



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

BCS Insurance Company

NAIC Group Code 0023 (Current Period) 0023 (Prior Period) NAIC Company Code 38245 Employer's ID Number 36-6033921
Organized under the Laws of Ohio, State of Domicile or Port of Entry
Country of Domicile United States of America
Incorporated 12/05/1950 Commenced Business 11/30/1952
Statutory Home Office 6740 North High Street, Worthington, OH 43085
Main Administrative Office 676 North St. Clair Street, Chicago, IL 60611
Mail Address 676 North St. Clair Street, Chicago, IL 60611
Primary Location of Books and Records 676 North St. Clair Street, Chicago, IL 60611
Internet Website Address bcsigroup.com
Statement Contact Susan Ann Dickrell, sdickrell@bcsins.com
Policyowner Relations Contact 676 North St. Clair Street, Chicago, IL 60611

OFFICERS

President Edward John Baran Executive Vice President Daniel Patrick Ryan
Secretary Wendell Howard Berg Senior Vice President David Paul Behnke
Treasurer Dale Edward Palka

VICE PRESIDENTS

David Paul Behnke Wendell Howard Berg Robert Jerry Krueger
Thomas Joseph Lynch Harry Shaw Miller Daniel Patrick Ryan
Gerald Matthew Wawrzaszek

DIRECTORS OR TRUSTEES

Edward John Baran Wendell Howard Berg Robert Jerry Krueger
Harry Shaw Miller Daniel Patrick Ryan Gerald Matthew Wawrzaszek

State of Illinois
County of Cook } 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.

Edward John Baran Daniel Patrick Ryan David Paul Behnke
President Executive Vice President Senior Vice President

Subscribed and sworn to before me this 13th 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

Lisa Fath
Notary Public
April 24, 2006

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE BCS 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	138,609,880		138,609,880	124,473,548
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1)	0		0	0
2.2 Common stocks (Schedule D, Part 2, Section 2)	2,511,307		2,511,307	17,722,752
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 (\$4,428,330 Schedule E, Part 1) and short-term investments(\$42,212,263 Schedule DA, Part 2)	46,640,593	809,211	45,831,382	4,765,641
6. Other invested assets (Schedule BA)	0		0	0
7. Receivable for securities			0	0
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8)	187,761,780	809,211	186,952,569	146,961,941
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	30,665,298	983,086	29,682,212	10,044,213
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (Including \$ earned but unbilled premiums)			0	0
10.3 Accrued retrospective premiums			0	0
11. Funds held by or deposited with reinsured companies	0	0	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)	19,562,841		19,562,841	11,736,946
15. Federal and foreign income tax recoverable and interest thereon (including \$1,108,885 net deferred tax asset)	3,324,485	2,215,600	1,108,885	2,127,690
16. Guaranty funds receivable or on deposit			0	0
17. Electronic data processing equipment and software			0	0
18. Interest, dividends and real estate income due and accrued	1,559,740		1,559,740	1,483,102
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Receivable from parent, subsidiaries and affiliates	0	0	0	5,966,465
21. Amount due from/to protected cells			0	0
22. Equities and deposits in pools and associations			0	0
23. Amounts receivable relating to uninsured accident and health plans			0	0
24. Other assets nonadmitted (Exhibit 1)	0	0	0	0
25. Aggregate write-ins for other than invested assets	5,747,607	942,319	4,805,288	3,321,484
26. Total assets excluding protected cell assets (Lines 9 through 25)	248,621,751	4,950,216	243,671,535	181,641,841
27. Protected cell assets			0	
28. TOTALS (Lines 26 and 27)	248,621,751	4,950,216	243,671,535	181,641,841
DETAILS OF WRITE-INS				
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. State Income Tax and Premium Tax Recoverable.....	128,924		128,924	32,771
2502. Unapplied Claim Payments.....	4,271,828		4,271,828	0
2503. Funds Held by Others.....	1,274,778	942,319	332,459	3,218,958
2598. Summary of remaining write-ins for Line 25 from overflow page	72,077	0	72,077	69,755
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	5,747,607	942,319	4,805,288	3,321,484

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE BCS Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)	51,667,885	39,687,426
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)	656,312	971,924
4. Commissions payable, contingent commissions and other similar charges	2,809,726	0
5. Other expenses (excluding taxes, licenses and fees)	395,896	526,950
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,346,799	619,765
7. Federal and foreign income taxes (including \$ on realized capital gains (losses)) (including \$ net deferred tax liability)	88,856	953,344
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 \$15,220,116 and including warranty reserves of \$580,560)	11,283,592	17,756,547
10. Advance premiums	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	38,103,166	6,971,415
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	884,100	0
14. Amounts withheld or retained by company for account of others	1,252	1,252
15. Remittances and items not allocated	10,026,982	7,161,441
16. Provision for reinsurance (Schedule F, Part 7)	3,375,800	1,994,000
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	7,231,760	0
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	6,557,747	354,056
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	134,429,873	76,998,120
25. Protected cell liabilities	0	0
26. Total liabilities (Lines 24 and 25)	134,429,873	76,998,120
27. Aggregate write-ins for special surplus funds	0	0
28. Common capital stock	3,000,000	3,000,000
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	36,484,581	32,699,581
33. Unassigned funds (surplus)	69,757,081	68,944,140
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)	109,241,662	104,643,721
36. TOTALS (Page 2, Line 28, Col. 3)	243,671,535	181,641,841
DETAILS OF WRITE-INS		
2301. Reinsurance Program Arbitration Decision.....	5,731,769	0
2302. Allowance for Doubtful Accounts.....	825,978	354,056
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	6,557,747	354,056
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE BCS Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 34, Column 4)	163,940,276	59,796,441
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	101,498,827	37,511,670
3. Loss expenses incurred (Part 3, Line 25, Column 1)	1,208,584	1,265,423
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	56,317,346	19,974,508
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	159,024,757	58,751,601
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	4,915,519	1,044,840
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	8,012,287	8,095,974
10. Net realized capital gains or (losses) (Exhibit of Capital Gains (Losses))	1,396,055	1,889,539
11. Net investment gain or (loss) (Lines 9 + 10)	9,408,342	9,985,513
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		0
13. Finance and service charges not included in premiums		0
14. Aggregate write-ins for miscellaneous income	(8,318,475)	(2,676,621)
15. Total other income (Lines 12 through 14)	(8,318,475)	(2,676,621)
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	6,005,386	8,353,732
17. Dividends to policyholders		0
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	6,005,386	8,353,732
19. Federal and foreign income taxes incurred	2,612,031	3,084,510
20. Net income (Line 18 minus Line 19) (to Line 22)	3,393,355	5,269,222
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	104,643,721	100,802,815
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	3,393,355	5,269,222
23. Net unrealized capital gains or (losses)	64,970	(1,074,119)
24. Change in net unrealized foreign exchange capital gain (loss)		0
25. Change in net deferred income tax	57,886	1,362,455
26. Change in nonadmitted assets (Exhibit 1, Line 5, Col. 3)	178,530	(3,038,862)
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(1,381,800)	(1,498,000)
28. Change in surplus notes		0
29. Surplus (contributed to) withdrawn from protected cells		
30. Cumulative effect of changes in accounting principles		1,412,079
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	3,785,000	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)	(1,500,000)	(1,500,000)
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	2,908,131
37. Change in surplus as regards policyholders for the year (Lines 22 through 36)	4,597,941	3,840,906
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35)	109,241,662	104,643,721
DETAILS OF WRITE-INS		
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. Professional Fees Related to Reinsurance Matter.....	(2,178,392)	(1,207,677)
1402. Reinsurance Program Arbitration Decision.....	(5,731,769)	0
1403. Reinsurance Program Settlement.....		(1,223,237)
1498. Summary of remaining write-ins for Line 14 from overflow page	(408,314)	(245,707)
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(8,318,475)	(2,676,621)
3601. Elimination of Schedule P Penalty.....	0	2,542,930
3602. Deferred Taxes Related to Unrealized Loss.....		365,201
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	2,908,131

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE BCS Insurance Company

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	168,566,979	64,395,524
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	98,868,460	44,038,554
3. Underwriting expenses paid	52,894,936	19,579,785
4. Other underwriting income (expenses)	0	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	16,803,583	777,185
6. Net investment income	8,253,342	8,396,303
7. Other income (expenses):		
7.1 Agents' balances charged off	0	0
7.2 Net funds held under reinsurance treaties	884,100	0
7.3 Net amount withheld or retained for account of others	0	(60)
7.4 Aggregate write-ins for miscellaneous items	(8,318,476)	(2,676,621)
7.5 Total other income (Lines 7.1 to 7.4)	(7,434,376)	(2,676,681)
8. Dividends to policyholders on direct business, less \$	0	0
dividends on reinsurance assumed or ceded (net)	0	0
9. Federal and foreign income taxes (paid) recovered	(3,476,519)	(2,430,896)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	14,146,030	4,065,911
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	58,610,628	98,815,851
11.2 Stocks	16,438,407	4,399,600
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)	75,049,035	103,215,451
12. Cost of investments acquired (long-term only):		
12.1 Bonds	71,902,151	103,731,014
12.2 Stocks	911,679	4,702,753
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Miscellaneous applications	0	0
12.7 Total investments acquired (Lines 12.1 to 12.6)	72,813,830	108,433,767
13. Net Cash from investments (Line 11.8 minus Line 12.7)	2,235,205	(5,218,316)
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in	3,785,000	0
14.2 Capital notes \$	0	0
less amounts repaid \$	0	0
14.3 Net transfers from affiliates	13,198,225	0
14.4 Borrowed funds received	0	0
14.5 Other cash provided	17,049,791	10,112,299
14.6 Total (Lines 14.1 to 14.5)	34,033,016	10,112,299
15. Cash applied:		
15.1 Dividends to stockholders paid	1,500,000	1,500,000
15.2 Net transfers to affiliates	0	5,132,269
15.3 Borrowed funds repaid	0	0
15.4 Other applications	7,848,512	4,748,925
15.5 Total (Lines 15.1 to 15.4)	9,348,512	11,381,194
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	24,684,504	(1,268,895)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	41,065,739	(2,421,300)
18. Cash and short-term investments:		
18.1 Beginning of year	4,765,643	7,186,943
18.2 End of year (Line 17 plus Line 18.1)	45,831,382	4,765,643
DETAILS OF WRITE-INS		
07.401 Professional Fees Related to Reinsurance Matter	(2,178,392)	(1,207,677)
07.402 Reinsurance Program Arbitration Decision	(5,731,769)	0
07.403 Reinsurance Program Settlement	0	(1,223,237)
07.498 Summary of remaining write-ins for Line 7.4 from overflow page	(408,315)	(245,707)
07.499 Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above)	(8,318,476)	(2,676,621)

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE BCS 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	0	0	0	0
2.	Allied lines	0	0	0	0
3.	Farmowners multiple peril	0	0	0	0
4.	Homeowners multiple peril	0	0	0	0
5.	Commercial multiple peril	0	0	0	0
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	(7,702)	0	0	(7,702)
10.	Financial guaranty	0	0	0	0
11.1	Medical malpractice - occurrence	0	0	0	0
11.2	Medical malpractice - claims-made	1,009,881	285,583	169,944	1,125,520
12.	Earthquake	0	0	0	0
13.	Group accident and health	156,003,655	15,904,761	10,442,423	161,465,993
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	110,864	1,462,910	551,807	1,021,967
17.2	Other liability - claims-made	283,172	31,231	44,929	269,474
18.1	Products liability - occurrence	0	0	0	0
18.2	Products liability - claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	0	0	0	0
19.3,19.4	Commercial auto liability	0	0	0	0
21.	Auto physical damage	(58)	3,438	979	2,401
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	70,223	19,150	45,736	43,637
24.	Surety	0	0	0	0
26.	Burglary and theft	0	0	0	0
27.	Boiler and machinery	0	0	0	0
28.	Credit	0	0	0	0
29.	International	0	0	0	0
30.	Reinsurance - Nonproportional Assumed Property	0	0	0	0
31.	Reinsurance - Nonproportional Assumed Liability	0	0	0	0
32.	Reinsurance - Nonproportional Assumed Financial Lines	0	0	0	0
33.	Aggregate write-ins for other lines of business	(2,714)	49,474	27,774	18,986
34.	TOTALS	157,467,321	17,756,547	11,283,592	163,940,276
DETAILS OF WRITE-INS					
3301.	Service Contracts\Extended Warranties.....	(2,714)	49,474	27,774	18,986
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)	(2,714)	49,474	27,774	18,986

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					0
2. Allied lines					0
3. Farmowners multiple peril					0
4. Homeowners multiple peril					0
5. Commercial multiple peril					0
6. Mortgage guaranty					0
8. Ocean marine					0
9. Inland marine					0
10. Financial guaranty					0
11.1 Medical malpractice - occurrence					0
11.2 Medical malpractice - claims-made	169,944				169,944
12. Earthquake					0
13. Group accident and health	3,656,040			6,786,383	10,442,423
14. Credit accident and health (group and individual)					0
15. Other accident and health					0
16. Workers' compensation					0
17.1 Other liability - occurrence		551,807			551,807
17.2 Other liability - claims-made	44,929				44,929
18.1 Products liability - occurrence					0
18.2 Products liability - claims-made					0
19.1,19.2 Private passenger auto liability					0
19.3,19.4 Commercial auto liability					0
21. Auto physical damage	0	979			979
22. Aircraft (all perils)	0				0
23. Fidelity	45,736				45,736
24. Surety					0
26. Burglary and theft					0
27. Boiler and machinery					0
28. Credit					0
29. International					0
30. Reinsurance - Nonproportional Assumed Property					0
31. Reinsurance - Nonproportional Assumed Liability					0
32. Reinsurance - Nonproportional Assumed Financial Lines					0
33. Aggregate write-ins for other lines of business	0	27,774	0	0	27,774
34. TOTALS	3,916,649	580,560	0	6,786,383	11,283,592
35. Accrued retrospective premiums based on experience					
36. Earned but unbilled premiums					
37. Balance (Sum of Line 34 through 36)					11,283,592
DETAILS OF WRITE-INS					
3301. Service Contracts/Extended Warranties		27,774			27,774
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	27,774	0	0	27,774

(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 BCS 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						0
2. Allied lines						0
3. Farmowners multiple peril						0
4. Homeowners multiple peril						0
5. Commercial multiple peril						0
6. Mortgage guaranty						0
8. Ocean marine						0
9. Inland marine	7,504,876			(1,563)	7,514,141	(7,702)
10. Financial guaranty						0
11.1 Medical malpractice - occurrence						0
11.2 Medical malpractice - claims-made	1,565,717				555,836	1,009,881
12. Earthquake						0
13. Group accident and health	123,137,906	30,772,483	102,641,220	9,807,551	90,740,403	156,003,655
14. Credit accident and health (group and individual)						0
15. Other accident and health						0
16. Workers' compensation						0
17.1 Other liability - occurrence	3,239,076		(2,171)		3,126,041	110,864
17.2 Other liability - claims-made	45,401,413			13,383,219	31,735,022	283,172
18.1 Products liability - occurrence						0
18.2 Products liability - claims-made						0
19.1,19.2 Private passenger auto liability						0
19.3,19.4 Commercial auto liability						0
21. Auto physical damage	(3,489)				(3,431)	(58)
22. Aircraft (all perils)						0
23. Fidelity	231,677				161,454	70,223
24. Surety						0
26. Burglary and theft						0
27. Boiler and machinery						0
28. Credit						0
29. International						0
30. Reinsurance - Nonproportional Assumed Property	XXX					0
31. Reinsurance - Nonproportional Assumed Liability	XXX					0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX					0
33. Aggregate write-ins for other lines of business	(3,575)	0	0	0	(861)	(2,714)
34. TOTALS	181,073,601	30,772,483	102,639,049	23,189,207	133,828,605	157,467,321
DETAILS OF WRITE-INS						
3301. Service Contracts/Extended Warranties	(3,575)				(861)	(2,714)
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)	(3,575)	0	0	0	(861)	(2,714)

(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 BCS 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				.0	.0	.0	.0	.0
2. Allied lines				.0	.0	.0	.0	.0
3. Farmowners multiple peril				.0	.0	.0	.0	.0
4. Homeowners multiple peril				.0	.0	.0	.0	.0
5. Commercial multiple peril				.0	.0	.0	.0	.0
6. Mortgage guaranty				.0	.0	.0	.0	.0
8. Ocean marine				.0	.0	.0	.0	.0
9. Inland marine	1,184,119		1,182,183	1,936	.0	91,000	(89,064)	1,156.4
10. Financial guaranty				.0	.0	.0	.0	.0
11.1 Medical malpractice - occurrence				.0	.0	.0	.0	.0
11.2 Medical malpractice - claims-made	71,988	146,906		218,894	2,411,416	1,499,228	1,131,082	100.5
12. Earthquake				.0	.0	.0	.0	.0
13. Group accident and health	88,182,783	80,746,328	80,902,521	88,026,590	48,722,193	37,979,673	98,769,110	61.2
14. Credit accident and health (group and individual)				.0	.0	.0	.0	.0
15. Other accident and health				.0	.0	.0	.0	.0
16. Workers' compensation				.0	.0	.0	.0	.0
17.1 Other liability - occurrence	7,948,708	250,236	7,234,947	963,997	113,210	31,243	1,045,964	102.3
17.2 Other liability - claims-made	10,729,211		10,501,973	227,238	418,377	75,882	569,733	211.4
18.1 Products liability - occurrence				.0	.0	.0	.0	.0
18.2 Products liability - claims-made				.0	.0	.0	.0	.0
19.1,19.2 Private passenger auto liability				.0	.0	.0	.0	.0
19.3,19.4 Commercial auto liability				.0	.0	.0	.0	.0
21. Auto physical damage	282,833		276,979	5,854	20	336	5,538	230.7
22. Aircraft (all perils)				.0	.0	.0	.0	.0
23. Fidelity	186,100		186,100	.0	2,663	10,000	(7,337)	(16.8)
24. Surety				.0	.0	.0	.0	.0
26. Burglary and theft				.0	.0	.0	.0	.0
27. Boiler and machinery				.0	.0	.0	.0	.0
28. Credit				.0	.0	.0	.0	.0
29. International				.0	.0	.0	.0	.0
30. Reinsurance - Nonproportional Assumed Property	XXX			.0	.0	.0	.0	.0
31. Reinsurance - Nonproportional Assumed Liability	XXX			.0	.0	.0	.0	.0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX			.0	.0	.0	.0	.0
33. Aggregate write-ins for other lines of business	101,084	0	27,225	73,859	6	64	73,801	388.7
34. TOTALS	108,686,826	81,143,470	100,311,928	89,518,368	51,667,885	39,687,426	101,498,827	61.9
DETAILS OF WRITE-INS								
3301. Service Contracts\Extended Warranties	101,084		27,225	73,859	6	64	73,801	388.7
3302.								
3303.								
3398. Summary of remaining write-ins for Line 33 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	101,084	0	27,225	73,859	6	64	73,801	388.7

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE BCS 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				.0				.0	
2. Allied lines				.0				.0	
3. Farmowners multiple peril				.0				.0	
4. Homeowners multiple peril				.0				.0	
5. Commercial multiple peril				.0				.0	
6. Mortgage guaranty				.0				.0	
8. Ocean marine				.0				.0	
9. Inland marine				.0	1,238,200		1,238,200	.0	
10. Financial guaranty				.0				.0	
11.1 Medical malpractice - occurrence				.0				.0	
11.2 Medical malpractice - claims-made	230,338	107,800		338,138	2,172,017	121,261	220,000	2,411,416	25,000
12. Earthquake				.0				.0	
13. Group accident and health	2,482,126	5,053,611	2,025,142	5,510,595	60,569,949	41,138,947	58,497,298	(a) 48,722,193	577,819
14. Credit accident and health (group and individual)				.0				.0	
15. Other accident and health				.0				(a) .0	
16. Workers' compensation				.0				.0	
17.1 Other liability - occurrence	2,080,405		2,028,156	52,249	2,135,600	25,100	2,099,739	113,210	22,090
17.2 Other liability - claims-made	19,254,070		18,994,070	260,000	24,191,909		24,033,532	418,377	31,327
18.1 Products liability - occurrence				.0				.0	
18.2 Products liability - claims-made				.0				.0	
19.1,19.2 Private passenger auto liability				.0				.0	
19.3,19.4 Commercial auto liability				.0				.0	
21. Auto physical damage				.0	43,800		43,780	20	
22. Aircraft (all perils)				.0				.0	
23. Fidelity	436,100		433,437	2,663				2,663	76
24. Surety				.0				.0	
26. Burglary and theft				.0				.0	
27. Boiler and machinery				.0				.0	
28. Credit				.0				.0	
29. International				.0				.0	
30. Reinsurance - Nonproportional Assumed Property	XXX			.0	XXX			.0	
31. Reinsurance - Nonproportional Assumed Liability	XXX			.0	XXX			.0	
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX			.0	XXX			.0	
33. Aggregate write-ins for other lines of business	.0	.0	.0	.0	35,600	.0	35,594	.6	.0
34. TOTALS	24,483,039	5,161,411	23,480,805	6,163,645	90,387,075	41,285,308	86,168,143	51,667,885	656,312
DETAILS OF WRITE-INS									
3301. Service Contracts/Extended Warranties	.0			.0	35,600		35,594	.6	
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	35,600	0	35,594	6	0

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

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UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	3,386,691			3,386,691
1.2 Reinsurance assumed	165,977			165,977
1.3 Reinsurance ceded	3,142,870			3,142,870
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	409,798	0	0	409,798
2. Commission and brokerage:				
2.1 Direct excluding contingent	0	21,769,776		21,769,776
2.2 Reinsurance assumed excluding contingent	0	40,358,187		40,358,187
2.3 Reinsurance ceded excluding contingent	0	27,053,740		27,053,740
2.4 Contingent-direct	0	210,559		210,559
2.5 Contingent-reinsurance assumed	0	3,423,807		3,423,807
2.6 Contingent-reinsurance ceded	0	824,640		824,640
2.7 Policy and membership fees	0			0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	37,883,949	0	37,883,949
3. Allowances to managers and agents	(8,946)	17,899		8,953
4. Advertising		97,306		97,306
5. Boards, bureaus and associations		128,694		128,694
6. Surveys and underwriting reports		74		74
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	179,588	7,511,075	60,831	7,751,494
8.2 Payroll taxes	23,286	444,319	369	467,974
9. Employee relations and welfare	185,176	2,374,863	18,376	2,578,415
10. Insurance	1,740	287,924	2,742	292,406
11. Directors' fees				0
12. Travel and travel items	14,140	692,125	426	706,691
13. Rent and rent items	104,992	769,744		874,736
14. Equipment	13,991	54,767	1	68,759
15. Cost or depreciation of EDP equipment and software	0	122,521		122,521
16. Printing and stationery	7,632	229,534	9	237,175
17. Postage, telephone and telegraph, exchange and express	9,587	120,573		130,160
18. Legal and auditing	548	968,905	210,633	1,180,086
19. Totals (Lines 3 to 18)	531,734	13,820,323	293,387	14,645,444
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 24,460		3,583,853		3,583,853
20.2 Insurance department licenses and fees		538,110		538,110
20.3 Gross guaranty association assessments		151,746		151,746
20.4 All other (excluding federal and foreign income and real estate)		291,772		291,772
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	4,565,481	0	4,565,481
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	267,052	47,593	0	314,645
25. Total expenses incurred	1,208,584	56,317,346	293,387	(a) 57,819,317
26. Less unpaid expenses - current year	656,311	4,528,675	23,746	5,208,732
27. Add unpaid expenses - prior year	971,924	1,106,265	40,450	2,118,639
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)	1,524,197	52,894,936	310,091	54,729,224
DETAILS OF WRITE-INS				
2401. Network Transplant Fees	263,500			263,500
2402. Donations	3,552	44,010		47,562
2403. Management Fees		3,583		3,583
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)	267,052	47,593	0	314,645

(a) Includes management fees of \$ 1,869,890 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) 1,227,113	1,086,594
1.1 Bonds exempt from U.S. tax	(a) 13,777	12,002
1.2 Other bonds (unaffiliated)	(a) 6,595,332	6,796,894
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	114,770	114,770
2.21 Common stocks of affiliates	32,550	32,550
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract loans	0	0
6. Cash/short-term investments	(e) 245,496	262,865
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	0
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	8,229,038	8,305,675
11. Investment expenses		(g) 293,388
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 0
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		293,388
17. Net Investment Income - (Line 10 minus Line 16)		8,012,287
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 164,078 accrual of discount less \$ 498,473 amortization of premium and less \$ 292,342 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	518,780	0	0	0	518,780
1.1 Bonds exempt from U.S. tax	0	0	0	0	0
1.2 Other bonds (unaffiliated)	662,429	0	(2,000)	0	660,429
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	214,846	0	100,463	0	315,309
2.21 Common stocks of affiliates	0	0	(25)	0	(25)
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash/Short-term investments	0	0	0	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	1,396,055	0	98,438	0	1,494,493
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Lines 10 to 17 and 19 to 23, Column 2	3,198,686	5,128,746	1,930,060
2. Other Nonadmitted Assets:			
2.1 Bills receivable	0	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	1,751,530	0	(1,751,530)
5. Total (Line 1 plus Lines 3 and 4)	4,950,216	5,128,746	178,530
0401. Cash in Blocked Account.....	809,211	0	(809,211)
0402. Funds Held by Others	942,319	0	(942,319)
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)	1,751,530	0	(1,751,530)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Accounting Practices

The accompanying financial statements of the Company have been prepared on the basis of accounting procedures prescribed or permitted by the Ohio Insurance Department. The state of Ohio requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Ohio Insurance Department.

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported in the financial statements.

c. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium is established to cover the unexpired portion of premiums written. Such reserves are computed by the pro rata method. Net investment income consists primarily of interest and dividends. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Short-term investments are stated at cost, which approximates market. Long-term bonds are generally stated at their amortized value using the scientific interest method. Non-investment grade securities with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value, with any unrealized losses recorded as a reduction to surplus. If a security is deemed to be other than temporarily impaired, it is written down to its fair value through a direct charge to earnings. 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.

2. Accounting Changes and Corrections of Errors

a. Accounting Changes Other than Codification and Correction of Errors

Not Applicable

b. Accounting Changes as a Result of Codification

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the Ohio Insurance Department. The state of Ohio requires Insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the NAIC Accounting Practices and Procedures Manual, subject to any deviations prescribed or permitted by the Ohio Insurance Department.

The 2001 accounting changes adopted to conform with the provisions of the new NAIC *Accounting Practices and Procedures Manual* were reported as changes in accounting principles. The cumulative effect is the difference between the amount of policyholder's surplus at the beginning of 2001 and the amount of policyholder's surplus that would have been reported at that date if the new accounting principle had been applied retroactively for all prior periods. As a result of these changes in 2001, the Company reported a cumulative effect of changes in accounting principles that increased unassigned funds by \$ 1,412,079 on January 1, 2001. Included in this amount is an increase of \$ 883,832 from the change in the valuation of the common stock owned in Plan's Liability Insurance Company (PLIC) from historical cost to statutory based book value, and an increase in policyholder's surplus of \$ 528,247 related to recording of a net deferred tax asset. Additionally, the Company increased surplus in 2001 by \$ 2,542,930 from the elimination of "excess of statutory reserves over statement reserves". There were no cumulative effect of changes in accounting principles in 2002.

3. Business Combinations and Goodwill

a. Statutory Purchase Method

None

b. Statutory Merger

None

c. Impairment Loss

None

4. Discontinued Operations

Not Applicable

5. Investments

a. Mortgage Loans

None

b. Troubled Debt Restructuring for Creditors

None

c. Reverse Mortgages

None

NOTES TO FINANCIAL STATEMENTS

d. Loan Backed Securities

Anticipated prepayments for loan-backed and structured securities are used to determine the effective yield of an issue at purchase. Changes in the estimated cash flows of the issue are incorporated when determining the statement value at the end of each quarter and year-end. Assumptions for loan-backed and structured securities were obtained from the broker dealer survey or Bloomberg Systems. These assumptions are consistent with the current interest rate and economic environment. The retrospective scientific method is used to value all loan-backed and structured securities.

e. Repurchase Agreements

None

6. Joint Ventures, Partnerships and Limited Liability Companies

a. Detail for Those Greater than 10 % of Admitted Assets

Not Applicable

b. Write-downs for Impairments

Not Applicable

7. Investment Income

a. Accrued Investment Income

The Company nonadmits investment income due and accrued if amounts are over 90 days past due.

b. Amounts Nonadmitted

Not Applicable

8. Derivative Instruments

a. The Company does not have positions in derivative instruments.

9. Income Taxes

a. The Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities(DTLs)

	December 31, 2002	December 31, 2001
Total gross deferred tax assets	3,721,683	4,009,794
Total gross deferred tax liabilities	<u>397,198</u>	<u>709,726</u>
Net deferred tax asset	3,324,485	3,300,068
Nonadmitted deferred tax assets	<u>2,215,600</u>	<u>1,172,378</u>
Net admitted deferred tax assets	1,108,885	2,127,690

b. Unrecognized DTL's

Not Applicable

c. Current Tax and Change in Deferred Tax

The current provisions for Federal income taxes incurred on earnings were \$ 2,612,031 and \$ 3,084,510 in 2002 and 2001, respectively. There were no foreign income taxes incurred.

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

Deferred Tax Asset	December 31, 2002	December 31, 2001
Discounting of unpaid losses and LAE	623,143	481,644
Unearned premium reserve	305,810	371,903
Employee benefit expenses	1,857,260	1,336,070
Non-admitted assets	654,637	1,345,164
Unrealized capital losses	0	354,634
Other	<u>280,833</u>	<u>120,379</u>
Total deferred tax assets	3,721,683	4,009,794
Non-admitted deferred tax assets	<u>2,215,600</u>	<u>1,172,378</u>
Admitted deferred tax assets	1,506,083	2,837,416
Deferred Tax Liabilities		
Unrealized capital gains	300,494	620,978
Other:	<u>96,704</u>	<u>88,748</u>
Total deferred tax liabilities	<u>397,198</u>	<u>709,726</u>
Net admitted deferred tax assets	1,108,885	2,127,690

NOTES TO FINANCIAL STATEMENTS

d. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant items that cause the difference between the statutory federal income tax rate of 34% and BCS's effective income tax rate are as follows:

	December 31, 2002	Effective Tax Rate %
Provision computed at statutory rate	2,041,831	34%
Discount of unpaid losses and LAE	142,067	2%
Nondeductible employee benefit expenses	246,810	4%
Uncollectible accounts provision	160,453	3%
Unearned premium reserve	(66,092)	-1%
Other	<u>86,962</u>	<u>1%</u>
Total	2,612,031	43%

e. Operating Loss and Tax Credit Carry Forwards

At December 31, 2002, the Company did not have any unused operating loss carry-forwards available to offset against future taxable income.

The income tax expense of \$ 2,612,031 for 2002 is available for recoupment in the event of future net losses.

f. Consolidated Federal Income Tax Return

The Company's federal income tax return is consolidated with BCSIH. The method of allocation between companies is subject to written agreement, approved by the Board of Directors. Intercompany tax balances are settled annually in the third quarter. Allocation is based upon separate return calculation with credit for net losses being obtained when utilized.

10. Information Concerning Parent, Subsidiaries, and Affiliates

a. Nature of Relationships

All outstanding shares of the Company are owned by the parent company, BCSI Holdings, Inc. (BCSIH), an insurance holding company domiciled in the State of Delaware. The Company has an expense sharing and allocation agreement with BCSIH. It shares common management, staff and facilities provided by BCSIH with its other affiliates. Expenses identified as specific to a company are charged directly; all other expenses are allocated in accordance with the cost sharing agreement.

b. Detail of Transactions Greater than 1/2 % of Admitted Assets

The Company paid cash dividends to BCSIH of \$ 1,500,000 in both 2002 and 2001.

c. Change in Intercompany Arrangements

None

d. Amounts Due to or from Related Parties

At December 31, 2002, the Company reported \$ 7,231,760 due to affiliates, with \$ 6,230,782 payable to BCSIH. The remaining balance is payable to various other affiliates.

e. Guarantees or Contingencies for Related Parties

None

f. Management or Service Contracts and Cost Sharing Arrangements

The Company has an expense sharing and allocation agreement with its parent, BCSIH. It shares common management, staff and facilities provided by BCSIH with its other affiliates. Expenses identified as specific to a company are charged directly, all other expenses are allocated in accordance with the cost sharing agreement.

g. Nature of Control Relationship Disclosure

Not Applicable

h. Amount Deducted for Investment in Upstream Company

Not Applicable

i. Investments in SCA Entity that Exceeds 10% of Admitted Assets

Not Applicable

j. Investments in Impaired SCA Entities Disclosure

Not Applicable

11. Debt

a. Capital Notes

Not Applicable

b. All Other Debt

Not Applicable

NOTES TO FINANCIAL STATEMENTS

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

a. Defined Benefit Plan

Not Applicable

b. Defined Contribution Plans

None

c. Multiemployer Plans

None

d. Consolidated/Holding Company Plans

BCSI's ultimate parent, BCS Financial, sponsors a defined benefit pension plan and a 401(k) Plan covering substantially all Company employees as well as a deferred compensation plan for select employees. Additionally, BCSIH sponsors a postretirement health care benefit plan for substantially all Company employees. The expenses of these plans are charged in accordance with the intercompany cost sharing agreement. The Company incurred expenses of \$ 1,379,721 and \$ 465,829 in 2002 and 2001, respectively, relating to these plans

e. Postemployment Benefits and Compensated Absences

The liability for earned but untaken absences and vacation has been accrued.

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

a. Outstanding Shares

The Company has 300,000 shares of \$ 10 par value common stock authorized, issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

b. Dividend Rate of Preferred Stock

Not Applicable

c. d. and e. Dividend Restrictions

All dividends require notification to and prior approval from the State of Ohio Commissioner. Statutory surplus at December 31, 2002 was \$ 109,241,662 and net income for the 12 months ended December 31, 2002 was \$ 3,393,355. The company paid dividends totaling \$ 1,500,000 to its stockholder during 2002.

f. Mutual Surplus Advances

Not Applicable

g. Company Stock Held for Special Purposes

Not Applicable

h. Changes in Special Surplus Funds

Not Applicable

i. Changes in Unassigned Funds

The portion of unassigned funds represented or reduced by each item below is as follows:

Description	Cumulative Increase (Decrease) in Surplus
1. Unrealized gains (losses)	64,970
2. Change in net deferred income tax	57,886
3. Change in nonadmitted assets	178,530
4. Change in provision for reinsurance	(1,381,800)
5. Dividends to stockholders	(1,500,000)

The unrealized gains are net of applicable taxes. The change in nonadmitted assets is primarily due to the change in nonadmitted deferred tax assets.

j. Surplus Notes

Not Applicable

k- l. Quasi Reorganizations

Not Applicable

14. Contingencies

a. Contingent Commitments and Other Contingencies

None

b. Guarantee Fund and Other Assessments

None

c. Gain Contingencies

None

NOTES TO FINANCIAL STATEMENTS

d. All Other Contingencies

None

15. Leases

a. b. and c. Disclosures Related to Lessee Leasing Arrangements

None

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

a. Financial Instruments With Off-Balance Sheet Risk

None

b. Financial Instruments with Concentrations of Credit Risk

None

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

a. Transfer of Receivables Reported as Sales

Not Applicable

b. Transfer and Servicing of Financial Assets

Not Applicable

c. Wash Sales

The Company historically has not acquired securities with an NAIC designation of 3 or below. The Company has not sold and reacquired any security within a 30 day period of its original sale.

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

a. Administrative Services Only (ASO) Plans

Not Applicable

b. Administrative Services Contract (ASC) Plans

Not Applicable

c. Medicare or Similarly Structured Cost Based Reimbursement Contracts.

Not Applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators. (equal to or greater than 5% of surplus)

Name & Address	FEIN	Exclusive Contract	Types of Business Written	Authority Granted	Direct Written Premium
Alliance Life Insurance Company 1750 Hennepin Avenue Minneapolis, MN 55403-2195	41-1366075	N	Accident & Health Stop Loss	U,C,CA,B,P	7,782,172
Strategic Resource Company 221 Dawson Road Columbia, SC 29223	57-0640344	N	Accident & Health	C,CA,P	18,962,275
World Access, Inc. 6600 W. Broad Street Richmond VA 23230	52-1260309	N	Group Travel	U,C,CA,B,P	57,236,275
All other TPA premium					9,516,210

20. Other Items

a. Extraordinary Items

None

b. Troubled Debt Restructuring Debtors

None

c. Other Disclosures

None

d. Uncollectible Premiums Receivable

None

e. Reinsurance accounted for as a deposit

None

f. Multiple peril crop insurance

NOTES TO FINANCIAL STATEMENTS

None

g. Mezzanine real estate

None

h. Health care receivables

None

i. September 11 events

None

21. Events Subsequent

a. There are no events occurring subsequent to December 31, 2002 through the date of this filing meriting disclosure.

22. Reinsurance

a. Unsecured Reinsurance Recoverables

The Company has outlined below unsecured aggregate recoverables for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized that exceed 3% of policyholders' surplus.

FEIN	NAIC	Reinsurer	Recoverable
41-1366075	90611	Allianz Life Ins. Co.	12,043,000
06-1325038	39136	Converium Reinsurance North America	6,386,000
AA-1120355	00000	CX Reinsurance Company Limited	3,897,000
47-0698507	23680	Odyssey American Re Corp.	3,537,000
13-3031176	38636	Partner Reins. Co. of the US	3,556,000
36-3503382	26794	Plan's Liability Ins. Co.	24,788,000
13-5616275	19453	Transatlantic Reinsurance Co	6,099,000
AA-1120001	00000	Zurich Reinsurance (UK) LTD	6,240,000

b. Reinsurance Recoverables in Dispute

None

c. Reinsurance Assumed and Ceded

The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2002:

	Assumed Premium Reserve	Reinsurance Commission Equity	Ceded Premium Reserve	Reinsurance Commission Equity	Net Premium Reserve	Reinsurance Commission Equity
a. Affiliates	100,052	22,020	1,952,726	195,273	(1,852,674)	(173,253)
b. All Other	100,250	3,008	13,267,389	618,589	(13,167,139)	(615,581)
c. Totals	200,302	25,028	15,220,115	813,862	(15,019,813)	(788,834)

d. Uncollectible Reinsurance

None

e. Commutation of Ceded Reinsurance

None

f. Retroactive Reinsurance

None

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

a. Methods Used to Estimate

None

b. Method used to Record

Not Applicable

c. Amount and Percent of Net Retrospective Premiums

None

d. Calculation of Nonadmitted Accrued Retrospective Premiums

None

NOTES TO FINANCIAL STATEMENTS

24. Changes in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years increased by \$ 3,899,000 during 2002 as shown in the chart below. This is approximately 9.6% of unpaid losses and loss adjustment expenses of \$ 40,659,000 as of December 31, 2001. Most of this increase occurred in the accident and health line of business. Increases or decreases of this nature occur as the result of claim settlements during the current year, and as information is received regarding individual claims, causing changes from the original estimates of the cost of these claims. Recent loss development trends are also taken into account in evaluating the overall adequacy of unpaid losses and loss adjustment expenses.

	2002 Calendar Year Losses and LAE Incurred	2002 Loss Year Losses and LAE Incurred Sch. P – Part 1	In ('000) Total Shortage (Redundancy)	Loss and DCC Shortage (Redundancy) Sch. P - Part 2	Impact of AO on Total Shortage (Redundancy)
Medical Malpractice	1,056	759	297	353	(56)
Accident and Health	100,542	96,530	4,012	3,179	833
Other Liability-Occurrence	953	1,013	(60)	362	(422)
Other Liability-Claims Made	157	464	(307)	193	(500)
Auto Physical Damage	6	42	(36)	38	(74)
Fidelity	(7)	0	(7)	(9)	2
Inland Marine/Other	0	0	0	(90)	90
	102,707	98,808	3,899	4,026	(127)

25. Intercompany Pooling Arrangements

Not Applicable

26. Structured Settlements

a. Reserves Released Due to Purchase of Annuities

Not Applicable

b. Annuity Insurers with Balances Due Greater than 1% of Policyholders' Surplus

Not Applicable

27. High Deductibles

Not Applicable

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

a. Tabular Discounts

Not Applicable

b. Non-Tabular Discounts

Not Applicable

c. Changes in Discount Assumptions

Not Applicable

29. Asbestos/ Environmental Reserves

Not Applicable

30. Subscriber Savings Accounts

Not Applicable

31. Financial Guaranty Insurance Exposures

Not Applicable

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. Treasury securities	6,627,991	3.545	6,627,991	3.545
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	0	0.000	0	0.000
1.22 Issued by U.S. government sponsored agencies	0	0.000	0	0.000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)	0	0.000	0	0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	3,359,173	1.797	3,359,173	1.797
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	0	0.000	0	0.000
1.43 Revenue and assessment obligations	13,264,697	7.095	13,264,697	7.095
1.44 Industrial development and similar obligations	0	0.000	0	0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA	8,125,977	4.347	8,125,977	4.347
1.512 Issued by FNMA and FHLMC	20,382,628	10.903	20,382,628	10.903
1.513 Privately issued	0	0.000	0	0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC	0	0.000	0	0.000
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC	47,907,131	25.625	47,907,131	25.625
1.523 All other privately issued	0	0.000	0	0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	38,942,283	20.830	38,942,283	20.830
2.2 Unaffiliated foreign securities	0	0.000	0	0.000
2.3 Affiliated securities	0	0.000	0	0.000
3. Equity interests:				
3.1 Investments in mutual funds	0	0.000	0	0.000
3.2 Preferred stocks:				
3.21 Affiliated	0	0.000	0	0.000
3.22 Unaffiliated	0	0.000	0	0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated	0	0.000	0	0.000
3.32 Unaffiliated	0	0.000	0	0.000
3.4 Other equity securities:				
3.41 Affiliated	2,511,307	1.343	2,511,307	1.343
3.42 Unaffiliated	0	0.000	0	0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated	0	0.000	0	0.000
3.52 Unaffiliated	0	0.000	0	0.000
4. Mortgage loans:				
4.1 Construction and land development	0	0.000	0	0.000
4.2 Agricultural	0	0.000	0	0.000
4.3 Single family residential properties	0	0.000	0	0.000
4.4 Multifamily residential properties	0	0.000	0	0.000
4.5 Commercial loans	0	0.000	0	0.000
5. Real estate investments:				
5.1 Property occupied by the company	0	0.000	0	0.000
5.2 Property held for the production of income (includes \$0 of property acquired in satisfaction of debt)	0	0.000	0	0.000
5.3 Property held for sale (\$0 including property acquired in satisfaction of debt)	0	0.000	0	0.000
6. Policy loans	0	0.000	0	0.000
7. Receivables for securities	0	0.000	0	0.000
8. Cash and short-term investments	45,831,382	24.515	45,831,382	24.515
9. Other invested assets	0	0.000	0	0.000
10. Total invested assets	186,952,569	100.000	186,952,569	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.12/31/1998
- 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.12/31/1998
- 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).08/09/2000
- 3.4 By what department or departments? Ohio.....
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No []
- 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?
 Ernst & Young, LLP
 Sears Tower, 233 S. Wacker Dr., Chicago, IL 60606-6301.....
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?
 John Pierce, Consulting Actuary
 1420 Renaissance Dr., Suite 104, Park Ridge, IL 60068.....

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 [X] No []
- 16.2 If answer is yes,
- 16.21 Amount paid as losses or risk adjustment \$.....
- 16.22 Amount paid as expenses \$.....264,725
- 16.23 Other amounts paid \$.....0

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					XXX	XXX	XXX	XXX
Common	300,000	300,000	10.000	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 [X] No []

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 ...	\$2,511,307
19.29	Other	\$809,211

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
Restrictions as to whom stock may be sold to	Plans' Liability Insurance Company.....	\$2,511,307

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
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
109875.....	Asset Allocation Management.....	30 North LaSalle Street, Chicago, IL 60602.....
106595.....	Wellington Management.....	75 State Street, Boston, MA 02109.....

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?..... \$.....128,694

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

1 Name	2 Amount Paid
Insurance Services Office.....	\$.....119,086

24.1 Amount of payments for legal expenses, if any?..... \$.....2,600,221

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
Jenner & Block.....	\$.....2,082,334

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

(continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U. S. business only \$
- 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 [] No [X]
- 2.2 If yes, state the amount of calendar year net premiums written on:
- 2.21 Participating policies \$
- 2.22 Non-participating policies \$
3. For Mutual Reporting Entities and Reciprocal Exchanges Only:
- 3.1 Does the reporting entity issue assessable policies? Yes [] No []
- 3.2 Does the reporting entity issue non-assessable policies? Yes [] No []
- 3.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? %
- 3.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums? \$
4. For Reciprocal Exchanges Only:
- 4.1 Does the Exchange appoint local agents? Yes [] No []
- 4.2 If yes, is the commission paid:
- 4.21 Out of Attorney/s-in-fact compensation Yes [] No [] NA []
- 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?
 No workers' compensation contracts were written
- 5.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
 N/A
- 5.3 What provision has this reporting entity made (such as 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?
 N/A
- 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 [] No [X]
- 5.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.
 N/A
- 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 [X] No [] NA []
- 9.1 Has this reporting entity guaranteed policies issued by any other entity and now in force?..... Yes [] No [X]
- 9.2 If yes, give full information
- 10.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 10.11 Unpaid losses..... \$
- 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 [] NA [X]
- 10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 10.41 From..... %
- 10.42 To..... %
- 10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?..... Yes [] No [X]
- 10.6 If yes, state the amount thereof at December 31 of the current year:
- 10.61 Letters of credit..... \$
- 10.62 Collateral and other funds..... \$
- 11.1 What amount of installment notes is owned and now held by the reporting entity?..... \$
- 11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year?..... Yes [] No [X]
- 11.3 If yes, what amount?..... \$
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 500,000
- 12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of 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 BCS 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
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	50,204,035	32,926,021	28,104,504	36,754,165	41,440,075
2. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	7,501,387	7,473,633	4,095,011	4,529,469	3,424,801
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	256,779,711	162,691,819	148,472,918	142,227,611	113,638,242
5. Non-proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	0	0
6. Total (Line 34)	314,485,133	203,091,473	180,672,433	183,511,245	158,503,118
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,403,917	1,159,298	1,671,176	680,147	8,428,315
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	(7,760)	117,396	86,574	464,678	2,428,397
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	156,071,164	64,845,745	49,741,209	57,702,435	57,550,302
11. Non-proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	0	0
12. Total (Line 34)	157,467,321	66,122,439	51,498,959	58,847,260	68,407,014
Statement of Income (Page 4)					
13. Net Underwriting Gain (Loss) (Line 8)	4,915,519	1,044,840	2,157,890	2,685,257	485,208
14. Net Investment Gain (Loss) (Line 11)	9,408,342	9,985,513	7,689,267	6,950,965	8,178,348
15. Total Other Income (Line 15)	(8,318,475)	(2,676,621)	(456,442)	16,438	4,027
16. Dividends to Policyholders (Line 17)	0	0	0	0	0
17. Federal and Foreign Income Taxes Incurred (Line 19)	2,612,031	3,084,510	3,067,810	2,936,752	3,577,429
18. Net Income (Line 20)	3,393,355	5,269,222	6,322,905	6,715,908	5,090,154
Balance Sheet Lines (Pages 2 and 3)					
19. Total Admitted Assets excluding Protected Cell (Page 2, Line 26, Col. 3)	243,671,535	181,641,841	160,986,054	178,680,536	173,765,184
20. Agents' Balances or Uncollected Premiums (Page 2, Col. 3)					
20.1 In Course of Collection (Line 10.1)	29,682,212	10,044,213	1,110,172	8,447,312	7,352,950
20.2 Deferred and not yet due (Line 10.2)	0	0	0	0	0
20.3 Accrued Retrospective Premiums (Line 10.3)	0	0	0	0	0
21. Total Liabilities excluding Protected Cell (Page 3, Line 24)	134,429,873	76,998,120	60,183,239	82,115,338	84,012,610
22. Losses (Page 3, Lines 1 and 2)	51,667,885	39,687,426	41,365,866	51,002,342	55,816,033
23. Loss Adjustment Expenses (Page 3, Line 3)	656,312	971,924	1,200,255	1,954,198	2,447,440
24. Unearned premiums (Page 3, Line 9)	11,283,592	17,756,547	11,430,549	12,999,113	19,292,684
25. Capital Paid Up (Page 3, Lines 28 & 29)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as Regards Policyholders (Page 3, Line 35)	109,241,662	104,643,721	100,802,815	96,565,195	89,752,573
Risk-Based Capital Analysis					
27. Total Adjusted Capital	109,241,662	104,643,721	100,802,815	96,565,195	89,752,573
28. Authorized Control Level Risk-Based Capital	12,651,819	7,067,146	6,063,569	6,171,474	9,018,194
Percentage Distribution of Cash and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 9, Col. 3) x 100.0					
29. Bonds (Line 1)	74.1	84.7	82.8	85.8	90.2
30. Stocks (Lines 2.1 & 2.2)	1.3	12.1	12.2	10.6	7.8
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)	24.5	3.2	5.0	3.6	2.0
34. Other Invested Assets (Line 6)	0.0	0.0	0.0	0.0	0.0
35. Receivable for Securities (Line 7)	0.0	0.0	0.0	0.0	0.0
36. Aggregate Write-Ins for Invested Assets (Line 8)	0.0	0.0	0.0	0.0	0.0
37. Cash and Invested Assets (Line 9)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
38. Affiliated Bonds (Schedule D, Summary, Line 25, Col. 1)	0	0	0	0	0
39. Affiliated Preferred Stocks (Schedule D, Summary, Line 39, Col. 1)	0	0	0	0	0
40. Affiliated Common Stocks (Schedule D, Summary, Line 53, Col. 2)	2,511,307	2,511,332	1,627,500	1,627,500	1,627,500
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	2,511,307	2,511,332	1,627,500	1,627,500	1,627,500
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)	2.3	2.4	1.6	1.7	1.8

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Capital and Surplus Accounts (Page 4)					
46. Net Unrealized Capital Gains (Losses) (Line 23)	64,970	(1,074,119)	836,247	(174,011)	(637,119)
47. Dividends to Stockholders (Line 34)	(1,500,000)	(1,500,000)	(1,050,000)	0	0
48. Change in surplus as regards policyholders for the year (Line 37)	4,597,941	3,840,906	4,237,618	6,812,623	36,584,138
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
49. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	19,147,049	21,557,583	21,329,467	36,204,594	36,060,391
50. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	1,466,952	2,566,546	1,829,166	2,897,048	2,519,446
51. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
52. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	169,216,295	124,898,257	107,303,358	98,046,104	65,215,439
53. Non-Proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	0	0
54. Total (Line 34)	189,830,296	149,022,386	130,461,991	137,147,746	103,795,276
Net Losses Paid (Page 9, Part 2, Col. 4)					
55. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,410,129	1,753,803	2,935,044	5,353,841	6,565,707
56. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	7,790	215,115	536,563	1,525,176	2,182,717
57. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
58. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	88,100,449	37,221,194	35,534,125	38,154,988	29,930,858
59. Non-Proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	0	0
60. Total (Line 34)	89,518,368	39,190,112	39,005,732	45,034,005	38,679,282
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
61. Premiums Earned (Line 1)	100.0	100.0	100.0	100.0	100.0
62. Losses Incurred (Line 2)	61.9	62.7	55.3	61.7	65.8
63. Loss Expenses Incurred (Line 3)	0.7	2.1	1.1	1.7	2.4
64. Other Underwriting Expenses Incurred (Line 4)	34.4	33.4	39.5	32.5	31.0
65. Net Underwriting gain (loss) (Line 8)	3.0	1.7	4.1	4.1	0.8
Other Percentages					
66. Other Underwriting Expenses to Net Premiums Written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0)	41.0	34.3	41.5	35.9	29.0
67. Losses and Loss Expenses Incurred to Premiums Earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	62.6	64.8	56.5	63.4	68.2
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)	144.1	63.2	51.1	60.9	76.2
One Year Loss Development (000 omitted)					
69. Development in Estimated Losses and Loss Expenses Incurred Prior to Current Year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	4,026	(3,996)	(5,172)	(8,789)	(6,433)
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)	3.8	(4.0)	(5.4)	(9.8)	(12.1)
Two Year Loss Development (000 omitted)					
71. Development in Estimated Losses and Loss Expenses Incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(4,920)	(10,297)	(16,454)	(15,809)	(7,719)
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)	(4.9)	(10.7)	(18.3)	(29.7)	(17.2)

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE BCS 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
BONDS				
Governments (Including all obligations guaranteed by governments)	1. United States14,753,965 2. Canada0 3. Other Countries0 4. Totals14,753,965	15,484,815 0 0 15,484,815	14,716,537 0 0 14,716,537	14,397,362 0 0 14,397,362
States, Territories and Possessions (Direct and guaranteed)	5. United States3,359,173 6. Canada0 7. Other Countries0 8. Totals3,359,173	3,690,671 0 0 3,690,671	3,379,891 0 0 3,379,891	3,200,000 0 0 3,200,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States0 10. Canada0 11. Other Countries0 12. Totals0	0 0 0 0	0 0 0 0	0 0 0 0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States51,109,946 14. Canada0 15. Other Countries0 16. Totals51,109,946	54,033,111 0 0 54,033,111	51,192,338 0 0 51,192,338	50,433,949 0 0 50,433,949
Public Utilities (unaffiliated)	17. United States4,521,496 18. Canada0 19. Other Countries0 20. Totals4,521,496	4,753,665 0 0 4,753,665	4,528,624 0 0 4,528,624	4,480,000 0 0 4,480,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States64,865,300 22. Canada0 23. Other Countries0 24. Totals64,865,300	69,366,144 0 0 69,366,144	65,010,497 0 0 65,010,497	64,221,150 0 0 64,221,150
Parent, Subsidiaries and Affiliates	25. Totals0 26. Total Bonds138,609,880	0 147,328,406	0 138,827,887	0 136,732,461
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States0 28. Canada0 29. Other Countries0 30. Totals0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States0 32. Canada0 33. Other Countries0 34. Totals0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	35. United States0 36. Canada0 37. Other Countries0 38. Totals0	0 0 0 0	0 0 0 0	0 0 0 0
Parent, Subsidiaries and Affiliates	39. Totals0 40. Total Preferred Stocks0	0 0	0 0	0 0
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States0 42. Canada0 43. Other Countries0 44. Totals0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States0 46. Canada0 47. Other Countries0 48. Totals0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	49. United States0 50. Canada0 51. Other Countries0 52. Totals0	0 0 0 0	0 0 0 0	0 0 0 0
Parent, Subsidiaries and Affiliates	53. Totals2,511,307 54. Total Common Stocks2,511,307	2,511,307 2,511,307	1,627,500 1,627,500	
	55. Total Stocks2,511,307	2,511,307	1,627,500	
	56. Total Bonds and Stocks141,121,187	149,839,713	140,455,387	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$0 .

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year142,196,300	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 372,813,830	6.1 Column 17, Part 10
3. Increase (decrease) by adjustment:	6.2 Column 13, Part 2, Sec. 10
3.1 Column 16, Part 1(117,332)	6.3 Column 11, Part 2, Sec. 20
3.2 Column 12, Part 2, Sec. 10	6.4 Column 11, Part 40
3.3 Column 10, Part 2, Sec. 2(25)	7. Book/adjusted carrying value at end of current period141,121,192
3.4 Column 10, Part 4(118,601)(235,958)	8. Total valuation allowance0
4. Total gain (loss), Col. 14, Part 41,396,055	9. Subtotal (Lines 7 plus 8)141,121,192
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 475,049,035	10. Total nonadmitted amounts0
	11. Statement value of bonds and stocks, current period141,121,192

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE BCS 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	0	0	47	47	0	0	0	0	XXX
2. 1993	88,259	43,826	44,433	56,037	24,117	1,067	1,058	400	0	260	32,329	XXX
3. 1994	105,107	50,170	54,937	69,125	34,810	141	139	702	0	329	35,018	XXX
4. 1995	123,011	57,836	65,175	84,025	43,311	501	500	1,111	7	318	41,819	XXX
5. 1996	140,935	67,065	73,870	105,223	55,764	246	189	1,887	331	409	51,072	XXX
6. 1997	143,484	77,069	66,415	101,235	60,518	256	222	1,440	2	105	42,189	XXX
7. 1998	126,408	62,352	64,056	114,856	74,154	321	287	1,537	10	44	42,263	XXX
8. 1999	187,340	122,199	65,141	188,423	141,181	227	134	2,096	588	38	48,842	XXX
9. 2000	194,549	141,481	53,068	112,601	81,643	778	663	2,757	1,898	225	31,932	XXX
10. 2001	211,102	151,306	59,796	117,122	76,809	685	540	1,585	36	3	42,007	XXX
11. 2002	324,999	161,059	163,940	110,680	51,266	671	573	816	90	1	60,238	XXX
12. Totals	XXX	XXX	XXX	1,059,326	643,573	4,940	4,352	14,331	2,962	1,732	427,710	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.	90	90	0	0	115	115	0	0	2	2	0	0	XXX
2.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
3.	580	580	1	1	15	15	0	0	3	3	0	0	XXX
4.	185	185	109	98	30	30	0	0	8	8	0	11	XXX
5.	995	995	97	30	65	65	0	0	10	10	0	67	XXX
6.	510	510	257	73	74	74	0	0	11	11	0	184	XXX
7.	1,152	1,150	1,135	826	388	383	0	0	19	19	0	316	XXX
8.	1,801	1,268	4,341	1,605	616	616	0	0	45	33	0	3,282	XXX
9.	9,461	7,758	7,018	5,343	901	896	0	0	128	58	0	3,454	XXX
10.	9,472	7,715	19,507	15,047	970	950	0	0	297	93	0	6,441	XXX
11.	5,398	3,229	99,207	63,144	898	872	0	0	401	88	0	38,571	XXX
12. Totals	29,644	23,480	131,672	86,167	4,072	4,016	0	0	926	326	0	52,325	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
2.	57,504	25,175	32,329	65.2	57.4	72.8	0	0		0	0
3.	70,567	35,549	35,018	67.1	70.9	63.7	0	0		0	0
4.	85,969	44,139	41,830	69.9	76.3	64.2	0	0		11	0
5.	108,523	57,384	51,139	77.0	85.6	69.2	0	0		67	0
6.	103,784	61,410	42,373	72.3	79.7	63.8	0	0		184	0
7.	119,409	76,829	42,579	94.5	123.2	66.5	0	0		311	5
8.	197,549	145,425	52,124	105.4	119.0	80.0	0	0		3,269	13
9.	133,644	98,258	35,385	68.7	69.4	66.7	0	0		3,378	76
10.	149,639	101,190	48,448	70.9	66.9	81.0	0	0		6,217	224
11.	218,071	119,262	98,808	67.1	74.0	60.3	0	0		38,232	339
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	51,669	656

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 BCS 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	2,379	649	746	792	806	815	816	816	883	883	0	67
2. 1993	33,139	32,440	32,559	31,577	31,872	31,836	31,857	31,930	31,929	31,929	0	(1)
3. 1994	XXX	37,654	36,647	35,334	34,010	34,304	34,323	34,323	34,322	34,317	(5)	(6)
4. 1995	XXX	XXX	43,057	45,466	41,938	40,517	40,726	40,731	40,741	40,726	(15)	(5)
5. 1996	XXX	XXX	XXX	55,702	59,106	53,680	49,316	49,594	49,514	49,583	69	(11)
6. 1997	XXX	XXX	XXX	XXX	49,844	49,991	44,729	41,194	40,889	40,935	46	(259)
7. 1998	XXX	XXX	XXX	XXX	XXX	48,545	49,132	44,646	41,133	41,052	(81)	(3,594)
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	49,017	51,510	50,208	50,604	396	(907)
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	34,660	35,789	34,456	(1,334)	(205)
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	41,745	46,695	4,950	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	97,770	XXX	XXX
12. Totals											4,026	(4,920)

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	680	746	792	806	815	816	816	883	883	XXX	XXX
2. 1993	13,918	29,714	31,450	31,875	31,868	31,834	31,856	31,929	31,929	31,929	XXX	XXX
3. 1994	XXX	15,287	32,418	33,991	34,165	34,287	34,313	34,317	34,317	34,317	XXX	XXX
4. 1995	XXX	XXX	17,272	38,681	40,064	40,687	40,697	40,681	40,715	40,715	XXX	XXX
5. 1996	XXX	XXX	XXX	17,305	42,875	47,730	49,409	49,472	49,506	49,516	XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	15,374	33,771	39,309	40,466	40,623	40,751	XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	14,714	35,816	39,688	40,958	40,736	XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	16,674	38,656	46,124	47,335	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,940	29,409	31,073	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,876	40,458	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	59,512	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	889	(109)	0	0	0	0	0	0	0	0	0	0
2. 1993	12,970	217	(87)	(298)	4	2	1	1	0	0	0	0
3. 1994	XXX	15,996	1,058	532	(273)	17	10	6	5	0	0	0
4. 1995	XXX	XXX	18,217	2,289	369	(291)	23	43	26	11	11	11
5. 1996	XXX	XXX	XXX	29,944	5,970	2,381	(182)	34	8	67	67	67
6. 1997	XXX	XXX	XXX	XXX	24,164	3,507	2,375	427	66	184	184	184
7. 1998	XXX	XXX	XXX	XXX	XXX	25,779	4,687	2,591	67	309	309	309
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	23,680	5,941	2,588	2,736	2,736	2,736
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,805	2,201	1,675	1,675	1,675
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26,134	4,460	4,460	4,460
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	36,063	36,063	36,063

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE BCS 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	1,636,431	1,684,334	0	804,628	2,252,931	4,478,398	0
2. Alaska	AK	Yes	66,792	69,825	0	58,518	(57,304)	40,776	0
3. Arizona	AZ	Yes	2,712,735	3,432,224	0	3,157,667	3,600,101	1,421,982	0
4. Arkansas	AR	Yes	1,830,082	1,898,322	0	448,183	641,689	887,636	0
5. California	CA	Yes	24,604,558	22,726,797	0	14,134,973	16,867,509	11,495,753	0
6. Colorado	CO	Yes	4,742,607	6,352,525	0	4,887,478	3,892,112	3,990,749	0
7. Connecticut	CT	Yes	924,210	1,153,811	0	1,042,135	2,467,024	1,902,096	0
8. Delaware	DE	Yes	115,919	119,587	0	118,596	61,720	144,048	0
9. District of Columbia	DC	Yes	631,634	651,273	0	312,502	642,047	1,484,492	0
10. Florida	FL	Yes	10,269,044	10,432,416	0	8,138,729	9,548,442	6,210,870	0
11. Georgia	GA	Yes	8,318,509	8,643,331	0	1,245,338	3,558,833	3,147,226	0
12. Hawaii	HI	Yes	841,891	837,808	0	207,913	(106,157)	798,473	0
13. Idaho	ID	Yes	691,071	775,186	0	1,128,800	654,616	498,357	0
14. Illinois	IL	Yes	4,801,189	6,392,005	0	5,214,101	5,236,995	3,441,048	0
15. Indiana	IN	Yes	1,990,643	1,997,204	0	2,034,885	2,238,740	1,232,084	0
16. Iowa	IA	Yes	1,568,619	1,590,188	0	577,931	1,222,142	1,054,557	0
17. Kansas	KS	Yes	684,596	691,415	0	247,871	288,410	330,461	0
18. Kentucky	KY	Yes	166,134	176,329	0	223,035	216,929	121,897	0
19. Louisiana	LA	Yes	1,016,301	1,020,882	0	891,732	1,625,143	2,325,525	0
20. Maine	ME	Yes	223,490	231,172	0	171,989	68,885	144,400	0
21. Maryland	MD	Yes	6,308,817	6,273,109	0	2,816,588	3,414,785	5,034,352	0
22. Massachusetts	MA	Yes	2,812,537	2,894,779	0	1,275,414	1,683,547	1,910,460	0
23. Michigan	MI	Yes	2,691,438	3,296,583	0	4,097,817	3,188,239	1,339,504	0
24. Minnesota	MN	Yes	1,629,958	1,663,197	0	1,259,390	699,376	1,114,235	0
25. Mississippi	MS	Yes	1,548,880	1,552,408	0	601,633	976,684	1,609,753	0
26. Missouri	MO	Yes	2,045,826	2,173,044	0	1,783,913	1,973,745	1,007,933	0
27. Montana	MT	Yes	1,807,909	1,807,781	0	2,980,497	3,034,913	891,916	0
28. Nebraska	NE	Yes	2,614,592	2,618,044	0	2,911,347	3,590,048	1,242,457	0
29. Nevada	NV	Yes	802,816	869,431	0	568,622	762,163	504,740	0
30. New Hampshire	NH	Yes	179,295	178,965	0	152,510	142,777	97,906	0
31. New Jersey	NJ	Yes	6,435,270	6,632,754	0	3,060,291	1,851,886	4,990,094	0
32. New Mexico	NM	Yes	306,606	368,550	0	248,511	262,844	558,163	0
33. New York	NY	Yes	11,896,915	11,917,226	0	6,612,259	11,901,288	9,240,484	0
34. North Carolina	NC	Yes	2,734,789	3,531,766	0	1,261,240	1,157,573	1,306,738	0
35. North Dakota	ND	Yes	348,471	357,829	0	22,221	(725,617)	459,059	0
36. Ohio	OH	Yes	3,958,404	4,117,826	0	2,248,751	1,904,188	1,845,712	0
37. Oklahoma	OK	Yes	2,148,627	2,251,966	0	1,678,094	2,161,044	1,324,668	0
38. Oregon	OR	Yes	2,698,077	3,390,558	0	1,485,967	2,319,696	2,468,262	0
39. Pennsylvania	PA	Yes	9,554,165	9,241,873	0	3,213,042	5,757,652	4,836,272	0
40. Rhode Island	RI	Yes	19,872,739	16,808,389	0	3,678,393	10,348,838	8,003,614	0
41. South Carolina	SC	Yes	2,985,842	2,983,807	0	4,646,026	5,241,296	1,680,329	0
42. South Dakota	SD	Yes	122,672	148,400	0	64,101	112,871	97,041	0
43. Tennessee	TN	Yes	2,188,021	1,477,558	0	521,615	2,915,959	2,963,794	0
44. Texas	TX	Yes	9,709,740	10,010,432	0	5,064,705	7,290,809	6,150,930	0
45. Utah	UT	Yes	2,551,053	2,597,167	0	2,200,089	2,471,573	988,914	0
46. Vermont	VT	Yes	1,275,566	1,277,338	0	504,846	704,988	515,403	0
47. Virginia	VA	Yes	1,843,058	1,958,240	0	1,202,319	1,518,537	1,081,413	0
48. Washington	WA	Yes	2,048,156	2,682,308	0	2,255,608	2,250,876	1,152,039	0
49. West Virginia	WV	Yes	396,506	408,067	0	59,484	82,448	300,661	0
50. Wisconsin	WI	Yes	4,155,177	4,146,509	0	2,493,067	3,363,754	3,250,983	0
51. Wyoming	WY	Yes	3,505,324	3,505,914	0	2,671,463	3,528,442	1,569,348	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	Yes	59,899	59,899	0	0	3,153	182,109	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) 52		181,073,600	184,078,351	0	108,686,827	140,811,182	114,870,114	0
DETAILS OF WRITE-INS									
5701.	XXX								
5702.	XXX								
5703.	XXX								
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX		0	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX		0	0	0	0	0	0	0

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

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

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

