

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	685,982,598		685,982,598	680,350,559
2. Stocks:				
2.1 Preferred stocks.....	20,995,800		20,995,800	18,664,202
2.2 Common stocks.....	38,371,135		38,371,135	36,914,927
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(270,350)), cash equivalents (\$.....16,778,437) and short-term investments (\$.....0).....	16,508,087		16,508,087	13,400,433
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....	122,940		122,940	98,554
9. Receivables for securities.....	3,490,375		3,490,375	1,033,871
10. Securities lending reinvested collateral assets.....	8,228,091	8,551	8,219,540	6,003,707
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	773,699,025	8,551	773,690,474	756,466,252
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	6,026,440		6,026,440	6,342,756
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	57,481,784	1,112,406	56,369,378	61,315,090
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	435,358,633		435,358,633	422,375,229
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	31,303		31,303	46,445
16.2 Funds held by or deposited with reinsured companies.....	882,494		882,494	794,862
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	4,745,945		4,745,945	4,589,603
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	2,568,897		2,568,897	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	200,237	0	200,237	183,809
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,280,994,757	1,120,957	1,279,873,800	1,252,114,046
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	1,280,994,757	1,120,957	1,279,873,800	1,252,114,046

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Premium Tax Credits.....	53,523		53,523	58,958
2502. Equities and Deposits in Pools and Associations.....	57,549		57,549	57,549
2503. Other Accounts Receivable.....	89,165		89,165	67,302
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	200,237	0	200,237	183,809

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....28,862,965).....	200,168,141	201,226,161
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	38,018,459	38,059,547
4. Commissions payable, contingent commissions and other similar charges.....	7,081	5,329
5. Other expenses (excluding taxes, licenses and fees).....	180,845	197,429
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	898,983	1,973,782
7.1 Current federal and foreign income taxes (including \$.....631,829 on realized capital gains (losses)).....	4,251,916	181,250
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....994,824,280 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	161,604,757	159,425,917
10. Advance premium.....	4,696,146	2,269,911
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	447,909	463,282
12. Ceded reinsurance premiums payable (net of ceding commissions).....	393,827,708	388,091,521
13. Funds held by company under reinsurance treaties.....	783,457	699,998
14. Amounts withheld or retained by company for account of others.....	601,311	623,572
15. Remittances and items not allocated.....	128,592	68,877
16. Provision for reinsurance (including \$.....0 certified).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	24,304,935	26,077,554
20. Derivatives.....		
21. Payable for securities.....	500,000	2,414,133
22. Payable for securities lending.....	8,228,091	6,003,707
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	838,648,330	827,781,969
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	838,648,330	827,781,969
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	2,350,000	2,350,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	86,482,000	86,482,000
35. Unassigned funds (surplus).....	352,393,470	335,500,077
36. Less treasury stock, at cost:		
36.10.000 shares common (value included in Line 30 \$.....0).....		
36.20.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	441,225,470	424,332,077
38. Totals (Page 2, Line 28, Col. 3).....	1,279,873,800	1,252,114,046

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
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.... 479,755,128).....	476,367,926	430,332,225	1,780,639,670
1.2 Assumed..... (written \$.... 107,174,689).....	105,156,737	103,600,595	417,242,469
1.3 Ceded..... (written \$.... 488,812,973).....	485,586,659	439,946,432	1,818,000,863
1.4 Net..... (written \$.... 98,116,844).....	95,938,004	93,986,388	379,881,276
DEDUCTIONS:			
2. Losses incurred (current accident year \$.... 50,719,637):			
2.1 Direct.....	239,405,641	253,304,323	1,071,798,431
2.2 Assumed.....	56,897,908	63,568,308	245,133,983
2.3 Ceded.....	247,844,613	262,675,405	1,110,466,163
2.4 Net.....	48,458,936	54,197,226	206,466,251
3. Loss adjustment expenses incurred.....	9,198,797	9,346,961	35,268,025
4. Other underwriting expenses incurred.....	26,504,328	25,587,925	105,195,687
5. Aggregate write-ins for underwriting deductions.....	34,282	41,243	158,835
6. Total underwriting deductions (Lines 2 through 5).....	84,196,342	89,173,356	347,088,798
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	11,741,662	4,813,033	32,792,478
INVESTMENT INCOME			
9. Net investment income earned.....	6,061,933	5,625,826	22,357,233
10. Net realized capital gains (losses) less capital gains tax of \$.... 604,895.....	1,551,002	(40,777)	4,230,281
11. Net investment gain (loss) (Lines 9 + 10).....	7,612,935	5,585,049	26,587,514
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.... 176,037 amount charged off \$.... 361,064).....	(185,027)	(1,081,934)	(1,539,808)
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	11,100	10,743	60,259
15. Total other income (Lines 12 through 14).....	(173,927)	(1,071,191)	(1,479,549)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	19,180,670	9,326,891	57,900,444
17. Dividends to policyholders.....	132,681	169,688	10,026,561
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	19,047,989	9,157,203	47,873,883
19. Federal and foreign income taxes incurred.....	3,465,771	2,405,323	8,829,249
20. Net income (Line 18 minus Line 19) (to Line 22).....	15,582,218	6,751,880	39,044,634
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	424,332,077	381,408,476	381,408,476
22. Net income (from Line 20).....	15,582,218	6,751,880	39,044,634
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.... (115,590).....	1,019,640	(2,184,398)	3,645,151
25. Change in net unrealized foreign exchange capital gain (loss).....	2,917	1,571	(8,298)
26. Change in net deferred income tax.....	40,752	618,223	423,045
27. Change in nonadmitted assets.....	247,866	(510,678)	(180,931)
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	16,893,393	4,676,598	42,923,601
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	441,225,470	386,085,074	424,332,077
DETAILS OF WRITE-INS			
0501. LAD Program Expense.....	34,282	41,243	158,835
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).....	34,282	41,243	158,835
1401. Miscellaneous Income.....	11,100	10,743	60,259
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	11,100	10,743	60,259
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	98,692,409	90,881,928	379,651,389
2. Net investment income.....	7,139,990	6,815,537	25,550,296
3. Miscellaneous income.....	(365,430)	(509,890)	(1,488,209)
4. Total (Lines 1 through 3).....	105,466,969	97,187,575	403,713,476
5. Benefit and loss related payments.....	49,589,446	55,890,024	211,816,672
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	36,868,126	37,258,252	141,795,490
8. Dividends paid to policyholders.....	148,054	177,369	10,093,667
9. Federal and foreign income taxes paid (recovered) net of \$.00 tax on capital gains (losses).....		(0)	9,839,934
10. Total (Lines 5 through 9).....	86,605,626	93,325,644	373,545,763
11. Net cash from operations (Line 4 minus Line 10).....	18,861,344	3,861,931	30,167,712
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	53,938,662	59,648,320	186,516,685
12.2 Stocks.....	2,519,939	505,994	4,904,181
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....		5,242,131	2,414,595
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	56,458,601	65,396,446	193,835,461
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	58,171,311	73,925,562	221,939,167
13.2 Stocks.....	5,410,114	4,244,392	9,452,159
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....	23,200	1,000	21,000
13.6 Miscellaneous applications.....	6,595,021	9,376,292	4,362,376
13.7 Total investments acquired (Lines 13.1 to 13.6).....	70,199,646	87,547,246	235,774,702
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(13,741,045)	(22,150,800)	(41,939,240)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	(2,012,645)	6,482,475	7,325,417
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(2,012,645)	6,482,475	7,325,417
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	3,107,654	(11,806,394)	(4,446,111)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	13,400,433	17,846,544	17,846,544
19.2 End of period (Line 18 plus Line 19.1).....	16,508,087	6,040,150	13,400,433

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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