--|------------|---------|--|
| | 10.41 From | _____ % | |
| | 10.42 To | _____ % | |
- 10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by a 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 current year:
- | | | | |
|--|----------------------------------|----|--|
| | 10.61 Letters of Credit | \$ | |
| | 10.62 Collateral and other funds | \$ | |
- 11.1 What amount of installment notes is owned and now held by the reporting entity? \$
- 11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? YES [] NO [X]
- 11.3 If yes, what amount? \$
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 1,500,000
- 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. _____
- 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 | _____ | |
| | 14.13 Total book/adjusted carrying value | \$ | |
- 14.2 If yes, provide explanation
- 15.1 Does the reporting entity write any warranty business? YES [] NO [X]
 If yes, disclose the following information for each of the following types of warranty coverage:
- | | 1 | 2 | 3 | 4 | 5 |
|------------------|------------------------|----------------------|------------------------|-------------------------|-----------------------|
| | Direct Losses Incurred | Direct Losses Unpaid | Direct Written Premium | Direct Premium Unearned | Direct Premium Earned |
| 15.11 Home | \$ | \$ | \$ | \$ | \$ |
| 15.12 Products | \$ | \$ | \$ | \$ | \$ |
| 15.13 Automobile | \$ | \$ | \$ | \$ | \$ |
| 15.14 Other* | \$ | \$ | \$ | \$ | \$ |

* Disclose type of coverage: 00

FIVE-YEAR HISTORICAL DATA

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

	1 2002	2 2001	3 2000	4 1999	5 1998
Gross Premiums Written (Page 8, Part 1B, Cols. 1,2 & 3)					
1. Liability lines (Lines 11.1,11.2,16,17.1,17.2,18.1,18.2,19.1,19.2 & 19.3,19.4)	35,900	19,507	15,939	14,597	14,677
2. Property lines (Lines 1, 2, 9, 12, 21, & 26)	6,078,783	3,685,095	3,196,988	3,019,447	3,346,907
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	12,913,103	6,956,233	5,770,652	5,196,780	4,820,110
4. All other lines (Lines 6,10,13,14,15,23,24,28,29 & 33)					
5. Nonproportional reinsurance lines (Lines 30, 31 & 32)					
6. Total (Line 34)	19,027,786	10,660,835	8,983,579	8,230,824	8,181,694
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1,11.2,16,17.1,17.2,18.1,18.2,19.1,19.2 & 19.3,19.4)	35,900	19,507	15,939	14,597	14,677
8. Property lines (Lines 1, 2, 9, 12, 21, & 26)	6,078,783	3,685,095	3,196,988	3,019,447	3,346,907
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	12,913,103	6,956,233	5,770,652	5,196,780	4,820,110
10. All other lines (Lines 6,10,13,14,15,23,24,28,29 & 33)					
11. Nonproportional reinsurance lines (Lines 30, 31 & 32)					
12. Total (Line 34)	19,027,786	10,660,835	8,983,579	8,230,824	8,181,694
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(2,318,367)	(3,502,894)	(3,151,272)	(2,870,897)	(2,727,729)
14. Net investment gain (loss) (Line 11)	30,463	83,834	145,844	96,298	94,240
15. Total other income (Line 15)	2,287,904	3,419,060	3,005,428	2,774,599	2,633,489
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)					
18. Net income (Line 20)					
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding Protected Cell (Page 2, Line 26, Col. 3)	7,309,460	3,789,696	3,103,833	2,067,001	4,537,171
20. Agents' balances or uncollected premiums (Page 2, Col. 3)					
20.1 In course of collection (Line 10.1)	3,061,526	1,241,978	635,056	518,142	533,018
20.2 Deferred and not yet due (Line 10.2)					
20.3 Accrued retrospective premiums (Line 10.3)					
21. Total liabilities excluding Protected Cell (Page 3, Line 24)	18,258,394	12,286,550	10,313,971	8,737,876	8,417,663
22. Losses (Page 3, Lines 1 and 2)	5,047,080	4,758,109	4,179,503	2,999,237	2,933,466
23. Loss adjustment expenses (Page 3, Line 3)	852,276	730,479	632,773	506,467	495,360
24. Unearned premiums (Page 3, Line 9)	10,593,331	5,708,244	4,855,201	4,523,969	4,363,496
25. Capital paid up (Page 3, Lines 28 & 29)					
26. Surplus as regards policyholders (Page 3, Line 35)	(10,948,934)	(8,496,854)	(7,210,138)	(6,670,875)	(3,880,492)
Risk-Based Capital Analysis					
27. Total adjusted capital	(10,948,934)	(8,496,854)	(7,210,138)	(6,670,875)	(3,880,492)
28. Authorized control level risk-based capital	2,862,365	1,736,598	1,231,109	1,021,366	1,066,008
Percentage Distribution of Cash and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 9, Col. 3) x 100.0					
29. Bonds (Line 1)					
30. Stocks (Lines 2.1 & 2.2)					
31. Mortgage loans on real estate (Line 3.1 and 3.2)					
32. Real estate (Lines 4.1, 4.2 & 4.3)					
33. Cash and short-term investments (Line 5)	100.0	100.0	100.0	100.0	100.0
34. Other invested assets (Line 6)					
35. Receivable for securities (Line 7)					
36. Aggregate write-ins for invested assets (Line 8)					
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, (Sch. D, Summary, Line 25, Col. 1)					
39. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1)					
40. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2)					
41. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)					
42. Affiliated mortgage loans on real estate					
43. All other affiliated					
44. Total of above Lines 38 to 43					
45. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 44 above divided by Page 3, Col. 1, Line 34 x 100.0)					

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)					
47. Dividends to stockholders (Line 34)					
48. Change in surplus as regards policyholders for the year (Line 37)	(2,452,080)	(1,286,716)	(539,263)	(2,790,383)	(359,647)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
49. Liability lines (Lines 11.1,11.2,16,17.1,17.2,18.1,18.2,19.1,19.2 & 19.3,19.4)	1,212		1,404		
50. Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,606,862	2,161,223	2,525,179	2,338,009	2,206,261
51. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	6,585,013	5,728,166	3,800,042	4,779,915	4,027,366
52. All other lines (Lines 6,10,13,14,15,23,24,28,29,& 33)					
53. Nonproportional reinsurance lines (Lines 30, 31 & 32)					
54. Total (Line 34)	9,193,087	7,889,389	6,326,625	7,117,924	6,233,627
Net Losses Paid (Page 9, Part 2, Col. 4)					
55. Liability lines (Lines 11.1,11.2,16,17.1,17.2,18.1,18.2,19.1,19.2 & 19.3,19.4)	1,212		1,404		
56. Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,606,862	2,161,223	2,525,179	2,338,009	2,206,261
57. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	6,585,013	5,728,166	3,800,042	4,779,915	4,027,366
58. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)					
59. Nonproportional reinsurance lines (Lines 30, 31 & 32)					
60. Total (Line 34)	9,193,087	7,889,389	6,326,625	7,117,924	6,233,627
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)	67.0	86.3	86.8	89.0	84.5
63. Loss expenses incurred (Line 3)	12.7	14.4	15.0	13.9	12.5
64. Other underwriting expenses incurred (Line 4)	36.7	35.0	34.6	32.7	37.3
65. Net underwriting gain (loss) (Line 8)	(16.4)	(35.7)	(36.4)	(35.6)	(34.3)
Other Percentages					
66. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0)	15.2	0.1	(0.1)	(1.7)	4.0
67. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	79.8	100.7	101.8	102.9	97.0
68. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34, divided by Page 3, Line 35, Col. 1 x 100.0)	(173.8)	(125.5)	(124.6)	(123.4)	(210.8)
One Year Loss Development (000 omitted)					
69. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Col. 11)	(1,032)	(232)	403	(134)	(309)
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, Col. 1 x 100.0)	12.1	3.2	(6.0)	(3.5)	(8.8)
Two Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(805)	39	143	(213)	(525)
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, Col. 2 x 100.0)	11.2	(0.6)	(3.7)	(6.1)	(11.2)

SCHEDULE P-ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P-PART 1-SUMMARY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X									X X X
2. 1993	3,677		3,677	2,804		50		391		24	3,245	X X X
3. 1994	3,904		3,904	2,971		45		420		11	3,436	X X X
4. 1995	4,308		4,308	3,823		79		453		6	4,355	X X X
5. 1996	5,241		5,241	4,470		165		630		7	5,265	X X X
6. 1997	6,531		6,531	5,678		168		786		8	6,632	X X X
7. 1998	7,944		7,944	6,809		210		801		7	7,820	X X X
8. 1999	8,070		8,070	7,318		191		955		32	8,464	X X X
9. 2000	8,652		8,652	6,473		119		1,019		15	7,611	X X X
10. 2001	9,808		9,808	7,848		108		1,169		26	9,125	X X X
11. 2002	14,143		14,143	6,300		74		1,149		21	7,523	X X X
12. Totals	X X X	X X X	X X X	54,494		1,209		7,773		157	63,476	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior													X X X
2. 1993													X X X
3. 1994													X X X
4. 1995													X X X
5. 1996													X X X
6. 1997													X X X
7. 1998	25				1			6				32	X X X
8. 1999	163				3			24				190	X X X
9. 2000	109				3			18				130	X X X
10. 2001	470				10			68				548	X X X
11. 2002	3,970		310		89		7	623				4,999	X X X
12. Totals	4,737		310		106		7	739				5,899	X X X

	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. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2. 1993	3,245		3,245	88.251		88.251					
3. 1994	3,436		3,436	88.012		88.012					
4. 1995	4,355		4,355	101.091		101.091					
5. 1996	5,265		5,265	100.458		100.458					
6. 1997	6,632		6,632	101.546		101.546					
7. 1998	7,852		7,852	98.842		98.842					
8. 1999	8,654		8,654	107.237		107.237					
9. 2000	7,741		7,741	89.471		89.471					
10. 2001	9,673		9,673	98.624		98.624					
11. 2002	12,522		12,522	88.538		88.538					
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	5,047	852

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	2	3	4	5	6	7	8	9	10	11	12	
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	One Year	Two Year	
1. Prior	158	119	113	113	113	113	113	113	113	113			
2. 1993	3,209	2,991	2,831	2,854	2,854	2,854	2,854	2,854	2,854	2,854			
3. 1994	XXX	3,091	3,064	3,016	3,016	3,016	3,016	3,016	3,016	3,016			
4. 1995	XXX	XXX	3,993	3,923	4,024	3,902	3,902	3,902	3,902	3,902			
5. 1996	XXX	XXX	XXX	5,077	4,742	4,573	4,635	4,635	4,635	4,635			
6. 1997	XXX	XXX	XXX	XXX	5,934	5,916	5,950	5,924	5,844	5,846	2	(78)	
7. 1998	XXX	XXX	XXX	XXX	XXX	7,171	6,941	7,244	7,034	7,045	11	(199)	
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	7,539	7,665	7,591	7,675	84	10	
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,242	7,374	6,704	(670)	(538)	
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,895	8,436	(459)	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,750	XXX	XXX	
											12. Totals	(1,032)	(805)

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 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior	000	58	113	113	113	113	113	113	113	113	XXX	XXX
2. 1993	2,199	2,699	2,769	2,854	2,854	2,854	2,854	2,854	2,854	2,854	XXX	XXX
3. 1994	XXX	2,202	2,991	3,016	3,016	3,016	3,016	3,016	3,016	3,016	XXX	XXX
4. 1995	XXX	XXX	2,831	3,694	3,791	3,902	3,902	3,902	3,902	3,902	XXX	XXX
5. 1996	XXX	XXX	XXX	3,142	4,311	4,420	4,635	4,635	4,635	4,635	XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	4,078	5,611	5,666	5,819	5,843	5,846	XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	4,619	6,636	6,901	7,007	7,019	XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	5,035	6,827	7,329	7,509	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,267	6,443	6,592	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,259	7,956	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,374	XXX	XXX

SCHEDULE P-PART 4-SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves On Net Losses and Defense and Cost Containment Expenses Reported At Year End (\$000 OMITTED)											
	1	2	3	4	5	6	7	8	9	10		
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior												
2. 1993	214											
3. 1994	XXX	214										
4. 1995	XXX	XXX	215									
5. 1996	XXX	XXX	XXX	214								
6. 1997	XXX	XXX	XXX	XXX	216							
7. 1998	XXX	XXX	XXX	XXX	XXX	216						
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	217					
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	317				
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	317			
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		317

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	NO							
2. Alaska	AK	NO							
3. Arizona	AZ	NO							
4. Arkansas	AR	NO							
5. California	CA	NO							
6. Colorado	CO	NO							
7. Connecticut	CT	NO							
8. Delaware	DE	NO							
9. Dist. of Columbia	DC	NO							
10. Florida	FL	NO							
11. Georgia	GA	NO							
12. Hawaii	HI	NO							
13. Idaho	ID	NO							
14. Illinois	IL	NO							
15. Indiana	IN	NO							
16. Iowa	IA	NO							
17. Kansas	KS	NO							
18. Kentucky	KY	NO							
19. Louisiana	LA	NO							
20. Maine	ME	NO							
21. Maryland	MD	NO							
22. Massachusetts	MA	NO							
23. Michigan	MI	NO							
24. Minnesota	MN	NO							
25. Mississippi	MS	NO							
26. Missouri	MO	NO							
27. Montana	MT	NO							
28. Nebraska	NE	NO							
29. Nevada	NV	NO							
30. New Hampshire	NH	NO							
31. New Jersey	NJ	NO							
32. New Mexico	NM	NO							
33. New York	NY	NO							
34. No. Carolina	NC	NO							
35. No. Dakota	ND	NO							
36. Ohio	OH	YES	19,027,786	14,142,699	9,193,087	9,482,058	5,047,080	54,317	
37. Oklahoma	OK	NO							
38. Oregon	OR	NO							
39. Pennsylvania	PA	NO							
40. Rhode Island	RI	NO							
41. So. Carolina	SC	NO							
42. So. Dakota	SD	NO							
43. Tennessee	TN	NO							
44. Texas	TX	NO							
45. Utah	UT	NO							
46. Vermont	VT	NO							
47. Virginia	VA	NO							
48. Washington	WA	NO							
49. West Virginia	WV	NO							
50. Wisconsin	WI	NO							
51. Wyoming	WY	NO							
52. American Samoa	AS	NO							
53. Guam	GU	NO							
54. Puerto Rico	PR	NO							
55. U.S. Virgin Islands	VI	NO							
56. Canada	CN	NO							
57. Aggregate other alien	OT	XXX							
58. Totals	(a) 1		19,027,786	14,142,699	9,193,087	9,482,058	5,047,080	54,317	

DETAILS OF WRITE-INS									
5701.	XXX								
5702.	XXX								
5703.	XXX								
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX								
5799. Totals (Lines 5701 - 5703 + 5798) (Line 57 above)	XXX								

NONE

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

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

OVERFLOW PAGE FOR WRITE-INS

OVERFLOW PAGE FOR WRITE-INS

**Page 2 - Continuation
ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets

REMAINING WRITE-INS AGGREGATED AT LINE 8 FOR INVESTED ASSETS

0804.				
0805.				
0806.				
0807.				
0808.				
0809.				
0810.				
0811.				
0812.				
0813.				
0814.				
0815.				
0816.				
0817.				
0818.				
0819.				
0820.				
0821.				
0822.				
0823.				
0824.				
0825.				
0897. Totals (Lines 0804 through 0825) (Page 2, Line 0898)				

REMAINING WRITE-INS AGGREGATED AT LINE 24 FOR OTHER THAN INVESTED ASSETS

2504. Accounts Receivable - JUALT	11,519		11,519	33,668
2505.				
2506.				
2507.				
2508.				
2509.				
2510.				
2511.				
2512.				
2513.				
2514.				
2515.				
2516.				
2517.				
2518.				
2519.				
2520.				
2521.				
2522.				
2523.				
2524.				
2525.				
2497. Totals (Lines 2404 through 2425) (Page 2, Line 2498)	11,519		11,519	33,668

OVERFLOW PAGE FOR WRITE-INS

**Page 3 - Continuation
LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
REMAINING WRITE-INS AGGREGATED AT LINE 23 FOR LIABILITIES		
2304. Uncashed Checks	131,487	116,862
2305. Premium Deficiency Reserve		56,127
2306.		
2307.		
2308.		
2309.		
2310.		
2311.		
2312.		
2313.		
2314.		
2315.		
2316.		
2317.		
2318.		
2319.		
2320.		
2321.		
2322.		
2323.		
2324.		
2325.		
2397. Totals (Lines 2304 through 2325) (Page 3, Line 2398)	131,487	172,989
REMAINING WRITE-INS AGGREGATED AT LINE 27 FOR SPECIAL SURPLUS FUNDS		
2704.		
2705.		
2706.		
2707.		
2708.		
2709.		
2710.		
2711.		
2712.		
2713.		
2714.		
2715.		
2716.		
2717.		
2718.		
2719.		
2720.		
2721.		
2722.		
2723.		
2724.		
2725.		
2797. Totals (Lines 2704 through 2725) (Page 3, Line 2798)		
REMAINING WRITE-INS AGGREGATED AT LINE 30 FOR OTHER THAN SPECIAL SURPLUS FUNDS		
3004.		
3005.		
3006.		
3007.		
3008.		
3009.		
3010.		
3011.		
3012.		
3013.		
3014.		
3015.		
3016.		
3017.		
3018.		
3019.		
3020.		
3021.		
3022.		
3023.		
3024.		
3025.		
3097. Totals (Lines 3004 through 3025) (Page 3, Line 3098)		