



# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

## Owners Insurance Company

NAIC Group Code 0280 (Current Period) 0280 (Prior Period) NAIC Company Code 32700 Employer's ID Number 34-1172650

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

Country of Domicile United States of America

Incorporated May 13, 1975 Commenced Business December 31, 1975

Statutory Home Office 2325 North Cole Street, Lima, OH 45801  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 6101 Anacapri Boulevard  
(Street and Number) Lansing, MI 48917-3999 517-323-1200  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 30660, Lansing, MI 48909-8160  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 6101 Anacapri Boulevard  
(Street and Number) Lansing, MI 48917-3999 517-323-1200  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address \_\_\_\_\_

Statement Contact Eileen Kay Fhaner 517-323-1200  
(Name) (Area Code) (Telephone Number) (Extension)  
\_\_\_\_\_ 517-323-8796  
(E-mail Address) (Fax Number)

Policyowner Relations Contact \_\_\_\_\_  
(Street and Number) \_\_\_\_\_  
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

### OFFICERS

Chairman of the Board and CEO Herman Joseph Arends President John Walter Fisher  
Executive Vice President Roger Lee Looyenga

### VICE PRESIDENTS

<u>Thaddeus Joseph Buda, Jr.</u>	<u>Jeffrey Francis Harrold, Sr. Vice President</u>	<u>Gwendoline Ann Maisch, Vice President</u>
<u>Sr. V.P., Secretary, &amp; General Counsel</u>	<u>Douglas Paul Marsh, Sr. Vice President</u>	<u>Mary Elizabeth Massey, Vice President</u>
<u>Stuart Roy Birn</u>	<u>Edgar Adolph Ploor, Sr. Vice President</u>	<u>Richard Stephen McCaghy, Vice President</u>
<u>Sr. V.P. &amp; Associate General Counsel</u>	<u>Rodney Jay Rupp, Sr. Vice President</u>	<u>Kenneth Richard Schroeder, Vice President</u>
<u>Gregg Lynn Cornell</u>	<u>Ronald Herman Simon, Sr. Vice President</u>	<u>Edwin Ray Skinner, Vice President</u>
<u>Sr. Vice President &amp; Treasurer</u>	<u>Robert Irwin Buchanan, Vice President</u>	<u>Franklin Joseph Sweeney, Vice President</u>
_____	<u>Robert Joseph Bursch, Vice President</u>	<u>Daniel Jerome Thelen, Vice President</u>
_____	<u>Eileen Kay Fhaner, Vice President</u>	<u>Ian Robert Ward, Vice President</u>
_____	<u>M. Dawn Hein, Vice President</u>	<u>Alan Robert Welter, Vice President</u>
_____	<u>Gerald Lee Jensen, Vice President</u>	<u>Jonathan Daniel Williams, Vice President</u>

### DIRECTORS OR TRUSTEES

<u>Herman Joseph Arends (CHM)</u>	<u>Stuart Roy Birn</u>	<u>James Franklin Anderton, IV</u>
<u>John Walter Fisher</u>	<u>Thaddeus Joseph Buda, Jr.</u>	<u>Phillip Vern Frederickson</u>
<u>Roger Lee Looyenga</u>	<u>Gregg Lynn Cornell</u>	<u>Mark Edward Hooper</u>
<u>Harry Edward Powell</u>	<u>Gloria Pearl Murchison</u>	_____

State of Michigan  
County of Eaton } 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.

Herman Joseph Arends John Walter Fisher Roger Lee Looyenga  
Chairman of the Board and CEO President Executive Vice President

Subscribed and sworn to before me this 19th day of February, 2003

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



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY**

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds .....	742,039,834		742,039,834	629,314,617
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1) .....	89,550		89,550	89,100
2.2 Common stocks (Schedule D, Part 2, Section 2) .....	62,558,165		62,558,165	68,911,639
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....124,415 Schedule E, Part 1) and short-term investments(\$ .....8,400,000 Schedule DA, Part 2) .....	8,524,415		8,524,415	408,218
6. Other invested assets (Schedule BA) .....	0		0	11,512,418
7. Receivable for securities .....			0	0
8. Aggregate write-ins for invested assets .....	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	813,211,963	0	813,211,963	710,235,992
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection .....	39,634,259	2,187,961	37,446,298	29,911,062
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (Including \$ ..... earned but unbilled premiums) .....	106,634,627		106,634,627	75,957,217
10.3 Accrued retrospective premiums .....			0	0
11. Funds held by or deposited with reinsured companies .....			0	0
12. Bills receivable, taken for premiums .....			0	0
13. Amounts receivable under high deductible policies .....			0	0
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Cols. 7 and 8) .....	8,176,504		8,176,504	8,391,777
15. Federal and foreign income tax recoverable and interest thereon (including \$ .....22,309,849 net deferred tax asset) .....	35,781,378	13,471,529	22,309,849	17,829,228
16. Guaranty funds receivable or on deposit .....	1,307,859	11,223	1,296,636	1,296,636
17. Electronic data processing equipment and software .....			0	0
18. Interest, dividends and real estate income due and accrued .....	11,371,360		11,371,360	10,267,628
19. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
20. Receivable from parent, subsidiaries and affiliates .....	294,152		294,152	251,935
21. Amount due from/to protected cells .....			0	0
22. Equities and deposits in pools and associations .....	349,765		349,765	306,619
23. Amounts receivable relating to uninsured accident and health plans .....			0	0
24. Other assets nonadmitted (Exhibit 1) .....			0	0
25. Aggregate write-ins for other than invested assets .....	14,274,452	0	14,274,452	0
26. Total assets excluding protected cell assets (Lines 9 through 25) .....	1,031,036,319	15,670,713	1,015,365,606	854,448,095
27. Protected cell assets .....			0	0
28. TOTALS (Lines 26 and 27)	1,031,036,319	15,670,713	1,015,365,606	854,448,095
<b>DETAILS OF WRITE-INS</b>				
0801. ....				
0802. ....				
0803. ....				
0898. Summary of remaining write-ins for Line 8 from overflow page .....	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above) .....	0	0	0	0
2501. Group annuity .....	14,273,175		14,273,175	0
2502. Miscellaneous assets .....	1,278		1,278	0
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) .....	14,274,452	0	14,274,452	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8) .....	274,645,600	234,916,011
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) .....	78,235,704	69,235,504
4. Commissions payable, contingent commissions and other similar charges .....	8,054,578	5,026,000
5. Other expenses (excluding taxes, licenses and fees) .....	14,415,264	11,918,100
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	10,307,024	8,079,652
7. Federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) (including \$ ..... net deferred tax liability) .....	481,610	10,667,140
8. Borrowed money \$ ..... and interest thereon \$ .....	0	0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... 299,584,171 and including warranty reserves of \$ .....)	244,776,322	181,953,329
10. Advance premiums .....	4,294,722	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) .....	20,478,148	16,509,255
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 .....	14,675,444	11,942,535
15. Remittances and items not allocated .....	0	0
16. Provision for reinsurance (Schedule F, Part 7) .....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0
18. Drafts outstanding .....	0	0
19. Payable to parent, subsidiaries and affiliates .....	43,827,905	22,871,948
20. Payable for securities .....	0	0
21. Liability for amounts held under uninsured accident and health plans .....	0	0
22. Capital Notes \$ ..... and interest thereon \$ .....	0	0
23. Aggregate write-ins for liabilities .....	295	2,476,942
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	714,192,616	575,596,416
25. Protected cell liabilities .....	0	0
26. Total liabilities (Lines 24 and 25) .....	714,192,616	575,596,416
27. Aggregate write-ins for special surplus funds .....	1,204,523	0
28. Common capital stock .....	4,900,000	4,900,000
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 .....	121,649,472	121,649,472
33. Unassigned funds (surplus) .....	173,418,995	152,302,208
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ .....)	0	0
34.2 ..... shares preferred (value included in Line 29 \$ .....)	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 38) .....	301,172,990	278,851,679
36. TOTALS (Page 2, Line 28, Col. 3) .....	1,015,365,606	854,448,095
<b>DETAILS OF WRITE-INS</b>		
2301. Pre-payments and unapplied payments .....	0	2,476,175
2302. Accounts payable pools .....	295	767
2303. ....	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above) .....	295	2,476,942
2701. 2002 NC private passenger auto escrow .....	1,204,523	0
2702. ....	0	0
2703. ....	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page .....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) .....	1,204,523	0
3001. ....	0	0
3002. ....	0	0
3003. ....	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page .....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above) .....	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY**

**UNDERWRITING AND INVESTMENT EXHIBIT STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 34, Column 4) .....	474,823,302	369,272,450
<b>DEDUCTIONS</b>		
2. Losses incurred (Part 2, Line 34, Column 7) .....	309,194,506	251,120,137
3. Loss expenses incurred (Part 3, Line 25, Column 1) .....	45,190,918	43,019,795
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	113,416,216	87,802,629
5. Aggregate write-ins for underwriting deductions .....	0	0
6. Total underwriting deductions (Lines 2 through 5) .....	467,801,640	381,942,561
7. Net income of protected cells .....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7) .....	7,021,662	(12,670,111)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	39,077,604	34,456,940
10. Net realized capital gains or (losses) (Exhibit of Capital Gains (Losses)) .....	338,904	1,413,226
11. Net investment gain or (loss) (Lines 9 + 10) .....	39,416,508	35,870,166
<b>OTHER INCOME</b>		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ .....0 amount charged off \$ .....865,770 ) .....	(865,770)	(418,767)
13. Finance and service charges not included in premiums .....	3,555,345	2,890,422
14. Aggregate write-ins for miscellaneous income .....	98,830	(39,540)
15. Total other income (Lines 12 through 14) .....	2,788,405	2,432,115
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15) .....	49,226,575	25,632,170
17. Dividends to policyholders .....		0
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17) .....	49,226,575	25,632,170
19. Federal and foreign income taxes incurred .....	18,168,886	10,899,432
20. Net income (Line 18 minus Line 19) (to Line 22) .....	31,057,689	14,732,737
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2) .....	278,851,679	245,583,449
<b>GAINS AND (LOSSES) IN SURPLUS</b>		
22. Net income (from Line 20) .....	31,057,689	14,732,737
23. Net unrealized capital gains or (losses) .....	(8,086,516)	(6,273,674)
24. Change in net unrealized foreign exchange capital gain (loss) .....		0
25. Change in net deferred income tax .....	10,042,800	6,925,554
26. Change in nonadmitted assets (Exhibit 1, Line 5, Col. 3) .....	(10,692,662)	(4,042,376)
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....	0	0
28. Change in surplus notes .....		0
29. Surplus (contributed to) withdrawn from protected cells .....		
30. Cumulative effect of changes in accounting principles .....		21,925,990
31. Capital changes:		
31.1. Paid in .....		0
31.2. Transferred from surplus (Stock Dividend) .....		0
31.3. Transferred to surplus .....		0
32. Surplus adjustments:		
32.1. Paid in .....		0
32.2. Transferred to capital (Stock Dividend) .....		0
32.3. Transferred from capital .....		0
33. Net remittances from or (to) Home Office .....		0
34. Dividends to stockholders (cash) .....		0
35. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1) .....	0	0
36. Aggregate write-ins for gains and losses in surplus .....	0	0
37. Change in surplus as regards policyholders for the year (Lines 22 through 36) .....	22,321,311	33,268,231
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35) .....	301,172,990	278,851,679
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	0	0
1401. Miscellaneous income and expense.....	98,830	(39,540)
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above) .....	98,830	(39,540)
3601. ....		
3602. ....		
3603. ....		
3698. Summary of remaining write-ins for Line 36 from overflow page .....	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above) .....	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY**

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	502,872,463	382,071,779
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....	305,440,362	253,314,268
3. Underwriting expenses paid .....	105,663,101	73,368,012
4. Other underwriting income (expenses) .....	0	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	91,769,000	55,389,499
6. Net investment income .....	39,582,382	34,598,429
7. Other income (expenses):		
7.1 Agents' balances charged off .....	(865,770)	(418,767)
7.2 Net funds held under reinsurance treaties .....	0	0
7.3 Net amount withheld or retained for account of others .....	2,732,909	8,207,379
7.4 Aggregate write-ins for miscellaneous items .....	3,611,030	2,757,389
7.5 Total other income (Lines 7.1 to 7.4) .....	5,478,168	10,546,000
8. Dividends to policyholders on direct business, less \$ ..... dividends on reinsurance assumed or ceded (net) .....	0	0
9. Federal and foreign income taxes (paid) recovered .....	(28,354,416)	13,621,251
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	108,475,134	114,155,179
<b>Cash from Investments</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....	69,092,775	58,130,752
11.2 Stocks .....	3,625,039	4,876,204
11.3 Mortgage loans .....	0	0
11.4 Real estate .....	0	0
11.5 Other invested assets .....	0	0
11.6 Net gains or (losses) on cash and short-term investments .....	0	0
11.7 Miscellaneous proceeds .....	0	0
11.8 Total investment proceeds (Lines 11.1 to 11.7) .....	72,717,814	63,006,956
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....	184,846,505	157,240,261
12.2 Stocks .....	8,196,409	8,442,973
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	11,512,418
12.6 Miscellaneous applications .....	0	0
12.7 Total investments acquired (Lines 12.1 to 12.6) .....	193,042,913	177,195,652
13. Net Cash from investments (Line 11.8 minus Line 12.7) .....	(120,325,099)	(114,188,696)
<b>Cash from Financing and Miscellaneous Sources</b>		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in .....	0	0
14.2 Capital notes \$ ..... less amounts repaid \$ .....	0	0
14.3 Net transfers from affiliates .....	20,913,741	0
14.4 Borrowed funds received .....	0	0
14.5 Other cash provided .....	1,818,075	0
14.6 Total (Lines 14.1 to 14.5) .....	22,731,816	0
15. Cash applied:		
15.1 Dividends to stockholders paid .....	0	0
15.2 Net transfers to affiliates .....	0	10,178,160
15.3 Borrowed funds repaid .....	0	0
15.4 Other applications .....	2,765,655	1,271,528
15.5 Total (Lines 15.1 to 15.4) .....	2,765,655	11,449,688
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	19,966,161	(11,449,688)
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16) .....	8,116,197	(11,483,205)
18. Cash and short-term investments:		
18.1 Beginning of year .....	408,218	11,891,423
18.2 End of year (Line 17 plus Line 18.1) .....	8,524,415	408,218
<b>DETAILS OF WRITE-INS</b>		
07.401 Finance and service charges not included in premiums .....	3,555,345	2,890,422
07.402 Miscellaneous income and expense .....	98,830	(39,540)
07.403 Equities and deposits in pools and associations .....	(43,145)	(93,493)
07.498 Summary of remaining write-ins for Line 7.4 from overflow page .....	0	0
07.499 Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above) .....	3,611,030	2,757,389

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Lines of Business		1	2	3	4
		Net Premiums Written per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 2	Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire .....	1,932,662	826,487	1,059,289	1,699,860
2.	Allied lines .....	2,004,377	980,640	1,110,214	1,874,803
3.	Farmowners multiple peril .....	669,758	243,909	292,397	621,270
4.	Homeowners multiple peril .....	104,817,012	44,558,742	58,332,629	91,043,125
5.	Commercial multiple peril .....	170,033,543	65,690,557	86,234,461	149,489,639
6.	Mortgage guaranty .....	0	0	0	0
8.	Ocean marine .....	0	0	0	0
9.	Inland marine .....	25,618,843	11,305,924	13,293,037	23,631,731
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 .....	1,822,283	760,247	937,787	1,644,742
13.	Group accident and health .....	0	0	0	0
14.	Credit accident and health (group and individual) .....	0	0	0	0
15.	Other accident and health .....	0	0	0	0
16.	Workers' compensation .....	0	0	0	0
17.1	Other liability - occurrence .....	13,112,116	5,530,176	6,231,383	12,410,910
17.2	Other liability - claims-made .....	0	0	0	0
18.1	Products liability - occurrence .....	0	0	0	0
18.2	Products liability - claims-made .....	0	0	0	0
19.1,19.2	Private passenger auto liability .....	90,913,237	20,414,612	28,736,501	82,591,348
19.3,19.4	Commercial auto liability .....	34,158,546	10,551,423	16,016,449	28,693,519
21.	Auto physical damage .....	92,042,119	20,822,930	32,264,400	80,600,650
22.	Aircraft (all perils) .....	0	0	0	0
23.	Fidelity .....	242,998	111,696	116,646	238,048
24.	Surety .....	(6,967)	9,144	616	1,561
26.	Burglary and theft .....	285,768	146,841	150,512	282,096
27.	Boiler and machinery .....	0	0	0	0
28.	Credit .....	0	0	0	0
29.	International .....	0	0	0	0
30.	Reinsurance - Nonproportional Assumed Property .....	0	0	0	0
31.	Reinsurance - Nonproportional Assumed Liability .....	0	0	0	0
32.	Reinsurance - Nonproportional Assumed Financial Lines .....	0	0	0	0
33.	Aggregate write-ins for other lines of business .....	0	0	0	0
34.	<b>TOTALS</b>	<b>537,646,295</b>	<b>181,953,329</b>	<b>244,776,322</b>	<b>474,823,302</b>
<b>DETAILS OF WRITE-INS</b>					
3301.	.....				
3302.	.....				
3303.	.....				
3398.	Summary of remaining write-ins for Line 33 from overflow page .....	0	0	0	0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY**

**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 .....	1,059,289	.0			1,059,289
2. Allied lines .....	1,110,214	.0			1,110,214
3. Farmowners multiple peril .....	292,397				292,397
4. Homeowners multiple peril .....	58,332,367	262			58,332,629
5. Commercial multiple peril .....	86,221,865	12,596			86,234,461
6. Mortgage guaranty .....	0				0
8. Ocean marine .....					0
9. Inland marine .....	13,292,508	529			13,293,037
10. Financial guaranty .....					0
11.1 Medical malpractice - occurrence .....					0
11.2 Medical malpractice - claims-made .....					0
12. Earthquake .....	937,787				937,787
13. Group accident and health .....					0
14. Credit accident and health (group and individual) .....					0
15. Other accident and health .....					0
16. Workers' compensation .....					0
17.1 Other liability - occurrence .....	6,231,274	109			6,231,383
17.2 Other liability - claims-made .....					0
18.1 Products liability - occurrence .....					0
18.2 Products liability - claims-made .....					0
19.1,19.2 Private passenger auto liability .....	28,734,266	2,235			28,736,501
19.3,19.4 Commercial auto liability .....	16,002,678	13,771			16,016,449
21. Auto physical damage .....	32,252,923	11,477			32,264,400
22. Aircraft (all perils) .....					0
23. Fidelity .....	116,646				116,646
24. Surety .....	616				616
26. Burglary and theft .....	150,512				150,512
27. Boiler and machinery .....					0
28. Credit .....					0
29. International .....					0
30. Reinsurance - Nonproportional Assumed Property ..					0
31. Reinsurance - Nonproportional Assumed Liability ..					0
32. Reinsurance - Nonproportional Assumed Financial Lines .....					0
33. Aggregate write-ins for other lines of business .....	0	0	0	0	0
34. TOTALS	244,735,343	40,979	0	0	244,776,322
35. Accrued retrospective premiums based on experience .....					
36. Earned but unbilled premiums .....					
37. Balance (Sum of Line 34 through 36)					244,776,322
<b>DETAILS OF WRITE-INS</b>					
3301. ....					
3302. ....					
3303. ....					
3398. Summary of remaining write-ins for Line 33 from overflow page .....	0	0	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0

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

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

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

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B - PREMIUMS WRITTEN**

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

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	2,117,356	2,118,513	1,157	2,304,365		1,932,662
2. Allied lines	2,490,716	2,303,575	1,404	2,747,017	44,301	2,004,377
3. Farmowners multiple peril	707,311	707,311		744,864		669,758
4. Homeowners multiple peril	113,021,615	113,144,784	123,170	120,948,137	524,421	104,817,012
5. Commercial multiple peril	180,948,259	180,147,218	56,947	190,790,833	328,047	170,033,543
6. Mortgage guaranty						0
8. Ocean marine						0
9. Inland marine	27,923,686	27,923,686		30,059,573	168,955	25,618,843
10. Financial guaranty						0
11.1 Medical malpractice - occurrence						0
11.2 Medical malpractice - claims-made						0
12. Earthquake	1,905,211	1,905,211		1,988,139		1,822,283
13. Group accident and health						0
14. Credit accident and health (group and individual)						0
15. Other accident and health						0
16. Workers' compensation	48,486,532			48,486,532		0
17.1 Other liability - occurrence	14,124,243	13,737,876		14,750,003		13,112,116
17.2 Other liability - claims-made						0
18.1 Products liability - occurrence						0
18.2 Products liability - claims-made						0
19.1,19.2 Private passenger auto liability	133,580,428	95,074,954		137,742,145		90,913,237
19.3,19.4 Commercial auto liability	49,705,185	35,605,278		51,151,917		34,158,546
21. Auto physical damage	135,006,076	96,106,018		139,069,974		92,042,119
22. Aircraft (all perils)						0
23. Fidelity	255,000	255,000		267,002		242,998
24. Surety	(6,888)	(6,888)		(6,809)		(6,967)
26. Burglary and theft	299,991	299,991		314,214		285,768
27. Boiler and machinery						0
28. Credit						0
29. International						0
30. Reinsurance - Nonproportional Assumed Property	XXX					0
31. Reinsurance - Nonproportional Assumed Liability	XXX					0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX					0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0
34. TOTALS	710,564,721	569,322,527	182,678	741,357,907	1,065,723	537,646,295
<b>DETAILS OF WRITE-INS</b>						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Previous Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	391,042	392,035	391,653	391,424	3,281	171,620	223,085	13.1
2. Allied lines	1,021,910	754,508	1,040,276	736,143	238,164	205,744	768,562	41.0
3. Farmowners multiple peril	555,381	555,381	558,290	552,473	204,385	297,080	459,779	74.0
4. Homeowners multiple peril	77,669,367	77,848,173	81,642,056	73,875,484	28,324,923	18,338,798	83,861,609	92.1
5. Commercial multiple peril	77,060,925	77,001,782	87,167,553	66,895,154	146,885,689	132,141,699	81,639,144	54.6
6. Mortgage guaranty				.0	.0	.0	.0	.0
8. Ocean marine				.0	.0	.0	.0	.0
9. Inland marine	12,831,692	12,831,692	12,893,596	12,769,788	2,033,916	1,988,336	12,815,368	54.2
10. Financial guaranty				.0	.0	.0	.0	.0
11.1 Medical malpractice - occurrence				.0	.0	.0	.0	.0
11.2 Medical malpractice - claims-made				.0	.0	.0	.0	.0
12. Earthquake				.0	.0	.0	.0	.0
13. Group accident and health				.0	.0	.0	.0	.0
14. Credit accident and health (group and individual)				.0	.0	.0	.0	.0
15. Other accident and health				.0	.0	.0	.0	.0
16. Workers' compensation	20,767,992		20,767,992	.0	.0	.0	.0	.0
17.1 Other liability - occurrence	5,121,428	5,121,428	6,713,344	3,529,511	15,008,580	15,199,918	3,338,173	26.9
17.2 Other liability - claims-made				.0	.0	.0	.0	.0
18.1 Products liability - occurrence				.0	.0	.0	.0	.0
18.2 Products liability - claims-made				.0	.0	.0	.0	.0
19.1,19.2 Private passenger auto liability	72,954,365	47,157,071	73,400,734	46,710,702	61,591,694	53,858,183	54,444,213	65.9
19.3,19.4 Commercial auto liability	22,073,704	14,456,610	24,096,965	12,433,348	18,113,516	11,625,515	18,921,350	65.9
21. Auto physical damage	73,684,801	51,448,593	73,690,382	51,443,011	2,234,161	1,091,758	52,585,414	65.2
22. Aircraft (all perils)				.0	.0	.0	.0	.0
23. Fidelity	26,906	26,906	26,906	26,906	(14,071)	(10,213)	23,048	9.7
24. Surety				.0	316	5,965	(5,649)	(362.0)
26. Burglary and theft	100,972	100,972	100,972	100,972	21,045	1,608	120,409	42.7
27. Boiler and machinery				.0	.0	.0	.0	.0
28. Credit				.0	.0	.0	.0	.0
29. International				.0	.0	.0	.0	.0
30. Reinsurance - Nonproportional Assumed Property	XXX			.0	.0	.0	.0	.0
31. Reinsurance - Nonproportional Assumed Liability	XXX			.0	.0	.0	.0	.0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX			.0	.0	.0	.0	.0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
34. TOTALS	364,260,484	287,695,152	382,490,719	269,464,917	274,645,600	234,916,011	309,194,506	65.1
<b>DETAILS OF WRITE-INS</b>								
3301.								
3302.								
3303.								
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0.0

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY**

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

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	(6,451)	(5,960)	(6,205)	(6,205)	9,486	9,486	9,486	3,281	4,217
2. Allied lines	303,467	276,381	414,242	165,607	78,282	72,557	78,282	238,164	45,441
3. Farmowners multiple peril	180,351	180,351	180,351	180,351	24,034	24,034	24,034	204,385	58,966
4. Homeowners multiple peril	24,681,262	24,768,547	27,521,290	21,928,519	6,396,400	6,396,408	6,396,404	28,324,923	5,236,883
5. Commercial multiple peril	111,742,618	111,718,197	151,773,150	71,687,665	75,465,545	75,198,010	75,465,531	146,885,689	50,970,421
6. Mortgage guaranty				0				0	
8. Ocean marine				0				0	
9. Inland marine	1,521,130	1,521,130	1,851,804	1,190,455	843,461	843,461	843,461	2,033,916	297,108
10. Financial guaranty				0				0	
11.1 Medical malpractice - occurrence				0				0	
11.2 Medical malpractice - claims-made				0				0	
12. Earthquake				0				0	
13. Group accident and health				0				(a)	0
14. Credit accident and health (group and individual)				0				0	0
15. Other accident and health				0				(a)	0
16. Workers' compensation	32,068,296		32,068,296	0	2,731,297		2,731,297	0	1,440,742
17.1 Other liability - occurrence	8,688,831	8,683,056	10,516,321	6,855,566	8,203,709	8,153,014	8,203,709	15,008,580	6,468,869
17.2 Other liability - claims-made				0				0	0
18.1 Products liability - occurrence				0				0	0
18.2 Products liability - claims-made				0				0	0
19.1,19.2 Private passenger auto liability	92,769,022	59,458,745	101,956,986	50,270,781	16,723,439	11,320,913	16,723,439	61,591,694	9,760,586
19.3,19.4 Commercial auto liability	28,182,156	18,359,402	32,883,395	13,658,163	6,584,125	4,455,353	6,584,125	18,113,516	2,971,718
21. Auto physical damage	(258,364)	(134,416)	(247,479)	(145,301)	3,407,494	2,379,462	3,407,494	2,234,161	963,571
22. Aircraft (all perils)				0				0	0
23. Fidelity	(17,474)	(17,474)	(17,474)	(17,474)	3,404	3,404	3,404	(14,071)	10,633
24. Surety				0	316	316	316	316	170
26. Burglary and theft	15,014	15,014	15,014	15,014	6,032	6,032	6,032	21,045	6,379
27. Boiler and machinery				0				0	0
28. Credit				0				0	0
29. International				0				0	0
30. Reinsurance - Nonproportional Assumed Property	XXX			0	XXX			0	0
31. Reinsurance - Nonproportional Assumed Liability	XXX			0	XXX			0	0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX			0	XXX			0	0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
34. TOTALS	299,869,858	224,822,973	358,909,691	165,783,140	120,477,024	108,862,449	120,477,013	274,645,600	78,235,704
<b>DETAILS OF WRITE-INS</b>									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0

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

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 .....	36,922,665			36,922,665
1.2 Reinsurance assumed .....	31,781,687			31,781,687
1.3 Reinsurance ceded .....	39,565,742			39,565,742
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....	29,138,610	0	0	29,138,610
2. Commission and brokerage:				
2.1 Direct excluding contingent .....		98,351,853		98,351,853
2.2 Reinsurance assumed excluding contingent .....		199,284,498		199,284,498
2.3 Reinsurance ceded excluding contingent .....		248,648,700		248,648,700
2.4 Contingent-direct .....		8,054,955		8,054,955
2.5 Contingent-reinsurance assumed .....				0
2.6 Contingent-reinsurance ceded .....				0
2.7 Policy and membership fees .....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....	0	57,042,608	0	57,042,608
3. Allowances to managers and agents .....				0
4. Advertising .....				0
5. Boards, bureaus and associations .....	16,886	594,554		611,441
6. Surveys and underwriting reports .....	16,883	1,022,354		1,039,237
7. Audit of assureds' records .....		628,022		628,022
8. Salary and related items:				
8.1 Salaries .....	7,129,608	14,457,508	192,610	21,779,726
8.2 Payroll taxes .....	703,730	1,084,702	21,318	1,809,749
9. Employee relations and welfare .....	4,496,185	8,053,710	138,050	12,687,945
10. Insurance .....	106,492	168,056	3,734	278,281
11. Directors' fees .....	30,536	57,833	28,917	117,286
12. Travel and travel items .....	772,251	3,561,184	10,873	4,344,308
13. Rent and rent items .....	1,046,719	1,480,563	45,334	2,572,616
14. Equipment .....	82,905	445,611	8,969	537,485
15. Cost or depreciation of EDP equipment and software .....	331,618	1,782,445	35,875	2,149,939
16. Printing and stationery .....	302,298	720,292	20,864	1,043,455
17. Postage, telephone and telegraph, exchange and express .....	882,326	2,971,924	84,280	3,938,531
18. Legal and auditing .....	118,532	133,934	3,197	255,663
19. Totals (Lines 3 to 18) .....	16,036,969	37,162,693	594,021	53,793,683
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....101,998 .....		15,912,569		15,912,569
20.2 Insurance department licenses and fees .....		464,116		464,116
20.3 Gross guaranty association assessments .....		1,266,671		1,266,671
20.4 All other (excluding federal and foreign income and real estate) .....		1,443,315		1,443,315
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	0	19,086,670	0	19,086,670
21. Real estate expenses .....				0
22. Real estate taxes .....				0
23. Reimbursements by uninsured accident and health plans .....				0
24. Aggregate write-ins for miscellaneous expenses .....	15,340	124,245	1,796	141,381
25. Total expenses incurred .....	45,190,918	113,416,216	595,817	(a) 159,202,951
26. Less unpaid expenses - current year .....	78,235,704	32,776,866		111,012,570
27. Add unpaid expenses - prior year .....	69,235,504	25,023,751	0	94,259,256
28. Amounts receivable relating to uninsured accident and health plans, prior year .....	0	0	0	0
29. Amounts receivable relating to uninsured accident and health plans, current year .....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	36,190,719	105,663,101	595,817	142,449,636
<b>DETAILS OF WRITE-INS</b>				
2401. Outside services.....	15,340	124,245	1,796	141,381
2402. ....				
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	15,340	124,245	1,796	141,381

(a) Includes management fees of \$ .....41,595,016 paid to affiliates and \$ ..... paid to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 2,363,908	2,351,311
1.1 Bonds exempt from U.S. tax	(a) 16,391,946	17,500,992
1.2 Other bonds (unaffiliated)	(a) 18,542,160	18,540,340
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 5,265	5,265
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	1,089,115	1,097,893
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e) 166,719	167,044
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	10,576	10,576
10. Total gross investment income	38,569,689	39,673,421
11. Investment expenses		(g) 595,817
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		595,817
17. Net Investment Income - (Line 10 minus Line 16)		39,077,604
<b>DETAILS OF WRITE-INS</b>		
0901. Miscellaneous interest	10,576	10,576
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	10,576	10,576
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 669,480 accrual of discount less \$ 2,277,990 amortization of premium and less \$ 908,243 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. Government bonds	(12)				(12)
1.1 Bonds exempt from U.S. tax	(33,432)				(33,432)
1.2 Other bonds (unaffiliated)	(623,753)		(762,806)		(1,386,559)
1.3 Bonds of affiliates					0
2.1 Preferred stocks (unaffiliated)			450		450
2.11 Preferred stocks of affiliates					0
2.2 Common stocks (unaffiliated)	996,100		(11,920,944)		(10,924,844)
2.21 Common stocks of affiliates					0
3. Mortgage loans					0
4. Real estate					0
5. Contract loans					0
6. Cash/Short-term investments					0
7. Derivative instruments					0
8. Other invested assets					0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	338,904	0	(12,683,300)	0	(12,344,396)
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0	0

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

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Lines 10 to 17 and 19 to 23, Column 2 .....	15,670,713	4,978,051	(10,692,662)
2. Other Nonadmitted Assets:			
2.1 Bills receivable .....		0	0
2.2 Furniture, equipment and supplies .....		0	0
2.3 Leasehold improvements .....		0	0
2.4 Loans on personal security, endorsed or not .....		0	0
3. Total (Lines 2.1 to 2.4) .....	0	0	0
4. Aggregate write-ins for other assets .....	0	0	0
5. Total (Line 1 plus Lines 3 and 4)	15,670,713	4,978,051	(10,692,662)
0401. ....			
0402. ....			
0403. ....			
0498. Summary of remaining write-ins for Line 4 from overflow page .....	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	0	0	0

## NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Owners Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department. 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 – Version effective January 1, 2001 subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner.

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 Policies

Premiums are earned in accordance with the terms of the related policies and reinsurance contracts. Unearned premiums 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 assumed. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such 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, consisting of money market funds with maturities of one year or less, are stated at amortized cost which approximates fair value.
2. Bonds not backed by other loans are stated at amortized cost using the scientific method.
3. Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at fair value.
4. Preferred stocks are sinking funds carried at cost, which approximates fair value.
5. The Company does not have mortgage loans.
6. Loan-backed securities are stated at amortized cost including anticipated prepayments at the date of purchase and updated for any significant changes in estimated prepayments since the original date of purchase.
7. The Company does not have investments in subsidiaries, controlled and affiliated companies.
8. The Company does not have investments in joint ventures, partnerships and limited liability companies.
9. The Company does not have any derivatives.
10. The Company anticipates investment income as a factor in the premium deficiency 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, reduced for amounts ceded to other insurers and reduced for anticipated salvage and subrogation. 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. Material changes in accounting principles and/or correction of errors.

1. Effective September 1, 2001 the Company began anticipating salvage and subrogation in its loss reserves in accordance with the NAIC Accounting Practices and Procedures Manual – Version effective January 1, 2001.
2. The amount recorded as a change in accounting principle for 2001 was \$6,538,198, net of deferred income taxes and was reflected as an adjustment to unassigned funds in 2001. The gross accounting principle change was \$10,058,765 and the deferred tax liability recorded was \$3,520,567.
3. N/A

B. Change due to the initial implementation of Codification.

Accounting changes 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 increased unassigned funds (surplus), \$15,387,792 as of January 1, 2001.

The components of this surplus increase are as follows:

Elimination of Excess Statutory Reserves	\$ 784,674
Deferred Income Taxes	<u>\$14,603,118</u>
Total Surplus impact	\$15,387,792

3. Business Combination and Goodwill

N/A

4. Discontinued Operations

N/A

5. Investments

A. Mortgage Loans

N/A

B. Debt Restructuring

NOTES TO FINANCIAL STATEMENTS

- N/A
- C. Reverse Mortgages  
N/A
- D. Loan-Backed Securities
  - (1) N/A
  - (2) Prepayment assumptions for loan-backed bonds and structured securities are obtained from the Bloomberg Financial System. These assumptions are consistent with the current interest rate environment.
  - (3) The Company used The Northern Trust Company in determining the market value of its loan-backed securities.
  - (4) N/A
- E. Repurchase Agreements  
N/A

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or limited Liability Companies.
- B. N/A

7. Investment Income

Due and accrued investment income that is 90 days past due is excluded from surplus. No due and accrued income has been excluded from the Company's surplus during 2002 and 2001.

8. Derivative Instruments  
N/A

9. Income Taxes

- A. The components of the net DTA recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:

	12/31/02	12/31/01
Total of gross deferred tax assets	41,236,330	30,897,520
Total of deferred tax liabilities	(5,454,952)	(9,755,727)
Net deferred tax asset	35,781,378	21,141,794
Deferred tax asset nonadmitted	(13,471,529)	(3,312,567)
Net admitted deferred tax asset	22,309,849	17,829,227
(Increase) / decrease in nonadmitted asset	(10,158,962)	(3,312,567)

- B. The Company has no unrecognized deferred income tax liabilities.
- C. The provisions for incurred taxes on earnings for the years ended December 31 are:

	2002	2001
Federal income tax	18,981,610	10,667,140
Foreign income tax	5,793	3,488
Prior year (over) / under accrual of tax reserves - timing M-Items	(818,429)	228,244
Prior year (over) / under accrual of tax reserves - permanent M-Items	(88)	560
Federal and foreign income taxes incurred	18,168,886	10,899,432

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	12/31/02	12/31/01
Deferred tax assets:		
Change in unearned premium reserves	17,434,973	12,909,992
Discounting of unpaid loss & LAE reserves	15,112,252	13,882,430
Nonadmitted assets	769,714	582,920
Other items	7,919,390	3,522,178
Total deferred tax assets	41,236,330	30,897,520
Nonadmitted deferred tax assets	(13,471,529)	(3,312,567)
Admitted deferred tax assets	27,764,801	27,584,953
Deferred tax liabilities:		
Bond discount adjustments	765,881	714,071
Discounting of salvage & subrogation	471,080	479,403
Unrealized capital gains	3,917,225	8,514,009
Other items	300,766	48,244
Total deferred tax liabilities	5,454,952	9,755,727
Net admitted deferred tax asset	22,309,849	17,829,227

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	12/31/02	12/31/01	Change
Total deferred tax assets	41,236,330	30,897,520	10,338,810
Total deferred tax liabilities	5,454,952	9,755,727	(4,300,774)
Net deferred tax asset (liability)	35,781,378	21,141,794	14,639,584
Tax effect of unrealized gains (losses)			(4,596,784)
Change in net deferred income tax			10,042,800

## NOTES TO FINANCIAL STATEMENTS

- D. The provision for federal and foreign taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

Provision computed at statutory rate	
Non-taxable interest	
Dividends received deduction	
Non-taxable interest and dividends - 15% addback	
Nonadmitted assets	
Prior year (over) / under accrual of tax reserves	
Foreign taxes paid	
Other adjustments	
Total	
Federal and foreign income taxes incurred	
Change in net deferred income taxes	
Total statutory income taxes	

12/31/02	Effective Tax Rate
17,229,301	35.0%
(6,094,398)	-12.4%
(231,939)	-0.5%
948,950	1.9%
(186,795)	-0.4%
(88)	0.0%
5,793	0.0%
(3,544,740)	-7.2%
8,126,086	16.5%
18,168,886	36.9%
(10,042,800)	-20.4%
8,126,086	16.5%

- E. 1. The Company has no operating loss carryforwards available.
2. The amount of federal income taxes incurred and available for recoupment in the event of future net losses is: current year \$18,981,610; first preceding year \$0; second preceding year \$0.
- F. 1. The Company's federal income tax return is consolidated with the following entities:  
 Auto-Owners Insurance Company - Lansing, Michigan  
 Auto-Owners Life Insurance Company - Lansing, Michigan  
 Home-Owners Insurance Company - Lansing, Michigan  
 Property-Owners Insurance Company - Marion, Indiana  
 Southern-Owners Insurance Company - Lakeland, Florida  
 Lake Country Corporation - Lansing, Michigan
2. The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled annually.
10. Information Concerning Parent, Subsidiaries and Affiliates
- A. Natures of Relationships  
 The Company is 99.9% owned by Auto-Owners Insurance Company. In 2002, Owners Insurance Company ceded 100% of all lines of business to Auto-Owners Insurance Company. Auto-Owners retrocedes back 70% of Automobile and 100% of all other lines except Worker's Compensation, Umbrella, Systems Breakdown and, Liquor Liability.
- B. N/A
- C. N/A
- D. Amounts due from and to affiliated companies are settled within 45 days from the end of the month.
- E. N/A
- F. Owners Insurance Company and its parent, Auto-Owners Insurance Company have an Administrative Services contract, which is a cost allocation arrangement for certain administrative expenses.
- G. Generally, all outstanding shares of the Company (99.9%) are owned by the parent company, Auto-Owners Insurance Company, an insurance company domiciled in the State of Michigan.
- H. N/A
- I. N/A
- J. N/A
11. Debt
- A. N/A
- B. N/A
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans.
- A. Defined Benefit Plan  
 N/A
- B. Defined Contribution Plan  
 The Company has a nonqualified benefit plan which covers certain executive officers and directors. Net assets of the plan are held by Auto-Owners Life Insurance Company pursuant to Deposit Administration Group Annuity Contracts. The direct charge to income under this plan was \$6,814,696 in 2002 and \$6,718,840 in 2001.
- C. Multiemployer Plans  
 N/A
- D. Consolidated/Holding Company Plans  
 N/A
13. Capital & Surplus, Dividend Restrictions and Quasi-Reorganizations
1. The Company has 500,000 common shares of stock authorized and 24,500 shares outstanding.
2. N/A
3. Dividend Restrictions – The Company must maintain minimum capital and surplus of \$5,000,000. The

## NOTES TO FINANCIAL STATEMENTS

maximum amount of dividends which can be paid by the Company to stockholders without approval from the State of Ohio is limited to unassigned surplus of \$173,418,995.

4. N/A
5. N/A
6. N/A
7. N/A
8. N/A

9. The portions of unassigned funds (surplus) represented or reduced by each item below is as follows:

	<u>2002</u>	<u>2001</u>
a. unrealized gains and losses	\$ 8,063,118	\$ 15,811,732
b. nonadmitted asset values	(\$14,900,999)	(\$ 4,395,131)
c. stock purchase warrants	-0-	-0-

10. N/A
11. N/A
12. N/A

#### 14. Contingencies

##### A. Contingent Commitments

The Company has purchased annuities from life insurers under which the claimants are payees. These annuities have been used to reduce unpaid loss reserves. The amount of the contingent liability, should the issuer of these annuities fail to perform under the terms of the annuities is \$7,627,317 for 2002 compared to \$5,986,931 for 2001.

##### B. Assessments

The Company has accrued assessments including an estimated amount for the cost of known insolvencies. The Company has estimated its liability for future assessments due to insolvencies to be \$2,816,185 and has recorded an asset for estimated premium tax credits in the amount of \$1,296,636 for 2002. For 2001 the recorded liability was \$2,427,148 and the recorded asset was \$1,296,636. These estimates represent management's best estimate based on the current information available.

State mandated assessments are generally paid during the following calendar year. Guaranty fund assessments are paid when called by the state guarantee fund associations, generally within a one to three year period. Premium tax offsets for guaranty fund payments are realized within five years after the year of payment in most states.

- C. N/A
- D. N/A

#### 15. Leases

N/A

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

N/A

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

- A. N/A
- B. N/A
- C. N/A

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

- A. N/A
- B. N/A
- C. N/A

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

N/A

#### 20. Other Items

- A. N/A
- B. N/A
- C. Other Disclosures

1. North Carolina Escrow – The Company has set aside funds in the amount of \$1,204,523 for potential refund to North Carolina private passenger automobile insureds. Interest of \$31,689 is included in these funds.

NOTES TO FINANCIAL STATEMENTS

The following presents the unpaid loss and loss adjustment expense reserves reported on the prior accident year line of Schedule P, Part 1, (long tail lines only) of the annual statement.  
All amounts shown in thousands of dollars.

Schedule P Category	Loss Year	Loss & Expense Unpaid	Anticipated Salv. & Subr.	Total Net Loss & Expense Unpaid
Part 1A	Prior	0	0	0
Homeowners/ Farmowners	1988	0	0	0
	1989	0	0	0
	1990	0	0	0
	1991	16	0	16
	1992	303	0	303
	Total	319	0	319
Part 1B	Prior	2	0	2
Private Passenger	1988	0	0	0
Auto Liability/Medical	1989	1	0	1
	1990	1	0	1
	1991	1	0	1
	1992	1	0	1
	Total	6	0	6
Part 1D	Prior	46	0	46
Workers' Compensation	1988	0	0	0
	1989	1	0	1
	1990	18	0	18
	1991	6	0	6
	1992	1	0	1
	Total	72	0	72
Part 1E	Prior	0	0	0
Commercial	1988	0	0	0
Multiple Peril	1989	79	(4)	75
	1990	122	0	122
	1991	113	(7)	106
	1992	378	(32)	347
	Total	692	(43)	649

D. – O. N/A

- 21. Events Subsequent
- 22. Reinsurance
  - A. Unsecured Reinsurance Recoverable  
None
  - B. Reinsurance Recoverable in Dispute  
None
  - C. Reinsurance Assumed and Ceded
    - 1.

	ASSUMED REINSURANCE		CEDED REINSURANCE		NET	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$244,776,321	\$85,671,712	\$299,584,171	\$104,854,460	(\$54,807,850)	(\$19,182,748)
All Others	\$110,288	\$27,550	\$0	\$0	\$110,288	\$27,550
Total	\$244,886,609	\$85,699,262	\$299,584,171	\$104,854,460	(\$54,697,562)	(\$19,155,198)

Direct Unearned Premium Reserve \$299,473,883

- 2. None.
- D. Uncollectible Reinsurance  
None
- E. Commutation of Ceded Reinsurance  
None
- F. Retroactive Reinsurance  
None

- 23. Retrospectively Rated Contracts & Contracts Subject to Redetermination  
N/A

## NOTES TO FINANCIAL STATEMENTS

## 24. Change in Incurred Losses and Loss Adjustment Expenses

	<u>2002</u>	<u>2001</u>
Reserves beginning of year	\$304,151,515	\$274,360,942
Acctg. Principle Change		(10,058,765)
Incurred losses;		
Current year	380,742,664	323,438,608
Prior years	(26,357,243)	(29,298,676)
Paid losses;		
Current year	206,615,065	173,814,396
Prior years	99,040,568	80,476,195
Reserves end of year	\$352,881,304	\$304,151,515

During 2001, the Company implemented a change in accounting and began anticipating salvage and subrogation recoverable in its loss reserves. The amount of the anticipated salvage and subrogation recoverable relating to prior years is \$10,058,765 and has been reflected as a surplus adjustment.

The change in reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years is generally the result of reestimation of claims yet to be paid.

## 25. Intercompany Pooling Arrangements

The Company does not participate in a pooling arrangement.

## 26. Structured Settlements

A. The Company has purchased annuities of which the claimant is payee, eliminating loss reserves of approximately \$8,832,007 for 2002.

B. Annuities greater than 1% of the Company's policyholder surplus have been purchased from Auto-Owners Life Insurance Company, domiciled in the state of Michigan and licensed in the Company's state of domicile. The Statement value of those annuities at December 31, 2002 is \$7,627,317.

## 27. High Deductables

N/A

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

The Company does not discount liabilities for unpaid losses and loss adjustment expenses.

## 29. Asbestos/Environmental Reserves

N/A

## 30. Subscriber Savings Accounts

N/A

## 31. Financial Guaranty Insurance Exposures

N/A

## 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 .....	30,460,898	3.746	30,460,898	3.746
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....	2,000,000	0.246	2,000,000	0.246
1.22 Issued by U.S. government sponsored agencies .....	7,816,676	0.961	7,816,676	0.961
1.3 Foreign government (including Canada, excluding mortgaged-backed securities) .....	0	0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations .....	55,396,925	6.812	55,396,925	6.812
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....	184,773,698	22.721	184,773,698	22.721
1.43 Revenue and assessment obligations .....	154,967,765	19.056	154,967,765	19.056
1.44 Industrial development and similar obligations .....		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA .....	4,276	0.001	4,276	0.001
1.512 Issued by FNMA and FHLMC .....		0.000		0.000
1.513 Privately issued .....		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC .....	38,722,270	4.762	38,722,270	4.762
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC .....	1,908,372	0.235	1,908,372	0.235
1.523 All other privately issued .....		0.000		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) .....	263,421,904	32.393	263,421,904	32.393
2.2 Unaffiliated foreign securities .....	2,567,050	0.316	2,567,050	0.316
2.3 Affiliated securities .....		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds .....	2,529,282	0.311	2,529,282	0.311
3.2 Preferred stocks:				
3.21 Affiliated .....		0.000		0.000
3.22 Unaffiliated .....	89,550	0.011	89,550	0.011
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....		0.000		0.000
3.32 Unaffiliated .....	60,028,883	7.382	60,028,883	7.382
3.4 Other equity securities:				
3.41 Affiliated .....		0.000		0.000
3.42 Unaffiliated .....		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated .....		0.000		0.000
3.52 Unaffiliated .....		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development .....		0.000		0.000
4.2 Agricultural .....		0.000		0.000
4.3 Single family residential properties .....		0.000		0.000
4.4 Multifamily residential properties .....		0.000		0.000
4.5 Commercial loans .....		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company .....		0.000	0	0.000
5.2 Property held for the production of income (includes \$ ..... of property acquired in satisfaction of debt) .....		0.000	0	0.000
5.3 Property held for sale (\$ ..... including property acquired in satisfaction of debt) .....		0.000	0	0.000
6. Policy loans .....		0.000		0.000
7. Receivables for securities .....		0.000	0	0.000
8. Cash and short-term investments .....	8,524,415	1.048	8,524,415	1.048
9. Other invested assets .....		0.000		0.000
10. Total invested assets	813,211,964	100.000	813,211,964	100.000

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [  ] No [  ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [  ] No [  ] NA [  ]
- 1.3 State Regulating? ..... Ohio.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [  ] No [  ]
- 2.2 If yes, date of change: .....  
 If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/1999
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....12/31/1999
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....05/06/2002
- 3.4 By what department or departments? Ohio Department of Insurance .....
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? ..... Yes [  ] No [  ]
- 4.12 renewals? ..... Yes [  ] No [  ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? ..... Yes [  ] No [  ]
- 4.22 renewals? ..... Yes [  ] No [  ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [  ] No [  ]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

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

## GENERAL INTERROGATORIES

(continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 PricewaterhouseCoopers, L.L.P.  
 333 Bridge Street, N.W.  
 Suite 505  
 Grand Rapids, MI 49504.....
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?  
 Terrence M. O'Brien, FCAS, MAAA, CPCU, Principal  
 PricewaterhouseCoopers, L.L.P.  
 One North Wacker Drive  
 Chicago, IL 60606.....
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]
- 10.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] NA [ ]

### BOARD OF DIRECTORS

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? ..... Yes [ X ] No [ ]
12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? ..... Yes [ X ] No [ ]
13. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or likely to conflict with the official duties of such person?. Yes [ X ] No [ ]

### FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.11 To directors or other officers .. \$.....
- 14.12 To stockholders not officers ... \$.....
- 14.13 Trustees, supreme or grand (Fraternal only) ..... \$.....
- 14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.21 To directors or other officers ... \$.....
- 14.22 To stockholders not officers .... \$.....
- 14.23 Trustees, supreme or grand (Fraternal only) ..... \$.....
- 15.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? ..... Yes [ ] No [ X ]
- 15.2 If yes, state the amount thereof at December 31 of the current year:
- 15.21 Rented from others ..... \$.....
- 15.22 Borrowed from others ..... \$.....
- 15.23 Leased from others ..... \$.....
- 15.24 Other ..... \$.....
- Disclose in Notes to Financial Statements the nature of each of these obligations.
- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? ..... Yes [ ] No [ X ]
- 16.2 If answer is yes,
- 16.21 Amount paid as losses or risk adjustment ..... \$.....
- 16.22 Amount paid as expenses ..... \$.....
- 16.23 Other amounts paid ..... \$.....

## GENERAL INTERROGATORIES

(continued)  
INVESTMENT

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

Class	1	2	3	4	5		6	
	Number of Shares Authorized	Number of Shares Outstanding	Par Value Per Share	Redemption Price if Callable	Is Dividend Rate Limited?		Are Dividends Cumulative?	
					Yes	No	Yes	No
					[ ]	[ ]	[ ]	[ ]
Preferred								
Common	500,000	24,500	200.000	XXX	XXX	XXX	XXX	XXX

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

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

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

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

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

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

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

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

19.4. For category (19.28) provide the following:

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

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

20.2. If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ] NA [ ]  
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
The Northern Trust Company.....	50 South LaSalle Street, Chicago, IL 60675.....
.....	.....

## GENERAL INTERROGATORIES

(continued)  
INVESTMENT

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

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

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

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

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

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

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

### OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?..... \$.....2,346,703

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

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

24.1 Amount of payments for legal expenses, if any?..... \$.....145,408

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
Insurance Examiners Revolving.....	\$ .....76,908
Foley & Lardner.....	\$ .....50,924

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ .....20,543

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

1 Name	2 Amount Paid
National Association of Independent Insurers.....	\$ .....16,679

GENERAL INTERROGATORIES

(continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [ X ]
- 1.2 If yes, indicate premium earned on U. S. business only ..... \$ .....
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ .....
- 1.31 Reason for excluding .....
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. .... \$ .....
- 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. .... \$ .....
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned ..... \$ .....0
- 1.62 Total incurred claims ..... \$ .....0
- 1.63 Number of covered lives ..... \$ .....0
- All years prior to most current three years:
- 1.64 Total premium earned ..... \$ .....0
- 1.65 Total incurred claims ..... \$ .....0
- 1.66 Number of covered lives ..... \$ .....0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned ..... \$ .....0
- 1.72 Total incurred claims ..... \$ .....0
- 1.73 Number of covered lives ..... \$ .....0
- All years prior to most current three years:
- 1.74 Total premium earned ..... \$ .....0
- 1.75 Total incurred claims ..... \$ .....0
- 1.76 Number of covered lives ..... \$ .....0
- 2.1 Does the reporting entity issue both participating and non-participating policies? ..... Yes [ X ] No [ ]
- 2.2 If yes, state the amount of calendar year net premiums written on:
- 2.21 Participating policies ..... \$ .....532,163
- 2.22 Non-participating policies ..... \$ .....47,954,369
3. For Mutual Reporting Entities and Reciprocal Exchanges Only:
- 3.1 Does the reporting entity issue assessable policies? ..... Yes [ ] No [ ]
- 3.2 Does the reporting entity issue non-assessable policies? ..... Yes [ ] No [ ]
- 3.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? ..... %
- 3.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums? ..... \$ .....
4. For Reciprocal Exchanges Only:
- 4.1 Does the Exchange appoint local agents? ..... Yes [ ] No [ ]
- 4.2 If yes, is the commission paid:
- 4.21 Out of Attorney/s-in-fact compensation ..... Yes [ ] No [ ] NA [ ]
- 4.22 As a direct expense of the Exchange ..... Yes [ ] No [ ] NA [ ]
- 4.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact? .....
- 4.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? ..... Yes [ ] No [ ]
- 4.5 If yes, give full information .....
- 5.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? .....
- 100% reinsured with Auto-Owners Insurance Company .....
- 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. ....
- Auto-Owners used two hurricane and other wind computer models to analyze this exposure. Both models, the Applied Insurance Solutions' CLASIC and Risk Management Solutions' (RMS) IRAS, determined that the Tampa/St. Petersburg area represented our probable maximum loss. For earthquake, we used the same computer models. They identified the New Madrid zone for our probable maximum loss. ....
- 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? .....
- Auto-Owners has a catastrophe reinsurance program in place which provides \$425,000,000 of coverage for these exposures, excess of \$100,000,000 retention, countrywide. This program covers Auto-Owners, Home-Owners, Owners, Property-Owners and Southern-Owners Insurance Companies. ....
- 5.4 Does the reporting entity carry catastrophe reinsurance protection, with provision for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? ..... Yes [ X ] No [ ]
- 5.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss. ....
- 6.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract which includes a provision which would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provision)? ..... Yes [ ] No [ X ]
- 6.2 If yes, indicate the number of reinsurance contracts containing such provisions: .....

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

- 7.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?..... Yes [ ] No [ X ]
- 7.2 If yes, give full information .....
8. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?..... Yes [ ] No [ ] NA [ X ]
- 9.1 Has this reporting entity guaranteed policies issued by any other entity and now in force?..... Yes [ ] No [ X ]
- 9.2 If yes, give full information .....
- 10.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 10.11 Unpaid losses..... \$ .....
- 10.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$ .....
- 10.2 Of the amount on Line 10.3 of the assets schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds..... \$ .....
- 10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?..... Yes [ ] No [ X ] NA [ ]
- 10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 10.41 From..... %
- 10.42 To..... %
- 10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?..... Yes [ ] No [ X ]
- 10.6 If yes, state the amount thereof at December 31 of the current year:
- 10.61 Letters of credit..... \$ .....
- 10.62 Collateral and other funds..... \$ .....
- 11.1 What amount of installment notes is owned and now held by the reporting entity?..... \$ .....0
- 11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year?..... Yes [ ] No [ X ]
- 11.3 If yes, what amount?..... \$ .....
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):..... \$ .....800,000
- 12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?..... Yes [ ] No [ X ]
- 12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of this amount.....1
- 13.1 Has this reporting entity guaranteed any financed premium accounts?..... Yes [ ] No [ X ]
- 13.2 If yes, give full information .....
- 14.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?..... Yes [ ] No [ X ]
- 14.11 Name of real estate holding company .....
- 14.12 Number of parcels involved .....
- 14.13 Total book/adjusted carrying value ..... \$ .....
- 14.2 If yes, provide explanation:
- 15.1 Does the reporting entity write any warranty business?..... Yes [ ] No [ X ]
- If yes, disclose the following information for each of the following types of warranty coverage:

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

\* Disclose type of coverage:

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY**

**FIVE-YEAR HISTORICAL DATA**

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

	1 2002	2 2001	3 2000	4 1999	5 1998
<b>Gross Premiums Written</b> (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	390,314,497	300,146,034	236,866,355	187,319,071	167,932,556
2. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	300,402,590	225,515,009	173,511,087	133,929,512	114,088,503
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	588,856,615	450,638,253	370,792,432	311,003,273	285,217,292
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	496,224	533,746	441,870	337,668	305,860
5. Non-proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	0	0
6. Total (Line 34)	1,280,069,926	976,833,042	781,611,744	632,589,524	567,544,211
<b>Net Premiums Written</b> (Page 8, Part 1B, Col. 6)					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	138,183,899	104,404,151	81,162,584	64,677,408	57,372,169
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	123,706,052	91,059,761	68,476,020	51,565,223	42,520,997
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	275,520,313	212,032,847	174,862,256	146,754,013	133,233,521
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	236,031	256,907	213,779	164,892	149,066
11. Non-proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	0	0
12. Total (Line 34)	537,646,295	407,753,666	324,714,638	263,161,536	233,275,753
<b>Statement of Income</b> (Page 4)					
13. Net Underwriting Gain (Loss) (Line 8)	7,021,662	(12,670,111)	(68,421,934)	(7,672,560)	(12,400,391)
14. Net Investment Gain (Loss) (Line 11)	39,416,508	35,870,166	30,323,990	27,650,742	22,931,954
15. Total Other Income (Line 15)	2,788,405	2,432,115	2,061,977	1,494,180	1,411,231
16. Dividends to Policyholders (Line 17)	0	0	0	0	0
17. Federal and Foreign Income Taxes Incurred (Line 19)	18,168,886	10,899,432	(10,712,676)	5,967,721	1,922,999
18. Net Income (Line 20)	31,057,689	14,732,737	(25,323,290)	15,504,641	10,019,795
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total Admitted Assets excluding Protected Cell (Page 2, Line 26, Col. 3)	1,015,365,606	854,448,095	714,225,681	625,342,478	560,113,915
20. Agents' Balances or Uncollected Premiums (Page 2, Col. 3)					
20.1 In Course of Collection (Line 10.1)	37,446,298	29,911,062	4,505,886	3,640,591	3,256,874
20.2 Deferred and not yet due (Line 10.2)	106,634,627	75,957,217	59,893,458	42,346,948	34,587,164
20.3 Accrued Retrospective Premiums (Line 10.3)	0	0	0	0	0
21. Total Liabilities excluding Protected Cell (Page 3, Line 24)	714,192,616	575,596,416	468,642,232	356,494,224	312,362,433
22. Losses (Page 3, Lines 1 and 2)	274,645,600	234,916,011	218,459,547	151,792,703	129,471,619
23. Loss Adjustment Expenses (Page 3, Line 3)	78,235,704	69,235,504	55,901,395	37,884,050	37,386,620
24. Unearned premiums (Page 3, Line 9)	244,776,322	181,953,329	143,472,113	114,838,653	101,387,357
25. Capital Paid Up (Page 3, Lines 28 & 29)	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000
26. Surplus as Regards Policyholders (Page 3, Line 35)	301,172,990	278,851,679	245,583,449	268,848,254	247,751,482
<b>Risk-Based Capital Analysis</b>					
27. Total Adjusted Capital	301,172,990	278,851,679	245,583,449	268,848,254	247,751,482
28. Authorized Control Level Risk-Based Capital	43,286,591	34,231,717	26,507,651	18,427,363	16,834,739
<b>Percentage Distribution of Cash and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 9, Col. 3) x 100.0					
29. Bonds (Line 1)	91.2	88.6	86.2	86.9	86.1
30. Stocks (Lines 2.1 & 2.2)	7.7	9.7	11.8	12.2	11.3
31. Mortgage Loans on Real Estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
32. Real Estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
33. Cash and Short-Term Investments (Line 5)	1.0	0.1	1.9	0.9	2.6
34. Other Invested Assets (Line 6)	0.0	1.6	0.0	0.0	0.0
35. Receivable for Securities (Line 7)	0.0	0.0	0.0	0.0	0.0
36. Aggregate Write-Ins for Invested Assets (Line 8)	0.0	0.0	0.0	0.0	0.0
37. Cash and Invested Assets (Line 9)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
38. Affiliated Bonds (Schedule D, Summary, Line 25, Col. 1)	0	0	0	0	0
39. Affiliated Preferred Stocks (Schedule D, Summary, Line 39, Col. 1)	0	0	0	0	0
40. Affiliated Common Stocks (Schedule D, Summary, Line 53, Col. 2)	0	0	0	0	0
41. Affiliated Short-Term Investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)	0	0	0	0	0
42. Affiliated Mortgage Loans on Real Estate	0	0	0	0	0
43. All Other Affiliated	0	0	0	0	0
44. Total of above Lines 38 to 43	0	0	0	0	0
45. Percentage of Investments in Parent, Subsidiaries and Affiliates to Surplus as Regards Policyholders (Line 44 above divided by Page 3, Col. 1, Line 35 x 100.0)	0.0	0.0	0.0	0.0	0.0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY**

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
<b>Capital and Surplus Accounts (Page 4)</b>					
46. Net Unrealized Capital Gains (Losses) (Line 23) .....	(8,086,516)	(6,273,674)	771,636	5,422,909	9,134,781
47. Dividends to Stockholders (Line 34) .....	0	0	0	0	0
48. Change in surplus as regards policyholders for the year (Line 37) .....	22,321,311	33,268,231	(23,264,805)	21,096,771	66,685,879
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
49. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	187,652,597	150,311,752	122,998,094	98,813,302	81,583,293
50. Property Lines (Lines 1, 2, 9, 12, 21 & 26) .....	153,558,216	140,928,336	106,448,002	83,896,173	80,633,673
51. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) .....	310,691,011	328,949,011	244,463,139	201,706,857	209,711,274
52. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33) .....	53,813	93,133	82,075	(107,045)	229,711
53. Non-Proportional Reinsurance Lines (Lines 30, 31 & 32) .....	0	0	0	0	0
54. Total (Line 34) .....	651,955,636	620,282,233	473,991,310	384,309,286	372,157,951
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
55. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	62,673,562	48,834,318	40,893,349	32,105,954	23,983,493
56. Property Lines (Lines 1, 2, 9, 12, 21 & 26) .....	65,441,338	51,860,114	42,183,811	32,288,792	30,232,492
57. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) .....	141,323,111	123,863,909	107,058,031	86,841,228	87,379,274
58. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33) .....	26,906	46,566	41,038	(53,523)	114,855
59. Non-Proportional Reinsurance Lines (Lines 30, 31 & 32) .....	0	0	0	0	0
60. Total (Line 34) .....	269,464,917	224,604,907	190,176,229	151,182,452	141,710,114
<b>Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0</b>					
61. Premiums Earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
62. Losses Incurred (Line 2) .....	65.1	68.0	86.7	69.5	69.7
63. Loss Expenses Incurred (Line 3) .....	9.5	11.6	14.8	10.3	11.5
64. Other Underwriting Expenses Incurred (Line 4) .....	23.9	23.8	21.6	23.3	24.3
65. Net Underwriting gain (loss) (Line 8) .....	1.5	(3.4)	(23.1)	(3.1)	(5.5)
<b>Other Percentages</b>					
66. Other Underwriting Expenses to Net Premiums Written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0) .....	20.6	20.9	19.1	21.5	22.8
67. Losses and Loss Expenses Incurred to Premiums Earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	74.6	79.7	101.5	79.8	81.2
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) .....	178.5	146.2	132.2	97.9	94.2
<b>One Year Loss Development (000 omitted)</b>					
69. Development in Estimated Losses and Loss Expenses Incurred Prior to Current Year (Schedule P - Part 2 - Summary, Line 12, Col. 11) .....	(28,846)	(41,083)	14,877	(11,702)	(18,565)
70. Percent of Development of Loss and Loss Expenses Incurred to Policyholders' Surplus of Previous Year End (Line 69 above divided by Page 4, Line 21, Col. 1 x 100.0) .....	(10.3)	(16.7)	5.5	(4.7)	(10.3)
<b>Two Year Loss Development (000 omitted)</b>					
71. Development in Estimated Losses and Loss Expenses Incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .....	(41,047)	708	(547)	(17,007)	(12,622)
72. Percent of Development of Loss and Loss Expenses Incurred to Reported Policyholders' Surplus of Second Previous Year End (Line 71 above divided by Page 4, Line 21, Col. 2 x 100.0) .....	(16.7)	0.3	(0.2)	(9.4)	(8.0)

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY**

**SCHEDULE D - SUMMARY BY COUNTRY**

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	40,281,850	43,571,047	40,894,488	39,954,272
	2. Canada .....	0	0	0	0
	3. Other Countries .....	0	0	0	0
	4. Totals .....	40,281,850	43,571,047	40,894,488	39,954,272
States, Territories and Possessions (Direct and guaranteed)	5. United States .....	55,396,925	58,357,398	55,703,571	54,260,000
	6. Canada .....	0	0	0	0
	7. Other Countries .....	0	0	0	0
	8. Totals .....	55,396,925	58,357,398	55,703,571	54,260,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States .....	184,773,698	196,458,963	186,443,178	181,980,000
	10. Canada .....	0	0	0	0
	11. Other Countries .....	0	0	0	0
	12. Totals .....	184,773,698	196,458,963	186,443,178	181,980,000
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States .....	195,598,406	206,402,608	196,798,647	191,596,136
	14. Canada .....	0	0	0	0
	15. Other Countries .....	0	0	0	0
	16. Totals .....	195,598,406	206,402,608	196,798,647	191,596,136
Public Utilities (unaffiliated)	17. United States .....	47,755,288	50,826,381	48,224,175	48,000,000
	18. Canada .....	0	0	0	0
	19. Other Countries .....	0	0	0	0
	20. Totals .....	47,755,288	50,826,381	48,224,175	48,000,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States .....	215,666,616	233,513,784	217,182,310	214,808,009
	22. Canada .....	2,567,050	2,768,219	2,599,826	2,550,000
	23. Other Countries .....	0	0	0	0
	24. Totals .....	218,233,667	236,282,003	219,782,136	217,358,009
Parent, Subsidiaries and Affiliates	25. Totals .....	0	0	0	0
	26. <b>Total Bonds</b> .....	742,039,834	791,898,399	747,846,196	733,148,416
<b>PREFERRED STOCKS</b>					
Public Utilities (unaffiliated)	27. United States .....	89,550	89,550	93,150	
	28. Canada .....	0	0	0	
	29. Other Countries .....	0	0	0	
	30. Totals .....	89,550	89,550	93,150	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States .....	0	0	0	
	32. Canada .....	0	0	0	
	33. Other Countries .....	0	0	0	
	34. Totals .....	0	0	0	
Industrial and Miscellaneous (unaffiliated)	35. United States .....	0	0	0	
	36. Canada .....	0	0	0	
	37. Other Countries .....	0	0	0	
	38. Totals .....	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals .....	0	0	0	
	40. <b>Total Preferred Stocks</b> .....	89,550	89,550	93,150	
<b>COMMON STOCKS</b>					
Public Utilities (unaffiliated)	41. United States .....	1,270,514	1,270,514	1,519,913	
	42. Canada .....	0	0	0	
	43. Other Countries .....	410,418	410,418	326,953	
	44. Totals .....	1,680,932	1,680,932	1,846,866	
Banks, Trust and Insurance Companies (unaffiliated)	45. United States .....	6,696,495	6,696,495	4,584,683	
	46. Canada .....	0	0	0	
	47. Other Countries .....	0	0	0	
	48. Totals .....	6,696,495	6,696,495	4,584,683	
Industrial and Miscellaneous (unaffiliated)	49. United States .....	50,235,581	50,235,581	39,589,698	
	50. Canada .....	7,406	7,406	278,010	
	51. Other Countries .....	3,937,751	3,937,751	3,854,110	
	52. Totals .....	54,180,738	54,180,738	43,721,818	
Parent, Subsidiaries and Affiliates	53. Totals .....	0	0	0	
	54. <b>Total Common Stocks</b> .....	62,558,165	62,558,165	50,153,368	
	55. <b>Total Stocks</b> .....	62,647,715	62,647,715	50,246,518	
	56. <b>Total Bonds and Stocks</b> .....	804,687,548	854,546,114	798,092,713	

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

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of bonds and stocks, prior year .....	698,315,356	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3 .....	193,042,913	6.1 Column 17, Part 1 .....	0
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Sec. 1 .....	0
3.1 Column 16, Part 1 .....	(2,275,918)	6.3 Column 11, Part 2, Sec. 2 .....	0
3.2 Column 12, Part 2, Sec. 1 .....	450	6.4 Column 11, Part 4 .....	0
3.3 Column 10, Part 2, Sec. 2 .....	(10,041,994)	7. Book/adjusted carrying value at end of current period .....	804,687,548
3.4 Column 10, Part 4 .....	(1,974,348)	8. Total valuation allowance .....	
4. Total gain (loss), Col. 14, Part 4 .....	338,904	9. Subtotal (Lines 7 plus 8) .....	804,687,548
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 .....	72,717,814	10. Total nonadmitted amounts .....	
		11. Statement value of bonds and stocks, current period .....	804,687,548

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY**

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES  
SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	1,630	1,236	418	364	33	2	(7)	479	XXX
2. 1993	182,456	81,131	101,325	134,839	71,915	16,295	8,399	6,427	8	(4,281)	77,239	XXX
3. 1994	206,070	83,974	122,096	154,151	71,958	20,693	10,436	7,090	32	(4,810)	99,508	XXX
4. 1995	231,977	90,507	141,470	191,217	100,868	23,715	13,256	7,804	56	(5,365)	108,556	XXX
5. 1996	372,285	204,242	168,043	278,523	165,125	28,554	16,433	7,871	149	(6,354)	133,241	XXX
6. 1997	491,338	298,429	192,909	293,658	179,741	29,724	17,408	10,220	865	(6,839)	135,588	XXX
7. 1998	549,312	325,114	224,198	426,723	278,326	24,125	15,301	18,547	4,553	(7,702)	171,215	XXX
8. 1999	602,753	353,042	249,711	379,890	226,457	22,523	13,592	18,286	4,128	(8,799)	176,522	XXX
9. 2000	715,637	419,555	296,082	473,734	284,709	17,449	10,470	18,301	4,255	(8,752)	210,050	XXX
10. 2001	891,000	521,728	369,272	549,035	339,580	10,933	7,966	24,537	6,379	(8,000)	230,580	XXX
11. 2002	1,142,838	668,015	474,823	423,938	234,914	5,370	3,214	19,548	4,113	(5,110)	206,615	XXX
12. Totals	XXX	XXX	XXX	3,307,338	1,954,829	199,799	116,839	138,664	24,540	(66,019)	1,549,593	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. ....	3,871	3,133	0	0	662	437	0	0	84	0	(43)	1,047	XXX
2. ....	3,424	2,111	0	0	1,208	688	0	0	29	0	(171)	1,862	XXX
3. ....	6,930	4,722	0	0	2,355	1,577	0	0	20	0	(75)	3,006	XXX
4. ....	5,283	3,381	0	0	1,676	1,029	0	0	38	0	(332)	2,587	XXX
5. ....	15,705	12,616	0	0	5,138	4,120	0	0	56	0	(175)	4,163	XXX
6. ....	21,696	16,941	7,254	3,676	7,013	5,348	2,378	1,195	95	0	(111)	11,276	XXX
7. ....	28,972	20,657	5,221	2,688	8,922	6,213	1,673	846	167	0	(1,000)	14,551	XXX
8. ....	55,030	36,993	11,141	5,779	15,495	10,379	3,453	1,752	352	0	(672)	30,568	XXX
9. ....	88,832	65,951	21,785	11,225	21,995	16,126	6,761	3,419	782	0	(833)	43,434	XXX
10. ....	96,919	66,313	43,052	22,371	21,951	14,401	12,595	6,395	1,219	0	(3,122)	66,256	XXX
11. ....	198,031	126,093	140,887	74,739	38,041	22,531	35,700	18,304	3,135	0	(8,549)	174,127	XXX
12. Totals	524,693	358,911	229,340	120,478	124,456	82,849	62,560	31,911	5,977	0	(15,083)	352,877	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	738	309
2. ....	162,222	83,121	79,101	88.9	102.5	78.1	0	0	0.0	1,313	549
3. ....	191,239	88,725	102,514	92.8	105.7	84.0	0	0	0.0	2,208	798
4. ....	229,733	118,590	111,143	99.0	131.0	78.6	0	0	0.0	1,902	685
5. ....	335,847	198,443	137,404	90.2	97.2	81.8	0	0	0.0	3,089	1,074
6. ....	372,038	225,174	146,864	75.7	75.5	76.1	0	0	0.0	8,333	2,943
7. ....	514,350	328,584	185,766	93.6	101.1	82.9	0	0	0.0	10,848	3,703
8. ....	506,170	299,080	207,090	84.0	84.7	82.9	0	0	0.0	23,399	7,169
9. ....	649,639	396,155	253,484	90.8	94.4	85.6	0	0	0.0	33,441	9,993
10. ....	760,241	463,405	296,836	85.3	88.8	80.4	0	0	0.0	51,287	14,969
11. ....	864,650	483,908	380,742	75.7	72.4	80.2	0	0	0.0	138,086	36,041
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	274,644	78,233

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

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY**

**SCHEDULE P - PART 2 - SUMMARY**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	One Year	Two Year
1. Prior	25,926	24,978	22,049	19,837	20,398	19,148	19,086	19,262	19,778	19,997	219	735
2. 1993	76,747	71,661	70,096	68,871	70,556	70,507	70,673	71,395	71,791	72,652	861	1,257
3. 1994	XXX	94,710	92,970	95,809	93,355	92,909	93,654	93,775	94,601	95,437	836	1,662
4. 1995	XXX	XXX	104,903	101,411	102,957	101,221	100,574	102,676	103,428	103,358	(70)	682
5. 1996	XXX	XXX	XXX	138,614	130,246	128,135	129,130	130,033	129,929	129,625	(304)	(408)
6. 1997	XXX	XXX	XXX	XXX	146,444	133,471	133,832	133,903	132,363	137,414	5,051	3,511
7. 1998	XXX	XXX	XXX	XXX	XXX	187,139	173,879	180,939	173,366	171,610	(1,756)	(9,329)
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	195,845	199,567	192,125	192,580	455	(6,987)
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	270,827	243,913	238,657	(5,256)	(32,170)
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	306,341	277,459	(28,882)	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	362,172	XXX	XXX
12. Totals											(28,846)	(41,047)

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior	000	7,376	11,446	14,171	16,168	17,340	17,703	18,334	18,585	19,033	XXX	XXX
2. 1993	35,174	50,212	57,143	62,371	64,921	66,277	68,097	69,224	70,226	70,820	XXX	XXX
3. 1994	XXX	48,108	66,886	75,207	80,806	84,944	87,681	89,944	91,537	92,450	XXX	XXX
4. 1995	XXX	XXX	54,154	75,791	84,055	90,279	93,989	96,178	98,216	100,808	XXX	XXX
5. 1996	XXX	XXX	XXX	71,073	99,547	108,208	115,285	121,271	123,529	125,519	XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	74,202	99,798	109,856	117,671	122,403	126,233	XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	102,783	134,093	146,248	151,022	157,222	XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	104,395	139,306	152,683	162,364	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	135,076	181,513	196,004	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	159,342	212,423	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	191,180	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	6,868	4,488	2,441	656	727	0	0	0	0	0
2. 1993	14,696	5,056	2,246	508	287	282	0	0	0	0
3. 1994	XXX	8,538	4,201	4,045	1,800	503	824	0	0	0
4. 1995	XXX	XXX	14,285	5,853	3,072	1,313	695	1,487	1	0
5. 1996	XXX	XXX	XXX	20,335	8,027	3,723	1,593	1,350	1,742	0
6. 1997	XXX	XXX	XXX	XXX	24,605	9,160	4,164	3,943	1,733	4,761
7. 1998	XXX	XXX	XXX	XXX	XXX	29,577	8,953	9,135	4,514	3,361
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	30,179	22,543	11,215	7,063
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	62,012	26,934	13,903
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	72,749	26,881
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	83,545

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE OWNERS INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	Yes	40,551,830	35,427,378	0	21,260,863	24,487,974	14,336,591	214,160
2. Alaska	AK	No	0	0	0	0	0	0	0
3. Arizona	AZ	Yes	45,837,165	41,637,012	0	31,960,083	32,544,246	59,692,546	167,200
4. Arkansas	AR	No	0	0	0	0	0	0	0
5. California	CA	No	0	0	0	0	0	0	0
6. Colorado	CO	Yes	16,732,686	13,097,836	0	6,470,061	7,697,076	5,040,758	64,784
7. Connecticut	CT	No	0	0	0	0	0	0	0
8. Delaware	DE	No	0	0	0	0	0	0	0
9. District of Columbia	DC	No	0	0	0	0	0	0	0
10. Florida	FL	Yes	66,465,862	63,650,835	0	35,568,046	42,460,070	54,249,119	466,034
11. Georgia	GA	Yes	35,838,375	30,823,922	0	11,293,967	13,176,121	22,967,238	147,103
12. Hawaii	HI	No	0	0	0	0	0	0	0
13. Idaho	ID	No	0	0	0	0	0	0	0
14. Illinois	IL	Yes	40,689,946	34,258,316	0	18,748,325	23,420,838	24,215,769	148,917
15. Indiana	IN	Yes	0	0	0	0	0	0	0
16. Iowa	IA	Yes	34,702,207	30,363,717	0	17,517,703	18,307,999	14,108,102	150,664
17. Kansas	KS	Yes	65,471	61,758	0	1,490	254,933	273,413	115
18. Kentucky	KY	Yes	21,178,261	18,854,596	0	13,688,643	17,271,991	10,754,655	118,596
19. Louisiana	LA	No	0	0	0	0	0	0	0
20. Maine	ME	No	0	0	0	0	0	0	0
21. Maryland	MD	No	0	0	0	0	0	0	0
22. Massachusetts	MA	No	0	0	0	0	0	0	0
23. Michigan	MI	Yes	0	0	0	0	0	0	0
24. Minnesota	MN	Yes	123,816,261	111,011,181	0	58,161,244	65,174,970	58,769,899	518,246
25. Mississippi	MS	Yes	0	0	0	0	0	0	0
26. Missouri	MO	Yes	13,736,314	11,850,825	0	5,072,923	6,507,581	9,053,752	49,477
27. Montana	MT	No	0	0	0	0	0	0	0
28. Nebraska	NE	Yes	15,763,649	14,222,213	0	13,291,689	12,998,795	7,043,424	76,619
29. Nevada	NV	Yes	0	0	0	0	0	0	0
30. New Hampshire	NH	No	0	0	0	0	0	0	0
31. New Jersey	NJ	No	0	0	0	0	0	0	0
32. New Mexico	NM	Yes	0	0	0	0	0	0	0
33. New York	NY	No	0	0	0	0	0	0	0
34. North Carolina	NC	Yes	42,702,880	37,857,652	0	22,723,336	26,534,834	14,777,757	216,279
35. North Dakota	ND	Yes	8,323,945	7,155,268	0	3,361,080	3,950,204	2,986,517	38,067
36. Ohio	OH	Yes	105,398,858	99,878,995	0	63,467,036	68,421,312	63,248,500	720,045
37. Oklahoma	OK	No	0	0	0	0	0	0	0
38. Oregon	OR	Yes	0	0	0	0	0	0	0
39. Pennsylvania	PA	Yes	0	0	0	0	0	0	0
40. Rhode Island	RI	No	0	0	0	0	0	0	0
41. South Carolina	SC	Yes	36,873,233	32,623,971	0	18,091,001	25,075,480	27,994,344	166,994
42. South Dakota	SD	Yes	4,981,033	3,888,870	0	1,755,197	2,339,018	1,754,195	14,128
43. Tennessee	TN	Yes	14,613,194	12,599,408	0	4,080,697	5,923,241	9,624,716	58,382
44. Texas	TX	No	0	0	0	0	0	0	0
45. Utah	UT	Yes	23,541,560	21,193,253	0	10,069,400	14,104,272	12,116,138	138,649
46. Vermont	VT	No	0	0	0	0	0	0	0
47. Virginia	VA	Yes	5,701,958	4,503,474	0	2,426,768	2,950,218	2,156,340	29,244
48. Washington	WA	Yes	0	0	0	0	0	0	0
49. West Virginia	WV	No	0	0	0	0	0	0	0
50. Wisconsin	WI	Yes	13,050,035	11,186,320	0	5,250,934	6,602,736	5,183,106	51,643
51. Wyoming	WY	No	0	0	0	0	0	0	0
52. American Samoa	AS	No	0	0	0	0	0	0	0
53. Guam	GU	No	0	0	0	0	0	0	0
54. Puerto Rico	PR	No	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	No	0	0	0	0	0	0	0
56. Canada	CN	No	0	0	0	0	0	0	0
57. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0
58. Totals	(a) 29		710,564,721	636,146,797	0	364,260,484	420,203,909	420,346,881	3,555,345
<b>DETAILS OF WRITE-INS</b>									
5701.	XXX								
5702.	XXX								
5703.	XXX								
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX		0	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX		0	0	0	0	0	0	0

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

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

Allocated by state according to location of exposure.

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

