



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

SUMMIT INSURANCE COMPANY

NAIC Group Code 0000 (Current Period) 0000 (Prior Period) NAIC Company Code 66846 Employer's ID Number 31-1358642
Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio
Country of Domicile United States of America
Incorporated 08/17/1992 Commenced Business 12/01/1992
Statutory Home Office 550 SUMMIT AVENUE, SUITE 101, TROY, OH 45373-3068
Main Administrative Office 550 SUMMIT AVENUE, SUITE 101, TROY, OH 45373-3068
Mail Address 550 SUMMIT AVENUE, SUITE 101, TROY, OH 45373-3068
Primary Location of Books and Records 550 SUMMIT AVENUE, SUITE 101, TROY, OH 45373-3068
Internet Website Address HTTP://WWW.SUMMITINS.COM
Statement Contact GREGORY S JOHNSON, GJOHNSON@SUMMITINS.COM
Policyowner Relations Contact 550 SUMMIT AVENUE, SUITE 101, TROY, OH 45373-3068

OFFICERS

President RONALD MUSILLI Treasurer JOANN BOWERS MARTIN
Secretary JOANN BOWERS MARTIN Actuary NONE NONE

VICE PRESIDENTS

ROBERT ALLEN BLACK JO ANNE LARSON

DIRECTORS OR TRUSTEES

JAMES EDWARD ROEDIGER MIMI ANN CRAWFORD LARRY DOUGLAS EWALD
DAVID KEITH GALBREATH JR ROBB FITCH HOWELL WILLIAM HENRY EARHART

State of OHIO }
County of MIAMI } 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.

RONALD MUSILLI President JOANN BOWERS MARTIN Secretary JOANN BOWERS MARTIN Treasurer

Subscribed and sworn to before me this 14 day of FEBRUARY, 2003

KELLY JANE MOTTER (FKA MCMAKEN)
NOTARY PUBLIC
MAY 15, 2005

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SUMMIT 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	10,084,937		10,084,937	8,681,725
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).....	0		0	0
3. Mortgage loans on real estate: (Schedule B, Part 1)				
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. Policy loans			0	0
6. Premium notes, including \$ for first year premiums			0	0
7. Cash (\$1,349,051 , Schedule E, Part 1) and short -term investments (\$981,734 , Schedule DA, Part 2)	2,330,785		2,330,785	2,117,412
8. Other invested assets (Schedule BA, Part 1)	0		0	0
9. Receivable for securities			0	0
10. Aggregate write-ins for invested assets	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10)	12,415,722	0	12,415,722	10,799,137
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers (Schedule S, Part 2)	160,562		160,562	349,899
12.2 Commissions and expense allowances due			0	0
12.3 Experience rating and other refunds due			0	0
12.4 Other amounts receivable under reinsurance contracts			0	0
13. Electronic data processing equipment and software.....	204,093	80,557	123,536	126,833
14. Federal and foreign income tax recoverable and interest thereon (including \$286,214 net deferred tax asset)	336,678	50,464	286,214	19,139
15. Guaranty funds receivable or on deposit			0	0
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$ loading)			0	0
17. Accident and health premiums due and unpaid	(43,762)		(43,762)	(8,321)
18. Investment income due and accrued	183,388		183,388	179,431
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
20. Receivable from parent, subsidiaries and affiliates			0	0
21. Amounts receivable relating to uninsured accident and health plans			0	0
22. Amounts due from agents			0	0
23. Other assets nonadmitted (Exhibit 9)	82,262	82,262	0	0
24. Aggregate write-ins for other than invested assets	0	0	0	0
25. Total assets excluding Separate Accounts business (Lines 11 to 24)	13,338,943	213,283	13,125,660	11,466,118
26. From Separate Accounts Statement			0	0
27. Total (Lines 25 and 26)	13,338,943	213,283	13,125,660	11,466,118
DETAILS OF WRITE-INS				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0	0
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)	0	0	0	0
2401.			0	0
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SUMMIT INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$0 (Exh. 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve) .....	.0	.0
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1)(including \$0 Modco Reserve) .....	.0	.0
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve) .....	.0	.0
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) .....	.0	.0
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	4,763,000	5,150,000
5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10) .....	.0	.0
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment to (including \$ Modco).....	.0	.0
6.2 Dividends not yet apportioned (including \$ Modco) .....	.0	.0
6.3 Coupons and similar benefits (including \$ Modco) .....	.0	.0
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....	.0	.0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$722,998 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)	722,998	493,362
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....	.0	.0
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds .....	.0	.0
9.3 Other amounts payable on reinsurance including \$ assumed and \$ ceded .....	.0	.0
9.4 Interest maintenance reserve (Page 33, Line 6)	32,859	28,737
10. Commissions to agents due or accrued-life contracts and annuity contracts \$ accident and health \$135,690 and deposit-type contract funds \$	135,690	132,873
11. Commissions and expense allowances payable on reinsurance assumed .....	.0	.0
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 5)	626,431	595,028
13. Transfers to Separate Accounts due or accrued (net) (Including \$0 accrued for expense allowances recognized in reserves) .....	.0	.0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	406,074	315,814
15. Federal and foreign income taxes including \$ on realized capital gains (losses) (including \$ 0 net deferred tax liability)	18,079	1,798
16. Unearned investment income .....	.0	.0
17. Amounts withheld or retained by company as agent or trustee .....	.0	.0
18. Amounts held for agents' account, including \$ agents' credit balances .....	.0	.0
19. Remittances and items not allocated .....	.0	.0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....	.0	.0
21. Liability for benefits for employees and agents if not included above .....	.0	.0
22. Borrowed money \$ and interest thereon \$ .....	.0	.0
23. Dividends to stockholders declared and unpaid .....	.0	.0
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (Page 34, Line 16, Col. 7)	34,124	23,078
24.2 Reinsurance in unauthorized companies .....	.0	.0
24.3 Funds held under reinsurance treaties with unauthorized reinsurers .....	.0	.0
24.4 Payable to parent, subsidiaries and affiliates	40,973	44,058
24.5 Drafts outstanding .....	.0	.0
24.6 Liability for amounts held under uninsured accident and health plans .....	.0	.0
24.7 Funds held under coinsurance .....	.0	.0
24.8 Payable for securities .....	.0	.0
24.9 Capital notes \$ and interest thereon \$ .....	.0	.0
25. Aggregate write-ins for liabilities .....	.0	.0
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	6,780,227	6,784,747
27. From Separate Accounts Statement .....	.0	.0
28. Total Liabilities (Lines 26 and 27)	6,780,227	6,784,747
29. Common capital stock	1,000,000	1,000,000
30. Preferred capital stock .....	.0	.0
31. Aggregate write-ins for other than special surplus funds .....	.0	.0
32. Surplus notes .....	.0	.0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	2,602,011	2,602,011
34. Aggregate write-ins for special surplus funds .....	.0	.0
35. Unassigned funds (surplus)	2,743,421	1,079,360
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$ ..... ) .....	.0	.0
36.2 shares preferred (value included in Line 30 \$ ..... ) .....	.0	.0
37. Surplus (total Lines 31+32+33+34+35-36) (Including \$0 in Separate Accounts Statement)	5,345,433	3,681,371
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	6,345,433	4,681,371
39. Totals of Lines 28 and 38 (Page 2, Line 27, Col. 3)	13,125,660	11,466,118
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page .....	.0	.0
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)	0	0
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page .....	.0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0

SUMMARY OF OPERATIONS

(Excluding Unrealized Capital Gains and Losses)

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	47,058,751	38,927,321
2. Considerations for supplementary contracts with life contingencies		0
3. Net investment income (Exhibit of Net Investment Income, Line 17)	642,995	619,593
4. Amortization of interest maintenance reserve (IMR) (Page 33, Line 5)	9,758	10,678
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	0	0
7. Reserve adjustments on reinsurance ceded		0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		0
8.2 Charges and fees for deposit-type contracts		0
8.3 Aggregate write-ins for miscellaneous income	0	0
9. Total (Lines 1 to 8.3)	47,711,504	39,557,593
10. Death benefits		0
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	0	0
13. Disability benefits and benefits under accident and health contracts	39,468,757	33,946,731
14. Coupons, guaranteed annual pure endowments and similar benefits		0
15. Surrender benefits and withdrawals for life contracts		0
16. Group conversions		0
17. Interest and adjustments on contracts or deposit-type contract funds		0
18. Payments on supplementary contracts with life contingencies		0
19. Increase in aggregate reserves for life and accident and health contracts	0	0
20. Totals (Lines 10 to 19)	39,468,757	33,946,731
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1 less Col. 11)	1,617,075	1,389,943
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	0	0
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1 + 2 + 3)	3,867,328	3,225,326
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	539,776	412,195
25. Increase in loading on deferred and uncollected premiums		0
26. Net transfers to or (from) Separate Accounts		0
27. Aggregate write-ins for deductions	0	1,090
28. Totals (Lines 20 to 27)	45,492,936	38,975,285
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	2,218,568	582,307
30. Dividends to policyholders		0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	2,218,568	582,307
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	794,601	5,527
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	1,423,967	576,780
34. Net realized capital gains or (losses) less capital gains tax of \$ (excluding taxes of \$ 9,084) transferred to the IMR		0
35. Net income (Line 33 plus Line 34)	1,423,967	576,780
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, previous year (Page 3, Line 38, Col. 2)	4,681,371	4,127,523
37. Net income (Line 35)	1,423,967	576,780
38. Change in net unrealized capital gains (losses)		0
39. Change in net unrealized foreign exchange capital gain (loss)		0
40. Change in net deferred income tax	14,888	30,361
41. Change in nonadmitted assets and related items (Exhibit 9, Line 6, Col. 3)	236,252	(45,309)
42. Change in liability for reinsurance in unauthorized companies	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)	0	0
44. Change in asset valuation reserve (Page 34, Lines 2 through 5 minus Line 6 plus Line 7 plus Line 11 plus Lines 14 through 15, Col. 7)	(11,047)	(7,984)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period		0
47. Other changes in surplus in Separate Accounts Statement	0	0
48. Change in surplus notes	0	0
49. Cumulative effect of changes in accounting principles		0
50. Capital changes:		
50.1 Paid in		0
50.2 Transferred from surplus (Stock Dividend)		0
50.3 Transferred to surplus		0
51. Surplus adjustment:		
51.1 Paid in		0
51.2 Transferred to capital (Stock Dividend)		0
51.3 Transferred from capital		0
51.4 Change in surplus as a result of reinsurance		0
52. Dividends to stockholders		0
53. Aggregate write-ins for gains and losses in surplus	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53)	1,664,061	553,849
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	6,345,432	4,681,372
DETAILS OF WRITE-INS		
08.301.		
08.302.		
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399. TOTALS (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	0	0
2701. LOSS ON SALE OF EQUIPMENT		1,090
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	1,090
5301.		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. TOTALS (Lines 5301 thru 5303 plus 5398) (Line 53 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums and annuity considerations for life and accident and health contracts	47,324,863	39,141,176
2. Charges and fees for deposit-type contracts	0	0
3. Considerations for supplementary contracts with life contingencies	0	0
4. Net investment income	699,539	623,093
5. Commissions and expense allowances on reinsurance ceded	0	0
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts	0	0
7. Aggregate write-ins for miscellaneous income	0	0
8. Total (Lines 1 to 7)	48,024,402	39,764,269
9. Death benefits	0	0
10. Matured endowments	0	0
11. Annuity benefits	0	0
12. Disability benefits and benefits under accident and health contracts	39,666,420	33,389,334
13. Coupons, guaranteed annual pure endowments and similar benefits	0	0
14. Surrender benefits and withdrawals for life contracts	0	0
15. Group conversions	0	0
16. Interest and adjustments on contracts or deposit-type contract funds	0	0
17. Payments on supplementary contracts with life contingencies	0	0
18. Total (Lines 9 to 17)	39,666,420	33,389,334
19. Commissions on premiums, annuity considerations and deposit-type contract funds	1,614,258	1,353,832
20. Commissions and expense allowances on reinsurance assumed	0	0
21. General insurance expenses	3,835,925	3,146,308
22. Insurance taxes, licenses and fees, excluding federal income taxes	449,516	319,584
23. Net transfers to or (from) Separate Accounts	0	0
24. Aggregate write-ins for deductions	0	0
25. Total (Lines 18 to 24)	45,566,119	38,209,058
26. Dividends paid to policyholders	0	0
27. Federal income taxes (excluding tax on capital gains)	778,320	(1,271)
28. Total (Lines 25 to 27)	46,344,439	38,207,787
29. Net cash from operations (Line 8 minus Line 28)	1,679,963	1,556,482
Cash from Investments		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds	2,719,320	5,561,409
30.2 Stocks	0	0
30.3 Mortgage loans	0	0
30.4 Real estate	0	0
30.5 Other invested assets	0	0
30.6 Net gains (losses) on cash and short-term investments	0	0
30.7 Miscellaneous proceeds	0	0
30.8 Total investment proceeds (Lines 30.1 to 30.7)	2,719,320	5,561,409
31. Net tax on capital gains (losses)	9,084	831
32. Total (Line 30.8 minus Line 31)	2,710,236	5,560,578
33. Cost of investments acquired (long-term only):		
33.1 Bonds	4,160,069	5,662,308
33.2 Stocks	0	0
33.3 Mortgage loans	0	0
33.4 Real estate	0	0
33.5 Other invested assets	0	0
33.6 Miscellaneous applications	0	0
33.7 Total investments acquired (Lines 33.1 to 33.6)	4,160,069	5,662,308
34. Net increase (or decrease) in policy loans and premium notes	0	0
35. Net cash from investments (Line 32 minus Line 33.7 minus Line 34)	(1,449,833)	(101,730)
Cash from Financing and Miscellaneous Sources		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in	0	0
36.2 Borrowed money \$ less amounts repaid \$	0	0
36.3 Capital notes \$ less amounts repaid \$	0	0
36.4 Deposits on deposit-type contract funds and other liabilities without life or disability contingencies	0	0
36.5 Other cash provided	0	0
36.6 Total (Lines 36.1 to 36.5)	0	0
37. Cash applied:		
37.1 Dividends to stockholders paid	0	0
37.2 Interest on indebtedness	0	0
37.3 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies	0	0
37.4 Other applications (net)	16,757	527,552
37.5 Total (Lines 37.1 to 37.4)	16,757	527,552
38. Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5)	(16,757)	(527,552)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
39. Net change in cash and short-term investments (Line 29, plus Line 35, plus Line 38)	213,373	927,200
40. Cash and short-term investments:		
40.1 Beginning of year	2,117,412	1,190,212
40.2 End of year (Line 39 plus Line 40.1)	2,330,785	2,117,412
DETAILS OF WRITE-INS		
0701.		
0702.		
0703.		
0798. Summary of remaining write-ins for Line 7 from overflow page	0	0
0799. TOTALS (Lines 0701 thru 0703 plus 0798) (Line 7 above)	0	0
2401.		
2402.		
2403.		
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0
2499. TOTALS (Lines 2401 thru 2403 plus 2498) (Line 24 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SUMMIT INSURANCE COMPANY

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit) (Excluding Capital Gains and Losses)

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts	47,058,751	.0	.0	.0	.0	.0	.0	.0	47,031,794	.0	26,957	
2. Considerations for supplementary contracts with life contingencies	.0											
3. Net investment income	642,995								642,799		196	
4. Amortization of Interest Maintenance Reserve (IMR)	9,758								9,755		.3	
5. Separate Accounts net gain from operations excluding unrealized gains or losses	.0											
6. Commissions and expense allowances on reinsurance ceded	.0	.0	.0	.0		.0	.0	.0	.0	.0	.0	.0
7. Reserve adjustments on reinsurance ceded	.0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	.0											
8.2 Charges and fees for deposit-type contracts	.0											
8.3 Aggregate write-ins for miscellaneous income	.0											
9. Totals (Lines 1 to 8.3)	47,711,504	0	0	0	0	0	0	0	47,684,348	0	27,156	0
10. Death benefits	.0											
11. Matured endowments (excluding guaranteed annual pure endowments)	.0	.0	.0				.0					
12. Annuity benefits	.0			.0				.0				
13. Disability benefits and benefits under accident and health contracts	39,468,757								39,452,350	.0	16,407	
14. Coupons, guaranteed annual pure endowments and similar benefits	.0											
15. Surrender benefits and withdrawals for life contracts	.0											
16. Group conversions	.0											
17. Interest and adjustments on contract or deposit-type contract funds	.0											
18. Payments on supplementary contracts with life contingencies	.0											
19. Increase in aggregate reserves for life and accident and health contracts	.0											
20. Totals (Lines 10 to 19)	39,468,757	.0	.0	.0	.0	.0	.0	.0	39,452,350	.0	16,407	.0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	1,617,075	.0	.0	.0	.0	.0	.0	.0	1,617,075	.0	.0	.0
22. Commissions and expense allowances on reinsurance assumed	.0	.0	.0	.0		.0	.0	.0	.0	.0	.0	.0
23. General insurance expenses	3,867,328								3,866,148	.0	1,180	.0
24. Insurance taxes, licenses and fees, excluding federal income taxes (FIT)	539,776								539,611	.0	165	.0
25. Increase in loading on deferred and uncollected premiums	.0											
26. Net transfers to or (from) Separate Accounts	.0											
27. Aggregate write-ins for deductions	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
28. Totals (Lines 20 to 27)	45,492,936	.0	.0	.0	.0	.0	.0	.0	45,475,184	.0	17,752	.0
29. Net gain from operations before dividends to policyholders and FIT (Line 9 - Line 28)	2,218,568	.0	.0	.0	.0	.0	.0	.0	2,209,164	.0	9,404	.0
30. Dividends to policyholders	.0								.0	.0	.0	
31. Net gain from operations after dividends to policyholders and before FIT (Line 29 - Line 30)	2,218,568	.0	.0	.0	.0	.0	.0	.0	2,209,164	.0	9,404	.0
32. Federal income taxes incurred (excluding tax on capital gains)	794,601								791,233		3,368	
33. Net gain from operations after dividends to policyholders and FIT and before realized capital gains or (losses) (Line 31 - Line 32)	1,423,967	0	0	0	0	0	0	0	1,417,931	0	6,036	0
DETAILS OF WRITE-INS												
08.301.												
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	0	0	0	0	0	0	0	0	0	0	0	0
2701.												
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0	0	0	0	0	0	0	0	0	0	0

(a) Includes the following amounts for FEGLI/SGLI: Line 1 Line 10 Line 16 Line 23 Line 24

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SUMMIT INSURANCE COMPANY

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year								
2. Tabular net premiums or considerations								
3. Present value of disability claims incurred .....					.XXX			
4. Tabular interest								
5. Tabular less actual reserve released								
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)								
8. Totals (Lines 1 to 7)								
9. Tabular cost .....					.XXX			
10. Reserves released by death .....				.XXX	.XXX			.XXX
11. Reserves released by other terminations (net)								
12. Annuity, supplementary contract and disability payments involving life contingencies								
13. Net transfers to or (from) Separate Accounts								
14. Total Deductions (Lines 9 to 13)								
15. Reserve December 31, current year								

NONE

7

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 6,766	10,581
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 602,266	603,969
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e) 68,566	67,006
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	677,599	681,556
11. Investment expenses		(g) 35,502
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 3,059
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		38,561
17. Net Investment Income - (Line 10 minus Line 16)		642,995
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 \$ 5,195 accrual of discount less \$ 65,696 amortization of premium and less \$ 49,529 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					0
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	22,964				22,964
1.3 Bonds of affiliates					0
2.1 Preferred stocks (unaffiliated)					0
2.11 Preferred stocks of affiliates					0
2.2 Common stocks (unaffiliated)					0
2.21 Common stocks of affiliates					0
3. Mortgage loans					0
4. Real estate					0
5. Contract loans					0
6. Cash/Short-term investments					0
7. Derivative instruments					0
8. Other invested assets					0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	22,964	0	0	0	22,964
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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SUMMIT INSURANCE COMPANY

EXHIBIT - 1 PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH POLICIES AND CONTRACTS

	1		2		3		4		5		6		7		8		9		10		11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business											
FIRST YEAR (other than single)																						
1. Uncollected	.0																					
2. Deferred and accrued	.0																					
3. Deferred, accrued and uncollected:																						
3.1 Direct	.0																					
3.2 Reinsurance assumed	.0																					
3.3 Reinsurance ceded	.0																					
3.4 Net (Line 1 + Line 2)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Advance	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Line 3.4 - Line 4	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Collected during year:																						
6.1 Direct	.0																					
6.2 Reinsurance assumed	.0																					
6.3 Reinsurance ceded	.0																					
6.4 Net	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Line 5 + Line 6.4	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Prior year (uncollected + deferred and accrued - advance)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. First year premiums and considerations:																						
9.1 Direct	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.4 Net (Line 7 - Line 8)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
SINGLE																						
10. Single premiums and considerations:																						
10.1 Direct	.0																					
10.2 Reinsurance assumed	.0																					
10.3 Reinsurance ceded	.0																					
10.4 Net	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
RENEWAL																						
11. Uncollected	(43,762)															(43,717)						(45)
12. Deferred and accrued	.0																					
13. Deferred, accrued and uncollected:																						
13.1 Direct	17,998															17,998						
13.2 Reinsurance assumed	.0																					
13.3 Reinsurance ceded	61,760															61,715						45
13.4 Net (Line 11 + Line 12)	(43,762)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	(43,717)	.0	.0	.0	.0	.0	(45)
14. Advance	722,998															722,737						261
15. Line 13.4 - Line 14	(766,760)															(766,454)						(306)
16. Collected during year:																						
16.1 Direct	48,129,888															48,102,701						27,187
16.2 Reinsurance assumed	.0																					
16.3 Reinsurance ceded	805,025															804,546						479
16.4 Net	47,324,863	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	47,298,155	.0	.0	.0	.0	.0	26,708
17. Line 15 + Line 16.4	46,558,103	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	46,531,701	.0	.0	.0	.0	.0	26,402
18. Prior year (uncollected + deferred and accrued - advance)	(500,648)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	(500,093)	.0	.0	.0	.0	.0	(555)
19. Renewal premiums and considerations:																						
19.1 Direct	47,867,668	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	47,840,228	.0	.0	.0	.0	.0	27,440
19.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.3 Reinsurance ceded	808,917	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	808,434	.0	.0	.0	.0	.0	483
19.4 Net (Line 17 - Line 18)	47,058,751	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	47,031,794	.0	.0	.0	.0	.0	26,957
TOTAL																						
20. Total premiums and annuity considerations:																						
20.1 Direct	47,867,668	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	47,840,228	.0	.0	.0	.0	.0	27,440
20.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
20.3 Reinsurance ceded	808,917	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	808,434	.0	.0	.0	.0	.0	483
20.4 Net (Line 9.4 + 10.4 + 19.4)	47,058,751	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	47,031,794	.0	.0	.0	.0	.0	26,957

NOTE: FIRST YEAR FIGURES ARE INCLUDED WITH RENEWAL FIGURES, AS PERMITTED BY THE NAIC ANNUAL STATEMENT INSTRUCTIONS.

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SUMMIT INSURANCE COMPANY

EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (direct business only)

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums (Exhibit 4, Line 1)	0										
22. All other (Exhibit 4, Lines 2, 3 & 4)	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	0										
23.2 Reinsurance assumed	0										
23.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded	0										
24.2 Reinsurance assumed	0										
24.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded	0										
25.2 Reinsurance assumed	0										
25.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	0	0	0	0	0	0	0	0	0	0	0
26.2 Reinsurance assumed (Page 6, Line 23)	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	0										
28. Single	0										
29. Renewal	1,617,075							1,617,075			
30. Deposit-type contract funds	0										
31. Totals (to agree with Page 6, Line 21)	1,617,075	0	0	0	0	0	0	1,617,075	0	0	0

NOTE: FIRST YEAR FIGURES ARE INCLUDED WITH RENEWAL FIGURES, AS PERMITTED BY THE NAIC STATEMENT INSTRUCTIONS.

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SUMMIT INSURANCE COMPANY

EXHIBIT 2 - GENERAL EXPENSES

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Rent		170,768			170,768
2. Salaries and wages		2,070,660		19,977	2,090,637
3.11 Contributions for benefit plans for employees		367,016		11,351	378,367
3.12 Contributions for benefit plans for agents					0
3.21 Payments to employees under non-funded benefit plans					0
3.22 Payments to agents under non-funded benefit plans					0
3.31 Other employee welfare		16,514			16,514
3.32 Other agent welfare					0
4.1 Legal fees and expenses		35,147			35,147
4.2 Medical examination fees					0
4.3 Inspection report fees		8,033			8,033
4.4 Fees of public accountants and consulting actuaries		30,501		1,674	32,175
4.5 Expense of investigation and settlement of policy claims		104,133			104,133
5.1 Traveling expenses		90,851			90,851
5.2 Advertising		97,393			97,393
5.3 Postage, express, telegraph and telephone		182,708			182,708
5.4 Printing and stationery		124,231			124,231
5.5 Cost or depreciation of furniture and equipment		28,450			28,450
5.6 Rental of equipment		37,802			37,802
5.7 Cost or depreciation of EDP equipment and software		110,432			110,432
6.1 Books and periodicals		19,108			19,108
6.2 Bureau and association fees		9,339			9,339
6.3 Insurance, except on real estate		41,708			41,708
6.4 Miscellaneous losses					0
6.5 Collection and bank service charges		4,605		2,500	7,105
6.6 Sundry general expenses					0
6.7 Group service and administration fees		24,388			24,388
6.8 Reimbursements by uninsured accident and health plans					0
7.1 Agency expense allowance					0
7.2 Agents' balances charged off (less \$ recovered)					0
7.3 Agency conferences other than local meetings					0
9.1 Real estate expenses					0
9.2 Investment expenses not included elsewhere					0
9.3 Aggregate write-ins for expenses	0	293,541	0	0	293,541
10. General expenses incurred	0	3,867,328	0	35,502 (a)	3,902,830
11. General expenses unpaid December 31, prior year	0	595,028	0	0	595,028
12. General expenses unpaid December 31, current year	0	626,431	0	0	626,431
13. Amounts receivable relating to uninsured accident and health plans, prior year	0	0	0	0	0
14. Amounts receivable relating to uninsured accident and health plans, current year	0	0	0	0	0
15. General expenses paid during year (Lines 10+11-12-13+14)	0	3,835,925	0	35,502	3,871,427
DETAILS OF WRITE-INS					
09.301. APPLICATION SOFTWARE		102,217			102,217
09.302. INFORMATION SYSTEM SUPPORT SYSTEMS		95,349			95,349
09.303. TEMPORARY LABOR		32,459			32,459
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	0	63,516	0	0	63,516
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)	0	293,541	0	0	293,541

(a) Includes management fees of \$ 17,167 to affiliates and \$ 46,693 to non-affiliates.

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes					0
2. State insurance department licenses and fees		28,428		1,621	30,049
3. State taxes on premiums		356,608			356,608
4. Other state taxes, incl. \$ for employee benefits	5,636	8,964			14,600
5. U.S. Social Security taxes		142,346		1,438	143,784
6. All other taxes		3,430			3,430
7. Taxes, licenses and fees incurred	0	539,776	0	3,059	542,835
8. Taxes, licenses and fees unpaid December 31, prior year	0	315,814	0	0	315,814
9. Taxes, licenses and fees unpaid December 31, current year	0	406,074	0	0	406,074
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	0	449,516	0	3,059	452,575

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
	1. Applied to pay renewal premiums	
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions		
4. Applied to provide paid-up annuities		
5. Total Lines 1 thru 4		
6. Paid in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options		
9. Total Lines 5 thru 8		
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year		
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total Lines 10 thru 14		
16. Total from prior year		
17. Total Dividends or refunds (Lines 9 + 15 - 16)		
DETAILS OF WRITE-INS		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)		

NONE

Exhibit 5
NONE

Exhibit 5 Interrogatories
NONE

Exhibit 5A - Chgs in Bases of Valuation
NONE

Aggregate Reserve for A&H Contracts
NONE

Exhibit 7 - Deposit Type Contracts
NONE

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SUMMIT INSURANCE COMPANY

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and Unpaid:											
1.1 Direct	0										
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	0										
1.4 Net	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted											
2.11 Direct	0										
2.12 Reinsurance assumed	0										
2.13 Reinsurance ceded	0										
2.14 Net	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	0	0	0
2.2 Other											
2.21 Direct	0										
2.22 Reinsurance assumed	0										
2.23 Reinsurance ceded	0										
2.24 Net	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0
3. Incurred but unreported:											
3.1 Direct	4,763,000								4,760,540		2,460
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	0										
3.4 Net	4,763,000	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	(b) 4,760,540	(b) 0	(b) 2,460
4. TOTALS											
4.1 Direct	4,763,000	0	0	0	0	0	0	0	4,760,540	0	2,460
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	4,763,000	(a) 0	(a) 0	0	0	0	(a) 0	0	4,760,540	0	2,460

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ in Column 2, \$ in Column 3 and \$ in Column 7.
 (b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$, Individual Annuities \$, Credit Life (Group and Individual) \$, and Group Life \$ are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$, Credit (Group and Individual) Accident and Health \$, and Other Accident and Health \$ are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SUMMIT INSURANCE COMPANY

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements During the Year:											
1.1 Direct	40,119,923								40,105,577		14,346
1.2 Reinsurance assumed	.0										
1.3 Reinsurance ceded	453,503								453,503		.0
1.4 Net	(d) 39,666,420	.0	.0	.0	.0	.0	.0	.0	39,652,074	.0	14,346
2. Liability December 31, current year from Part 1:											
2.1 Direct	4,763,000	.0	.0	.0	.0	.0	.0	.0	4,760,540	.0	2,460
2.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.4 Net	4,763,000	.0	.0	.0	.0	.0	.0	.0	4,760,540	.0	2,460
3. Amounts recoverable from reinsurers December 31, current year	160,562								160,562		.0
4. Liability December 31, prior year:											
4.1 Direct	5,150,000	.0	.0	.0	.0	.0	.0	.0	5,149,601	.0	399
4.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	5,150,000	.0	.0	.0	.0	.0	.0	.0	5,149,601	.0	399
5. Amounts recoverable from reinsurers December 31, prior year	349,899	0	0	0	0	0	0	0	349,899	0	0
6. Incurred Benefits:											
6.1 Direct	39,732,923	.0	.0	.0	.0	.0	.0	.0	39,716,516	.0	16,407
6.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.3 Reinsurance ceded	264,166	.0	.0	.0	.0	.0	.0	.0	264,166	.0	.0
6.4 Net	39,468,757	0	0	0	0	0	0	0	39,452,350	0	16,407

- (a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
 \$ in Line 6.1 and \$ in Line 6.4.
- (b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
 \$ in Line 6.1 and \$ in Line 6.4.
- (c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
 \$ in Line 6.1 and \$ in Line 6.4.
- (d) Includes \$ premiums waived under total and permanent disability benefits.

EXHIBIT 9
ANALYSIS OF NON-ADMITTED ASSETS AND RELATED ITEMS

	1	2	3
	End of Current Year	End of Prior Year	Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Lines 12 to 17 and 19 to 22, Column 2.....	131,021	342,817	211,796
2. Other Nonadmitted Assets:			
2.1 Bills receivable		0	0
2.2 Furniture and equipment	78,754	102,014	23,260
2.3 Leasehold improvements	3,508	4,704	1,196
2.4 Cash advanced to or in the hands of officers or agents		0	0
2.5 Loans on personal security, endorsed or not		0	0
2.6 Supplies, stationery, printed matter		0	0
2.7 Commuted commissions		0	0
3. Total (Lines 2.1 thru 2.7)	82,262	106,718	24,456
4. Disallowed interest maintenance reserve		0	0
5. Aggregate write-ins for other assets	0	0	0
6. Total (Line 1 plus Lines 3 to 5)	213,283	449,535	236,252
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING PRACTICES

THE FINANCIAL STATEMENTS OF SUMMIT INSURANCE COMPANY (THE COMPANY) ARE PRESENTED ON THE BASIS OF ACCOUNTING PRACTICES PRESCRIBED OR PERMITTED BY THE OHIO DEPARTMENT OF INSURANCE.

THE OHIO DEPARTMENT OF INSURANCE RECOGNIZES ONLY STATUTORY PRACTICES PRESCRIBED OR PERMITTED BY THE STATE OF OHIO FOR DETERMINING AND REPORTING THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF AN INSURANCE COMPANY AND FOR DETERMINING ITS SOLVENCY UNDER THE OHIO INSURANCE LAWS AND REGULATIONS. THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS' (NAIC) *ACCOUNTING PRACTICES AND PROCEDURES* MANUAL, VERSION EFFECTIVE JANUARY 1, 2001 AS OF MARCH 2002, (NAIC AP&P) HAS BEEN ADOPTED AS A COMPONENT OF PRESCRIBED OR PERMITTED PRACTICES BY THE STATE OF OHIO.

THE COMPANY DOES NOT EMPLOY ANY ACCOUNTING PRACTICES THAT DEPART FROM THE NAIC AP&P.

IN ACCORDANCE WITH NAIC GUIDANCE CRAFTED BY THE NAIC FINANCIAL REPORTING STAFF AND REVIEWED BY THE NAIC STATUTORY ACCOUNTING STAFF CONCERNING SCHEDULE D AND RELATED INVESTMENT REPORTING, THE COMPANY CHOSE TO ADOPT EARLY THE 2004 REQUIREMENT OF INCLUDING ACCRUAL OF BOND DISCOUNT AND AMORTIZATION OF BOND PREMIUM IN THE GROSS AMOUNT OF INTEREST RECEIVED DURING YEAR COLUMNS OF THE D SCHEDULES. AS NOTED IN THE NAIC GUIDANCE, THIS MAKES THE PRESENTATION OF SCHEDULE D AMOUNTS CONSISTENT WITH THE PRESENTATION OF AMOUNTS IN THE EXHIBIT OF NET INVESTMENT INCOME.

B. USE OF ESTIMATES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

THE PREPARATION OF FINANCIAL STATEMENTS IN CONFORMITY WITH STATUTORY ACCOUNTING PRINCIPLES REQUIRES MANAGEMENT TO MAKE ESTIMATES AND ASSUMPTIONS THAT AFFECT THE REPORTED AMOUNTS OF ASSETS AND LIABILITIES. IT ALSO REQUIRES DISCLOSURE OF CONTINGENT ASSETS AND LIABILITIES AT THE DATE OF THE FINANCIAL STATEMENTS AND THE REPORTED AMOUNTS OF REVENUE AND EXPENSES DURING THE PERIOD. ACTUAL RESULTS COULD DIFFER FROM THOSE ESTIMATES.

C. ACCOUNTING POLICY

ACCIDENT AND HEALTH PREMIUMS ARE INCLUDED IN INCOME IN THE PERIOD EARNED. ACCIDENT AND HEALTH BENEFITS EXPENSE REPRESENTS THE ESTIMATED ULTIMATE NET COST OF ALL REPORTED AND UNREPORTED LOSSES INCURRED THROUGH THE END OF THE FINANCIAL STATEMENT REPORTING PERIOD. LOSS ADJUSTMENT EXPENSE IS INCLUDED IN GENERAL EXPENSES. THE COMPANY DOES NOT DISCOUNT LOSS AND LOSS ADJUSTMENT EXPENSE LIABILITIES. REINSURANCE PREMIUMS, LOSSES, AND LOSS ADJUSTMENT EXPENSE ARE ACCOUNTED FOR ON A BASIS CONSISTENT WITH THOSE USED IN ACCOUNTING FOR THE ORIGINAL POLICIES ISSUED AND THE TERMS OF THE REINSURANCE CONTRACTS. EXPENSES INCURRED IN CONNECTION WITH ACQUIRING NEW BUSINESS, INCLUDING ACQUISITION COSTS SUCH AS SALES COMMISSIONS, AND OTHER GENERAL EXPENSES, TAXES, LICENSES, AND FEES ARE CHARGED TO OPERATIONS AS INCURRED.

IN ADDITION, THE COMPANY USES THE FOLLOWING ACCOUNTING POLICIES:

- (1) SHORT-TERM INVESTMENTS ARE STATED AT AMORTIZED COST.
- (2) BONDS NOT BACKED BY OTHER LOANS ARE STATED AT AMORTIZED COST USING THE INTEREST METHOD.
- (3) THE COMPANY'S INVESTMENT POLICY PROHIBITS IT FROM INVESTING IN COMMON STOCKS OTHER THAN MONEY MARKET FUNDS, WHICH ARE STATED AT COST.
- (4) THE COMPANY'S INVESTMENT POLICY PROHIBITS IT FROM INVESTING IN PREFERRED STOCKS.
- (5) THE COMPANY'S INVESTMENT POLICY PROHIBITS IT FROM INVESTING IN MORTGAGE LOANS ON REAL ESTATE.
- (6) LOAN-BACKED SECURITIES ARE STATED AT AMORTIZED COST USING THE PROSPECTIVE ADJUSTMENT METHOD.
- (7) THE COMPANY HAS NEVER INVESTED IN SECURITIES OF SUBSIDIARY, CONTROLLED, OR AFFILIATED COMPANIES.
- (8) THE COMPANY'S INVESTMENT POLICY PROHIBITS IT FROM INVESTING IN JOINT VENTURES, PARTNERSHIPS, OR LIMITED LIABILITY COMPANIES.
- (9) THE COMPANY'S INVESTMENT POLICY PROHIBITS IT FROM INVESTING IN DERIVATIVES.
- (10) THE COMPANY DOES NOT UTILIZE ANTICIPATED INVESTMENT INCOME AS A FACTOR IN THE PREMIUM DEFICIENCY RESERVE CALCULATION FOR ITS ACCIDENT AND HEALTH CONTRACTS.
- (11) THE LIABILITIES FOR ACCIDENT AND HEALTH LOSSES AND LOSS ADJUSTMENT EXPENSE IS DETERMINED BASED ON ESTIMATES OF LOSSES REPORTED PRIOR TO THE END OF THE FINANCIAL STATEMENT REPORTING PERIOD, ESTIMATES BASED ON ACTUARIAL PROJECTIONS OF HISTORICAL LOSS DEVELOPMENT OF LOSSES INCURRED BUT NOT REPORTED, AND ESTIMATES OF EXPENSES FOR INVESTIGATION AND ADJUSTMENT OF ALL INCURRED AND UNADJUSTED LOSSES. ALTHOUGH CONSIDERABLE VARIABILITY IS INHERENT IN SUCH ESTIMATES DUE IN PART TO THE EFFECTS OF TRENDS IN CLAIM SEVERITY AND FREQUENCY, MANAGEMENT BELIEVES THE AMOUNTS ARE ADEQUATE, HOWEVER, THE ULTIMATE LIABILITIES MAY BE IN EXCESS OF OR LESS THAN THE AMOUNTS PROVIDED. THE METHODS FOR MAKING SUCH ESTIMATES AND FOR ESTABLISHING THE RESULTING LIABILITIES ARE CONTINUALLY REVIEWED AND ANY ADJUSTMENTS ARE REFLECTED IN THE PERIOD DETERMINED.

NOTES TO FINANCIAL STATEMENTS

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

- A. THERE WERE NEITHER MATERIAL CHANGES IN ACCOUNTING PRINCIPLES NOR ANY ERRORS DISCOVERED DURING PREPARATION OF THE CURRENT YEAR STATEMENT THAT AFFECT THE FINANCIAL STATEMENTS FOR THE TWO YEARS PRESENTED.
- B. THE COMPANY PREPARES ITS STATUTORY FINANCIAL STATEMENTS IN CONFORMITY WITH ACCOUNTING PRACTICES PRESCRIBED OR PERMITTED BY THE STATE OF OHIO. EFFECTIVE JANUARY 1, 2001, THE STATE OF OHIO REQUIRED THAT INSURANCE COMPANIES DOMICILED IN THE STATE OF OHIO PREPARE THEIR STATUTORY BASIS FINANCIAL STATEMENTS IN ACCORDANCE WITH THE NAIC AP&P (CODIFICATION) SUBJECT TO ANY DEVIATIONS PRESCRIBED OR PERMITTED BY THE STATE OF OHIO INSURANCE DIRECTOR.

ACCOUNTING CHANGES ADOPTED TO CONFORM TO THE PROVISIONS OF THE NAIC AP&P ARE REPORTED AS CHANGES IN ACCOUNTING PRINCIPLES. THE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES IS REPORTED AS AN ADJUSTMENT TO UNASSIGNED FUNDS (SURPLUS) IN THE PERIOD OF THE CHANGE IN ACCOUNTING PRINCIPLE. THE CUMULATIVE EFFECT IS THE DIFFERENCE BETWEEN THE AMOUNT OF CAPITAL AND SURPLUS AT THE BEGINNING OF THE YEAR AND THE AMOUNT OF CAPITAL AND SURPLUS THAT WOULD HAVE BEEN REPORTED AT THAT DATE IF THE NEW ACCOUNTING PRINCIPLES HAD BEEN APPLIED RETROACTIVELY FOR ALL PRIOR PERIODS. AS A RESULT OF ADOPTING THESE CHANGES, THE COMPANY DID NOT EXPERIENCE ANY CHANGE IN ACCOUNTING PRINCIPLES THAT INCREASED OR DECREASED ITS CAPITAL AND SURPLUS AS OF JANUARY 1, 2001, HOWEVER CERTAIN CHANGES AFFECTED THE COMPARABILITY OF PRIOR YEAR AMOUNTS AS FOLLOWS: CERTIFICATES OF DEPOSIT OWNED AT DECEMBER 31, 2000 WITH MATURITIES OF MORE THAN ONE YEAR IN THE AMOUNT OF \$300,000 WERE INCLUDED IN THE CASH APPLIED-OTHER APPLICATIONS (NET) (LINE 37.4) IN THE PRIOR YEAR COLUMN ON THE CASH FLOW (PAGE 5) IN ORDER TO BALANCE CASH AND SHORT-TERM INVESTMENTS BETWEEN YEARS BECAUSE SUCH CERTIFICATES OF DEPOSIT WERE NOT INCLUDED IN THE BEGINNING OF YEAR CASH AND SHORT-TERM INVESTMENTS (LINE 40.1) IN THE PRIOR YEAR COLUMN.

3. BUSINESS COMBINATIONS AND GOODWILL

THE COMPANY HAS NOT ENGAGED IN ANY BUSINESS COMBINATIONS AND HAS NO GOODWILL.

4. DISCONTINUED OPERATIONS - NONE

5. INVESTMENTS

- A. MORTGAGE LOANS, INCLUDING MEZZANINE REAL ESTATE LOANS - NONE
- B. DEBT RESTRUCTURING - NONE
- C. REVERSE MORTGAGES - NONE
- D. LOAN-BACKED SECURITIES

IN 2001, THE COMPANY SOLD ITS GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA) BOND, THE ONLY MORTGAGE-BACKED/LOAN-BACKED SECURITY THAT THE COMPANY HAS OWNED SINCE ITS INCEPTION. PREPAYMENT ASSUMPTIONS FOR THIS GNMA BOND WERE OBTAINED FROM BROKER-DEALER ESTIMATES OF THE REMAINING WEIGHTED AVERAGE LIFE OF EXPECTED PRINCIPAL AND INTEREST PAYMENTS. THESE ASSUMPTIONS WERE CONSISTENT WITH CURRENT INTEREST RATES AND THE ECONOMIC ENVIRONMENT. THE PROSPECTIVE METHOD WAS USED TO VALUE THE COMPANY'S GNMA BOND UNTIL IT WAS SOLD.

- E. REPURCHASE AGREEMENTS - NONE

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES - NONE

7. INVESTMENT INCOME

- A. DUE AND ACCRUED INVESTMENT INCOME WITH AMOUNTS OVER 90 DAYS PAST DUE WAS EXCLUDED FROM SURPLUS.
- B. NO INVESTMENT INCOME WAS EXCLUDED BECAUSE NONE WAS OVER 90 DAYS PAST DUE.

8. DERIVATIVE INSTRUMENTS - NONE

NOTES TO FINANCIAL STATEMENTS

9. INCOME TAXES

A. THE COMPONENTS OF THE NET DEFERRED TAX ASSET RECOGNIZED IN THE COMPANY'S ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS AT DECEMBER 31 ARE AS FOLLOWS:

	<u>2002</u>	<u>2001</u>
(1) TOTAL DEFERRED TAX ASSETS	\$ 340,942	\$ 325,969
(2) TOTAL DEFERRED TAX LIABILITIES	(4,264)	(4,179)
(3) TOTAL DEFERRED TAX ASSETS NONADMITTED	<u>(50,464)</u>	<u>(302,651)</u>
(4) TOTAL ADMITTED DEFERRED TAX ASSETS	\$ 286,214	\$ 19,139
(5) INCREASE (DECREASE) IN DEFERRED TAX ASSETS NONADMITTED	\$ (252,187)	\$ 11,222

B. THE COMPANY HAS NO UNRECOGNIZED DEFERRED TAX LIABILITIES.

C. CURRENT INCOME TAXES INCURRED CONSIST OF THE FOLLOWING MAJOR COMPONENTS:

	<u>2002</u>	<u>2001</u>
CURRENT INCOME TAX EXPENSE	\$ 811,583	\$ 7,898
TAX ON CAPITAL GAINS TRANSFERRED TO IMR	(9,084)	(831)
PRIOR PERIOD TAX UNDER (OVER) ACCRUAL	<u>(7,898)</u>	<u>(1,540)</u>
CURRENT INCOME TAXES INCURRED	\$ 794,601	\$ 5,527

THE MAIN COMPONENTS OF THE 2002 DEFERRED TAX ASSETS ARE AS FOLLOWS:

	<u>STATUTORY</u>	<u>TAX</u>	<u>DIFFERENCE</u>	<u>TAX EFFECT</u>
DEFERRED TAX ASSETS:				
FRANCHISE TAX ACCRUAL	\$ (358,772)	\$ -	\$ 358,772	\$ 121,982
FURNITURE, FIXTURES & EQUIPMENT	286,355	405,948	119,593	40,661
UNPAID LOSS LIABILITIES	(5,044,000)	(4,899,167)	144,833	49,243
UNEARNED PREMIUMS LIABILITY	(722,998)	(578,398)	144,600	49,164
GENERAL EXPENSE ACCRUALS	(146,507)	-	146,507	49,813
COMPENSATED ABSENCES ACCRUAL	<u>(88,469)</u>	<u>-</u>	<u>88,469</u>	<u>30,079</u>
TOTAL DEFERRED TAX ASSETS	(6,074,391)	(5,071,617)	1,002,774	340,942
NONADMITTED DEFERRED TAX ASSETS	29,286	(119,138)	(148,424)	(50,464)
DEFERRED TAX LIABILITIES:				
DISCOUNT BONDS	2,227,544	2,215,004	(12,540)	(4,264)
TOTAL DEFERRED TAX LIABILITIES	<u>2,227,544</u>	<u>2,215,004</u>	<u>(12,540)</u>	<u>(4,264)</u>
NET ADMITTED DEFERRED TAX ASSETS	\$ (3,817,561)	\$ (2,975,751)	\$ 841,810	\$ 286,214

THE CHANGES IN THE MAIN COMPONENTS OF DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES ARE AS FOLLOWS:

	<u>2002</u>	<u>2001</u>	<u>CHANGE</u>
DEFERRED TAX ASSETS:			
FRANCHISE TAX ACCRUAL	\$ 121,982	\$ 93,228	\$ 28,754
FURNITURE, FIXTURES & EQUIPMENT	40,661	61,604	(20,943)
DISCOUNTS ON UNPAID LOSS LIABILITIES	49,243	53,101	(3,858)
DISCOUNTS ON UNEARNED PREMIUMS LIAB	49,164	33,548	15,616
GENERAL EXPENSE ACCRUALS	49,813	37,965	11,848
COMPENSATED ABSENCES	30,079	27,384	2,695
MINIMUM TAX CREDIT CARRYOVER	-	19,139	(19,139)
TOTAL DEFERRED TAX ASSETS	<u>340,942</u>	<u>325,969</u>	<u>14,973</u>
NONADMITTED DEFERRED TAX ASSETS	<u>(50,464)</u>	<u>(302,651)</u>	<u>252,187</u>
ADMITTED DEFERRED TAX ASSETS	290,478	23,318	267,160
DEFERRED TAX LIABILITIES:			
ACCRUAL OF BOND DISCOUNT	(4,264)	(4,179)	(85)
TOTAL DEFERRED TAX LIABILITIES	<u>(4,264)</u>	<u>(4,179)</u>	<u>(85)</u>
NET ADMITTED DEFERRED TAX ASSETS	\$ 286,214	\$ 19,139	\$ 267,075

D. THE PROVISION FOR FEDERAL INCOME TAXES INCURRED IS DIFFERENT FROM THE AMOUNT OBTAINED BY APPLYING THE FEDERAL STATUTORY RATE OF 34% TO NET GAIN FROM OPERATIONS. THE SIGNIFICANT BOOK TO TAX ADJUSTMENTS CAUSING THIS DIFFERENCE ARE AS FOLLOWS:

	<u>AMOUNT</u>	<u>TAX EFFECT</u>
INCOME BEFORE TAXES	\$ 2,218,568	\$ 754,313
TAX DISCOUNT ON DECREASE IN UNPAID LOSS LIABILITIES	(11,342)	(3,856)
TAX DISCOUNT ON INCREASE IN UNEARNED PREMIUM LIABILITY	45,927	15,615
INCREASE IN FRANCHISE TAX ACCRUAL	84,572	28,754
TAX DEPRECIATION IN EXCESS OF BOOK DEPRECIATION	(35,839)	(12,186)
INCREASE IN NONDEDUCTIBLE GENERAL EXPENSE ACCRUALS	38,598	13,124
NONDEDUCTIBLE TRAVEL EXPENSES	19,441	6,610
CONSOLIDATED RETURN ADJUSTMENTS	85,551	29,088
OTHER ADJUSTMENTS	11,616	3,949
UTILIZATION OF NOL CARRYFORWARD	(37,022)	(12,587)
MINIMUM TAX CREDIT CARRYFORWARD	-	(11,241)
TAXABLE INCOME	<u>\$ 2,420,070</u>	<u>\$ 811,583</u>

NOTES TO FINANCIAL STATEMENTS

- E. (1) AT DECEMBER 31, 2002, THE COMPANY DID NOT HAVE ANY OPERATING LOSS CARRYFORWARDS NOR ANY TAX CREDIT CARRYFORWARDS.

2002	\$811,583
2001	\$ -0-
2000	\$ -0-

- F. (1) THE COMPANY'S FEDERAL INCOME TAX RETURN IS CONSOLIDATED WITH THE FOLLOWING AFFILIATED MEMBERS:

SUMMIT GROUP HOLDING COMPANY
 SUMMIT ADMINISTRATIVE SERVICES, INC.
 SUMMIT AGENCY, INC.

- (2) THE METHOD OF ALLOCATION BETWEEN TAX CONSOLIDATED MEMBERS IS SUBJECT TO A PROVISION IN WRITTEN AGREEMENTS APPROVED BY THE BOARD OF DIRECTORS. ALLOCATION OF TAXES BETWEEN TAX CONSOLIDATED MEMBERS IS BASED UPON SEPARATE RETURN CALCULATIONS WITH CREDIT FOR NET LOSS CARRYBACKS OR CARRYFORWARDS; HOWEVER, THE COMPANY WILL ONLY REIMBURSE ITS TAX CONSOLIDATED MEMBERS FOR THE TAX BENEFIT OF THEIR NET LOSSES UTILIZED BY THE COMPANY IF AND WHEN ANY OTHER MEMBERS INCUR TAXABLE INCOME THAT COULD HAVE BEEN OFFSET BY NET LOSSES PREVIOUSLY UTILIZED BY THE COMPANY. INTERCOMPANY TAX BALANCES ARE SETTLED AT LEAST ANNUALLY AFTER THE CONSOLIDATED TAX RETURN HAS BEEN FILED.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

A., B. & C.

THE COMPANY PROVIDES GROUP HEALTH INSURANCE FOR ITS AFFILIATES. THE COMPANY EARNED \$6,681,354 AND \$5,289,684 IN PREMIUMS FROM AND PAID \$6,266,714 AND \$5,019,255 OF CLAIMS ON BEHALF OF AFFILIATES IN 2002 AND 2001, RESPECTIVELY. IN ADDITION, THE COMPANY INCURRED AN EXPENSE OF \$17,167 AND \$30,155 DURING 2002 AND 2001, RESPECTIVELY, FOR ITS SHARE OF ADMINISTRATIVE SERVICES PROVIDED BY UPPER VALLEY MEDICAL CENTER, AN AFFILIATE, AND \$128,357 AND \$108,491 DURING 2002 AND 2001, RESPECTIVELY, FOR OFFICE SPACE LEASED FROM MED-TERRA, INC., AN AFFILIATE. THE RENT FOR OFFICE SPACE IS INCLUDED IN THE FUTURE MINIMUM LEASE PAYMENTS SCHEDULED IN NOTE 15. THE COMPANY PAID \$16,500 OF FEDERAL INCOME TAX ON BEHALF OF SUMMIT ADMINISTRATIVE SERVICES, INC., ITS AFFILIATE, UNDER ITS CONSOLIDATED RETURN TAX ALLOCATION AGREEMENT REFERRED TO IN NOTE 9.F.(2).

- D. THE COMPANY REPORTED \$40,973 AND \$44,058 AS AMOUNTS DUE TO ITS AFFILIATE, SUMMIT ADMINISTRATIVE SERVICES, INC., AT DECEMBER 31, 2002 AND 2001, RESPECTIVELY. THESE AMOUNTS WERE SETTLED DURING JANUARY FOLLOWING THE RESPECTIVE YEAR ENDS.
- E. THE COMPANY HAS NOT MADE ANY GUARANTEES OR ENGAGED IN ANY UNDERTAKINGS FOR THE BENEFIT OF ANY OF ITS AFFILIATES WHICH MAY RESULT IN A MATERIAL CONTINGENT EXPOSURE OF EITHER THE COMPANY'S OR ITS AFFILIATES' ASSETS OR LIABILITIES.
- F. THE COMPANY HAS AGREEMENTS WITH SUMMIT ADMINISTRATIVE SERVICES, INC., ITS AFFILIATE, TO SHARE IN THE COST OF MANAGEMENT AND ADMINISTRATIVE SERVICES INCURRED FOR THE BENEFIT OF BOTH COMPANIES. THE COMPANY'S SHARE OF THE COST IS ALLOCATED FROM AND REIMBURSED TO SUMMIT ADMINISTRATIVE SERVICES, INC. IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. SUMMIT ADMINISTRATIVE SERVICES, INC. HAS AGREEMENTS WITH THE COMPANY'S ULTIMATE CONTROLLING PARENT COMPANY, UVMC, PROVIDING FOR THE PURCHASE OF OPERATIONAL SUPPORT ADMINISTRATIVE SERVICES AND THE USE OF PROPERTY OWNED BY THE COMPANY'S NON-INSURANCE AFFILIATES. THE USE OF SERVICES AND FACILITIES PROVIDED INCLUDES: OFFICE SPACE, UTILITIES, DATA PROCESSING AND INFORMATION SYSTEM SUPPORT SERVICES, COMMERCIAL PROPERTY AND LIABILITY INSURANCE COVERAGES, ACCOUNTS PAYABLE, PAYROLL, EMPLOYEE BENEFITS, HUMAN RESOURCES, MAIL AND COURIER SERVICE, AND THE LIKE.
- G. THE COMPANY IS WHOLLY-OWNED BY SUMMIT GROUP HOLDING COMPANY, A NON-INSURANCE COMPANY. PRIOR TO DECEMBER 31, 2000, THE COMPANY WAS OWNED BY SUMMIT ADMINISTRATIVE SERVICES, INC., A NON-INSURANCE COMPANY. SUMMIT GROUP HOLDING COMPANY WAS FORMED ON DECEMBER 31, 2000 BY UVMC, A NON-INSURANCE COMPANY, AND IS A WHOLLY-OWNED SUBSIDIARY OF UVMC. ON DECEMBER 31, 2000, UVMC EXCHANGED ITS STOCK OF SUMMIT ADMINISTRATIVE SERVICES, INC. FOR ALL OF THE STOCK ISSUED BY SUMMIT GROUP HOLDING COMPANY, AND SUMMIT ADMINISTRATIVE SERVICES, INC. DISTRIBUTED ITS STOCK OF SUMMIT INSURANCE COMPANY TO SUMMIT GROUP HOLDING COMPANY. SINCE DECEMBER 31, 2000, SUMMIT GROUP HOLDING COMPANY HAS WHOLLY-OWNED SUMMIT ADMINISTRATIVE SERVICES, INC. AND THE COMPANY. THE AFOREMENTIONED COMPANIES ARE CONSIDERED BY THE STATE OF OHIO TO BE MEMBERS OF AN INSURANCE HOLDING COMPANY SYSTEM AND, ALONG WITH AFFILIATES, ARE INCORPORATED AND DOMICILED IN THE STATE OF OHIO.
- H. THE COMPANY DOES NOT DIRECTLY OR INDIRECTLY OWN ANY INTEREST IN SUBSIDIARY, CONTROLLED, OR AFFILIATED ENTITIES.
- I. THE COMPANY DOES NOT DIRECTLY OR INDIRECTLY OWN ANY INTEREST IN SUBSIDIARY, CONTROLLED, OR AFFILIATED ENTITIES.
- J. THE COMPANY DOES NOT DIRECTLY OR INDIRECTLY OWN ANY INTEREST IN SUBSIDIARY, CONTROLLED, OR AFFILIATED ENTITIES.

11. DEBT - NONE

NOTES TO FINANCIAL STATEMENTS

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

- A. DEFINED BENEFIT PLAN - NONE SPONSORED
- B. DEFINED CONTRIBUTION PLAN - NONE SPONSORED
- C. MULTIEMPLOYER PLANS - NO COMPANY PARTICIPATION
- D. CONSOLIDATED/HOLDING COMPANY PLANS

SUMMIT ADMINISTRATIVE SERVICES, INC., THE COMPANY'S AFFILIATE, WHOSE EMPLOYEES SUPPLY THE COMPANY WITH ADMINISTRATIVE SERVICES, PARTICIPATES IN A CONSOLIDATED DEFINED BENEFIT PENSION PLAN SPONSORED BY ITS ULTIMATE CONTROLLING PARENT, UVMC, WITH OTHER MEMBERS OF UVMC. THE PLAN COVERS ELIGIBLE EMPLOYEES EMPLOYED BEFORE MARCH 1, 2001. UVMC ALLOCATES BENEFIT EXPENSES TO ITS AFFILIATES BASED ON BENEFITS EARNED BY AFFILIATES' ELIGIBLE EMPLOYEES. THROUGH ITS COST SHARING AGREEMENT WITH SUMMIT ADMINISTRATIVE SERVICES, INC., THE COMPANY WAS ALLOCATED PENSION EXPENSE OF \$53,118 AND \$32,695 FOR 2002 AND 2001, RESPECTIVELY. EFFECTIVE MARCH 1, 2001, UVMC ADOPTED AN AMENDMENT TO ITS CONSOLIDATED DEFINED BENEFIT PENSION PLAN RESULTING IN A CURTAILMENT GAIN. OF THE TOTAL CURTAILMENT GAIN RECOGNIZED BY UVMC, \$110,650 WAS ALLOCATED TO THE COMPANY AND RECOGNIZED IN 2001.

SUMMIT ADMINISTRATIVE SERVICES, INC., THE COMPANY'S AFFILIATE, WHOSE EMPLOYEES SUPPLY THE COMPANY WITH ADMINISTRATIVE SERVICES, ALSO PARTICIPATES IN A CONSOLIDATED EMPLOYEE DEFINED CONTRIBUTION 401(K) RETIREMENT PLAN AND, EFFECTIVE JANUARY 1, 2001, A CONSOLIDATED EMPLOYEE NONCONTRIBUTORY DEFINED CONTRIBUTION RETIREMENT PLAN SPONSORED BY ITS ULTIMATE CONTROLLING PARENT, UVMC, WITH OTHER MEMBERS OF UVMC. THE PLANS COVER SUBSTANTIALLY ALL EMPLOYEES WHO QUALIFY AS TO AGE AND LENGTH OF SERVICE. UVMC AND ITS PARTICIPATING AFFILIATES MATCH 25% OF A PARTICIPANT'S VOLUNTARY CONTRIBUTIONS UP TO A MAXIMUM OF 4% OF A PARTICIPANT'S REMUNERATION IN THE CONSOLIDATED EMPLOYEE CONTRIBUTORY 401(K) RETIREMENT PLAN AND CONTRIBUTE UP TO A MAXIMUM OF 5% OF A PARTICIPANT'S REMUNERATION IN THE CONSOLIDATED EMPLOYEE NONCONTRIBUTORY RETIREMENT PLAN. UVMC ALLOCATES BENEFIT EXPENSES TO ITS AFFILIATES BASED ON BENEFITS EARNED BY AFFILIATES' PARTICIPATING EMPLOYEES. THROUGH ITS COST SHARING AGREEMENT WITH SUMMIT ADMINISTRATIVE SERVICES, INC., THE COMPANY WAS ALLOCATED RETIREMENT PLAN EXPENSES OF \$64,293 AND \$57,781, FOR 2002 AND 2001, RESPECTIVELY.

THE COMPANY HAS NO LEGAL OBLIGATIONS FOR THE BENEFITS UNDER THESE PLANS.

- E. POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES - NO UNACCRUED OBLIGATIONS

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

- (1) THE COMPANY HAS 750 COMMON SHARES AUTHORIZED WITH A PAR VALUE OF \$10,000.00 PER SHARE, 100 SHARES ISSUED AND 100 SHARES OUTSTANDING.
- (2) THE COMPANY HAS NEVER ISSUED PREFERRED STOCK.
- (3) PRIOR TO PAYING ANY DIVIDENDS OR DISTRIBUTIONS, THE COMPANY IS REQUIRED BY OHIO REVISED CODE SECTION 3901.34(C) TO NOTIFY THE SUPERINTENDENT OF INSURANCE WITHIN FIVE BUSINESS DAYS FOLLOWING A DIVIDEND OR DISTRIBUTION DECLARATION AND AT LEAST TEN CALENDAR DAYS PRIOR TO THE PAYMENT OF SUCH DIVIDEND OR DISTRIBUTION. EXTRAORDINARY DIVIDEND PAYMENTS OR EXTRAORDINARY DISTRIBUTIONS ARE CONDITIONED UPON THE SUPERINTENDENT NOT DISAPPROVING THE DIVIDEND OR DISTRIBUTION WITHIN THIRTY DAYS AFTER RECEIVING NOTICE OF THE DIVIDEND OR DISTRIBUTION DECLARATION FROM THE INSURER. THE MAXIMUM AMOUNT OF DIVIDENDS AND DISTRIBUTIONS, DEFINED AS INCLUDING ALL DIVIDEND PAYMENTS AND DISTRIBUTIONS MADE WITHIN THE PRECEDING TWELVE MONTH PERIOD FROM THE LATEST DIVIDEND OR DISTRIBUTION, PERMITTED TO BE PAID OR MADE TO SHAREHOLDERS WITHOUT BEING CONSIDERED AN EXTRAORDINARY DIVIDEND OR AN EXTRAORDINARY DISTRIBUTION CANNOT EXCEED THE GREATER OF TEN PERCENT OF SURPLUS AS REGARDS TO POLICYHOLDERS AS OF THE THIRTY-FIRST DAY OF DECEMBER NEXT PRECEDING, OR THE NET INCOME OF THE INSURER FOR THE TWELVE-MONTH PERIOD ENDING THE THIRTY-FIRST DAY OF DECEMBER NEXT PRECEDING, BUT SHALL NOT INCLUDE PRO RATA DISTRIBUTIONS OF ANY CLASS OF THE INSURER'S OWN SECURITIES. IN ADDITION, ANY DIVIDEND PAID OR DISTRIBUTION MADE FROM OTHER THAN EARNED SURPLUS SET FORTH IN THE INSURER'S MOST RECENT STATUTORY FINANCIAL STATEMENT SHALL BE CONSIDERED AN EXTRAORDINARY DIVIDEND OR EXTRAORDINARY DISTRIBUTION.

AS OF DECEMBER 31, 2002, THE COMPANY HAD APPROXIMATELY \$1,423,967 AVAILABLE FOR THE PAYMENT OF DIVIDENDS OR DISTRIBUTIONS TO ITS SHAREHOLDER THAT WERE NOT SUBJECT TO THE EXTRAORDINARY DIVIDEND AND EXTRAORDINARY DISTRIBUTION RESTRICTIONS. DIVIDENDS AND DISTRIBUTIONS ARE NOT CUMULATIVE. THE COMPANY HAS NEITHER PAID NOR DECLARED ANY TYPE OF DIVIDENDS OR DISTRIBUTIONS SINCE ITS INCEPTION.

- (4) WITHIN THE LIMITATIONS OF (3) ABOVE, THERE ARE NO OTHER RESTRICTIONS PLACED ON THE PORTION OF COMPANY PROFITS THAT MAY BE PAID AS ORDINARY DIVIDENDS TO ITS STOCKHOLDER.
- (5) THERE ARE NO RESTRICTIONS PLACED ON THE COMPANY'S UNASSIGNED FUNDS (SURPLUS), INCLUDING FOR WHOM THE SURPLUS IS BEING HELD.
- (6) NOT APPLICABLE BECAUSE THE COMPANY IS A STOCK LIFE, ACCIDENT & HEALTH ENTITY.
- (7) THE COMPANY DOES NOT HOLD ANY OF ITS STOCK OR THE STOCK OF AFFILIATED COMPANIES FOR SPECIAL PURPOSES.

NOTES TO FINANCIAL STATEMENTS

- (8) THE COMPANY HAS NEVER HELD ANY SPECIAL SURPLUS FUNDS.
- (9) THE PORTION OF UNASSIGNED FUNDS (SURPLUS) REPRESENTED OR REDUCED BY EACH ITEM BELOW IS AS FOLLOWS:
- A. \$ -0- UNREALIZED GAINS AND LOSSES
 - B. \$ 213,283 NONADMITTED ASSET VALUES
 - C. \$ -0- SEPARATE ACCOUNT BUSINESS
 - D. \$ 34,124 ASSET VALUATION RESERVE
 - E. \$ -0- REINSURANCE IN UNAUTHORIZED COMPANIES

(10) THE COMPANY HAS NEITHER SURPLUS DEBENTURES NOR ANY SIMILAR OBLIGATIONS.

(11) THE COMPANY HAS NEVER BEEN INVOLVED IN ANY QUASI-REORGANIZATIONS.

(12) THE COMPANY HAS NEVER BEEN INVOLVED IN ANY QUASI-REORGANIZATIONS.

14. CONTINGENCIES

- A. CONTINGENT COMMITMENTS
THE COMPANY HAS NOT MADE ANY COMMITMENTS OR ANY CONTINGENT COMMITMENTS TO SUBSIDIARY, CONTROLLED, OR AFFILIATED ENTITIES, JOINT VENTURES, PARTNERSHIPS, OR LIMITED LIABILITY COMPANIES.
- B. ASSESSMENTS
THE COMPANY IS AWARE OF SEVERAL INSOLVENCIES THAT MAY RESULT IN GUARANTY FUND ASSESSMENTS AGAINST THE COMPANY. USING INFORMATION SUPPLIED BY THE NATIONAL ORGANIZATION OF LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATIONS, THE COMPANY HAS ESTIMATED ITS EXPOSURE AT \$7,500 WHICH WAS ACCRUED AND REPORTED AS A LIABILITY.
- C. GAIN CONTINGENCIES
THE COMPANY IS NOT AWARE OF AND HAS NOT REPORTED ANY GAIN CONTINGENCIES.
- D. ALL OTHER CONTINGENCIES
THE COMPANY IS NOT AWARE OF ANY PENDING LEGAL OR REGULATORY PROCEEDINGS OR ANY OTHER MATTERS OUTSIDE THE ORDINARY COURSE OF BUSINESS THAT WOULD BE MATERIAL TO ITS FINANCIAL POSITION.

15. LEASES

- A. LESSEE LEASING ARRANGEMENTS
- (1) A. THE COMPANY AND SUMMIT ADMINISTRATIVE SERVICES, INC., ITS AFFILIATE, HAVE ENTERED INTO LEASES TO SHARE THE USE OF OFFICE AND STORAGE SPACE, PHOTOCOPY MACHINES, AND MAIL EQUIPMENT THAT EXPIRE AT VARIOUS INTERVALS OVER THE NEXT FIVE YEARS. RENTAL EXPENSE ALLOCATED TO THE COMPANY WAS \$155,905 AND \$127,761 IN 2002 AND 2001, RESPECTIVELY, WHICH INCLUDED CONTINGENT RENTALS FOR THE PHOTOCOPY MACHINES IN THE AMOUNTS OF \$8,640 AND \$1,603 FOR 2002 AND 2001, RESPECTIVELY.
- B. LEASES FOR THE PHOTOCOPY MACHINES CONTAIN PROVISIONS FOR CONTINGENT RENTALS BASED ON THE NUMBER OF PHOTOCOPIES MADE.
- C. CERTAIN RENTAL COMMITMENTS HAVE RENEWAL OPTIONS THAT MAY BE SUBJECT TO ADJUSTMENTS IN FUTURE PERIODS. THE PHOTOCOPY MACHINES MAY BE PURCHASED AT FAIR MARKET VALUE UPON EXPIRATION OF THE LEASE TERM.
- D. THE LEASE AGREEMENTS DO NOT RESTRICT THE COMPANY FROM ENGAGING IN ANY OTHER TRANSACTIONS.
- (2) A. AT JANUARY 1, 2002, TOTAL FUTURE MINIMUM LEASE PAYMENTS UNDER NONCANCELLABLE OPERATING LEASES ALLOCATED TO THE COMPANY ARE AS FOLLOWS:
- | | |
|------|--------------|
| 2002 | \$ 141,440 |
| 2003 | 171,045 |
| 2004 | 198,631 |
| 2005 | 190,781 |
| 2006 | 190,781 |
| 2007 | 190,781 |
| | \$ 1,083,459 |
- B. THE COMPANY HAS NEVER ENGAGED IN SUBLEASE ACTIVITIES.
- (3) THE COMPANY HAS NEVER ENGAGED IN ANY SALE-LEASEBACK TRANSACTIONS.
- B. THE COMPANY IS NOT ENGAGED IN ANY BUSINESS ACTIVITIES AS LESSOR.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

THE COMPANY HAS NEVER ENGAGED IN ANY TRANSACTIONS INVOLVING FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK.

NOTES TO FINANCIAL STATEMENTS

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

- A. TRANSFERS OF RECEIVABLES REPORTED AS SALES - NONE
- B. TRANSFER AND SERVICING OF FINANCIAL ASSETS - NONE
- C. WASH SALES

THE COMPANY HAS NEVER REACQUIRED WITHIN 30 DAYS ANY SECURITIES SOLD.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

NOT APPLICABLE BECAUSE THE COMPANY ENGAGES IN ONLY FULLY INSURED BUSINESS.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

THE COMPANY DOES NOT WRITE DIRECT PREMIUMS THROUGH ANY MANAGING GENERAL AGENTS OR THIRD PARTY ADMINISTRATORS.

20. OTHER ITEMS

- A. EXTRAORDINARY ITEMS - NONE
- B. TROUBLED DEBT RESTRUCTURINGS: DEBTORS - NONE
- C. OTHER DISCLOSURES

THE COMPANY ELECTED TO USE ROUNDING IN REPORTING AMOUNTS IN THIS STATEMENT.

EXHIBIT 2-GENERAL EXPENSES

MANAGEMENT AND SERVICE FEES REPORTED IN THE FOOTNOTE TO EXHIBIT 2 WERE ALLOCATED TO THE APPROPRIATE EXPENSE CLASSIFICATIONS AS FOLLOWS:

PAID TO AFFILIATES: OPERATIONAL ADMINISTRATIVE SUPPORT SERVICE FEES WERE ALLOCATED TO SALARIES AND WAGES.

PAID TO NON-AFFILIATES: FEES PAID TO THIRD PARTIES FOR THE ADMINISTRATION OF GROUP ACCIDENT AND HEALTH PRESCRIPTION DRUG CLAIMS WERE ALLOCATED TO EXPENSE OF INVESTIGATION AND SETTLEMENT OF POLICY CLAIMS. FEES PAID TO THIRD PARTIES FOR ACCESS TO THIRD PARTY PREFERRED PROVIDER NETWORKS WERE ALLOCATED TO GROUP SERVICE AND ADMINISTRATION FEES.

D. UNCOLLECTIBLE BALANCES

PREMIUMS RECEIVABLE OVER 90 DAYS PAST DUE OF \$-0- AT DECEMBER 31, 2002 AND \$1,036 AT DECEMBER 31, 2001 ARE SHOWN AS ASSETS NOT ADMITTED.

- E. REINSURANCE ACCOUNTED FOR AS A DEPOSIT - NONE
- F. MULTIPLE PERIL CROP INSURANCE - NOT APPLICABLE
- G. MEZZANINE REAL ESTATE LOANS - NONE
- H. HEALTH CARE RECEIVABLES

(1) PHARMACEUTICAL REBATE RECEIVABLES

THE COMPANY DOES NOT BOOK PHARMACEUTICAL REBATES RECEIVABLE; UPON RECEIPT SUCH REBATES REDUCE PRESCRIPTION DRUG CLAIMS PAID ITS PHARMACY BENEFITS MANAGEMENT FIRM.

(2) RISK SHARING RECEIVABLES

THE COMPANY DOES NOT ENGAGE IN RISK SHARING ARRANGEMENTS WITH PROVIDERS.

I. SEPTEMBER 11 EVENTS

THE COMPANY IS NOT AWARE OF ANY INCURRED LOSSES AND DOES NOT EXPECT TO INCUR ANY LOSSES OR LOSS RECOVERIES AS A RESULT OF THE SEPTEMBER 11 EVENTS.

- J. REAL ESTATE - NONE
- K. PARTICIPATING POLICIES - NONE
- L. PREMIUM DEFICIENCY RESERVES

AS OF DECEMBER 31, 2002, THE COMPANY HAD NO LIABILITIES RELATED TO PREMIUM DEFICIENCY RESERVES. THE COMPANY DOES NOT UTILIZE ANTICIPATED INVESTMENT INCOME AS A FACTOR IN THE PREMIUM DEFICIENCY RESERVE CALCULATION FOR ITS ACCIDENT AND HEALTH CONTRACTS.

NOTES TO FINANCIAL STATEMENTS

M. LOSS/CLAIM ADJUSTMENT EXPENSES

THE LIABILITY FOR UNPAID ACCIDENT AND HEALTH CLAIM ADJUSTMENT EXPENSES AS OF DECEMBER 31, 2002, 2001, AND 2000 WAS \$281,000, \$289,000, AND \$333,873, RESPECTIVELY. THE COMPANY INCURRED \$2,359,076 AND PAID \$2,367,076 OF CLAIM ADJUSTMENT EXPENSES IN 2002, OF WHICH \$252,490 OF THE PAID AMOUNT WAS ATTRIBUTABLE TO INSURED OR COVERED EVENTS OF PRIOR YEARS. THE COMPANY INCURRED \$1,848,612 AND PAID \$1,893,485 OF CLAIM ADJUSTMENT EXPENSES IN 2001, OF WHICH \$223,362 OF THE PAID AMOUNT WAS ATTRIBUTABLE TO INSURED OR COVERED EVENTS OF PRIOR YEARS. THE COMPANY DECREASED ITS PROVISION FOR INSURED OR COVERED EVENTS OF PRIOR YEARS BY \$36,510 AND \$110,511 IN 2002 AND 2001, RESPECTIVELY. THE COMPANY DOES NOT ANTICIPATE REALIZING MATERIAL AMOUNTS OF SUBROGATION IN ITS DETERMINATION OF THE LIABILITIES FOR UNPAID CLAIMS/LOSSES, THEREFORE, IT DID NOT REDUCE SUCH LIABILITIES FOR SUBROGATION.

N. STRUCTURED SETTLEMENTS - NONE

O. NONCASH TRANSACTIONS - NONE

21. EVENTS SUBSEQUENT

THE COMPANY IS NOT AWARE OF ANY EVENTS OCCURRING SUBSEQUENT TO THE CLOSE OF ITS BOOKS FOR THIS STATEMENT THAT MAY HAVE A MATERIAL EFFECT ON ITS FINANCIAL CONDITION.

22. REINSURANCE

A. CEDED REINSURANCE REPORT

SECTION 1-GENERAL INTERROGATORIES

1. ARE ANY OF THE REINSURERS, LISTED IN SCHEDULE S AS NON-AFFILIATED, OWNED IN EXCESS OF 10% OR CONTROLLED, EITHER DIRECTLY OR INDIRECTLY, BY THE COMPANY OR BY ANY REPRESENTATIVE, OFFICER, TRUSTEE OR DIRECTOR OF THE COMPANY? YES () NO (X)
2. HAVE ANY POLICIES ISSUED BY THE COMPANY BEEN REINSURED WITH A COMPANY CHARTERED IN A COUNTRY OTHER THAN THE UNITED STATES (EXCLUDING U.S. BRANCHES OF SUCH COMPANIES) WHICH IS OWNED IN EXCESS OF 10% OR CONTROLLED DIRECTLY OR INDIRECTLY BY AN INSURED, A BENEFICIARY, A CREDITOR OR AN INSURED OR ANY OTHER PERSON NOT PRIMARILY ENGAGED IN THE INSURANCE BUSINESS? YES () NO (X)

SECTION 2-CEDED REINSURANCE REPORT-PART A

1. DOES THE COMPANY HAVE ANY REINSURANCE AGREEMENTS IN EFFECT UNDER WHICH THE REINSURER MAY UNILATERALLY CANCEL ANY REINSURANCE FOR REASONS OTHER THAN FOR NONPAYMENT OF PREMIUM OR OTHER SIMILAR CREDITS? YES (X) NO ()
 - A. IF YES, WHAT IS THE ESTIMATED AMOUNT OF THE AGGREGATE REDUCTION IN SURPLUS OF A UNILATERAL CANCELLATION BY THE REINSURER AS OF THE DATE OF THIS STATEMENT, FOR THOSE AGREEMENTS IN WHICH CANCELLATION RESULTS IN A NET OBLIGATION OF THE COMPANY TO THE REINSURER, AND FOR WHICH SUCH OBLIGATION IS NOT PRESENTLY ACCRUED? WHERE NECESSARY, THE COMPANY MAY CONSIDER THE CURRENT OR ANTICIPATED EXPERIENCE OF THE BUSINESS REINSURED IN MAKING THIS ESTIMATE. \$NONE
 - B. WHAT IS THE TOTAL AMOUNT OF REINSURANCE CREDITS TAKEN, WHETHER AS AN ASSET OR AS A REDUCTION OF LIABILITY, FOR THESE AGREEMENTS IN THIS STATEMENT? \$48,326
2. DOES THE COMPANY HAVE ANY REINSURANCE AGREEMENTS IN EFFECT SUCH THAT THE AMOUNT OF LOSSES PAID OR ACCRUED THROUGH THE STATEMENT DATE MAY RESULT IN A PAYMENT TO THE REINSURER OF AMOUNTS WHICH, IN AGGREGATE AND ALLOWING FOR OFFSET OF MUTUAL CREDITS FROM OTHER REINSURANCE AGREEMENTS WITH THE SAME REINSURER, EXCEED THE TOTAL DIRECT PREMIUM COLLECTED UNDER THE REINSURANCE POLICIES? YES () NO (X)

SECTION 3-CEDED REINSURANCE REPORT-PART B

1. WHAT IS THE ESTIMATED AMOUNT OF THE AGGREGATE REDUCTION IN SURPLUS, (FOR AGREEMENTS OTHER THAN THOSE WHICH THE REINSURER MAY UNILATERALLY CANCEL FOR REASONS OTHER THAN FOR NONPAYMENT OF PREMIUM OR OTHER SIMILAR CREDITS THAT ARE REFLECTED IN SECTION 2 ABOVE) OF TERMINATION OF ALL REINSURANCE AGREEMENTS, BY EITHER PARTY, AS OF THE DATE OF THIS STATEMENT? WHERE NECESSARY, THE COMPANY MAY CONSIDER THE CURRENT OR ANTICIPATED EXPERIENCE OF THE BUSINESS REINSURED IN MAKING THIS ESTIMATE. \$NONE
 2. HAVE ANY NEW AGREEMENTS BEEN EXECUTED OR EXISTING AGREEMENTS AMENDED, SINCE JANUARY 1 OF THE YEAR OF THIS STATEMENT, TO INCLUDE POLICIES OR CONTRACTS WHICH WERE IN FORCE OR WHICH HAD EXISTING RESERVES ESTABLISHED BY THE COMPANY AS OF THE EFFECTIVE DATE OF THE AGREEMENT? YES (X) NO () IF YES, WHAT IS THE AMOUNT OF REINSURANCE CREDITS, WHETHER AN ASSET OR A REDUCTION OF LIABILITY, TAKEN FOR SUCH NEW AGREEMENT OR AMENDMENTS? \$NONE
- B. UNCOLLECTIBLE REINSURANCE - NONE
- C. COMMUTATION OF CEDED REINSURANCE - NONE

NOTES TO FINANCIAL STATEMENTS

23. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

- A. THE COMPANY ESTIMATES ACCRUED RETROSPECTIVE PREMIUM ADJUSTMENTS THROUGH A MATHEMATICAL APPROACH USING THE COMPANY'S UNDERWRITING RULES AND EXPERIENCE RATING PRACTICES.
- B. THE AMOUNT OF PREMIUMS WRITTEN BY THE COMPANY DURING THE CURRENT YEAR THAT ARE SUBJECT TO RETROSPECTIVE RATING FEATURES WAS \$1,003,599, THAT REPRESENTED 2.12% OF THE CURRENT YEAR PREMIUMS WRITTEN FOR GROUP HEALTH.

24. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

RESERVES FOR INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES ATTRIBUTABLE TO INSURED EVENTS OF PRIOR YEARS WAS DECREASED BY \$1,010,630 AND \$756,366 FOR 2002 AND 2001, RESPECTIVELY, AS A RESULT OF REESTIMATION OF UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES. THIS DECREASE IS GENERALLY THE RESULT OF ONGOING ANALYSIS OF LOSS DEVELOPMENT TRENDS. ORIGINAL ESTIMATES ARE CONTINUALLY REVIEWED AND ADJUSTED WHEN NECESSARY AS EXPERIENCE DEVELOPS OR NEW INFORMATION BECOMES KNOWN. NEITHER ADDITIONAL PREMIUMS NOR RETURN PREMIUMS HAVE BEEN ACCRUED AS A RESULT OF THIS FAVORABLE LOSS DEVELOPMENT BECAUSE EXPERIENCE PERTAINING TO RETROSPECTIVELY RATED POLICIES WAS INSIGNIFICANT.

25. INTERCOMPANY POOLING ARRANGEMENTS - NOT APPLICABLE

26. RESERVES FOR LIFE CONTRACTS AND DEPOSIT-TYPE CONTRACTS - NOT APPLICABLE

27. VARIABLE ANNUITIES WITH GUARANTEED LIVING BENEFITS - NOT APPLICABLE

28. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT LIABILITIES BY WITHDRAWAL CHARACTERISTICS - NOT APPLICABLE

29. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED - NOT APPLICABLE

30. SEPARATE ACCOUNTS - 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		0.000		0.000
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.000		0.000
1.22 Issued by U.S. government sponsored agencies	749,816	6.039	749,816	6.039
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations		0.000		0.000
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA		0.000		0.000
1.512 Issued by FNMA and FHLMC		0.000		0.000
1.513 Privately issued		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC		0.000		0.000
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC		0.000		0.000
1.523 All other privately issued		0.000		0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	9,335,120	75.188	9,335,120	75.188
2.2 Unaffiliated foreign securities		0.000		0.000
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (includes \$ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (\$ including property acquired in satisfaction of debt)		0.000	0	0.000
6. Policy loans		0.000	0	0.000
7. Receivables for securities		0.000	0	0.000
8. Cash and short-term investments	2,330,785	18.773	2,330,785	18.773
9. Other invested assets		0.000		0.000
10. Total invested assets	12,415,722	100.000	12,415,722	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.12/31/1997
- 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.12/31/1997
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).08/21/1998
- 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; 1300 CHIQUITA CENTER, 250 EAST STREET; CINCINNATI, OH 45202.....
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?
 JAMES N. ROBERTS, FSA- PARTNER OF ERNST & YOUNG LLP; ACTUARIAL SERVICES GROUP, 1225 CONNECTICUT AVENUE, N.W.; WASHINGTON, DC 20036.....
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 [X] No []
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA [X]

BOARD OF DIRECTORS

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

FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | | |
|--|---|----------|---|
| | 14.11 To directors or other officers .. | \$ | 0 |
| | 14.12 To stockholders not officers ... | \$ | 0 |
| | 14.13 Trustees, supreme or grand (Fraternal only) | \$ | 0 |
- 14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | | |
|--|---|----------|---|
| | 14.21 To directors or other officers ... | \$ | 0 |
| | 14.22 To stockholders not officers ... | \$ | 0 |
| | 14.23 Trustees, supreme or grand (Fraternal only) | \$ | 0 |
- 15.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? Yes [] No [X]
- 15.2 If yes, state the amount thereof at December 31 of the current year:
- | | | | |
|--|----------------------------------|----------|--|
| | 15.21 Rented from others | \$ | |
| | 15.22 Borrowed from others | \$ | |
| | 15.23 Leased from others | \$ | |
| | 15.24 Other | \$ | |
- Disclose in Notes to Financial Statements the nature of each of these obligations.
- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [X] No []
- 16.2 If answer is yes,
- | | | | |
|--|--|----------|-------|
| | 16.21 Amount paid as losses or risk adjustment | \$ | 0 |
| | 16.22 Amount paid as expenses | \$ | 8,257 |
| | 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	0	0	0.000	0	[]	[X]	[]	[X]
Common	750	100	10,000.000	XXX	XXX	XXX	XXX	XXX

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

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

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

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

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

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

19.31	19.35
19.32	19.36
19.33	19.37
19.34	19.38
	19.39

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

19.4. For category (19.28) provide the following:

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

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

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

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

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

22. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [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
PEOPLES SAVINGS BANK.....	635 SOUTH MARKET ST, TROY OH 45373.....
.....

GENERAL INTERROGATORIES

(continued) INVESTMENT

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

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

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

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

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

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

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

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?..... \$79,321

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
IMCKESSON.....	\$35,839
AMERICAN ACCREDITATION HEALTHCARE COMMISSION/URAC.....	\$21,176

24.1 Amount of payments for legal expenses, if any?..... \$27,871

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
PAUL J. ROUTH, ATTORNEY AT LAW.....	\$27,871
	\$

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$1,395

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
PASS 02 COMMITTEE-PIQUA OHIO SCHOOLS LEVY CAMPAIGN.....	\$1,395

GENERAL INTERROGATORIES

(continued)

PART 2 - LIFE 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 this reporting entity have Separate Accounts? Yes [] No [X]
- 2.2 If yes, has a Separate Accounts Statement been filed with this Department? Yes [] No [] NA [X]
- 2.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? \$
- 2.4 State the authority under which Separate Accounts are maintained:
- 2.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [] No [X]
- 2.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [] No [X]
- 3.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes [X] No []
- 3.2 Net reimbursement of such expenses between reporting entities:
- 3.21 Paid: \$2,703,601
- 3.22 Received: \$0
- 4.1 Does the reporting entity write any guaranteed interest contracts? Yes [] No [X]
- 4.2 If yes, what amount pertaining to these items is included in:
- 4.21 Page 3, Line 3 \$
- 4.22 Page 4, Line 1 \$
5. For stock reporting entities only:
- 5.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$2,602,011
6. Total dividends paid stockholders since organization of the reporting entity:
- 6.11 Cash: \$0
- 6.12 Stock: \$0
- 7.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 7.11 Name of real estate holding company
- 7.12 Number of parcels involved
- 7.13 Total book/adjusted carrying value \$
- 7.2 If yes, provide explanation:

GENERAL INTERROGATORIES

(continued)

PART 2 - LIFE INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]

Workers compensation carve-out business is defined as reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability expositors, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers Compensation Carve-Out Supplement to the Annual Statement: Yes [] No [X]

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1. Reinsurance Assumed	2. Reinsurance Ceded	3. Net Retained
8.31 Earned premium.....
8.32 Paid claims.....
8.33 Claim liability and reserve (beginning of year).....
8.34 Claim liability and reserve (end of year).....
8.35 Incurred Claims.....

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column 1 are:

	Attachment Point	1. Earned Premium	2. Claim Liability And Reserve
8.41	<\$25,000	.....	.....
8.42	\$25,000 – 99,999	.....	.....
8.43	\$100,000 – 249,999	.....	.....
8.44	\$250,000 – 999,999	.....	.....
8.45	\$1,000,000 or more	.....	.....

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? \$.....

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.
 Show amounts of life insurance in this exhibit in thousands (omit \$000)

	1 2002	2 2001	3 2000	4 1999	5 1998
Life Insurance in Force					
(Exhibit of Life Insurance)					
1. Ordinary - Whole Life and Endowment (Line 34, Col. 4)	0	0	0	0	0
2. Ordinary - Term (Line 21, Col. 4, less Line 34, Col. 4)	0	0	0	0	0
3. Credit Life (Line 21, Col. 6)	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	0	0	0	0	0
5. Industrial (Line 21, Col. 2)	0	0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)	0	0	0	0	0
7. Total (Line 21, Col. 10)	0	0	0	0	0
New Business Issued					
(Exhibit of Life Insurance)					
8. Ordinary - Whole Life and Endowment (Line 34, Col. 2)	0	0	0	0	0
9. Ordinary - Term (Line 2, Col. 4, less Line 34, Col. 2)	0	0	0	0	0
10. Credit Life (Line 2, Col. 6)	0	0	0	0	0
11. Group (Line 2, Col. 9)	0	0	0	0	0
12. Industrial (Line 2, Col. 2)	0	0	0	0	0
13. Total (Line 2, Col. 10)	0	0	0	0	0
Premium Income - Lines of Business					
14. Industrial Life (Exhibit 1-Part 1, Line 20.4, Col. 2)	0	0	0	0	0
15.1 Ordinary-Life Insurance (Exhibit 1-Part 1, Line 20.4, Col. 3)	0	0	0	0	0
15.2 Ordinary-Individual Annuities (Exhibit 1-Part 1, Line 20.4, Col. 4)	0	0	0	0	0
16. Credit Life (Group and Individual) (Exhibit 1-Part 1, Line 20.4, Col. 5)	0	0	0	0	0
17.1 Group Life Insurance (Exhibit 1-Part 1, Line 20.4, Col. 6)	0	0	0	0	0
17.2 Group Annuities (Exhibit 1-Part 1, Line 20.4, Col. 7)	0	0	0	0	0
18.1 A & H-Group (Exhibit 1-Part 1, Line 20.4, Col. 8)	47,031,794	38,892,127	29,726,103	26,089,807	19,697,421
18.2 A & H-Credit (Group and Individual) (Exhibit 1-Part 1, Line 20.4, Col. 9)	0	0	0	0	0
18.3 A & H-Other (Exhibit 1-Part 1, Line 20.4, Col. 10)	26,957	35,194	29,696	23,804	17,697
19. Aggregate of All Other Lines of Business (Exhibit 1-Part 1, Line 20.4, Col. 11)	0	0	0	0	0
20. Deposit-type funds	XXX	XXX	0	0	0
21. Total	47,058,751	38,927,321	29,755,799	26,113,611	19,715,118
Balance Sheet Items (Pages 2 & 3)					
22. Total Admitted Assets Excluding Separate Accounts Business (Page 2, Line 25, Col. 3)	13,125,660	11,466,118	9,952,067	8,373,233	6,960,869
23. Total Liabilities Excluding Separate Accounts Business (Page 3, Line 26)	6,780,227	6,784,747	5,824,544	4,901,962	3,690,118
24. Aggregate Life Reserves (Page 3, Line 1)	0	0	0	0	0
25. Aggregate A & H Reserves (Page 3, Line 2)	0	0	0	0	0
26. Deposit-type contract funds (Page 3, Line 3)	0	0	XXX	XXX	XXX
27. Asset Valuation Reserve (Page 3, Line 24.1)	34,124	23,078	15,094	9,576	7,614
28. Capital (Page 3, Lines 29 and 30)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
29. Surplus (Page 3, Line 37)	5,345,433	3,681,371	3,127,523	2,471,271	2,270,751
Risk-Based Capital Analysis					
30. Total Adjusted Capital	6,379,557	4,704,449	4,142,617	3,480,847	3,278,365
31. Authorized Control Level Risk - Based Capital	2,400,331	2,194,594	1,763,162	1,638,055	1,222,989
Percentage Distribution of Assets (Page 2, Col. 3) (Line No. / Page 2, Line 11, Col. 3) x 100.0					
32. Bonds (Line 1)	81.2	80.4	87.4	85.7	81.6
33. Stocks (Lines 2.1 and 2.2)	0.0	0.0	0.0	0.0	0.0
34. Mortgage Loans on Real Estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
35. Real Estate (Lines 4.1, 4.2 and 4.3)	0.0	0.0	0.0	0.0	0.0
36. Policy Loans (Line 5)	0.0	0.0	0.0	0.0	0.0
37. Premium Notes (Line 6)	0.0	0.0	0.0	0.0	0.0
38. Cash and Short - Term Investments (Line 7)	18.8	19.6	12.6	14.3	18.4
39. Other Invested Assets (Line 8)	0.0	0.0	0.0	0.0	0.0
40. Receivable for Securities (Line 9)	0.0	0.0	0.0	0.0	0.0
41. Aggregate Write-ins for Invested Assets (Line 10)	0.0	0.0	0.0	0.0	0.0
42. Cash and Invested Assets (Line 11)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Investments in Parent, Subsidiaries and Affiliates					
43. Affiliated Bonds (Schedule D Summary, Line 25, Col. 1)	0	0	0	0	0
44. Affiliated Preferred Stocks (Schedule D Summary, Line 39, Col. 1)	0	0	0	0	0
45. Affiliated Common Stocks (Schedule D Summary, Line 53, Col. 2)	0	0	0	0	0
46. Affiliated Short-Term Investments (Subtotals included in Schedule DA Part 2 Col. 5, Line 11)	0	0	0	0	0
47. Affiliated Mortgage Loans on Real Estate	0	0	0	0	0
48. All Other Affiliated	0	0	0	0	0
49. Total of above Lines 43 to 48	0	0	0	0	0
Total Non-admitted and Admitted Assets					
50. Total Non admitted Assets (Page 2, Line 27, Col. 2)	213,283	449,535	112,797	138,527	131,555
51. Total Admitted Assets (Page 2, Line 27, Col. 3)	13,125,660	11,466,118	9,952,067	8,373,233	6,960,869
Investment Data					
52. Net Investment Income (Exhibit of Net Investment Income)	642,995	619,593	583,044	412,502	369,118
53. Realized Capital Gains (Losses)	22,964	38,682	2,966	728	(1,294)
54. Unrealized Capital Gains (Losses)	0	0	0	0	0
55. Total of above Lines 52, 53 & 54	665,959	658,276	586,010	413,230	367,824
Benefits and Reserve Increases (Page 6)					
56. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15, Col.1 less Lines 10, 11, 12, 13, 14, and 15, Cols. 9, 10 & 11)	0	0	0	0	0
57. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	39,468,757	33,946,731	25,203,381	22,505,294	16,538,790
58. Increase in Life Reserves - Other than Group and Annuities (Line 19, Cols. 2 and 3)	0	0	0	0	0
59. Increase in A & H Reserves (Line 19, Cols. 9, 10 & 11)	0	0	0	0	0
60. Dividends to Policyholders (Line 30, Col. 1)	0	0	0	0	0
Operating Percentages					
61. Insurance Expense Percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus group annuity contribution funds) x 100.0	11.7	11.9	14.0	13.5	16.3
62. Lapse Percent (Ordinary Only) (Exhibit of Life Insurance, Col. 4, Lines 14 & 15) x 100.0 / 1/2 (Lines 1 & 21)	0.0	0.0	0.0	0.0	0.0
63. A & H Loss Percent (Schedule H, Part 1, Lines 3 and 4, Col. 2)	83.9	87.2	84.7	86.2	83.9
64. A & H Expense Percent (Schedule H, Pt. 1, Line 8, Col. 2)	12.8	12.9	15.1	14.6	17.2
A & H Claim Reserve Adequacy					
65. Incurred Losses on Prior Years' Claims - Group Health (Schedule H, Part 3, Line 3.1 Col. 2)	4,175,877	3,709,725	2,920,248	2,052,697	2,108,423
66. Prior Years' Claim Liability and Reserve - Group Health (Schedule H, Part 3, Line 3.2 Col. 2)	5,149,601	4,356,260	3,756,976	2,640,776	2,393,464
67. Incurred Losses on Prior Years' Claims-Health other than Group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2)	3	2,920	3,912	0	2,463
68. Prior Years' Claim Liability and Reserve-Health other than Group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2)	399	2,240	5,956	4,969	150
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
69. Industrial Life (Col. 2)	0	0	0	0	0
70. Ordinary - Life (Col. 3)	0	0	0	0	0
71. Ordinary - Individual Annuities (Col. 4)	0	0	0	0	0
72. Ordinary-Supp. Contracts (Col. 5)	0	0	0	0	0
73. Credit Life (Col. 6)	0	0	0	0	0
74. Group Life (Col. 7)	0	0	0	0	0
75. Group Annuities (Col. 8)	0	0	0	0	0
76. A & H-Group (Col. 9)	1,417,931	551,143	615,762	219,218	167,261
77. A & H-Credit (Col. 10)	0	0	0	0	0
78. A & H-Other (Col. 11)	6,036	25,637	20,278	(9,766)	(12,043)
79. Aggregate of All Other Lines of Business (Col. 12)	0	0	0	0	0
80. Total (Col. 1)	1,423,967	576,780	636,040	209,452	155,218

Exhibit of Life Insurance

NONE

Exhibit of Life Insurance - Part 2

NONE

Exhibit of Life Insurance - Part 3

NONE

Exhibit of Life Insurance - Part 4

NONE

Exhibit of Life Insurance - Part 5

NONE

Exhibit of Life Insurance - Part 6

NONE

Exhibit of Life Insurance - Part 7

NONE

Policies with Disability Provisions

NONE

**EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES,
INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR
SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH
AND OTHER POLICIES**

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
NONE				
1. In force end of prior year				
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)				
Deductions during year:				
6. Decreased (net)				
7. Reinsurance				
8. Totals (Lines 6 and 7)				
9. In force end of year				
10. Amount on deposit		(a)		(a)
11. Income now payable				
12. Amount of income payable	(a)	(a)	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
NONE				
1. In force end of prior year				
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)				
Deductions during year:				
6. Decreased (net)				
7. Reinsurance				
8. Totals (Lines 6 and 7)				
9. In force end of year				
Income now payable:				
10. Amount of income payable	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance	XXX	(a)	XXX	(a)
Deferred not fully paid:				
12. Account balance	XXX	(a)	XXX	(a)

ACCIDENT AND HEALTH INSURANCE

	Ordinary		Group		Credit	
	1 Policies	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	5	19,283	721	44,911,878	0	0
2. Issued during year	6	31,221	192	567,798		
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Total (Lines 1 to 4)	11	XXX	913	XXX	0	XXX
Deductions during year:						
6. Conversions	XXX	XXX		XXX	XXX	XXX
7. Decreased (net)	5	XXX	115	XXX		XXX
8. Reinsurance		XXX		XXX		XXX
9. Total (Lines 6 thru 8)	5	XXX	115	XXX	0	XXX
10. In force end of year	6 (a)	26,874	798 (a)	44,956,271	0 (a)	

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
NONE		
1. In force end of prior year		
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Total (Lines 1 to 4)		
Deductions During Year:		
6. Decreased (net)		
7. Reinsurance		
8. Totals (Lines 6 and 7)		
9. In force end of year		
10. Amount of account balance	(a)	(a)

(a) See paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SUMMIT 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 States 749,816 2. Canada 0 3. Other Countries 0 4. Totals 749,816	750,625 0 0 750,625	749,300 0 0 749,300	750,000 0 0 750,000
States, Territories and Possessions (Direct and guaranteed)	5. United States 0 6. Canada 0 7. Other Countries 0 8. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States 0 10. Canada 0 11. Other Countries 0 12. Totals 0	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 States 0 14. Canada 0 15. Other Countries 0 16. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Public Utilities (unaffiliated)	17. United States 1,112,078 18. Canada 0 19. Other Countries 0 20. Totals 1,112,078	1,152,316 0 0 1,152,316	1,122,634 0 0 1,122,634	1,085,000 0 0 1,085,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States 8,223,042 22. Canada 0 23. Other Countries 0 24. Totals 8,223,042	8,733,065 0 0 8,733,065	8,307,772 0 0 8,307,772	7,905,000 0 0 7,905,000
Parent, Subsidiaries and Affiliates	25. Totals 0 26. Total Bonds 10,084,937	0 10,636,006	0 10,179,705	0 9,740,000
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States 0 28. Canada 0 29. Other Countries 0 30. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States 0 32. Canada 0 33. Other Countries 0 34. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	35. United States 0 36. Canada 0 37. Other Countries 0 38. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Parent, Subsidiaries and Affiliates	39. Totals 0 40. Total Preferred Stocks 0	0 0	0 0	0 0
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States 0 42. Canada 0 43. Other Countries 0 44. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States 0 46. Canada 0 47. Other Countries 0 48. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	49. United States 0 50. Canada 0 51. Other Countries 0 52. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Parent, Subsidiaries and Affiliates	53. Totals 0 54. Total Common Stocks 0 55. Total Stocks 0 56. Total Bonds and Stocks 10,084,937	0 0 0 10,636,006	0 0 0 10,179,705	0 0 0 9,740,000

(a) The aggregate value of bonds which are valued at other than actual fair value is \$1,750,583 .

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year 8,681,725	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3 4,160,069	6.1 Column 17, Part 1 0
3. Increase (decrease) by adjustment:	6.2 Column 13, Part 2, Sec. 1 0
3.1 Column 16, Part 1 (57,093)	6.3 Column 11, Part 2, Sec. 2 0
3.2 Column 12, Part 2, Sec. 1 0	6.4 Column 11, Part 4 0
3.3 Column 10, Part 2, Sec. 2 0	7. Book/adjusted carrying value at end of current period 10,084,937
3.4 Column 10, Part 4 (3,408) (60,501)	8. Total valuation allowance 10,084,937
4. Total gain (loss), Col. 14, Part 4 22,964	9. Subtotal (Lines 7 plus 8) 10,084,937
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 2,719,320	10. Total nonadmitted amounts 10,084,937
	11. Statement value of bonds and stocks, current period 10,084,937

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SUMMIT INSURANCE COMPANY

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1	Life Contracts		Direct Business Only					
		2	3	4	5	6			
							Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Deposit-Type Contract Funds	Other Considerations
1. Alabama	AL	No.	.0	.0	.0	.0	.0	.0	
2. Alaska	AK	No.	.0	.0	.0	.0	.0	.0	
3. Arizona	AZ	No.	.0	.0	.0	.0	.0	.0	
4. Arkansas	AR	No.	.0	.0	.0	.0	.0	.0	
5. California	CA	No.	.0	.0	.0	.0	.0	.0	
6. Colorado	CO	No.	.0	.0	.0	.0	.0	.0	
7. Connecticut	CT	No.	.0	.0	.0	.0	.0	.0	
8. Delaware	DE	No.	.0	.0	.0	.0	.0	.0	
9. District of Columbia	DC	No.	.0	.0	.0	.0	.0	.0	
10. Florida	FL	No.	.0	.0	.0	.0	.0	.0	
11. Georgia	GA	No.	.0	.0	.0	.0	.0	.0	
12. Hawaii	HI	No.	.0	.0	.0	.0	.0	.0	
13. Idaho	ID	No.	.0	.0	.0	.0	.0	.0	
14. Illinois	IL	No.	.0	.0	.0	.0	.0	.0	
15. Indiana	IN	No.	.0	.0	.0	.0	.0	.0	
16. Iowa	IA	No.	.0	.0	.0	.0	.0	.0	
17. Kansas	KS	No.	.0	.0	.0	.0	.0	.0	
18. Kentucky	KY	No.	.0	.0	.0	.0	.0	.0	
19. Louisiana	LA	No.	.0	.0	.0	.0	.0	.0	
20. Maine	ME	No.	.0	.0	.0	.0	.0	.0	
21. Maryland	MD	No.	.0	.0	.0	.0	.0	.0	
22. Massachusetts	MA	No.	.0	.0	.0	.0	.0	.0	
23. Michigan	MI	No.	.0	.0	.0	.0	.0	.0	
24. Minnesota	MN	No.	.0	.0	.0	.0	.0	.0	
25. Mississippi	MS	No.	.0	.0	.0	.0	.0	.0	
26. Missouri	MO	No.	.0	.0	.0	.0	.0	.0	
27. Montana	MT	No.	.0	.0	.0	.0	.0	.0	
28. Nebraska	NE	No.	.0	.0	.0	.0	.0	.0	
29. Nevada	NV	No.	.0	.0	.0	.0	.0	.0	
30. New Hampshire	NH	No.	.0	.0	.0	.0	.0	.0	
31. New Jersey	NJ	No.	.0	.0	.0	.0	.0	.0	
32. New Mexico	NM	No.	.0	.0	.0	.0	.0	.0	
33. New York	NY	No.	.0	.0	.0	.0	.0	.0	
34. North Carolina	NC	No.	.0	.0	.0	.0	.0	.0	
35. North Dakota	ND	No.	.0	.0	.0	.0	.0	.0	
36. Ohio	OH	Yes.	.0	.0	47,903,533	.0	.0	.0	
37. Oklahoma	OK	No.	.0	.0	.0	.0	.0	.0	
38. Oregon	OR	No.	.0	.0	.0	.0	.0	.0	
39. Pennsylvania	PA	No.	.0	.0	.0	.0	.0	.0	
40. Rhode Island	RI	No.	.0	.0	.0	.0	.0	.0	
41. South Carolina	SC	No.	.0	.0	.0	.0	.0	.0	
42. South Dakota	SD	No.	.0	.0	.0	.0	.0	.0	
43. Tennessee	TN	No.	.0	.0	.0	.0	.0	.0	
44. Texas	TX	No.	.0	.0	.0	.0	.0	.0	
45. Utah	UT	No.	.0	.0	.0	.0	.0	.0	
46. Vermont	VT	No.	.0	.0	.0	.0	.0	.0	
47. Virginia	VA	No.	.0	.0	.0	.0	.0	.0	
48. Washington	WA	No.	.0	.0	.0	.0	.0	.0	
49. West Virginia	WV	No.	.0	.0	.0	.0	.0	.0	
50. Wisconsin	WI	No.	.0	.0	.0	.0	.0	.0	
51. Wyoming	WY	No.	.0	.0	.0	.0	.0	.0	
52. American Samoa	AS	No.	.0	.0	.0	.0	.0	.0	
53. Guam	GU	No.	.0	.0	.0	.0	.0	.0	
54. Puerto Rico	PR	No.	.0	.0	.0	.0	.0	.0	
55. US Virgin Islands	VI	No.	.0	.0	.0	.0	.0	.0	
56. Canada	CN	No.	.0	.0	.0	.0	.0	.0	
57. Aggregate Other Alien	OT	XXX	.0	.0	.0	.0	.0	.0	
58. Subtotal	(a)	.1	.0	.0	47,903,533	.0	.0	.0	
90. Reporting entity contributions for employee benefit plans	XXX				226,355				
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX								
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX								
93. Premium or annuity considerations waived under disability or other contract provisions	XXX								
94. Aggregate of other amounts not allocable by State	XXX		.0	.0	.0	.0	.0	.0	
95. Totals (Direct Business)	XXX		.0	.0	48,129,888	.0	.0	.0	
96. Plus Reinsurance Assumed	XXX								
97. Totals (All Business)	XXX		.0	.0	48,129,888	.0	.0	.0	
98. Less Reinsurance Ceded	XXX				805,025				
99. Totals (All Business) less Reinsurance Ceded	XXX		.0	.0	(b) 47,324,863	.0	.0	.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
9401.	XXX								
9402.	XXX								
9403.	XXX								
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX		.0	.0	.0	.0	.0	.0	.0
9499. Totals (Lines 9401 thru 9403 plus 9498)(Line 94 above)	XXX		.0	.0	.0	.0	.0	.0	.0

Explanation of basis of allocation by states, etc., of premiums and annuity considerations

NOT APPLICABLE BECAUSE THE COMPANY WRITES BUSINESS ONLY IN THE STATE OF OHIO

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

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9 and 10, or with Schedule H, Part 1, Line 1, indicate which: Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10.

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

