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# ANNUAL STATEMENT

Including Index and Supplements

OF THE



**DONEGAL MUTUAL**  
*Insurance Company*

OF

MARIETTA

IN THE STATE OF

PENNSYLVANIA

TO THE

INSURANCE DEPARTMENT

OF THE STATE OF

PENNSYLVANIA

FOR THE YEAR ENDED  
DECEMBER 31, 2002

2002

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

**DONEGAL MUTUAL INSURANCE COMPANY**

NAIC Group Code 0250 0250 NAIC Company Code 13692 Employer's ID Number 23-1336198  
(Current Period) (Prior Period)

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

Country of Domicile US

Incorporated May 13, 1889 Commenced Business May 13, 1889

Statutory Home Office 1195 River Road, Marietta, Pennsylvania 17547-0302  
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 1195 River Road, Marietta, Pennsylvania 17547-0302 717-426-1931  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1195 River Road, Marietta, Pennsylvania 17547-0302  
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 1195 River Road, Marietta, Pennsylvania 17547-0302  
717-426-1931  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.donegalgroup.com

Statement Contact Daniel John Wagner 717-426-1931  
(Name) (Area Code) (Telephone Number) (Extension)  
dawagner@donegalgroup.com 717-426-7031  
(E-Mail Address) (Fax Number)

Policyowner Relations Contact 1195 River Road, Marietta, Pennsylvania 17547 1-800-877-0600-8100  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

**OFFICERS**

President ..... DONALD HERBERT NIKOLAUS  
 Secretary ..... RALPH GEORGE SPONTAK  
 Treasurer ..... DANIEL JOHN WAGNER

**VICE PRESIDENTS**

KEVIN GERARD BURKE  
 CHARLES MICHAEL FERRARO  
 JEFFREY ALAN JACOBSEN  
 #RICHARD GEORGE KELLEY  
 DAVID SCOTT KRENKEL  
 DAVID WAYNE PLOUSE  
 WILLIAM HOWARD SHUPERT  
 DANIEL JOHN WAGNER

KENNETH LEE DULL  
 CYRIL JAMES GREENYA  
 PERRY SCOTT KEITH  
 STEVEN PETER KLIPA  
 JEFFREY DEAN MILLER  
 ROBERT GARY SHENK  
 RALPH GEORGE SPONTAK  
 JANET LEE WEISBERG

**DIRECTORS OR TRUSTEES**

FREDERICK WILLIAM DREHER, III  
 PATRICIA ANNE GILMARTIN  
 PHILIP HUGHES GLATFELTER, II  
 JOHN ERB HIESTAND  
 DONALD HERBERT NIKOLAUS  
 ROY RICHARD SHERBAHN  
 WILLIAM HOWARD SHUPERT  
 RALPH GEORGE SPONTAK

Slate of Pennsylvania } SS  
 County of Lancaster

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.

\_\_\_\_\_  
 DONALD HERBERT NIKOLAUS  
 President

\_\_\_\_\_  
 RALPH GEORGE SPONTAK  
 Secretary

\_\_\_\_\_  
 DANIEL JOHN WAGNER  
 Treasurer

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 \_\_\_\_\_

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Columns 1 minus 2)	Net Admitted Assets
1. Bonds	20,855,377		20,855,377	31,924,796
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1)	5,619,521		5,619,521	5,767,065
2.2 Common stocks (Schedule D, Part 2, Section 2)	73,335,198		73,335,198	84,440,752
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	6,295,933		6,295,933	7,924,146
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances)	24,367,647		24,367,647	21,910,771
4.2 Properties held for the production of income (less \$ ..... encumbrances)				
4.3 Properties held for sale (less \$ ..... encumbrances)				
5. Cash (\$ ..... (4,275,458) Schedule E, Part 1) and short-term investments (\$ ..... 8,990,868 Schedule DA, Part 2)	4,625,410		4,625,410	(2,293,778)
6. Other invested assets (Schedule BA)	5,668,897	915,116	4,773,781	720,514
7. Receivable for securities				
8. Aggregate write-ins for invested assets				
9. Subtotals, cash and invested assets (Line 1 to Line 8)	140,787,983	915,116	139,872,867	130,394,266
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection	7,958,797	833,063	7,125,734	6,843,053
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums)	24,651,738		24,651,738	21,351,321
10.3 Accrued retrospective premiums				
11. Funds held by or deposited with reinsured companies				
12. Bills receivable, taken for premiums				
13. Amounts receivable under high deductible policies				
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Columns 7 and 8)	8,286,200		8,286,200	7,872,676
15. Federal and foreign income tax recoverable and interest thereon (including \$ net deferred tax asset)	866,912		866,912	2,243,254
16. Guaranty funds receivable or on deposit				
17. Electronic data processing equipment and software	1,961,907		1,961,907	1,927,948
18. Interest, dividends and real estate income due and accrued	478,283		478,283	618,747
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Receivable from parent, subsidiaries and affiliates	1,838,096		1,838,096	1,514,624
21. Amount due from/to protected cells				
22. Equities and deposits in pools and associations	79,897		79,897	26,621
23. Amounts receivable relating to uninsured accident and health plans				
24. Other assets nonadmitted (Exhibit 1)	9,248,460	9,248,460		
25. Aggregate write-ins for other than invested assets	6,925,004		6,925,004	6,855,445
26. Total assets excluding protected cell assets (Line 9 through Line 25)	203,063,277	10,996,639	192,066,638	179,847,955
27. Protected cell assets				
28. TOTALS (Line 26 and Line 27)	203,063,277	10,996,639	192,066,638	179,847,955
DETAILS OF WRITE-INS				
0801. ....				
0802. ....				
0803. ....				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)				
2501. Accounts receivable - other	5,231,004		5,231,004	5,136,445
2502. Premium tax offsets receivable	1,694,000		1,694,000	1,719,000
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	6,925,004		6,925,004	6,855,445

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8) .....	48,529,662	43,837,948
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	6,421,882	4,458,320
3. Loss adjustment expenses (Part 2A, Line 34, Column 9) .....	10,555,000	9,535,000
4. Commissions payable, contingent commissions and other similar charges .....	3,650,000	3,421,000
5. Other expenses (excluding taxes, licenses and fees) .....	3,025,977	2,037,168
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	3,738,659	5,297,655
7. Federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) (including \$ ..... 24,626 net deferred tax liability) .....	24,626	
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... 96,815,845 and including warranty reserves of \$ .....)	29,660,560	27,296,097
10. Advance premiums .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....	432,000	571,000
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	9,453,072	10,119,023
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....		
14. Amounts withheld or retained by company for account of others .....	851,745	827,457
15. Remittances and items not allocated .....	109,605	
16. Provision for reinsurance (Schedule F, Part 7) .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....		
20. Payable for securities .....		
21. Liability for amounts held under uninsured accident and health plans .....		
22. Capital notes \$ ..... and interest thereon \$ .....		
23. Aggregate write-ins for liabilities .....		
24. Total liabilities excluding protected cell liabilities (Line 1 through Line 23) .....	116,452,766	107,400,668
25. Protected cell liabilities .....		
26. Total liabilities (Line 24 and Line 25) .....	116,452,766	107,400,668
27. Aggregate write-ins for special surplus funds .....		
28. Common capital stock .....		
29. Preferred capital stock .....		
30. Aggregate write-ins for other than special surplus funds .....		
31. Surplus notes .....		
32. Gross paid in and contributed surplus .....		
33. Unassigned funds (surplus) .....	75,613,870	72,447,287
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ .....)		
34.2 ..... shares preferred (value included in Line 29 \$ .....)		
35. Surplus as regards policyholders (Line 27 to Line 33, less Line 34) (Page 4, Line 38) .....	75,613,870	72,447,287
36. TOTALS (Page 2, Line 28, Column 3) .....	192,066,636	179,847,956
<b>DETAILS OF WRITE-INS</b>		
2301. ....		
2302. ....		
2303. ....		
2304. Summary of remaining write-ins for Line 23 from overflow page .....		
2305. TOTALS (Line 2301 through Line 2303 plus Line 2304) (Line 23 above) .....		
2701. ....		
2702. ....		
2703. ....		
2704. Summary of remaining write-ins for Line 27 from overflow page .....		
2705. TOTALS (Line 2701 through Line 2703 plus Line 2704) (Line 27 above) .....		
3001. ....		
3002. ....		
3003. ....		
3004. Summary of remaining write-ins for Line 30 from overflow page .....		
3005. TOTALS (Line 3001 through Line 3003 plus Line 3004) (Line 30 above) .....		

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 34, Column 4)	58,821,308	55,760,974
<b>DEDUCTIONS</b>		
2. Losses incurred (Part 2, Line 34, Column 7)	40,814,455	38,391,916
3. Loss expenses incurred (Part 3, Line 25, Column 1)	8,747,616	8,676,001
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	17,843,128	19,584,270
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Line 2 through Line 5)	67,205,197	64,662,187
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(8,383,889)	(8,901,213)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	3,361,417	4,955,001
10. Net realized capital gains (losses) (Exhibit of Capital Gains (Losses))	44,419	(1,006,242)
11. Net investment gain (loss) (Line 9 plus Line 10)	3,405,836	3,948,759
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ .....)		
13. Finance and service charges not included in premiums	794,854	455,341
14. Aggregate write-ins for miscellaneous income		
15. Total other income (Line 12 through Line 14)	794,854	455,341
16. Net income before dividends to policyholders and before federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	(4,183,199)	(4,497,113)
17. Dividends to policyholders		
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	(4,511,497)	(5,020,609)
19. Federal and foreign income taxes incurred	(1,089,332)	(142,230)
20. Net income (Line 18 minus Line 19) (to Line 22)	(3,442,165)	(4,878,379)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	72,447,287	65,575,094
<b>GAINS AND (LOSSES) IN SURPLUS</b>		
22. Net Income (from Line 20)	(3,442,165)	(4,878,379)
23. Net unrealized capital gains or (losses)	8,673,351	10,469,622
24. Change in net unrealized foreign exchange capital gain (loss)		
25. Change in net deferred income tax	(2,262,501)	2,597,954
26. Change in nonadmitted assets (Exhibit 1, Line 5, Column 3)	199,298	(734,004)
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
28. Change in surplus notes		
29. Surplus (contributed to) withdrawn from protected cells		
30. Cumulative effect of changes in accounting principles		(574,000)
31. Capital changes:		
31.1 Paid in		
31.2 Transferred from surplus (Stock Dividend)		
31.3 Transferred to surplus		
32. Surplus adjustments:		
32.1 Paid in		
32.2 Transferred to capital (Stock Dividend)		
32.3 Transferred from capital		
33. Net remittances from or (to) Home Office		
34. Dividends to stockholders		
35. Change in treasury stock (Page 3, Line 34.1 and 34.2, Column 2 minus Column 1)		
36. Aggregate write-ins for gains and losses in surplus		
37. Change in surplus as regards policyholders for the year (Line 22 through Line 36)	3,166,583	6,872,193
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35)	75,613,870	72,447,287
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0506. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Line 0501 through Line 0503 plus Line 0506) (Line 5 above)		
1401. ....		
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Line 1401 through Line 1403 plus Line 1406) (Line 14 above)		
3601. ....		
3602. ....		
3603. ....		
3698. Summary of remaining write-ins for Line 36 from overflow page		
3699. Totals (Line 3601 through Line 3603 plus Line 3698) (Line 36 above)		

## CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	56,779,618	54,233,979
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	42,080,339	39,840,444
3. Underwriting expenses paid	18,229,313	19,385,030
4. Other underwriting income (expenses)		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(3,530,034)	(4,991,495)
6. Net investment income	4,449,701	5,646,427
7. Other income (expenses):		
7.1 Agents' balances charged off		
7.2 Net funds held under reinsurance treaties		
7.3 Net amount withheld or retained for account of others	133,893	362,816
7.4 Aggregate write-ins for miscellaneous items	741,578	450,226
7.5 Total other income (Line 7.1 to Line 7.4)	875,471	812,844
8. Dividends to policyholders on direct business, less \$ dividends on reinsurance assumed or ceded (net)	467,298	498,496
9. Federal and foreign income taxes (paid) recovered	607,387	(343,627)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	1,935,227	626,253
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	13,877,056	8,439,659
11.2 Stocks	444,621	5,616,510
11.3 Mortgage loans	3,599,052	2,059,324
11.4 Real estate		
11.5 Other invested assets	828,292	121,686
11.6 Net gains or (losses) on cash and short-term investments		
11.7 Miscellaneous proceeds		
11.8 Total investment proceeds (Line 11.1 to Line 11.7)	18,702,021	16,277,179
12. Cost of investments acquired (long-term only):		
12.1 Bonds	2,801,175	2,530,767
12.2 Stocks	2,317,858	4,959,112
12.3 Mortgage loans	928,400	761,900
12.4 Real estate	3,104,259	2,860,288
12.5 Other invested assets	4,070,000	543,778
12.6 Miscellaneous applications		
12.7 Total investments acquired (Line 12.1 to Line 12.6)	13,221,483	11,755,865
13. Net cash from investments (Line 11.8 minus Line 12.7)	5,480,538	4,521,314
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in		
14.2 Capital notes, \$ less amounts repaid \$		
14.3 Net transfers from affiliates		526,632
14.4 Borrowed funds received		
14.5 Other cash provided	3,700,858	3,230,219
14.6 Total (Lines 14.1 to 14.5)	3,700,858	3,756,851
15. Cash applied:		
15.1 Dividends to stockholders paid		
15.2 Net transfers to affiliates	323,472	
15.3 Borrowed funds repaid		
15.4 Other applications	3,873,963	7,731,570
15.5 Total (Line 15.1 to Line 15.4)	4,197,435	7,731,570
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(496,577)	(3,974,719)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10 plus Line 13 plus Line 16)	6,919,188	1,172,848
18. Cash and short-term investments:		
18.1 Beginning of year	(2,293,778)	(3,466,626)
18.2 End of year (Line 17 plus Line 18.1)	4,625,410	(2,293,778)
DETAILS OF WRITE-INS		
7.401 Other income	794,854	455,341
7.402 Equities and deposits in pools and associations	(53,276)	(5,115)
7.403		
7.498 Summary of remaining write-ins for Line 7.4 from overflow page		
7.499 Totals (Line 7.401 through Line 7.403 plus Line 7.498) (Line 7.4 above)	741,578	450,226



**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 2	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Column 1 plus 2 minus 3)
1. Fire	720,568	344,314	400,841	664,041
2. Allied lines	189,229	116,851	107,757	188,323
3. Farmowners multiple peril	747,182	408,523	409,073	746,642
4. Homeowners multiple peril	11,303,636	5,653,602	6,289,005	10,668,233
5. Commercial multiple peril	9,497,503	4,774,168	4,981,936	9,269,735
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	562,850	290,821	289,182	564,489
10. Financial guaranty				
11.1 Medical malpractice - occurrence				
11.2 Medical malpractice - claims-made				
12. Earthquake	26,299	10,183	14,323	22,159
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation	7,376,446	3,634,909	3,918,319	7,093,036
17.1 Other liability - occurrence	453,039	216,823	246,318	423,544
17.2 Other liability - claims-made				
18.1 Products liability - occurrence	(591)	455		(78)
18.2 Products liability - claims-made				
19.1, 19.2 Private passenger auto liability	12,586,477	4,655,846	5,230,928	12,011,395
19.3, 19.4 Commercial auto liability	4,133,276	2,234,585	2,122,276	4,245,585
21. Auto physical damage	13,584,908	4,954,600	5,648,735	12,890,779
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft	603	376	384	595
27. Boiler and machinery	4,274	35	1,483	2,826
28. Credit				
29. International				
30. Reinsurance - Nonproportional Assumed Property				
31. Reinsurance - Nonproportional Assumed Liability				
32. Reinsurance - Nonproportional Assumed Financial Lines				
33. Aggregate write-ins for other lines of business				
34. TOTALS	81,185,771	27,296,097	29,660,580	58,821,308
<b>DETAILS OF WRITE-INS</b>				
3301.				
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)				

6.  
8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A-RECAPITULATION OF ALL PREMIUMS

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

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running More Than One Year from Date of Policy) (b)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire	400,841				400,841
2. Allied lines	107,757				107,757
3. Farmowners multiple peril	409,073				409,073
4. Homeowners multiple peril	6,289,005				6,289,005
5. Commercial multiple peril	4,981,936				4,981,936
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine	289,182				289,182
10. Financial guaranty					
11.1 Medical malpractice - occurrence					
11.2 Medical malpractice - claims-made					
12. Earthquake	14,323				14,323
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation	3,918,319				3,918,319
17.1 Other liability - occurrence	246,318				246,318
17.2 Other liability - claims-made					
18.1 Products liability - occurrence					
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability	5,230,928				5,230,928
19.3, 19.4 Commercial auto liability	2,122,276				2,122,276
21. Auto physical damage	5,648,735				5,648,735
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft	384				384
27. Boiler and machinery	1,483				1,483
28. Credit					
29. International					
30. Reinsurance - Nonproportional Assumed Property					
31. Reinsurance - Nonproportional Assumed Liability					
32. Reinsurance - Nonproportional Assumed Financial Lines					
33. Aggregate write-ins for other lines of business					
34. TOTALS	29,660,560				29,660,560
35. Accrued retrospective premiums based on experience					
36. Earned but unbilled premiums					
37. Balance (Sum of Line 34 through Line 36)					29,660,560
DETAILS OF WRITE-INS					
3301.					
3302.					
3303.					
3308. Summary of remaining write-ins for Line 33 from overflow page					
3309. Totals (Lines 3301 through 3303 plus 3308) (Line 33 above)					

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

(b) State here basis of computation used in each case.  
Daily pro-rata

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B-PREMIUMS WRITTEN

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

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	2,360,814	665,566		1,881,930	323,692	720,568
2. Allied lines	568,197	222,889		549,721	52,236	169,229
3. Farmowners multiple peril	2,529,523	942,068		2,424,930	299,469	747,192
4. Homeowners multiple peril	34,317,451	13,735,079		33,835,188	2,913,706	11,303,636
5. Commercial multiple peril	31,205,983	8,607,041		24,996,492	5,319,029	9,497,503
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	1,908,414	675,125		1,791,781	229,308	562,650
10. Financial guaranty						
11.1 Medical malpractice - occurrence						
11.2 Medical malpractice - claims-made						
12. Earthquake	65,975	26,057		59,796	5,937	26,299
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation	16,594,012	14,211,407		22,646,289	782,682	7,376,448
17.1 Other liability - occurrence	5,770,202	186,131		1,266,274	4,249,020	453,039
17.2 Other liability - claims-made						
18.1 Products liability - occurrence	(1,792)			(1,192)	(69)	(531)
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	31,115,386	26,043,183		42,971,856	1,600,236	12,566,477
19.3, 19.4 Commercial auto liability	9,756,746	7,012,858		12,158,411	477,917	4,133,276
21. Auto physical damage	32,418,079	27,839,148		46,325,643	346,670	13,584,908
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft	2,317	1,428		3,126	14	603
27. Boiler and machinery	235,172	425		8,800	222,523	4,274
28. Credit						
29. International						
30. Reinsurance - Nonproportional Assumed Property	X X X					
31. Reinsurance - Nonproportional Assumed Liability	X X X					
32. Reinsurance - Nonproportional Assumed Financial Lines	X X X					
33. Aggregate write-ins for other lines of business						
34. TOTALS	168,847,479	100,180,503		191,019,045	16,823,166	61,185,771
DETAILS OF WRITE-INS						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page						
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes ( ) No (X)  
 If yes:  
 1. The amount of such installment premiums \$ .....  
 2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ .....

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A Column 6)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Column 4 plus 5 minus 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Column 1 plus 2 minus 3)				
1. Fire	653,616	353,226	770,650	238,192	45,671	46,895	226,978	35.7
2. Allied lines	392,226	197,309	457,892	131,603	47,703	15,762	162,944	62.2
3. Farmowners multiple peril	616,669	838,735	1,207,253	267,942	228,251	248,277	256,276	39.9
4. Homeowners multiple peril	15,595,353	7,347,104	16,668,701	6,461,738	3,272,422	3,210,729	6,644,051	62.3
5. Commercial multiple peril	17,144,461	2,735,370	16,200,036	3,679,793	7,067,672	7,226,279	3,358,166	36.1
6. Mortgage guaranty								
7. Ocean marine								
8. Inland marine								
9. Financial guaranty	432,357	115,077	467,917	140,117	32,359	33,915	138,501	24.5
10. Medical malpractice - occurrence								
11.1 Medical malpractice - claims-made								
12. Earthquake								
13. Group accident and health (group and individual)								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers compensation								
17. Other liability - occurrence	6,862,369	9,633,204	11,515,328	5,220,345	12,504,019	11,174,693	6,542,265	92.3
17.1 Other liability - claims-made	3,392,674	24,088	3,224,414	102,358		389,288	122,635	28.8
17.2 Products liability - occurrence								
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability	21,077,639	15,818,362	27,065,231	9,950,500	17,698,327	14,560,203	13,368,708	111.5
19.3, 19.4 Commercial auto liability	3,049,946	6,862,643	7,011,180	2,901,399	6,373,262	6,659,234	2,615,477	61.6
20. Aircraft (all perils)	14,379,658	15,217,528	22,788,440	6,808,744	461,991	350,591	6,919,144	53.7
21. Fidelity								
22. Surety								
23. Burglary and theft								
24. Boiler and machinery								
25. Credit								
26. International								
27. Reinsurance- Nonproportional Assumed Property								
28. Reinsurance- Nonproportional Assumed Liability								
29. Reinsurance- Nonproportional Assumed Financial Lines								
30. Aggregate write-ins for other lines of business								
31. XXX								
32. XXX								
33. XXX								
34. TOTALS	83,597,175	59,784,716	107,389,144	35,922,741	48,520,682	43,837,948	40,614,455	68.0

DETAILS OF WRITE-INS

3301	
3302	
3303	
3304	
3305	
3306	
3307	
3308	
3309	
3310	
3311	
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3346	
3347	
3348	
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3350	

3308. Summary of remaining write-ins for Line 33 from overflow page.  
 3309. Totals (Line 3301 through Line 3305 plus Line 3308) [Line 33 above]

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**UNDERWRITING AND INVESTMENT EXHIBIT**  
 PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1	2	3	4	5	6	7		
	Direct	Reinsurance Assumed	Direct Reinsurance Recoverable from Authorized and Unaffiliated Companies	Net Losses Excluding Incurred But Not Reported (Columns 1+2-3)	Direct	Reinsurance Assumed	Reinsurance Credited	Net Losses Unpaid (Columns 4+5+6-7)	Unpaid Loss Adjustment Expenses
1. Fire	125,650	18,000	100,978	42,671	10,000	15,000	22,000	45,671	9,000
2. Allied lines	33,194	31,147	125,148	44,003	10,000	15,000	22,000	47,003	9,000
3. Homeowners multiple peril	504,664	264,238	517,349	251,551	75,000	30,000	78,000	276,551	57,000
4. Homeowners multiple peril	7,585,695	2,292,953	6,817,793	3,041,797	850,000	800,000	1,318,375	3,372,422	699,000
5. Commercial multiple peril	15,277,581	7,092,146	15,793,930	6,485,797	1,650,000	800,000	1,648,125	7,087,672	2,265,000
6. Marine									
7. Ocean marine									
8. Other marine									
9. Marine	65,079	3,639	48,570	20,339	40,000	10,000	38,000	32,359	7,000
10. Marine									
11. Marine									
12. Marine									
13. Marine									
14. Marine									
15. Marine									
16. Marine									
17. Marine									
18. Marine									
19. Marine									
20. Marine									
21. Marine									
22. Marine									
23. Marine									
24. Marine									
25. Marine									
26. Marine									
27. Marine									
28. Marine									
29. Marine									
30. Marine									
31. Marine									
32. Marine									
33. Marine									
34. TOTALS	92,138,696	59,933,312	108,046,693	44,045,325	10,857,500	8,167,330	14,540,653	48,329,682	10,355,000

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

DETAILS OF WRITE-INS  
 3391.  
 3392.  
 3393.  
 3394.  
 3395.  
 3396.  
 3397.  
 3398. Summary of remaining write-ins for Line 33 from overflow page  
 3399. Totals (Line 3391 through Line 3398 plus Line 3389) (Line 33 above)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	9,895,753			9,895,753
1.2 Reinsurance assumed	6,216,606			6,216,606
1.3 Reinsurance ceded	11,436,291			11,436,291
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	4,676,068			4,676,068
2. Commission and brokerage:				
2.1 Direct excluding contingent		22,017,188		22,017,188
2.2 Reinsurance assumed excluding contingent		3,521,426		3,521,426
2.3 Reinsurance ceded excluding contingent		18,628,374		18,628,374
2.4 Contingent - direct		2,956,446		2,956,446
2.5 Contingent - reinsurance assumed		1,020,547		1,020,547
2.6 Contingent - reinsurance ceded		2,813,014		2,813,014
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		8,074,219		8,074,219
3. Allowances to manager and agents		148,362		148,362
4. Advertising		254,716		254,716
5. Boards, bureaus and associations		564,867		564,867
6. Surveys and underwriting reports		728,129		728,129
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	2,061,138	3,209,367	306,069	5,576,574
8.2 Payroll taxes	151,048	235,693	22,478	409,219
9. Employee relations and welfare	247,544	383,677	36,390	667,611
10. Insurance	77,522	43,559	4,154	125,235
11. Directors' fees	29,446	46,803	4,444	80,693
12. Travel and travel items	68,457	119,590	10,191	198,238
13. Rent and rent items	113,752	176,577	16,840	307,169
14. Equipment	296,236	462,929	44,149	803,336
15. Cost or Depreciation of EDP equipment and software	840,587	1,490,197	120,069	2,450,853
16. Printing and stationery	62,773	97,504	9,230	169,507
17. Postage, telephone and telegraph, exchange and express	172,923	266,586	25,424	464,933
18. Legal and auditing		151,741	589,601	741,342
19. Totals (Lines 3 to 18)	4,071,548	8,380,067	1,189,338	13,640,953
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 113,467		1,225,195		1,225,195
20.2 Insurance department licenses and fees		72,182		72,182
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)		(30,679)		(30,679)
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		1,266,698		1,266,698
21. Real estate expenses			892,753	892,753
22. Real estate taxes			176,841	176,841
23. Reimbursements by uninsured accident and health plans		122,142		122,142
24. Aggregate write-ins for miscellaneous expenses				
25. Total expenses incurred	8,747,616	17,843,126	2,258,932 (a)	28,849,674
26. Less unpaid expenses - current year	10,555,000	8,630,636	90,000	19,275,636
27. Add unpaid expenses - prior year	9,539,000	9,016,823	20,000	18,575,823
28. Amounts receivable relating to uninsured accident and health plans, prior year				
29. Amounts receivable relating to uninsured accident and health plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	7,727,616	18,229,313	2,188,932	28,145,861
DETAILS OF WRITE-INS				
2401. Miscellaneous expense		122,142		122,142
2402.				
2403.				
2408. Summary of remaining write-ins for Line 24 from overflow page				
2409. Totals (Line 2401 through Line 2403 plus Line 2408) (Line 24 above)		122,142		122,142

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

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U.S. Government bonds	(a) 814,827	726,969
1.1 Bonds exempt from U.S. tax	(a) 450,717	280,199
1.2 Other bonds (unaffiliated)	(a) 596,509	597,027
1.3 Bonds of affiliates	(a) 420,535	430,049
2.1 Preferred stocks (unaffiliated)	(b) 60,540	60,540
2.11 Preferred stocks of affiliates	2,229,392	2,229,392
2.2 Common stocks (unaffiliated)	(c) 589,369	589,369
2.21 Common stocks of affiliates	(d) 989,358	989,358
3. Mortgage loans	(e) 136,103	130,968
4. Real estate	(f) 345,042	266,057
5. Contract loans		
6. Cash/short-term investments		
7. Derivative instruments		
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	6,641,392	6,300,928
11. Investment expenses		(g) 2,258,932
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 33,205
13. Interest expense		(h) 647,374
14. Depreciation on real estate and other invested assets		(i) 2,939,511
15. Aggregate write-ins for deductions from investment income		
16. Totals deductions (Line 11 through Line 15)		3,361,417
17. Net investment income (Line 10 minus Line 16)		
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903 plus Line 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus Line 1598) (Line 15 above)		

(a) Includes \$ ..... accrual of discount less \$ ..... 39,445 amortization of premium and less \$ ..... 6,658 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 \$ ..... 980,000 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 \$ ..... 647,374 depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	Total
1. U.S. Government bonds	(4,314)				(4,314)
1.1 Bonds exempt from U.S. tax	41,222				41,222
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates				27,456	27,456
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates	7,511			278,892	286,403
2.2 Common stocks (unaffiliated)				6,569,005	6,569,005
2.21 Common stocks of affiliates				1,003,439	1,003,439
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash/short-term investments					
7. Derivative instruments				803,559	803,559
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	44,419			8,673,351	8,717,770
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903 plus Line 0998) (Line 9 above)					

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

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Line 10 to Line 17 and Line 19 to Line 23, Column 2	833,063	1,075,948	242,885
2. Other Nonadmitted Assets:			
2.1 Bills receivable			
2.2 Furniture, equipment and supplies	9,248,460	9,203,873	(44,587)
2.3 Leasehold improvements			
2.4 Loans on personal security, endorsed or not			
3. Total (Line 2.1 to Line 2.4)	9,248,460	9,203,873	(44,587)
4. Aggregate write-ins for other assets			
5. Total (Line 1 plus Line 3 and Line 4)	10,081,523	10,279,821	198,298
<b>DETAILS OF WRITE-INS</b>			
0401			
0402			
0403			
0408. Summary of remaining write-ins for Line 4 from overflow page			
0409. Totals (Line 0401 through Line 0403 plus Line 0408) (Line 4 above)			



## NOTES TO FINANCIAL STATEMENTS

## 1. Summary of Significant Accounting Policies

## A. Accounting Practices

The financial statements of Donegal Mutual Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Pennsylvania Insurance Department.

The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of the prescribed or permitted practices by the Commonwealth of Pennsylvania.

## B. Use of Estimates in the Preparation of 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. Actual results could differ from those estimates.

## C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by the daily pro-rata method.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- (1) Bonds and short-term investments are stated at amortized cost.
- (2) Preferred and common stocks are stated at fair market value.
- (3) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

## 2. Accounting Changes and Corrections of Errors

Effective January 1, 2001, the Commonwealth of Pennsylvania required that insurance companies domiciled in the Commonwealth of Pennsylvania prepare their statutory basis financial statements in conformity with NAIC SAP. Accounting changes adopted to conform to the provisions of NAIC SAP are reported as changes in accounting principles.

The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a change in accounting principle, as an adjustment that decreased unassigned funds (surplus), of \$574,000 as of January 1, 2001. Included in this total adjustment is an increase in unassigned funds (surplus) of \$583,141 related to the elimination of the excess of statutory reserves over statement reserves, a decrease in unassigned funds (surplus) of \$359,679 related to deferred tax liabilities, a decrease of \$405,494 related to guaranty assessments and a decrease of \$391,968 related to non-admitted EDP assets.

## 3. Business Combinations and Goodwill

None

## 4. Discontinued Operations

None

## 5. Investments

Mortgage loans are carried at unpaid principal balance. Interest rates on new loans in 2002 ranged from 6% to 6.625%.

## 6. Joint Ventures, Partnerships and Limited Liability Companies

None

## 7. Investment Income

No investment income was excluded from surplus.

## 8. Derivative Instruments

None

## 9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

	<u>12/31/02</u>	<u>12/31/01</u>
(1) Total of all deferred tax assets (admitted and nonadmitted)	14,556,956	14,287,915
(2) Total of all deferred tax liabilities	14,581,582	12,049,640
(3) Total deferred tax assets nonadmitted in accordance w/ SSAP No. 10, Income Taxes	0	399,988
(4) Total admitted deferred tax assets (liabilities)	(24,626)	1,838,287
(4) Increase (decrease) in deferred tax assets nonadmitted	(399,988)	

B. All deferred tax liabilities are recognized.

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**NOTES TO FINANCIAL STATEMENTS**

C. Current income taxes incurred consist of the following major components:

(1) Current year expense	(866,912)
(2) Foreign taxes paid	0
(3) Prior year accrual variance	(202,420)
Total current income taxes incurred	(1,069,332)

The main components of the December 31 deferred tax amounts are as follows:

Deferred Tax Assets:	Statutory	Tax	Difference	Tax Effect
Unearned premium reserve	29,660,560	23,300,892	6,359,668	2,162,287
Loss discounting	59,084,662	51,342,717	7,741,945	2,632,261
Guaranty fund liability	3,158,259	0	3,158,259	1,073,808
Net operating loss carryover	0	12,607,768	12,607,768	4,286,641
Salvage recoverable	0	2,762,598	2,762,598	939,283
Nonadmitted assets	0	10,531,639	10,531,639	3,580,757
Other				48,152
Total DTA's				14,556,956
DTA's nonadmitted				0
Deferred Tax Liabilities:	Statutory	Tax	Difference	Tax Effect
Premium tax asset	1,694,000	0	1,694,000	575,960
Unrealized gains	35,157,985	0	35,157,985	11,953,715
Depreciation	5,960,025	0	5,960,025	2,026,409
Other				25,498
Total DTL's				14,581,582

The changes in main components of DTA's and DTL's are as follows:

DTA's resulting from book/tax differences in	12/31/02	12/31/01	Change
Unearned premium reserve	2,162,287	1,967,584	194,703
Loss discounting	2,632,261	2,494,858	137,403
Salvage recoverable	773,050	939,283	(166,233)
Guaranty fund liability	1,073,808	1,355,650	(281,842)
Net operating loss carryover	4,286,641	2,757,956	1,528,685
Nonadmitted assets	3,580,757	3,861,362	(280,605)
Minimum tax credit	0	805,295	(805,295)
Other	48,152	105,927	(57,775)
Total DTAs	14,556,956	14,287,915	269,041
DTA's nonadmitted	0	399,988	(399,988)
DTL's resulting from book/tax differences in	12/31/02	12/31/01	Change
Unrealized gains	11,953,715	9,619,156	2,334,559
Premium tax asset	575,960	584,460	(8,500)
Depreciation	2,026,409	1,769,983	256,426
Other	25,498	76,041	(50,543)
Total DTL's	14,581,582	12,049,640	2,531,942

D. The following is a reconciliation of significant items that account for the differences between pre-tax net income at the federal statutory rate of 34 percent and the sum of current income tax incurred and the change in DTA's and DTL's:

	Amount	Tax Effect
Pre-tax net income	(4,511,497)	(1,533,909)
Reconciling items:		
Dividends received deduction	(1,853,984)	(630,355)
Tax exempt interest income	(280,199)	(95,268)
Nondeductible expenses	24,873	8,457
Proration adjustment	320,096	108,833
Unrealized gains		2,334,559
Other		1,001,252
Total		1,193,569
Current income tax expense incurred		(1,069,332)
Change in deferred income tax		2,262,901
Total		1,193,569

E. At December 31, 2002, the Company had \$12,607,768 of operating loss carryforwards originating in 1999 through 2002 which expire, if unused, in years 2019 through 2022.

F. The Company's federal income tax return is consolidated with Commonwealth Insurance Services and Darke County Insurance Agency. The Company and these affiliates are parties to a Tax Sharing Agreement pursuant to which the current income tax expense or benefit is allocated on the basis of the calculated tax liability or benefit of each member.

## NOTES TO FINANCIAL STATEMENTS

## 10. Information Concerning Parent, Subsidiaries and Affiliates

- A. The Company owns 64% of Donegal Group Inc., an insurance holding company domiciled in the State of Delaware.
- B. The Company has no direct subsidiaries. The common stock of Pioneer Insurance Company of Greenville, New York, was sold to Donegal Group Inc. on January 1, 2001.
- C. The Company, Donegal Group Inc., Atlantic States Insurance Company and Southern Insurance Company of Virginia are parties to a Services Allocation Agreement whereby the Company provides facilities, management, employees and other services to its affiliates. During 2002, the Company's affiliates reimbursed the Company a total of \$28,586,888 for these services. Amounts due from affiliates related to the Services Allocation Agreement totaled \$1,838,096 as of December 31, 2002. Such amounts are customarily reimbursed on a monthly basis.

## 11. Debt

None

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

- A. The Company has a 401(k) plan whereby the Company matches voluntary employee contributions at a rate of 100% of amounts up to 3% of an employee's compensation and 50% of amounts from 3% to 9% of an employee's compensation.
- B. The Company does not have a deferred compensation plan.
- C. The Company does not have any other postretirement benefit plans.

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

The Company is a mutual insurance company. The company does not issue participating policies. The Company has no surplus debentures outstanding.

## 14. Contingencies

The Company has received notification of the insolvencies of several insurance companies. It is expected that the insolvencies will result in substantial guaranty fund assessments against the Company. At this time, the Company is carrying liabilities of \$3,295,000, offset by premium tax offsets receivable of \$1,694,000, related to these assessments.

## 15. Leases

None

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

None

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

None

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

None

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

None

## 20. Other Items

None

## 21. Events Subsequent

None

## 22. Reinsurance

## A. Unsecured Reinsurance Recoverables

The following schedule shows reinsurers for whom the unsecured aggregate recoverable for losses, paid and unpaid, including IBNR, loss adjustment expenses and unearned premium exceeds 3% of the Company's unassigned funds (surplus) as of December 31, 2002:

NAME OF REINSURER	NAIC#	FEDERAL IDENTIFICATION NUMBER	UNSECURED AGGREGATE RECOVERABLE
Atlantic States Insurance Company	22586	23-2430426	\$181,999,000
Southern Insurance Company of Virginia	26867	54-0386765	43,542,000
Dorinc Insurance Company	33499	38-2145898	2,568,000
GMAC Reinsurance Corporation	22012	38-0855585	3,598,000
Erie Insurance Group	26263	25-1232960	4,109,000
Swiss Reinsurance America Corp.	25364	13-1675535	4,417,000

- B. The following schedule shows the maximum amount of return commission which would have been due reinsurers if they or the Company had cancelled all of the Company's reinsurance or insurance assumed as of the end of the period covered by this annual statement with the return of the unearned premium reserve:

## NOTES TO FINANCIAL STATEMENTS

	ASSUMED		CEDED		NET	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	50,060,956	-0-	92,651,945	7,672,248	(42,590,989)	(7,672,248)
All Other	-0-	-0-	3,863,900	1,163,966	(3,863,900)	(1,163,966)
Total	50,060,956	-0-	96,515,845	8,836,214	(46,454,889)	(8,836,214)

Direct Unearned Premium Reserve \$76,215,449

- C. Additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements are accrued as follows:

	DIRECT	REINSURANCE		NET
		Assumed	Ceded	
Contingent Commission	3,650,000	-0-	-0-	3,650,000
Sliding Scale Adjustments	-0-	-0-	-0-	-0-
Other Profit Commission Adjustments	-0-	-0-	-0-	-0-
Total	3,650,000	-0-	-0-	3,650,000

- D. There are no reinsurance recoverables in dispute, uncollectible reinsurance, commutation of ceded reinsurance or retroactive reinsurance.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

None

24. Change in Incurred Losses and Loss Adjustment Expense

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased (decreased) by \$3,271,000 in 2002 as a result of reestimation of unpaid losses and loss adjustment expenses. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

25. Intercompany Pooling Arrangements

The Company and Atlantic States Insurance Company are parties to an Intercompany Pooling Agreement whereby Atlantic States currently cedes 100% of its insurance business to the Company and assumes back 70% of the pooled business of the two companies.

26. Structured Settlements

None

27. Health Care Receivables

None

28. Participating Policies

None

29. Premium Deficiency Reserves

None

30. High Deductibles

None

31. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjusting Expenses

None

32. Asbestos/Environmental Reserves

None

33. Subscriber Savings Accounts

None

34. Multiple Peril Crop Insurance

None

## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
<b>1. Bonds:</b>				
1.1 U.S. treasury securities	5,343,448	3.795	5,343,448	3.820
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	10,170	0.007	10,170	0.007
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations	4,453,875	3.164	4,453,875	3.184
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (Includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA	7,618	0.005	7,618	0.005
1.512 Issued by FNMA and FHLMC				
1.513 Privately issued	2,620,347	1.861	2,620,347	1.873
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC				
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC				
1.523 All other privately issued				
<b>2. Other debt and other fixed income securities (excluding short term):</b>				
2.1 Unaffiliated domestic securities (Includes credit tenant loans rated by the SVO)	8,419,919	5.981	8,419,919	6.020
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
<b>3. Equity interests:</b>				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated	5,619,521	3.991	5,619,521	4.018
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated	71,066,767	50.478	71,066,767	50.808
3.32 Unaffiliated	1,950,059	1.385	1,950,059	1.394
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated	318,372	0.226	318,372	0.228
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
<b>4. Mortgage loans:</b>				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties	6,295,933	4.472	6,295,933	4.501
4.4 Multifamily residential properties				
4.5 Commercial loans				
<b>5. Real estate investments:</b>				
5.1 Property occupied by company	24,367,647	17.308	24,367,647	17.421
5.2 Property held for production of income (includes \$ of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ including property acquired in satisfaction of debt)				
<b>6. Policy loans</b>				
<b>7. Receivables for securities</b>				
<b>8. Cash and short-term investments</b>	4,625,410	3.285	4,625,410	3.307
<b>9. Other invested assets</b>	5,688,897	4.041	4,773,781	3.413
<b>10. Total invested assets</b>	<b>140,787,983</b>	<b>100.000</b>	<b>139,872,867</b>	<b>100.000</b>

**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 (X) 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 (X) No ( ) N/A ( )
- 1.3 State Regulating? Pennsylvania
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes ( ) No (X)
- 2.2 If yes, date of change:  
 If not previously filed, furnish herewith a certified copy of the instrument as amended. ....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made: 12/31/1999
- 3.2 State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1999
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/11/2002
- 3.4 By what department or departments?  
 Pennsylvania Insurance Department
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
 4.11 sales of new business? Yes ( ) No (X)  
 4.12 renewals? Yes ( ) No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
 4.21 sales of new business? Yes ( ) No (X)  
 4.22 renewals? Yes ( ) No (X)
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ( ) No (X)
- 5.2 If yes, provide name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any reporting 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 (X)
- 6.2 If yes, give full information:  
 .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes ( ) No (X)
- 7.2 If yes, ..... %  
 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 reporting entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

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

**GENERAL INTERROGATORIES (continued)**

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 KPMG LLP  
 1601 Market Street, Philadelphia, PA 19103
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?  
 Kevin C. McAllister, KPMG LLP  
 101 Lindenwood Drive, Mahvern, PA 19355

10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

- 10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
 .....
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States branch, on risks wherever located? Yes ( ) No ( )
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes ( ) No ( )
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes ( ) No ( ) N/A (X)

BOARD OF DIRECTORS

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

FINANCIAL

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

**GENERAL INTERROGATORIES  
(Continued)**

**INVESTMENT**

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

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price if Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred					Yes ( ) No (X)	Yes ( ) No (X)
Common				XXX	XXX ( ) XXX (X)	XXX ( ) XXX (X)

18.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 2 - Special Deposits? Yes (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 securities restricted as to sale	\$ .....
19.29	Other	\$ .....

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

19.31 .....

19.32 .....

19.33 .....

19.34 .....

19.35 .....

19.36 .....

19.37 .....

19.38 .....

19.39 .....

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

19.4 For category (19.28) provide the following:

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

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

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ( ) No ( ) N/A (X)  
If no, attach a description with this statement.

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
First Union .....	Philadelphia, PA .....
.....	.....
.....	.....



**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 (X)

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? \$ ..... 765,588

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

1 Name	2 Amount Paid
Insurance Services Office, Inc.....	\$ ..... 232,560
	\$ .....
	\$ .....
	\$ .....

24.1 Amount of payments for legal expenses, if any? \$ ..... 342,562

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
Duane, Morris .....	\$ ..... 342,562
	\$ .....
	\$ .....
	\$ .....

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

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

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

GENERAL INTERROGATORIES (continued)
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement insurance in force? Yes ( ) No (X)
1.2 If yes, indicate premium earned on U. S. business only. \$ .....
1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ .....
1.31 Reason for excluding:
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Line (1.2) above. \$ .....
1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ .....
1.6 Individual policies:
Most current three years:
1.61 Total premium earned \$ .....
1.62 Total incurred claims \$ .....
1.63 Number of covered lives .....
All years prior to most current three years:
1.64 Total premium earned \$ .....
1.65 Total incurred claims \$ .....
1.66 Number of covered lives .....
1.7 Group policies:
Most current three years:
1.71 Total premium earned \$ .....
1.72 Total incurred claims \$ .....
1.73 Number of covered lives .....
All years prior to most current three years:
1.74 Total premium earned \$ .....
1.75 Total incurred claims \$ .....
1.76 Number of covered lives .....
2.1 Does the reporting entity issue both participating and non-participating policies? Yes ( ) No (X)
2.2 If yes, state the amount of calendar year premiums written on:
2.21 Participating \$ .....
2.22 Non-participating policies \$ .....
3. For Mutual Reporting Entities and Reciprocal Exchange only:
3.1 Does the reporting entity issue assessable policies? Yes ( ) No (X)
3.2 Does the reporting entity issue non-assessable policies? Yes ( ) No (X)
3.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? ..... %
3.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ .....
4. For Reciprocal Exchanges only:
4.1 Does the exchange appoint local agents? Yes ( ) No ( )
4.2 If yes, is the commission paid:
4.21 Out of Attorney's-in-fact compensation Yes ( ) No ( ) N/A (X)
4.22 As a direct expense of the exchange Yes ( ) No ( ) N/A (X)
4.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?
4.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred? Yes ( ) No ( )
4.5 If yes, give full information.
5.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
Various reinsurance contracts in place through 12/31/02.
5.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of these exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
RIMS Hurricane Risk Assessment utilized to estimate probable loss.
5.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
Catastrophe reinsurance program in place based upon maximum probable loss.
5.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes (X) No ( )
5.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.
6.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract which includes a provision which would limit the reinsurers's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)? Yes ( ) No (X)
6.2 If yes, indicate the number of reinsurance contracts containing such provisions.

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

- 7.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes ( ) No (X)
- 7.2 If yes, give full information.  
 .....
8. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original reporting entity would have been required to charge had it retained the risks. Has this been done? Yes (X) No ( ) N/A ( )
- 9.1 Has this reporting entity guaranteed policies issued by any other entity and now in force? Yes ( ) No (X)
- 9.2 If yes, give full information.  
 .....
- 10.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 10.11 Unpaid losses \$ .....
- 10.12 Unpaid underwriting expenses (including loss adjustment expenses) \$ .....
- 10.2 Of the amount on Line 10.3 of the assets schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds. \$ .....
- 10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes ( ) No (X) N/A ( )
- 10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 10.41 From ..... %
- 10.42 To ..... %
- 10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes ( ) No (X)
- 10.6 If yes, state the amount thereof at December 31 of the current year:
- 10.61 Letters of credit \$ .....
- 10.62 Collateral and other funds \$ .....
- 11.1 What amount of installment notes is owned and now held by the reporting entity? \$ .....
- 11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Yes ( ) No (X)
- 11.3 If yes, what amount? \$ .....
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ ..... 90,000
- 12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes ( ) No (X)
- 12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. .... 2
- 13.1 Has the reporting entity guaranteed any financial premium accounts? Yes ( ) No (X)
- 13.2 If yes, give full information.  
 .....
- 14.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes ( ) No (X)
- 14.11 Name of real estate holding company .....
- 14.12 Number of parcels involved .....
- 14.13 Total book/adjusted carrying value \$ .....
- 14.2 If yes, provide explanation.  
 .....
- 15.1 Does the reporting entity write any warranty business? Yes ( ) No (X)  
 If yes, disclose the following information for each of the following types of warranty coverage:
- |                  | 1<br>Direct Losses<br>Incurred | 2<br>Direct Losses<br>Unpaid | 3<br>Direct Written<br>Premium | 4<br>Direct Premium<br>Unearned | 5<br>Direct Premium<br>Earned |
|------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 15.11 Home       | .....                          | .....                        | .....                          | .....                           | .....                         |
| 15.12 Products   | .....                          | .....                        | .....                          | .....                           | .....                         |
| 15.13 Automobile | .....                          | .....                        | .....                          | .....                           | .....                         |
| 15.14 Other*     | .....                          | .....                        | .....                          | .....                           | .....                         |

\* Disclose type of coverage:  
 .....

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

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

	1 2002	2 2001	3 2000	4 1999	5 1998
<b>Gross Premiums Written (Page 8, Part IB, Columns 1, 2 and 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	110,700,133	105,072,251	87,820,739	82,160,071	76,065,309
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	86,755,197	59,823,757	44,868,094	40,457,081	37,527,430
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	91,572,742	65,596,408	75,418,680	70,027,443	65,208,474
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)					
5. Nonproportional reinsurance lines (Lines 30, 31 and 32)					
6. Total (Line 34)	289,027,982	250,292,416	208,106,863	192,654,595	178,802,213
<b>Net Premiums Written (Page 8, Part IB, Column 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	24,548,709	24,303,478	21,588,334	24,011,279	22,359,764
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	15,084,457	13,874,017	12,286,091	12,502,703	11,628,122
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	21,552,665	21,351,871	19,261,055	20,700,832	18,828,818
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)					
11. Nonproportional reinsurance lines (Line 30, 31 and 32)					
12. Total (Line 34)	61,185,771	59,529,366	53,135,480	57,214,814	52,816,704
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	(8,363,889)	(8,901,213)	(2,918,838)	(3,421,917)	(3,284,267)
14. Net investment gain (loss) (Line 11)	3,405,835	3,948,759	4,847,735	4,135,330	4,741,045
15. Total other income (Line 15)	794,854	455,341	448,223	302,363	131,944
16. Dividends to policyholders (Line 17)	328,298	323,496	257,634	417,356	501,383
17. Federal and foreign income taxes incurred (Line 19)	(1,069,332)	(142,230)	278,025	105,411	172,275
18. Net income (Line 20)	(3,442,165)	(4,878,379)	1,641,461	493,069	915,065
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding Protected Cell (Page 2, Line 26, Column 3)	192,066,638	179,847,955	151,103,813	148,080,589	182,704,888
20. Agents' balances or uncollected premiums (Page 2, Column 3)					
20.1 In course of collection (Line 10.1)	7,125,734	6,843,053	(4,008,030)	(1,580,234)	(494,023)
20.2 Deferred and not yet due (Line 10.2)	24,651,736	21,351,521	17,079,919	15,553,545	19,928,199
20.3 Accrued retrospective premiums (Line 10.3)					
21. Total liabilities excluding Protected Cell (Page 3, Line 24)	116,452,765	107,400,688	85,528,719	85,670,893	84,155,130
22. Losses (Page 3, Line 1 and Line 2)	54,551,524	48,295,288	43,134,559	42,239,141	49,396,427
23. Loss adjustment expenses (Page 3, Line 3)	10,535,005	9,535,000	8,607,000	8,412,000	7,981,000
24. Unearned premiums (Page 3, Line 9)	29,660,560	27,296,097	29,527,705	24,921,293	22,683,567
25. Capital paid up (Page 3, Line 28 and Line 29)					
26. Surplus as regards policyholders (Page 3, Line 35)	75,613,870	72,447,267	65,575,094	61,409,696	98,549,558
<b>Risk-Based Capital Analysis</b>					
27. Total adjusted capital	75,613,870	72,447,267	65,575,094	61,409,696	98,549,558
28. Authorized control level risk-based capital	10,578,574	14,658,228	13,142,934	12,522,325	11,731,202
<b>Percentage Distribution of Cash and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 9, Column 3) x 100.0</b>					
29. Bonds (Line 1)	14.9	24.5	30.3	31.9	25.7
30. Stocks (Line 2.1 and Line 2.2)	56.4	53.8	48.7	44.6	54.9
31. Mortgage loans on real estate (Line 3.1 and Line 3.2)	4.5	6.1	7.9	7.7	5.1
32. Real estate (Lines 4.1, 4.2 and 4.3)	17.4	16.8	15.6	16.0	12.3
33. Cash and short-term investments (Line 5)	3.3	(1.8)	(2.8)	(0.5)	1.4
34. Other invested assets (Line 6)	3.4	0.6	0.3	0.2	0.4
35. Receivable for securities (Line 7)					0.2
36. Aggregate write-ins for invested assets (Line 8)					
37. Cash and invested assets (Line 9)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
38. Affiliated bonds (Schedule D, Summary, Line 25, Column 1)					
39. Affiliated preferred stocks (Schedule D, Summary, Line 39, Column 1)					
40. Affiliated common stocks (Schedule D, Summary, Line 53, Column 2)	71,066,763	62,471,855	55,268,210	48,233,847	61,064,218
41. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Column 5 Line 11)					
42. Affiliated mortgage loans on real estate					
43. All other affiliated					
44. Total of above Line 38 through Line 43	71,066,763	62,471,855	55,268,210	48,233,847	61,064,218
45. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 44 above divided by Page 3, Column 1, Line 34 x 100.0)	94.0	86.2	84.3	78.5	82.3

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Capital and Surplus Accounts (Page 4)					
46. Net unrealized capital gains (losses) (Line 23) .....	8,673,351	10,480,622	1,554,762	(37,077,959)	(3,259,497)
47. Dividends to stockholders (Line 34) .....					
48. Change in surplus as regards policyholders for the year (Line 37) .....	3,166,583	6,872,193	4,165,198	(37,139,662)	(2,937,906)
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
49. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....	66,990,755	51,352,259	50,497,652	43,716,480	36,205,041
50. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....	31,803,645	28,496,405	24,269,175	21,111,088	19,316,355
51. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....	44,497,485	38,953,043	35,141,338	34,582,241	32,084,638
52. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33) .....					
53. Nonproportional reinsurance lines (Lines 30, 31, and 32) .....					
54. Total (Line 34) .....	143,291,885	118,801,707	109,908,055	99,409,609	87,606,034
Net Losses Paid (Page 9, Part 2, Column 4)					
55. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....	18,174,592	14,762,281	14,329,433	13,679,461	11,974,643
56. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....	7,318,656	6,945,179	7,063,158	6,799,368	6,303,876
57. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....	10,429,493	10,417,095	10,589,426	11,289,663	11,831,166
58. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33) .....					
59. Nonproportional reinsurance lines (Lines 30, 31, and 32) .....					
60. Total (Line 34) .....	35,922,741	32,124,556	31,982,017	31,768,492	30,109,686
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
61. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
62. Losses incurred (Line 2) .....	69.0	65.3	60.3	58.2	57.6
63. Loss expenses incurred (Line 3) .....	14.9	15.6	13.2	12.9	13.5
64. Other underwriting expenses incurred (Line 4) .....	30.3	35.1	31.9	35.2	35.3
65. Net underwriting gain (loss) (Line 8) .....	(14.3)	(16.0)	(5.4)	(6.2)	(6.4)
Other Percentages					
66. Other underwriting expenses to net premiums written (Page 4, Lines 4 plus 5 minus 15 divided by Page 8, Part 1B, Column 6, Line 34 x 100.0) .....	27.9	32.2	31.9	33.3	34.1
67. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 plus Line 3 divided by Page 4, Line 1 x 100.0) .....	83.9	80.8	73.5	71.0	71.1
68. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 34 divided by Page 3, Line 35, Column 1 x 100.0) .....	79.0	82.2	81.0	99.2	93.6
One Year Loss Development (000 omitted)					
69. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11) .....	3,271	4,218	744	(728)	(1,529)
70. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 69 above divided by Page 4, Line 21, Column 1 x 100.0) .....	4.5	6.4	1.2	(0.7)	(1.5)
Two Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12) .....	5,104	2,415	(2,070)	(4,261)	(3,217)
72. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 71 above divided by Page 4, Line 21, Column 2 x 100.0) .....	7.0	3.9	(2.1)	(4.2)	(4.3)

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
 BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2002

Line of Business	Gross Premiums, including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
1. Fire	2,390,014	2,145,137	1,259,366	653,616	727,268	135,650	10,347	14,347	5,000	418,157	17,711	
2.1 Allied lines	598,197	594,640	302,015	382,226	592,726	143,104	6,973	11,973	7,000	102,314	4,263	
2.2 Multiple peak crop												
2.3 Federal flood												
3. Firemen's multiple peak	2,529,523	2,435,139	1,283,527	616,460	696,245	578,884	33,634	73,634	62,000	633,228	10,377	
4. Firemen's multiple peak (non-liability portion)	34,317,851	32,616,113	18,055,408	15,855,335	15,323,532	2,446,665	601,688	571,650	630,000	6,272,691	257,650	
5.1 Commercial multiple peak (liability portion)	24,984,188	23,220,959	12,211,522	13,715,368	11,333,103	13,342,064	1,421,000	1,400,234	2,861,000	4,484,948	67,286	
5.2 Commercial multiple peak (liability portion)	6,241,185	5,630,235	3,067,833	3,428,692	2,833,276	3,350,517	355,251	330,030	663,400	1,121,163	46,622	
6. Marine												
7. Ocean marine												
8. Dental	1,908,144	1,845,218	933,666	621,957	457,056	165,079	30,660	31,660	6,000	338,566	14,224	
9. Medical												
10. Medical malpractice												
11. Errors and omissions	65,915	65,265	32,917							12,000	495	
12. Group accident and health												
13. Credit A and H (group and individual)												
14. Collectively renewable A and H												
15.1 Non-renewable A and H												
15.2 Guaranteed renewable A and H												
15.3 Non-renewable for stated reasons only												
15.4 All other A and H												
15.5 Federal employees health benefits program premium												
15.6 Workers' compensation	16,594,012	15,257,040	8,467,491	6,827,369	8,320,653	19,494,420	558,503	381,803	1,352,000	1,054,367	124,488	
15.7 Other liability	5,770,202	5,142,465	2,656,069	3,302,674	2,664,974	1,833,400	65,008	9,008	220,000	871,566	43,288	
16. Products liability	(1,729)	(777)										
17. Private passenger auto no-fault (personal injury protection)	430,845	414,471	189,885	698,535	692,491	917,859	13,305	306	15,000	54,305	3,222	
18.1 Other private passenger auto liability	30,884,541	29,846,190	18,753,617	20,376,524	28,351,393	46,417,188	1,858,697	2,358,697	4,762,000	3,865,940	230,197	
18.2 Commercial auto no-fault (personal injury protection)	484,801	374,195	227,576	172,335	189,919	80,063	10,026	11,026	1,000	75,420	3,487	
18.3 Other commercial auto liability	9,291,945	7,613,376	4,474,031	2,877,011	3,726,259	6,987,787	161,753	494,753	600,000	1,300,679	69,708	
19.1 Private passenger auto physical damage	26,278,274	27,050,312	9,970,112	13,015,418	13,715,353	851,784	55,277	115,277	31,000	3,375,378	212,144	
19.2 Commercial auto physical damage	4,169,665	3,357,911	1,975,679	1,384,226	1,430,940	119,002	13,816	17,816	4,000	881,609	31,657	
20. Aircraft (all perils)												
21. Surety												
22. Burglary and theft	2,317	1,935	1,282			1,000				414	17	
23. Boiler and machinery	235,172	241,864								32,492	1,784	
24. Credit												
25. Aggregate write-ups for other lines of business												
26. TOTALS (a)	163,847,479	159,431,238	76,215,449	83,307,179	92,266,216	103,016,195	5,332,329	6,332,329	11,249,000	24,973,637	1,286,695	

DETAILS OF WRITE-UPS

26. Burglary and theft	1,935
27. Boiler and machinery	241,864
28. Credit	
29. Aggregate write-ups for other lines of business	
30. TOTALS (a)	159,431,238
31. Finance and service charges not included in Line 1 to Line 34	2,102,633
32. Summary of remaining write-ups for Line 33 from overflow page	
33. TOTALS (Line 30 through Line 33) plus Line 33(a)	2,102,633

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
 BUSINESS IN THE STATE OF DELAWARE DURING THE YEAR 2002

Line of Business	Gross Premiums, including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (excluding salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire	59,772	45,076		26,574	4,460	4,460	17,894	109	109	886	9,524	403
2.1 Allied lines	385	2,040		105				370	25		70	3
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril	375,215	300,496		191,085	61,385	74,385	13,400	2,620	3,539	1,846	67,971	2,815
4. Homeowners multiple peril	2,006,300	1,693,100		1,063,075	1,095,064	607,600	81,900	99,493	50,138	189,960	350,415	15,051
5.1 Commercial multiple peril (non-velocity portion)	301,382	473,273		285,869	259,016	150,526	234,630	24,800	12,334	46,740	90,104	3,789
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty	95,332	55,713		42,752	34,881	33,881	7,000	1,598	1,257	645	17,082	78
11. Financial reinsurance												
12. Catastrophe												
13. Group accident and health												
14. Credit A and H (single and individual)												
15.1 Crediting A and H												
15.2 Reinsured A and H												
15.3 Reinsured A and H												
15.4 Reinsured A and H												
15.5 Reinsured A and H												
15.6 Other accident only												
15.7 All other A and H												
15.8 Federal employees health benefits program premium												
16. Workers' compensation	2,760,672	2,242,956	52,496	1,581,222	714,448	1,194,824	1,547,734	36,384	48,721	124,254	177,077	20,711
17. Other liability	412,884	370,766		239,838	4,000	26,000	133,000	873	4,134	16,889	53,863	3,172
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)	184,152	159,210		57,895	292,044	315,513	99,472	11,318	10,976	1,591	20,721	1,281
19.2 Other private passenger auto liability	1,033,404	1,008,880		389,382	706,566	72,793	1,981,215	53,912	49,063	193,071	14,386	7,753
19.3 Commercial auto no-fault (personal injury protection)	97,411	84,788		49,539	49,684	55,433	14,818	888	835	1,282	1,282	71
19.4 Other commercial auto liability	928,218	794,539		463,950	969,774	886,781	1,528,557	23,382	9,342	16,748	190,200	6,043
20.1 Private passenger auto physical damage	524,114	501,132		185,824	191,487	194,467	9,000	2,305	2,423	1,598	58,288	3,633
21.1 Commercial auto physical damage	282,242	246,248		148,850	189,654	200,284	33,000	2,282	4,175	1,919	48,117	2,182
21.2 Aircraft (all perils)												
22. Fidelity												
23. Surety												
24. Burglary and theft												
25. Boiler and machinery												
26. Credit	7,368	8,438		4,391							1,018	55
27. Aggregate write-ins for other lines of business												
28. TOTALS (a)	9,284,021	8,300,816	52,486	4,011,446	4,495,773	4,384,825	6,639,012	280,127	249,734	738,270	1,221,510	89,488

DETAILS OF WRITE-INS  
 3301.  
 3302.  
 3303. Summary of remaining write-ins for Line 33 (see outflow pages)  
 3308. Totals (Line 3301 through Line 3303 plus Line 3308) (Line 33 above)  
 (a) Finance and service charges not included in Line 1 to Line 34: 112,072

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF ILLINOIS DURING THE YEAR 2002**

Line of Business	Gross Premiums, including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (excluding salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-vehicle portion)												
5.2 Commercial multiple peril (vehicle portion)												
6. Non-vehicle specialty												
8. Ocean marine												
9. Marine transit												
10. Marine property												
11. Medical malpractice												
12. Earthquake												
13. Group accident and health												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H												
15.2 Non-renewable A and H												
15.3 Guaranteed renewable A and H												
15.4 Non-renewable for stated reasons only												
15.5 Other accident only												
15.6 At other A and H												
15.7 Federal employees health benefits program premium												
16. Workers' compensation												
17. Other liability												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
33. Aggregate write-ins for other lines of business												
34. TOTALS (a)												
DETAILS OF WRITE-INS												
3387												
3388												
3389												
3390												
3391												
3392												
3393												
3394												
3395												
3396												
3397												
3398												
3399												
3400												

NONE

(a) Finance and service charges not included in Line 1 to Line 34.



NAIC Company Code: 13692  
 NAIC Group Code: 0250

1 3 6 9 2 2 0 0 2 2 4 3 0 1 5 0 0 0

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
 BUSINESS IN THE STATE OF INDIANA DURING THE YEAR 2002**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1. Allied lines												
2.2. Multiple peril crop												
2.3. Federal food												
3. Farmowners multiple peril												
4. Farmowners multiple peril (non-leasehold portion)												
5.1. Commercial multiple peril (leasehold portion)												
5.2. Commercial multiple peril (leasehold portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical malpractice												
12. Earthquake												
13. Group accident and health												
14. Credit A and H (group and individual)												
15.1. Collectively renewable A and H												
15.2. Non-cancelable A and H												
15.3. Guaranteed renewable A and H												
15.4. Non-renewable for stated reasons only												
15.5. Other accident only												
15.6. All other A and H												
15.7. Federal employees health benefits program premium												
16. Workers' compensation												
17. Other liability												
18. Products liability												
19.1. Private passenger auto no-fault (personal injury protection)												
19.2. Other private passenger auto liability												
19.3. Commercial auto no-fault (personal injury protection)												
19.4. Other commercial auto liability												
21.1. Private passenger auto physical damage												
21.2. Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
25. Burglary and theft												
26. Boiler and machinery												
27. Credit												
28. Marine												
29. Other contracts written for other lines of business												
34. TOTALS (a)												
DETAILS OF WRITE-INS												
3301												
3302												
3303												
3308	Summary of remaining write-ins for Line 33 from overflow page											
3309	Totals (Line 3301 through Line 3303 plus Line 3308) (Line 33 above)											

NONE

(a) Finance and service charges not included in Line 1 to Line 34.

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14) BUSINESS IN THE STATE OF MARYLAND DURING THE YEAR 2002

Table with columns: Line of Business, 1 Direct Premiums Written, 2 Direct Premiums Earned, 3 Dividends Paid or Credited to Policyholders on Direct Business, 4 Direct Unearned Premium Reserves, 5 Direct Losses Paid (excluding salvage), 6 Direct Losses Incurred, 7 Direct Losses Unpaid, 8 Direct Defense and Cost Containment Expenses Paid, 9 Direct Defense and Cost Containment Expenses Incurred, 10 Direct Defense and Cost Containment Expenses Unpaid, 11 Commissions and Brokerage Expenses, 12 Taxes, Licenses and Fees.

(a) Finance and service charges not included in Line 1 to Line 34 \$ 155,118

DETAILS OF WRITE-INS

Summary table for write-ins including lines 3301, 3302, 3303, 3308, 3309, 3398, 3399, 3400, 3401, 3402, 3403.

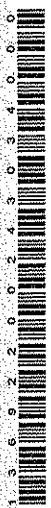
1 3 6 9 2 2 0 0 2 4 3 0 3 3 0 0 0 0

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
 BUSINESS IN THE STATE OF NEW YORK DURING THE YEAR 2002

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
7. Ocean marine												
8. Inland marine												
9. Financial guaranty												
10. Medical malpractice												
11. Earthquake												
12. Group accident and health												
13. Credit A and H (group and individual)												
14.1 Collectively renewable A and H												
15.2 Non-cancelable A and H												
15.3 Guaranteed renewable A and H												
15.4 Non-renewable for stated reasons only												
15.5 Other accident only												
15.6 For other A and H												
15.7 Federal employees health benefits program premium												
16. Workers compensation												
17. Other liability												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
25. Burglary and theft												
26. Boiler and machinery												
27. Credit												
28. Aggregate write-ups for other lines of business												
33. Aggregate write-ups for other lines of business												
34. TOTALS (a)												
DETAILS OF WRITE-UPS												
3381.												
3382.												
3383.												
3388. Summary of remaining write-ups for Line 33 from overflow page												
3389. Totals (Line 3301 through Line 3383 plus Line 3388) (Line 33 above)												

NONE

(a) Finance and service charges not included in Line 1 to Line 34.



**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF NORTH CAROLINA DURING THE YEAR 2002**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Issued		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (including salvage)	Direct Losses Incurred	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned									
1. Fire											
2.1 Allied lines											
2.2 Multiple peril crop											
2.3 Federal flood											
3. Farmowners multiple peril											
4. Homeowners multiple peril											
5.1 Commercial multiple peril (non-liability portion)											
5.2 Commercial multiple peril (liability portion)											
6. Mortgage guaranty											
8. Ocean marine											
9. Inland marine											
10. Financial guaranty											
11. Medical malpractice											
12. Earthquake											
13. Group accident and health											
14. Credit A and H (group and individual)											
15.1 Collectively renewable A and H											
15.2 Non-cancelable A and H											
15.3 Guaranteed renewable A and H											
15.4 Non-renewable for stated reasons only											
15.5 Other accident only											
15.6 All other A and H											
15.7 Federal employees health benefits program premium											
16. Workers compensation											
18. Other liability											
19. Products liability											
20. Private passenger auto no-fault (personal injury protection)											
20.1 Other private passenger auto liability											
20.2 Commercial auto liability											
20.3 Commercial auto liability (personal injury protection)											
21.1 Private passenger auto physical damage											
21.2 Commercial auto physical damage											
22. Aircraft (all perils)											
23. Fidelity											
24. Surety											
25. Burglary and theft											
26. Boiler and machinery											
28. Credit											
33. Aggregate write-ins for other lines of business											
34. TOTALS (a)											
DETAILS OF WRITE-INS											
3301											
3302											
3303											
3308											
3395											
Summary of remaining write-ins for Line 33 from overflow page											
Totals (Line 3301 through Line 3305 plus Line 3308) (Line 33 above)											

NONE

(a) Finance and service charges not included in Line 1 to Line 34.

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF OHIO DURING THE YEAR 2002**

Line of Business	1 Gross Premiums, including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		2 Direct Premiums Earned	3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	Written	(188)											
1. Fire	17,539	11,028	50	8,444	50	50	50	50				3,112	127
2.1 Allied lines	(198)	1,336		38								(56)	(1)
2.2 Multiple peril crop													
2.3 Federal flood													
3. Farmers multiple peril		(2)											
4. Homeowners multiple peril													
5.1 Commercial multiple peril (non-liability portion)	1,430,529	1,164,245	570,513	780,792	585,094	33,454	33,454	19,226	33,454	33,558	22,482	256,978	10,732
5.2 Commercial multiple peril (liability portion)	357,632	291,061	192,628	197,448	191,273	8,373	8,373	29,809	8,373	8,390	5,850	64,245	2,083
6. Mortgage guaranty													
7. Ocean marine													
8. Inland marine													
9. Financial guaranty	13,519	11,019		6,886								2,397	101
10. Medical malpractice													
11. Earthquake													
12. Group accident and health													
13. Credit A and H (group and individual)													
14. Credit A and H (group and individual)													
15.1 Collectively renewable A and H													
15.2 Non-collectible A and H													
15.3 Guaranteed renewable A and H													
15.4 Non-renewable for stated reasons only													
16. Other accident only													
17. PA rider A and H													
18. Health employees health benefits program premium													
19. Workers Compensation	466,688	365,632	210	257,980	210	210	210	210	210	152		75,850	3,727
19.1 Products liability	(207)	(17)										(80)	(2)
19.2 Private passenger auto no-fault (personal injury protection)													
19.3 Other private passenger auto liability	1,251,182	1,166,635	817,411	421,682	458,345	21,450	21,450	397,653	21,450	(21,834)	38,758	161,711	9,386
19.4 Commercial auto no-fault (personal injury protection)													
19.5 Other commercial auto liability	1,007,085	911,933	256,655	481,285	393,098	6,714	6,714	322,650	6,714	21,567	31,676	162,973	7,555
20.1 Private passenger auto physical damage	1,141,821	1,054,249	697,926	390,739	702,678	5,934	5,934	24,000	5,934	6,966	1,279	144,366	8,566
21.1 Commercial auto physical damage	257,425	235,690	180,294	118,772	166,936	2,476	2,476	12,162	2,476	3,207	731	42,384	1,931
21.2 Aircraft (all risks)													
22. Fidelity													
23. Surety													
24. Burglary and theft	55	55											
25. Boiler and machinery	18,153	19,716		11,493									
26. Credit													
27. Aggregate write-ins for other lines of business													
28. Credit													
29. Aggregate write-ins for other lines of business													
30. Credit													
31. Aggregate write-ins for other lines of business													
32. Credit													
33. Aggregate write-ins for other lines of business													
34. Credit													
TOTALS (a)	5,991,372	5,262,805	2,835,688	2,665,536	2,397,712	78,593	78,593	995,922	78,593	52,006	99,944	915,613	44,946
DETAILS OF WRITE-INS													
3301.													
3302.													
3303.													
3308. Summary of remaining write-ins for Line 33 from overflow page													
3309. Totals (Line 3301 through Line 3303 plus Line 3308) (Line 33 above)													

(a) Finance and service charges not included in Line 1 to Line 34 \$ 72,481

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
 BUSINESS IN THE STATE OF PENNSYLVANIA DURING THE YEAR 2002**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credits to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Upgraded	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire	2,84,914	2,017,778		1,142,758	549,881	722,731	135,658	10,238	4,238	5,000	387,091	16,391
2.1 Allied lines	550,485	572,759		282,151	314,626	491,326	131,330	6,424	12,169	6,114	300,065	4,130
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril	2,015,189	1,918,726		1,012,675	488,240	687,025	555,754	48,922	58,652	60,324	581,055	15,119
4. Homeowners multiple peril	32,340,584	31,072,399		16,975,798	14,029,798	19,554,512	7,702,927	520,202	487,628	714,631	5,424,079	242,023
5.1 Commercial multiple peril (non-liability portion)	17,595,125	16,498,023		8,580,697	7,234,583	4,884,472	6,726,288	1,072,483	937,422	1,897,764	3,138,174	131,248
5.2 Commercial multiple peril (liability portion)	4,396,281	4,124,556		2,140,174	1,974,171	1,173,616	2,432,325	288,166	204,373	471,761	1,781,744	32,981
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine	1,550,626	1,516,930		753,521	323,690	346,199	94,079	23,972	25,170	4,668	276,775	11,720
10. Financial guaranty												
11. Medical malpractice	65,410	64,744		32,592							11,923	401
12. Earthquake												
13. Group accident and health												
14. Credit A and H (Group and individual)												
15.1 Collectively renewable A and H												
15.2 Non-cancelable A and H												
15.3 Guaranteed renewable A and H												
15.4 Non-renewable for sister reissue only												
15.5 Other accident only												
16. Federal employees health benefits program premium												
17. Federal employees health benefits program premium	11,054,017	10,822,771	563,990	6,065,331	4,810,687	5,612,070	14,771,292	419,467	279,065	978,851	757,145	88,554
18. Federal employees health benefits program premium	4,771,488	3,911,659		2,060,576	3,298,464	2,656,264	1,686,990	61,626	3,552	201,407	646,188	32,045
19. Products liability	(1,468)	281									(285)	(8)
19.1 Private passenger auto no-fault (personal injury protection)	26,168,537	25,580,187		9,103,628	195,839	76,191	770,273	1,747	(10,600)	12,727	3,374,497	195,868
19.2 Other private passenger auto liability	6,455,311	5,152,628		1,677,623	17,424,223	26,484,426	40,992,390	1,746,667	2,716,567	4,258,514	3,374,497	195,868
19.3 Commercial auto no-fault (personal injury protection)	6,408,063	5,152,628		1,677,623	1,420,151	13,022	67,245	9,139	10,227	5,338	56,031	2,559
19.4 Other commercial auto liability	24,532,669	23,561,188		8,555,226	10,924,224	2,028,069	4,329,530	113,375	283,802	320,913	1,008,981	48,074
21.1 Private passenger auto physical damage	3,942,464	2,672,556		1,350,156	1,029,240	1,029,240	749,198	79,146	94,678	25,332	3,101,794	164,044
21.2 Commercial auto physical damage					532,184		88,000	6,452	9,495	1,043	530,329	25,076
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft	2,262	1,860		1,282							464	17
27. Boiler and machinery	154,524	151,887		82,307							21,622	1,160
28. Credit												
33. Aggregate write-ins for other lines of business												
34. TOTALS (a)	197,667,533	129,938,452	563,990	61,488,723	64,728,344	70,661,687	84,261,367	4,411,922	5,915,625	8,995,274	20,467,912	1,022,768

DETAILS OF WRITE-INS

3301.												
3302.												
3303.												
3308.												
3309.												
3399.												

(a) Finance and service charges not included in Line 1 to Line 34 \$ 1,665,433

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF TENNESSEE DURING THE YEAR 2002

NAIC Company Code: 13692  
NAIC Group Code: 0250

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
<b>NONE</b>												
1. Fire												
2.1 Allret lines												
2.2 Multiple peril crop												
2.3 Federal food												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical malpractice												
12. Earthquake												
13. Group accident and health												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H												
15.2 Non-renewable A and H												
15.3 Guaranteed renewable A and H												
15.4 Non-renewable for stated reasons only												
15.5 All other A and H												
15.7 Federal employees health benefits program premium												
16. Workers compensation												
17. Other liability												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Other private auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
33. Aggregate write-ins for other lines of business												
34. TOTALS (a)												
DETAILS OF WRITE-INS												
3301												
3302												
3303												
3304												
3305												
3306												
3307												
3308												
3309												

(a) Finance and service charges not included in Line 1 to Line 34.

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF VIRGINIA DURING THE YEAR 2002**

Line of Business	Gross Premiums, including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1	2										
1. Fire	37,299	10,684		26,895							6,607	280
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril	3,785	3,727		1,629							885	26
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)	1,777,754	1,557,520		795,123	1,355,998	1,654,351	584,720	67,262	19,670	111,884	319,354	13,337
5.2 Commercial multiple peril (liability portion)	444,438	386,303		199,011	356,499	416,088	149,538	16,816	23,417	27,596	19,238	3,334
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine	31,321	10,291		21,622	530						5,554	225
10. Financial guaranty												
11. Medical malpractice												
12. Earthquake												
13. Group accident and health												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H												
15.2 Non-renewable A and H												
15.3 Guaranteed renewable A and H												
15.4 Non-renewable for stated reasons only												
15.5 All other accident and health												
15.6 All other accident and health												
15.7 Federal employees health benefits program premium												
16. Workers compensation	610,264	690,932	132,293	325,689	875,252	1,088,294	1,942,871	26,540	(3,132)	150,371	42,989	5,028
17. Other liability	91,125	33,979		69,950		1,000	1,000	1,330	1,457	127	14,973	744
18. Products liability	(833)	(285)									(55)	(2)
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability	1,168	1,065		193							194	9
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage	76	54		2							13	1
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
25. Burglary and theft												
26. Boiler and machinery	32,516	38,421		15,405							4,489	244
27. Credit												
28. Credit												
33. Aggregate write-ins for other lines of business												
34. TOTALS (a)	3,097,434	2,973,133	132,293	1,456,775	2,862,259	3,170,263	2,686,659	111,947	115,412	290,470	474,633	23,228
DETAILS OF WRITE-INS												
3301												
3302												
3303												
3398	Summary of remaining write-ins for Line 33 from overflow page											
3399	Totals (Line 3301 through Line 3303 plus line 3398) (Line 33 above)											

(a) Finance and service charges not included in Line 1 to Line 34 ..... 37,471



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE A - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value, December 31, prior year (prior year statement) .....	21,910,771
2. Increase (decrease) by adjustment:	
2.1 Totals, Part 1, Column 10 .....	(847,374)
2.2 Totals, Part 3, Column 7 .....	
3. Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9) .....	
4. Cost of additions and permanent improvements:	
4.1 Totals, Part 1, Column 13 .....	3,104,250
4.2 Totals, Part 3, Column 9 .....	
5. Total profit (loss) on sales, Part 3, Column 14 .....	
6. Increase (decrease) by foreign exchange adjustment:	
6.1 Totals, Part 1, Column 11 .....	
6.2 Totals, Part 3, Column 8 .....	
7. Amounts received on sales, Part 3, Column 11 and Part 1, Column 12 .....	
8. Book/adjusted carrying value at end of current period .....	24,367,847
9. Total valuation allowance .....	
10. Subtotal (Line 8 plus Line 9) .....	24,367,847
11. Total nonadmitted amounts .....	
12. Statement value, current period (Page 2, real estate lines, current period) .....	24,367,847

**SCHEDULE B - VERIFICATION BETWEEN YEARS**

1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year .....	8,927,585
2. Amount loaned during year:	
2.1 Actual cost at time of acquisitions .....	928,400
2.2 Additional investment made after acquisitions .....	928,400
3. Accrual of discount and mortgage interest points and commitment fees .....	
4. Increase (decrease) by adjustment .....	
5. Total profit (loss) on sale .....	
6. Amounts paid on account or in full during the year .....	3,580,852
7. Amortization of premium .....	
8. Increase (decrease) by foreign exchange adjustment .....	
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....	6,295,933
10. Total valuation allowance .....	
11. Subtotal (Line 9 plus Line 10) .....	6,295,933
12. Total nonadmitted amounts .....	
13. Statement value of mortgages owned at end of current period .....	6,295,933

**SCHEDULE BA - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year .....	2,439,189
2. Cost of acquisitions during year:	
2.1 Actual cost at time of acquisitions .....	4,070,000
2.2 Additional investment made after acquisitions .....	4,070,000
3. Accrual of discount .....	
4. Increase (decrease) by adjustment .....	
5. Total profit (loss) on sale .....	
6. Amounts paid on account or in full during the year .....	820,292
7. Amortization of premium .....	
8. Increase (decrease) by foreign exchange adjustment .....	
9. Book/adjusted carrying value of long-term invested assets at end of current period .....	5,688,897
10. Total valuation allowance .....	
11. Subtotal (Line 9 plus Line 10) .....	5,688,897
12. Total nonadmitted amounts .....	915,116
13. Statement value of long-term invested assets at end of current period .....	4,773,781

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE D - SUMMARY BY COUNTRY**

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

Description		1	2	3	4
		Book/Adjusted Carrying Value	Fair Value (a)	Actual Cost	Par Value of Bonds
<b>BONDS</b>					
Governments (including all obligations guaranteed by governments)	1. United States	5,343,447	5,612,500	5,351,914	5,250,000
	2. Canada				
	3. Other Countries				
	4. Totals	5,343,447	5,612,500	5,351,914	5,250,000
States, Territories and Possessions (Direct and guaranteed)	5. United States	10,170	10,100	10,301	10,000
	6. Canada				
	7. Other Countries				
	8. Totals	10,170	10,100	10,301	10,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	7,061,840	7,270,718	7,063,699	7,004,608
	14. Canada				
	15. Other Countries				
	16. Totals	7,061,840	7,270,718	7,063,699	7,004,608
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
	20. Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	8,419,919	9,141,750	8,418,932	8,425,000
	22. Canada				
	23. Other Countries				
	24. Totals	8,419,919	9,141,750	8,418,932	8,425,000
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	20,855,376	22,035,068	20,865,046	20,689,608
<b>PREFERRED STOCKS</b>					
Public Utilities (unaffiliated)	27. United States	571,951	571,951	540,000	
	28. Canada				
	29. Other Countries				
	30. Totals	571,951	571,951	540,000	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States	4,171,670	4,171,670	4,136,875	
	32. Canada				
	33. Other Countries				
	34. Totals	4,171,670	4,171,670	4,136,875	
Industrial and Miscellaneous (unaffiliated)	35. United States	810,150	810,150	912,500	
	36. Canada	65,750	65,750	62,500	
	37. Other Countries				
	38. Totals	875,900	875,900	975,000	
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks	5,619,521	5,619,521	5,651,875	
<b>COMMON STOCKS</b>					
Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	1,659,759	1,659,759	1,331,783	
	46. Canada				
	47. Other Countries				
	48. Totals	1,659,759	1,659,759	1,331,783	
Industrial and Miscellaneous (unaffiliated)	49. United States	608,672	608,672	262,750	
	50. Canada				
	51. Other Countries				
	52. Totals	608,672	608,672	262,750	
Parent, Subsidiaries and Affiliates	53. Totals	71,066,763	71,066,763	36,530,321	
	54. Total Common Stocks	73,335,194	73,335,194	38,144,854	
Parent, Subsidiaries and Affiliates	55. Total Stocks	78,954,715	78,954,715	40,796,729	
	56. Total Bonds and Stocks	99,810,091	100,989,783	64,661,775	

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

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of bonds and stocks, prior year	102,132,608	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3	5,118,835	6.1 Column 17, Part 1	
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1	
3.1 Column 16, Part 1	(6,457)	6.3 Column 11, Part 2, Section 2	
3.2 Column 12, Part 2, Section 1	27,981	6.4 Column 11, Part 4	
3.3 Column 10, Part 2, Section 2	6,845,384	7. Book/adjusted carrying value at end of current period	99,810,091
3.4 Column 10, Part 4	(31,004)	8. Total valuation allowance	
4. Total gain (loss), Column 14, Part 4	6,835,904	9. Subtotal (Line 7 plus Line 8)	99,810,091
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	14,321,875	10. Total nonadmitted amounts	
		11. Statement value of bonds and stocks, current period	99,810,091

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Price Year	9 % From Column 7 Price Year	10 Total Policy Traded	11 Total Priority Placed (a)
<b>1. U.S. Governments, Schedules D and DA (Group 1)</b>											
1.1 Class 1	2,853,138	1,018,680			2,077,956	5,949,864	20.0	6,895,901	19.9	5,949,864	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals	2,853,138	1,018,680			2,077,956	5,949,864	20.0	6,895,901	19.9	5,949,864	
<b>2. All Other Governments, Schedules D and DA (Group 2)</b>											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals											
<b>3. States, Territories and Possessions etc., Guaranteed, Schedules D and DA (Group 3)</b>											
3.1 Class 1			10,170			10,170		2,510,629	7.3	10,170	
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals			10,170			10,170		2,510,629	7.3	10,170	
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D and DA (Group 4)</b>											
4.1 Class 1								2,284,588	6.6		
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals								2,284,588	6.6		
<b>5. Special Revenue and Special Assessment Obligations etc., Non-Guaranteed, Schedules D and DA (Group 5)</b>											
5.1 Class 1	2,894,312	3,794,694	542,924			7,081,840	23.8	12,235,764	35.4	7,081,840	
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals	2,894,312	3,794,694	542,924			7,081,840	23.8	12,235,764	35.4	7,081,840	

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Payable Traded	11 Total Priority Placed (4)
<b>6. Public Utilities (Unaffiliated), Schedules D and DA (Group 6)</b>											
6.1 Class 1											
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 Totals											
<b>7. Industrial and Miscellaneous (Unaffiliated), Schedules D and DA (Group 7)</b>											
7.1 Class 1	8,755,113	4,574,079	3,246,027			16,615,219	55.8	10,656,620	30.9	16,615,219	
7.2 Class 2	99,630					99,630	0.3			99,630	
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 Totals	8,854,743	4,574,079	3,246,027			16,715,049	55.2	10,656,620	30.9	16,715,049	
<b>8. Credit Tenant Loans, Schedules D and DA (Group 8)</b>											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 Totals											
<b>9. Parent, Subsidiaries and Affiliates, Schedules D and DA (Group 9)</b>											
9.1 Class 1											
9.2 Class 2											
9.3 Class 3											
9.4 Class 4											
9.5 Class 5											
9.6 Class 6											
9.7 Totals											

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 6 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1	14,452,583	9,326,763	3,795,121		2,077,966	29,656,413	98.7	XXX	XXX	29,656,413	
10.2 Class 2	99,830					99,830	0.3	XXX	XXX	99,830	
10.3 Class 3								XXX	XXX		
10.4 Class 4								XXX	XXX		
10.5 Class 5								XXX	XXX		
10.6 Class 6								XXX	XXX		
10.7 Totals	14,552,393	9,326,763	3,795,121		2,077,966	29,756,243	100.0	XXX	XXX	29,756,243	
10.8 Line 10.7 as a % of Column 6	48.9	31.3	12.8		7.0	100.0	XXX	XXX	XXX	100.0	
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1	9,379,242	13,843,177	9,288,921	911	2,079,431	XXX	XXX	34,571,682	100.0	34,571,682	
11.2 Class 2						XXX	XXX				
11.3 Class 3						XXX	XXX				
11.4 Class 4						XXX	XXX				
11.5 Class 5						XXX	XXX				
11.6 Class 6						XXX	XXX				
11.7 Totals	9,379,242	13,843,177	9,288,921	911	2,079,431	XXX	XXX	34,571,682	100.0	34,571,682	
11.8 Line 11.7 as a % of Column 8	27.1	40.0	26.8		6.0	XXX	XXX	100.0	XXX	100.0	
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1	14,452,583	9,326,763	3,795,121		2,077,966	29,656,413	98.7	XXX	XXX	29,656,413	XXX
12.2 Class 2	99,830					99,830	0.3	XXX	XXX	99,830	XXX
12.3 Class 3								XXX	XXX		XXX
12.4 Class 4								XXX	XXX		XXX
12.5 Class 5								XXX	XXX		XXX
12.6 Class 6								XXX	XXX		XXX
12.7 Totals	14,552,393	9,326,763	3,795,121		2,077,966	29,756,243	100.0	XXX	XXX	29,756,243	XXX
12.8 Line 12.7 as a % of Column 6	48.9	31.3	12.8		7.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	48.9	31.3	12.8		7.0	100.0	XXX	XXX	XXX	100.0	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1											XXX
13.2 Class 2											XXX
13.3 Class 3											XXX
13.4 Class 4											XXX
13.5 Class 5											XXX
13.6 Class 6											XXX
13.7 Totals											XXX
13.8 Line 13.7 as a % of Column 6											XXX
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10											XXX

(a) Includes \$ ..... freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$ ..... current year, \$ ..... prior year of bonds with Z designations and \$ ..... prior year of bonds with Z designations was not assigned by the Securities Valuation Office (SVO) at the date of the statement, "Z" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.  
 (c) Includes \$ ..... current year, \$ ..... prior year of bonds with F designations and \$ ..... prior year of bonds with F designations, "F" means the NAIC designation was assigned by the SVO in reliance on the issuer's certification that the issuer is current in all principal and interest payments, "b" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

**SCHEDULE D - PART 1A - SECTION 2**

Maturity Distribution of All Bonds Owned December 31, At Statement Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments, Schedules D and DA (Group 1)											
1.1 Issuer Obligations	2,853,138	1,018,680			2,077,966	5,949,184	20.0	6,893,991	19.9	5,949,184	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities											
1.7 Totals	2,853,138	1,018,680			2,077,966	5,949,184	20.0	6,893,991	19.9	5,949,184	
2. All Other Governments, Schedules D and DA (Group 2)											
2.1 Issuer Obligations											
2.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined											
2.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
2.5 Defined											
2.6 Other											
2.7 Totals											
3. States, Territories and Possessions, Guaranteed, Schedules D and DA (Group 3)											
3.1 Issuer Obligations			10,170			10,170		2,510,629	7.3	10,170	
3.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined											
3.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
3.5 Defined											
3.6 Other											
3.7 Totals			10,170			10,170		2,510,629	7.3	10,170	
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D and DA (Group 4)											
4.1 Issuer Obligations											
4.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined											
4.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
4.5 Defined											
4.6 Other											
4.7 Totals								2,264,568	6.6		
5. Special Revenue and Special Assessment Obligations etc., Non-Guaranteed, Schedules D and DA (Group 5)											
5.1 Issuer Obligations	2,250,000	1,928,074	205,801			4,453,875	15.0	10,694,644	31.5	4,453,875	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	554,312	1,866,528	267,124			2,627,965	8.8	1,341,120	3.9	2,627,965	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined											
5.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
5.5 Defined											
5.6 Other											
5.7 Totals	2,804,312	3,734,602	542,925			7,081,840	23.8	12,235,764	35.4	7,081,840	

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>6. Public Utilities (Unaffiliated) - Schedules D and DA (Group 6)</b>											
6.1 Issuer Obligations											
6.2 Single Class Mortgage-Backed/Asset-Backed Bonds											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined											
6.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined											
6.6 Other											
6.7 Totals											
<b>7. Industrial and Miscellaneous (Unaffiliated) - Schedules D and DA (Group 7)</b>											
7.1 Issuer Obligations	8,894,813	4,574,079	3,246,027			16,715,049	56.2	10,656,620	30.9	16,715,049	
7.2 Single Class Mortgage-Backed/Asset-Backed Bonds											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
7.3 Defined											
7.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
7.5 Defined											
7.6 Other											
7.7 Totals	8,894,813	4,574,079	3,246,027			16,715,049	56.2	10,656,620	30.9	16,715,049	
<b>8. Credit Tenant Leases - Schedules D and DA (Group 8)</b>											
8.1 Issuer Obligations											
8.2 Totals											
<b>9. Parent, Subsidiaries and Affiliates, Schedules D and DA (Group 9)</b>											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Backed Bonds											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined											
9.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined											
9.6 Other											
9.7 Totals											

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>10. Total Bonds Current Year</b>											
10.1 Issuer Obligations	13,998,081	7,520,233	3,531,599		2,077,966	27,128,278	91.2	XXX	XXX	27,128,278	
10.2 Single Class Mortgage-Backed/Asset-Backed Bonds	554,312	1,896,529	267,124		7.0	2,627,965	8.8	XXX	XXX	2,627,965	
10.3 MULTICLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.4 Defined								XXX	XXX		
10.4 Other								XXX	XXX		
10.5 MULTICLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:								XXX	XXX		
10.5 Defined								XXX	XXX		
10.5 Other								XXX	XXX		
10.7 Totals	14,552,393	9,366,762	3,798,723		2,077,966	29,156,243	100.0	XXX	XXX	29,156,243	
10.8 Line 10.7 as a % of Column 6	49.9	31.3	12.8		7.0	100.0		XXX	XXX	100.0	
<b>11. Total Bonds Prior Year</b>											
11.1 Issuer Obligations	9,080,995	12,884,725	9,175,811		2,079,451	XXX	XXX	33,238,562	95.1	33,238,562	
11.2 Single Class Mortgage-Backed/Asset-Backed Bonds	288,647	948,462	93,110	911		XXX	XXX	1,341,120	3.9	1,341,120	
11.3 MULTICLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined								XXX	XXX		
11.3 Other								XXX	XXX		
11.4 MULTICLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:								XXX	XXX		
11.4 Defined								XXX	XXX		
11.4 Other								XXX	XXX		
11.7 Totals	9,379,642	13,843,177	9,268,921	911	2,079,451	XXX	XXX	34,571,682	100.0	34,571,682	
11.8 Line 11.7 as a % of Column 6	71.1	40.0	25.8		6.0	XXX	XXX	100.0	XXX	100.0	
<b>12. Total Publicly Traded Bonds</b>											
12.1 Issuer Obligations	13,998,081	7,520,233	3,531,599		2,077,966	27,128,278	91.2	33,238,562	95.1	27,128,278	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Bonds	554,312	1,896,529	267,124		7.0	2,627,965	8.8	1,341,120	3.9	2,627,965	XXX
12.3 MULTICLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											XXX
12.3 Defined											XXX
12.3 Other											XXX
12.4 MULTICLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											XXX
12.4 Defined											XXX
12.4 Other											XXX
12.7 Totals	14,552,393	9,366,762	3,798,723		2,077,966	29,156,243	100.0	34,571,682	100.0	29,156,243	XXX
12.8 Line 12.7 as a % of Column 6	49.9	31.3	12.8		7.0	100.0		XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	49.9	31.3	12.8		7.0	100.0		XXX	XXX	100.0	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Issuer Obligations										XXX	XXX
13.2 Single Class Mortgage-Backed/Asset-Backed Bonds										XXX	XXX
13.3 MULTICLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:										XXX	XXX
13.3 Defined										XXX	XXX
13.3 Other										XXX	XXX
13.4 MULTICLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:										XXX	XXX
13.4 Defined										XXX	XXX
13.4 Other										XXX	XXX
13.7 Totals										XXX	XXX
13.8 Line 13.7 as a % of Column 6										XXX	XXX
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10										XXX	XXX



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE DA - PART 2**

Verification of SHORT-TERM INVESTMENTS Between Years

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Asset (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, prior year	2,646,881	2,646,881			
2. Cost of short-term investments acquired	115,984,389	115,984,389			
3. Increase (decrease) by adjustment					
4. Increase (decrease) by foreign exchange adjustment					
5. Total profit (loss) on disposal of short-term investments					
6. Consideration received on disposal of short-term investments	109,730,422	109,730,422			
7. Book/adjusted carrying value, current year	8,900,868	8,900,868			
8. Total valuation allowance					
9. Subtotal (Line 7 plus Line 8)	8,900,868	8,900,868			
10. Total unrealized amounts					
11. Statement value (Line 9 minus Line 10)	8,900,868	8,900,868			
12. Income collected during year	76,273				
13. Income earned during year	76,270				

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment.

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Schedule DB, Part A, Verification Between Years  
**NONE**

Schedule DB, Part B, Verification Between Years  
**NONE**

**Page 35**

Schedule DB, Part C, Verification Between Years  
**NONE**

Schedule DB, Part D, Verification Between Years  
**NONE**

Schedule DB, Part E, Verification of Statement and Fair Values  
**NONE**

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Sch. DB, Pt. F, Sn. 1, Summary Replicated (Syn.) Assets Open  
**NONE**

**Page 37**

Sch. DB, Pt. F, Sn. 2, Reconciliation Replicated (Syn.) Assets  
**NONE**

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE F - PART 1

Assumed Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsured	4 Domestic Jurisdiction	5 Assumed Premium	6 Reinsurance On		8 Columns 6 plus 7	9 Contingent Commissions Payable	10 Assumed Premiums Receivable	11 Unearned Premium	12 Funds Held By or Deposited With Reinsured Companies	13 Letters of Credit Posted	14 Amount of Assets Pledged or Complementing Balances to Secure Letters of Credit
					6 Paid Losses and Loss Adjustment Expenses	7 Known Case Losses and LAE							
Affiliates - U.S. Intercompany Pooling													
21-2183426	7238	ATLANTIC STATES INSURANCE COMPANY	PENNSYLVANIA	50,542	4,816	38,924	43,740		3,355	26,517			
0189889		Subtotal - Affiliates - U.S. Intercompany Pooling		50,542	4,816	38,924	43,740		3,355	26,517			
Affiliates - U.S. Non-Pool													
54-08876	7687	SOUTHERN INSURANCE COMPANY OF VIRGINIA	VIRGINIA	49,639	1,606	20,950	22,556		130	23,544			
0289889		Subtotal - Affiliates - U.S. Non-Pool		49,639	1,606	20,950	22,556		130	23,544			
0489889		Subtotal - Affiliates		100,181	6,422	59,874	66,306		3,485	50,061			
9999999 - TOTAL - Schedule F, Part 1				100,181	6,422	59,874	66,306		3,485	50,061			

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE F - PART 2**

Premium Portfolio Reinsurance Effected or (Cancelled) during Current Year

1 Federal ID Number	2 NAIC Company Code	3 Name of Company	4 Date of Contract	5 Original Premium	6 Reinsurance Premium
Reinsurance Assumed by Portfolio					
64-0066765	26867	SOUTHERN INSURANCE COMPANY OF VIRGINIA	01/01/2002	(7,310,471)	(7,310,471)
0289999 - TOTAL Reinsurance Assumed by Portfolio					
				(7,310,471)	(7,310,471)

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE F - PART 3

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domestic Jurisdiction	5 Reinsurance Contracting Policy Date of Premiums Written	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On										Reinsurance Payable		10 Net Amount Recoverable From Reinsurers Other Than Ceded (16 + 17)	19 Funds Held by Company Under Reinsurance Treaties
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Columns 7 through 14 Totals	16 Ceded Reinsurers Payable	17 Other Amounts Due to Reinsurers			
Authorized - Affiliates - U.S. Intercompany Pooling																			
25-243426	Z295	ATLANTIC STATES INSURANCE COMPANY	PENNSYLVANIA	135,578	7,214	375	83,167	10,338	11,639	89,208	181,599	9,942	9,942	172,057			172,057		
0199899	Subtotal	Affiliates - U.S. Intercompany Pooling		135,578	7,214	375	83,167	10,338	11,639	89,208	181,599	9,942	9,942	172,057			172,057		
Authorized - Affiliates - U.S. Non-Pool																			
54-036705	2867	SOUTHERN INSURANCE COMPANY OF VIRGINIA	VIRGINIA	55,441			13,971	4,205	1,822	23,544	43,542			43,542			43,542		
0296999	Subtotal	Affiliates - U.S. Non-Pool		55,441			13,971	4,205	1,822	23,544	43,542			43,542			43,542		
Authorized - Subtotal - Authorized - Affiliates																			
0492699	Subtotal	Authorized - Affiliates		191,019	7,214	375	97,138	14,541	13,521	92,762	225,541	9,942	9,942	215,599			215,599		
Authorized - Other U.S. Unaffiliated Insurers																			
36-072710	1339	AMERICAN MUTUAL REINSURANCE COMPANY	ILLINOIS	43		10	61				114			114			114		
15-424125	1027	AMERICAN REINSURANCE COMPANY	NEW JERSEY	1,238		15	451			58	1,110			1,072			1,072		
38-214898	3369	DORRICO REINSURANCE COMPANY	MICHIGAN	2,178		16	2,110			375	2,568			2,813			2,813		
48-027195	3945	ELEFORS REINSURANCE CORPORATION	KANSAS	340		39	149			145	343			343			343		
15-267190	Z2039	GENERAL REINSURANCE CORPORATION	CONNECTICUT	8		10	3			3	27			27			27		
38-1655365	Z2012	GNAC REINSURANCE CORPORATION	MISSOURI	3,050		22	2,954			525	3,586			3,609			3,609		
06-094890	11452	HARFORD STEWARTER INSURANCE COMPANY	CONNECTICUT	221						118	118			118			118		
37-4633690	25143	STATE FARM AND CASUALTY COMPANY	ILLINOIS	41		10	521			600	572			572			572		
25-172390	26763	ERIE INSURANCE GROUP	PENNSYLVANIA	3,485		108	3,376			600	4,109			4,501			4,501		
13-107535	25384	SWISS REINSURANCE AMERICA CORPORATION	NEW YORK	6,243		96	1,267			3,810	4,417			4,665			4,665		
0698999	Subtotal	Authorized - Other U.S. Unaffiliated Insurers		16,923	945	132	10,969			1,500	16,950			17,459			17,459		
0698999	Subtotal	Authorized		207,942	7,759	507	108,047	14,541	15,021	95,616	242,491	9,453	9,453	233,038			233,038		
Authorized and Unauthorized																			
1698999	Subtotal	Authorized and Unauthorized		207,942	7,759	507	108,047	14,541	15,021	95,616	242,491	9,453	9,453	233,038			233,038		
9998999	TOTAL	Schedule F, Part 3		207,942	7,759	507	108,047	14,541	15,021	95,616	242,491	9,453	9,453	233,038			233,038		

NOTE: Report the five largest provisioned commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess of \$50,000.

1 Name of Company	2 Commission Rate	3 Ceded Premium
1)		
2)		
3)		
4)		
5)		

**SCHEDULE F - PART 4**

Aging of Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses										11 Total Due Columns 5 + 10	12 Percentage Overdue Column 10 / Column 11	13 Percentage more Than 120 Days Overdue Column 9 / Column 11	
				Overdue													
				6 1 to 29 Days	7 30 - 89 Days	8 90 - 120 Days	9 Over 120 Days	10 Total Overdue Columns 6 + 7 + 8 + 9									
		Authorized - Affiliates - U.S. Intercompany Pooling	PENNSYLVANIA	7,589											7,589		
		0198999 - Subtotal - Authorized - Affiliates - U.S. Intercompany Pooling		7,589											7,589		
		0499999 - Subtotal - Authorized - Affiliates		7,589											7,589		
		Authorized - Other U.S. Unaffiliated Insurers															
	38-072470	1358 - AMERICAN MUTUAL REINSURANCE COMPANY	ILLINOIS	53											53		
	13-494125	1027 - AMERICAN REINSURANCE COMPANY	NEW JERSEY	71											71		
	38-719836	3949 - DOMINGO REINSURANCE COMPANY	MICHIGAN	83											83		
	38-084445	3946 - EMPLOYERS REINSURANCE CORPORATION	KANSAS	49											49		
	38-084445	3912 - SWAC REINSURANCE CORPORATION	MISSOURI	117											117		
	38-082080	3213 - THE FARMERS GROUP	ILLINOIS	51											51		
	13-122668	3235 - THE FARMERS GROUP	PENNSYLVANIA	33											33		
	13-167653	3254 - SWISS REINSURANCE AMERICA CORPORATION	NEW YORK	120											120		
	0599999 - Subtotal - Authorized - Other U.S. Unaffiliated Insurers			677											677		
	0499999 - Subtotal - Authorized			8,266											8,266		
	1999999 - Subtotal - Authorized and Unauthorized			8,266											8,266		
	9999999 - TOTAL - Schedule F, Part 4			8,266											8,266		

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Sch. F, Pt. 5, Provision for Unauthorized Reinsurance  
**NONE**

**Page 43**

Sch. F, Pt. 6, Provision for Overdue Authorized Reinsurance  
**NONE**

**Page 44**

Sch. F, Pt. 7, Provision for Overdue Reinsurance  
**NONE**

**SCHEDULE F - PART 8**

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1	2	3
	As Reported (Net of Ceded)	Restatement Adjustments	Restated (Gross of Ceded)
<b>ASSETS</b> (Page 2, Column 3)			
1. Cash and invested assets (Line 9) .....	139,872,867		139,872,867
2. Agents' balances or uncollected premiums (Line 10) .....	31,777,472		31,777,472
3. Funds held by or deposited with reinsured companies (Line 11) .....			
4. Reinsurance recoverable on loss and loss adjustment expense payments (Line 14) .....	8,266,200	(8,266,200)	
5. Other assets (Lines 12 and 13 and 15 through 25) .....	12,150,099		12,150,099
6. Net amount recoverable from reinsurers .....		241,384,319	241,384,319
7. Totals (Line 28) .....	192,066,638	233,118,119	425,184,757
<b>LIABILITIES</b> (Page 3)			
8. Losses and loss adjustment expenses (Lines 1 through 3) .....	65,506,524	145,955,366	211,461,870
9. Taxes, expenses, and other obligations (Lines 4 through 8) .....	10,439,262		10,439,262
10. Unearned premiums (Line 9) .....	29,560,560	96,615,845	126,176,405
11. Advance premiums (Line 10) .....			
12. Dividends declared and unpaid (Line 11.1 and Line 11.2) .....	432,000		432,000
13. Ceded reinsurance premiums payable (net of ceded commissions) (Line 12) .....	9,453,072	(9,453,072)	
14. Funds held by company under reinsurance treaties (Line 13) .....			
15. Amounts withheld or retained by company for account of others (Line 14) .....	851,745		851,745
16. Provision for reinsurance (Line 16) .....			
17. Other liabilities (Line 15 and Line 17 through Line 23) .....	109,605		109,605
18. Total liabilities (Line 26 minus Line 25) .....	116,452,768	233,118,119	349,570,887
19. Surplus as regards policyholders (Line 35) .....	75,613,870	X X X	75,613,870
20. Totals (Line 36) .....	192,066,638	233,118,119	425,184,757

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements?

Yes (X) No ( )

If yes, give full explanation:

The Company has entered into a retrocessional agreement with Southern Insurance Company of Virginia.



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Sch. H, Accident and Health Exhibit, Part 1  
**NONE**

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Sch. H, Accident and Health Exhibit, Part 2  
**NONE**

Sch. H, Accident and Health Exhibit, Part 3  
**NONE**

Sch. H, Accident and Health Exhibit, Part 4  
**NONE**

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Sch. H, Pt. 5, Health Claims  
**NONE**

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	842	686	74	95	82	10	16	207	XXX
2. 1983	114,016	71,599	42,417	59,302	37,589	6,473	4,227	2,656	11	1,363	26,604	XXX
3. 1984	121,300	76,033	45,267	90,274	61,463	7,963	5,451	3,132	32	1,436	34,423	XXX
4. 1985	135,870	84,833	51,037	68,602	41,137	6,933	4,246	3,325	73	1,346	33,402	XXX
5. 1986	154,821	107,792	47,029	100,290	68,611	8,592	6,247	3,802	125	1,603	38,101	XXX
6. 1987	165,953	117,465	49,578	85,406	58,976	8,049	5,484	4,005	250	1,493	32,730	XXX
7. 1988	173,180	121,646	51,534	90,738	59,680	8,300	4,105	4,368	300	1,463	37,110	XXX
8. 1989	184,729	129,752	54,977	99,738	67,826	5,269	3,479	5,023	627	1,778	37,673	XXX
9. 2000	198,687	144,358	54,329	101,370	72,683	3,034	2,022	6,381	2,129	1,533	33,951	XXX
10. 2001	232,855	177,104	55,751	190,528	78,351	2,338	1,705	6,038	2,094	1,353	28,753	XXX
11. 2002	254,494	195,673	58,821	84,072	63,278	1,235	688	4,488	1,430	946	24,399	XXX
12. Totals	XXX	XXX	XXX	880,937	608,680	56,660	37,753	43,300	7,081	14,352	327,373	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	2,977	2,639				172	109	69	25		436	XXX	
2.	341	240				137	123	31	19		157	XXX	
3.	654	421				126	88	52	32		291	XXX	
4.	2,218	1,758				322	260	101	64		565	XXX	
5.	5,278	3,929				745	536	331	212		1,677	XXX	
6.	3,208	2,321				370	258	222	141		1,080	XXX	
7.	9,872	6,424				1,249	819	611	491		4,198	XXX	
8.	16,409	10,973	900	325		1,998	1,300	1,325	807		6,827	XXX	
9.	22,746	15,397	1,192	859		2,917	1,928	1,891	1,161		9,381	XXX	
10.	36,947	26,037	2,279	1,756		4,747	3,288	3,093	2,043		13,942	XXX	
11.	51,441	37,936	15,655	11,601		8,361	6,312	4,856	3,332		28,532	XXX	
12.	162,091	106,045	19,028	14,541		21,144	15,021	12,779	8,347		59,086	XXX	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	338	93
2.	68,940	42,179	26,761	60.5	58.9	63.1			40.0	131	26
3.	102,201	67,487	34,714	84.3	88.6	76.7			40.0	233	58
4.	81,607	47,540	33,967	60.0	58.2	68.3			40.0	460	105
5.	119,438	79,660	39,778	77.1	73.9	84.6			35.0	1,349	326
6.	101,260	67,430	33,830	60.6	57.4	68.2			35.0	687	193
7.	113,338	72,030	41,308	65.4	59.1	60.5			35.0	3,446	759
8.	129,837	85,337	44,500	70.3	65.8	60.9			35.0	5,611	1,216
9.	139,731	95,399	43,332	70.3	66.8	79.5			30.0	7,682	1,689
10.	165,970	113,275	42,695	67.0	64.0	76.6			30.0	11,433	2,509
11.	189,508	124,577	44,931	66.6	63.7	76.4			30.0	16,959	3,573
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	46,531	10,655

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE P - PART 2 - SUMMARY**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$'000 OMITTED)										DEVELOPMENT		
	1	2	3	4	5	6	7	8	9	10	11	12	
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	One Year	Two Year	
1. Prior								536	536	536			
2. 1993	26,431	26,703	26,344	25,947	25,272	24,704	24,341	24,132	24,158	24,104	(54)	(28)	
3. 1994	XXX	34,234	33,272	33,254	33,791	32,723	31,859	31,660	31,591	31,594	3	(66)	
4. 1995	XXX	XXX	33,229	33,116	33,768	32,940	31,553	31,090	30,855	30,672	(183)	(418)	
5. 1996	XXX	XXX	XXX	36,682	36,304	36,657	36,881	35,878	35,149	35,982	(167)	104	
6. 1997	XXX	XXX	XXX	XXX	30,126	30,930	31,130	31,198	30,385	29,994	(391)	(1,204)	
7. 1998	XXX	XXX	XXX	XXX	XXX	33,868	35,399	35,992	36,658	36,920	62	928	
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	35,569	37,735	39,269	39,586	317	1,851	
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	34,433	37,018	38,370	1,352	3,937	
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	35,389	37,701	2,332	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40,349	XXX	XXX	
											12. Totals	3,271	5,104

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$'000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior	0 0 0									135	XXX	XXX
2. 1993	12,086	16,620	19,094	20,990	22,705	23,478	23,789	23,862	23,697	23,959	XXX	XXX
3. 1994	XXX	18,705	23,468	25,861	28,007	29,617	30,393	30,971	31,252	31,323	XXX	XXX
4. 1995	XXX	XXX	45,154	21,874	24,826	26,925	28,505	29,417	29,914	30,150	XXX	XXX
5. 1996	XXX	XXX	XXX	20,900	27,125	29,680	31,910	32,959	33,670	34,424	XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	16,423	21,818	24,103	26,304	28,027	28,995	XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	19,384	25,607	28,520	31,080	33,042	XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	19,938	26,714	30,167	33,277	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,428	26,320	29,699	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,425	24,809	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,341	XXX	XXX

**SCHEDULE P - PART 4 - SUMMARY**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$'000 OMITTED)										
	1	2	3	4	5	6	7	8	9	10	
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
1. Prior											63
2. 1993	4,326	1,796	1,118	750	336	131	74	35	34	14	
3. 1994	XXX	4,677	1,694	1,216	981	377	184	85	45	36	
4. 1995	XXX	XXX	5,420	1,842	1,661	945	419	198	125	62	
5. 1996	XXX	XXX	XXX	4,794	1,469	1,150	882	377	323	208	
6. 1997	XXX	XXX	XXX	XXX	3,870	1,483	1,180	789	259	112	
7. 1998	XXX	XXX	XXX	XXX	XXX	3,892	1,638	1,180	818	430	
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	4,384	1,859	1,402	873	
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,521	1,836	1,322	
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,684	1,982	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,503	

**SCHEDULE P - PART 1A - HOMEOWNERS/FARMOWNERS**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4-5 + 6-7 + 8-9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	15	8	1	1	1		1	8	XXX
2. 1993	18,311	11,576	6,735	11,627	6,849	847	538	544		71	5,631	9,017
3. 1994	19,403	12,389	7,014	35,658	26,284	1,787	1,554	1,088		148	10,725	17,906
4. 1995	21,633	13,319	8,314	15,049	8,618	934	573	723		162	7,511	9,627
5. 1996	26,851	19,371	7,480	31,004	21,325	1,841	1,412	1,054		4	308	11,154
6. 1997	31,740	22,800	8,940	17,665	12,056	1,255	898	763		16	219	6,701
7. 1998	34,834	24,914	9,920	21,615	13,633	926	593	1,068		17	92	9,366
8. 1999	37,491	26,630	10,861	22,562	15,167	796	527	1,255		146	229	8,833
9. 2000	39,850	29,006	10,844	22,224	15,816	393	282	1,702		618	86	7,603
10. 2001	44,587	33,787	10,800	21,236	15,656	296	230	1,408		509	38	6,546
11. 2002	47,959	36,544	11,415	19,904	14,236	167	132	1,228		453	25	5,878
12. Totals	XXX	XXX	XXX	217,959	149,577	9,243	6,740	10,844	1,773	1,379	79,956	XXX

Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	101	75				15	12	2			31	2
2.												
3.	124	61				15	10	10	6		52	2
4.							5	5				
5.	93	65				10	7	8	5		34	6
6.	341	300				42	38	9	5		49	11
7.	559	583				99	69	75	48		333	21
8.	836	626				190	67	83	53		379	26
9.	1,188	806	50	34		127	84	100	61		478	56
10.	2,107	1,311	250	205		253	161	217	134		1,016	94
11.	4,778	3,384	1,455	1,158		688	505	541	374		2,041	841
12.	10,627	7,333	1,755	1,397		1,354	958	1,045	686		4,407	1,059

Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX			XXX	26	5
2.	18,018	7,387	5,631	71.1	63.8	83.6		40.0		
3.	38,892	27,915	10,777	199.4	225.3	153.6		40.0	43	9
4.	16,711	9,200	7,511	77.2	69.1	90.3		40.0		
5.	34,010	22,822	11,188	126.7	117.8	149.6		35.0	28	8
6.	20,075	13,325	6,750	63.2	58.4	75.5		35.0	41	6
7.	24,742	15,043	9,699	71.0	60.4	87.8		35.0	276	57
8.	25,732	16,526	9,206	88.6	61.9	85.2		35.0	310	63
9.	25,784	17,703	8,081	64.7	61.0	74.5		30.0	396	82
10.	25,767	16,205	7,562	57.8	53.9	70.0		30.0	841	175
11.	26,161	20,242	7,919	59.7	55.4	69.4		30.0	1,691	350
12.	XXX	XXX	XXX	XXX	XXX	XXX		XXX	3,652	755

**SCHEDULE P - PART 1B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	270	257	35	68	23	1	3	2	XXX
2. 1993	29,080	18,100	10,980	15,780	9,651	1,870	1,171	658	2	44	7,684	7,000
3. 1994	28,332	17,501	10,831	15,872	9,524	1,801	1,029	719	12	37	7,827	7,700
4. 1995	29,720	18,355	11,365	17,822	11,015	1,773	1,073	922	10	48	8,519	7,500
5. 1996	32,157	21,915	10,242	20,173	13,405	2,074	1,268	952	29	81	8,487	8,500
6. 1997	34,806	24,203	10,603	19,683	13,285	1,969	1,207	1,126	57	64	8,229	8,600
7. 1998	36,797	25,652	11,145	21,182	14,316	1,874	1,049	1,040	97	49	8,434	9,300
8. 1999	38,468	26,777	11,691	22,048	15,104	1,413	816	1,109	166	74	8,484	8,100
9. 2000	39,439	28,298	11,141	19,308	13,086	736	327	1,100	264	42	7,467	7,300
10. 2001	43,120	37,984	11,136	22,759	17,416	741	441	1,114	306	40	6,451	9,300
11. 2002	54,267	42,256	12,011	17,108	12,251	666	196	713	146	28	5,894	8,400
12. Totals	XXX	XXX	XXX	192,105	129,310	14,752	8,645	9,676	1,090	510	77,488	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	1,092	939				25	9	19	7		181	36	
2.	15	9				2	1	1	1			7	
3.	35	21				6	4	3	2			17	
4.	176	106				20	12	14	8			84	
5.	1,542	1,055				151	97	110	71			580	
6.	997	677				108	73	72	46			381	
7.	2,738	1,867				289	193	187	117			1,037	
8.	4,909	3,242	200	130		548	357	383	223			2,068	
9.	7,996	5,825	475	350		666	614	548	363			2,733	
10.	16,230	11,972	900	720		1,775	1,287	1,162	794			5,284	
11.	25,221	18,611	5,045	4,049		3,244	2,409	1,958	1,343			9,056	
12.	80,951	44,324	6,620	5,249		7,034	5,056	4,427	2,975			21,428	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	153	28
2.	18,526	10,835	7,691	63.7	59.9	70.0			40.0	6	1
3.	18,436	10,592	7,844	65.1	60.5	72.4			40.0	14	3
4.	20,827	12,224	8,603	70.1	66.6	75.7			40.0	70	14
5.	25,002	15,925	9,077	77.7	72.7	88.6			35.0	487	93
6.	23,955	15,345	8,610	68.8	63.4	81.2			35.0	320	61
7.	27,110	17,639	9,471	73.7	68.6	85.0			35.0	871	98
8.	30,590	20,036	10,552	79.5	74.8	90.3			35.0	1,737	331
9.	31,029	20,829	10,200	78.7	73.6	91.6			30.0	2,296	437
10.	44,671	32,936	11,735	90.9	85.7	105.4			30.0	4,438	846
11.	53,955	39,065	14,890	99.4	92.3	124.5			30.0	7,806	1,450
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	17,998	3,430

**SCHEDULE P - PART 1C**  
**COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4-5 + 6-7 + 8-9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	100	25	2		12			89	XXX
2. 1993	6,354	3,868	2,486	4,183	2,720	526	376	153		9	1,785	1,690
3. 1994	6,521	4,179	2,742	4,568	2,852	478	302	146	4	19	1,974	1,318
4. 1995	8,231	4,945	3,286	4,247	2,519	592	360	200	8	11	2,152	1,750
5. 1996	9,551	6,282	3,259	6,382	4,369	697	503	251	23	40	2,435	2,072
6. 1997	10,449	6,984	3,465	8,297	4,237	581	386	263	31	12	2,487	2,067
7. 1998	11,122	7,461	3,661	7,501	5,108	694	476	325	42	38	2,894	2,427
8. 1999	12,493	8,394	4,099	8,125	5,577	651	449	382	63	51	3,069	2,193
9. 2000	14,359	10,097	4,352	6,430	4,486	217	149	255	80	27	2,187	2,025
10. 2001	15,679	11,297	4,382	4,798	3,495	77	59	279	79	19	1,521	2,434
11. 2002	18,592	12,347	4,245	2,504	1,681	19	14	149	25	6	752	1,645
12. Totals	XXX	XXX	XXX	55,075	37,269	4,534	3,674	2,415	355	223	21,326	XXX

Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.												
2.												
3.	5	3				1	1				2	1
4.	120	72				12	7	13	8		58	2
5.	78	50				8	5	8	5		34	5
6.	647	420				76	52	68	44		275	23
7.	2,298	1,511				286	204	230	148		951	38
8.	2,529	1,733	100	65		299	212	246	159		1,065	49
9.	3,823	2,702	200	145		387	264	384	261		1,422	93
10.	4,763	3,418	338	248		504	353	500	349		1,737	169
11.	5,175	3,768	1,583	1,149		677	482	651	456		2,231	401
12.	19,438	13,677	2,221	1,607		2,250	1,580	2,160	1,430		7,715	781

Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX			XXX		
2.	4,862	3,086	1,766	76.5	80.0	71.0		40.0		
3.	5,138	3,162	1,976	74.2	75.7	72.1		40.0	2	10
4.	5,184	2,974	2,210	63.0	60.1	67.3		40.0	48	6
5.	7,424	4,955	2,469	77.7	78.8	75.8		35.0	28	
6.	7,932	5,170	2,762	76.9	74.0	79.7		35.0	227	48
7.	11,334	7,469	3,865	101.9	100.4	105.0		35.0	787	164
8.	12,332	8,258	4,074	98.7	98.4	99.4		35.0	831	174
9.	11,696	8,087	3,609	81.5	80.8	82.9		30.0	1,176	246
10.	11,259	8,001	3,258	71.8	70.8	74.3		30.0	1,435	302
11.	10,758	7,775	2,983	64.8	63.0	70.3		30.0	1,841	390
12.	XXX	XXX	XXX	XXX	XXX	XXX		XXX	6,375	1,340

**SCHEDULE P - PART 1D - WORKERS' COMPENSATION**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12		
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported - Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior	X X X	X X X	X X X	453	395	8	13	44	8		89	X X X	
2. 1993	20,563	12,603	7,960	9,031	5,668	1,088	743	272	4	297	3,976	1,301	
3. 1994	23,407	14,298	9,109	7,932	4,769	828	497	249	8	122	3,735	3,351	
4. 1995	25,585	15,618	9,967	9,195	5,523	850	507	407	16	58	4,404	3,320	
5. 1996	26,708	18,103	8,605	9,875	6,262	904	595	383	23	72	4,262	1,820	
6. 1997	25,138	17,692	7,446	9,764	6,777	939	671	491	31	69	3,715	2,300	
7. 1998	22,283	15,789	6,494	10,207	6,728	827	539	411	37	60	4,141	2,801	
8. 1999	23,806	16,951	6,857	13,409	9,061	803	562	568	95	42	4,782	2,461	
9. 2000	25,733	19,402	6,331	12,241	8,822	709	544	513	130	29	3,957	2,141	
10. 2001	28,403	21,709	6,694	9,512	7,266	557	447	410	99	3	2,665	2,801	
11. 2002	29,014	21,921	7,093	4,477	3,235	123	101	230	57	1	1,437	2,459	
12. Totals	X X X	X X X	X X X	95,796	64,568	7,636	5,219	3,978	510	773	37,173	X X X	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	1,551	1,512				61	57	10	6		47	51	
2.	304	188				30	19	28	17		138	16	
3.	219	154				42	36	16	10		77	11	
4.	1,457	1,231				58	36	55	33		270	25	
5.	1,181	865				240	209	85	54		378	42	
6.	894	552				39	25	37	23		170	23	
7.	2,224	1,247				206	110	194	98		1,169	37	
8.	5,538	3,711	200	130		468	261	431	244		2,271	61	
9.	5,563	3,181	307	219		546	303	498	255		2,956	134	
10.	7,668	4,829	521	380		795	502	729	436		3,566	210	
11.	8,649	6,438	4,222	3,158		1,134	810	971	647		3,923	520	
12.	35,048	23,908	5,250	3,887		3,619	2,368	3,054	1,823		14,955	1,254	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	39	8
2.	10,753	6,639	4,114	52.3	52.7	51.7			40.0	116	22
3.	9,286	5,474	3,812	39.7	38.3	41.8			40.0	65	12
4.	12,022	7,348	4,674	47.0	47.0	46.9			40.0	226	44
5.	12,648	8,008	4,640	47.4	44.2	53.9			35.0	316	62
6.	11,964	8,079	3,885	47.6	45.7	52.2			35.0	142	28
7.	14,059	8,759	5,310	63.1	55.5	81.8			35.0	977	192
8.	21,137	14,084	7,053	68.8	83.1	102.9			35.0	1,687	374
9.	20,377	13,454	6,923	79.2	69.3	109.4			30.0	2,470	485
10.	20,192	13,961	6,231	71.1	64.3	93.1			30.0	2,980	586
11.	19,806	14,446	5,360	68.3	65.9	75.6			30.0	3,275	649
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	12,503	2,462

**SCHEDULE P - PART 1E - COMMERCIAL MULTIPLE PERIL**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4-5 + 6-7 + 8-9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(16)	(8)	20	10			8	2	XXX
2. 1999	16,186	10,646	5,540	8,842	6,857	1,627	1,089	375				2,932
3. 1994	18,172	11,868	6,304	13,842	10,369	2,482	1,689	483		231	2,893	4,842
4. 1995	22,662	14,788	7,874	9,601	5,860	2,661	1,300	485		282	4,721	4,441
5. 1996	27,096	19,453	7,643	16,869	12,522	2,645	1,897	673		134	4,655	6,228
6. 1997	28,510	20,110	8,400	13,953	9,851	2,580	1,821	780		173	5,738	4,438
7. 1998	28,584	20,083	8,501	10,505	6,974	1,914	1,270	626		102	4,689	4,089
8. 1999	29,609	20,595	9,014	12,242	8,486	1,290	900	736		145	4,742	3,677
9. 2000	32,339	23,235	9,104	12,416	8,961	819	596	1,124		114	4,328	3,201
10. 2001	36,408	26,951	9,447	13,244	10,423	479	376	1,112		56	3,532	3,772
11. 2002	38,353	29,063	9,290	9,922	8,055	138	115	513		15	2,189	2,489
12. Totals	XXX	XXX	XXX	121,431	88,450	16,035	11,085	6,907	1,624	1,483	43,234	XXX

Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	128	60				30	14	11	5		90	5
2.	22	13				105	103	2	1		12	2
3.	270	162				62	37	23	14		142	12
4.	456	340				227	200	25	15		153	5
5.	1,638	1,163				322	210	114	74		627	31
6.	489	341				603	66	35	23		195	27
7.	1,651	1,115				369	243	125	80		707	45
8.	2,399	1,699				555	367	190	122		1,056	75
9.	3,885	2,637	190	103		934	629	336	227		1,709	164
10.	5,315	3,616	250	190		1,259	892	433	301		2,058	288
11.	6,028	4,547	1,650	1,355		2,468	2,004	516	350		2,606	510
12.	22,281	15,793	2,250	1,646		6,434	4,767	1,810	1,212		9,355	1,164

Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Less Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX			XXX	68	22
2.	10,973	8,688	2,905	67.8	75.8			40.0	9	3
3.	17,142	12,279	4,863	94.3	103.5			40.0	108	34
4.	12,855	7,847	5,008	56.7	53.1			40.0	116	37
5.	22,272	15,907	6,365	82.2	81.8			35.0	475	152
6.	17,940	12,210	5,730	62.9	60.7			35.0	146	47
7.	16,190	9,784	6,406	53.1	48.7			35.0	536	171
8.	17,412	11,614	5,798	58.8	56.4			35.0	800	256
9.	19,864	13,627	6,237	60.8	58.6			30.0	1,285	414
10.	22,092	16,502	5,590	60.7	61.2			30.0	1,559	499
11.	21,435	16,640	4,795	55.9	57.3			30.0	1,976	630
12.	XXX	XXX	XXX	XXX	XXX			XXX	7,080	2,285



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Sch. P, Pt. 1F, Sn. 1, Medical Malpractice, Occurrence  
**NONE**

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Sch. P, Pt. 1F, Sn. 2, Medical Malpractice, Claims Made  
**NONE**

**SCHEDULE P - PART 1G - SPECIAL LIABILITY  
(OCEAN, MARINE, AIRCRAFT (ALL PERILS),  
BOILER AND MACHINERY)**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 1993	15	12	3									XXX
3. 1994	32	26	6									XXX
4. 1995	45	49	(4)									XXX
5. 1996	123	119	4									XXX
6. 1997	138	143	(4)	2	2							XXX
7. 1998	174	179	(5)									XXX
8. 1999	208	213	(5)									XXX
9. 2000	242	245	(3)									XXX
10. 2001	250	243	7									XXX
11. 2002	243	240	3					6	4		2	XXX
12. Totals	XXX	XXX	XXX	2	2			6	4		2	XXX

Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.												
2.												
3.												
4.												
5.												
6.												
7.												
8.	1	1										1
9.												
10.												
11.												
12.	1	1										1

Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX		XXX		
2.								40.0		
3.								40.0		
4.								40.0		
5.								35.0		
6.	2	2		1.4	1.4			35.0		
7.								35.0		
8.	1	1		0.5	0.5			35.0		
9.								30.0		
10.								30.0		
11.	6	4	2	2.5	1.7	66.7		30.0		
12.	XXX	XXX	XXX	XXX	XXX	XXX		XXX		

**SCHEDULE P - PART 1H - SECTION 1  
OTHER LIABILITY - OCCURRENCE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4-5 + 6-7 + 8-9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	26	13	6	3				16	XXX
2. 1993	2,483	2,001	482	284	153	69	40	15			155	15
3. 1994	2,567	2,056	511	123	50	46	22	13			110	15
4. 1995	2,863	2,337	526	106	45	112	67	17			123	134
5. 1996	3,133	2,687	446	69	28	148	109	16			96	161
6. 1997	3,252	2,783	469	1,076	1,054	24	17	19	7		41	87
7. 1998	3,357	2,956	401	222	177	9	6	8			58	79
8. 1999	3,655	3,223	432	270	241	51	34	5	1	1	50	72
9. 2000	4,231	3,795	436	4,214	4,125	35	29	32	12		115	50
10. 2001	4,671	4,242	429	71	64	28	23	1			13	51
11. 2002	5,392	4,968	424	6	5	2	2				1	49
12. Totals	XXX	XXX	XXX	6,447	5,955	530	352	126	20	1	776	XXX

Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	105	63				41	17	18	7		87	2
2.												
3.												
4.	10	10										1
5.	741	727				14	8	6	3		23	4
6.												
7.												
8.	76	49				28	16	12	6		45	2
9.	290	243	10	7		57	34	25	14		84	12
10.	758	616	20	14		159	92	60	29		246	12
11.	54	38	70	49		44	27	17	10		61	13
12.	2,034	1,736	300	70		343	194	138	69		546	46

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	52	35
2.	348	193	155	14.0	9.6	32.2			40.0		
3.	182	72	110	7.1	3.5	21.5			40.0		
4.	245	122	123	8.6	5.2	23.4			40.0		
5.	994	875	119	31.7	32.6	26.7			35.0	14	9
6.	1,119	1,078	41	34.4	38.7	8.7			35.0		
7.	239	183	56	7.1	6.2	14.0			35.0		
8.	442	347	95	12.1	19.8	22.0			35.0	27	18
9.	4,863	4,464	399	110.2	117.6	45.6			30.0	50	34
10.	1,097	838	259	23.5	19.8	60.4			30.0	148	98
11.	193	131	62	3.6	2.6	14.6			30.0	37	24
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	328	218

**SCHEDULE P - PART 1H - SECTION 2  
OTHER LIABILITY - CLAIMS-MADE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
Prior	XXX	XXX	XXX									XXX
1993												
1994												
1995												
1996												
1997												
1998												
1999												
2000												
2001												
2002												
Totals	XXX	XXX	XXX									XXX

Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded			
<b>NONE</b>												

Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
XXX	XXX	XXX	XXX	XXX	XXX			XXX		
XXX	XXX	XXX	XXX	XXX	XXX			XXX		

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**SCHEDULE P - PART 11 - SPECIAL PROPERTY (FIRE, ALLIED  
 LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	51	35	39	28	4	1	4	30	XXX
2. 2001	5,758	4,353	1,403	1,873	1,432	23	19	107	43	2	589	XXX
3. 2002	6,176	4,727	1,449	1,764	1,383	21	17	108	42	10	471	XXX
4. Totals	XXX	XXX	XXX	3,688	2,830	83	64	219	86	16	1,010	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	27	18					1	1	1			10	4
2.	8	6										2	1
3.	346	253	100	82			22	16	62	44		137	4
4.	383	277	100	82			23	17	63	44		149	4

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	9	1
2.	2,011	1,500	511	34.9	34.5	36.4			30.0	2	2
3.	2,425	1,817	608	39.3	38.4	42.0			39.0	113	3
4.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	124	25

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE P - PART 1J - AUTO PHYSICAL DAMAGE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(283)	(143)	62	45			70	(43)	XXX
2. 2001	47,885	36,524	11,461	27,035	20,599	138	119	1,602	556	1,204	7,519	4,335
3. 2002	55,498	43,897	12,891	28,987	22,252	99	112	1,544	491	861	7,775	16,221
4. Totals	XXX	XXX	XXX	55,819	42,708	299	267	3,146	1,047	2,135	15,242	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	43	32				1	1					11	6
2.	89	69				2	1	2				33	12
3.	1,188	897	730	601		84	59	140	108			477	587
4.	1,330	998	730	601		87	61	142	108			521	607

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	11	
2.	28,878	21,335	7,543	60.2	58.4	65.8			30.0	30	3
3.	32,772	24,520	8,252	58.0	56.2	64.0			30.0	420	57
4.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	461	60

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Sch. P, Pt. 1K, Fidelity/Surety  
**NONE**

**Page 64**

Sch. P, Pt. 1L, Other (Including Credit, Accident/Health)  
**NONE**

**Page 65**

Sch. P, Pt. 1M, International  
**NONE**

**Page 66**

Sch. P, Pt. 1N, Reinsurance  
**NONE**

**Page 67**

Sch. P, Pt. 1O, Reinsurance  
**NONE**

**Page 68**

Sch. P, Pt. 1P, Reinsurance  
**NONE**

**SCHEDULE P - PART 1R - SECTION 1  
PRODUCTS LIABILITY - OCCURRENCE**

(\$000 Omitted)

Years in Which Premiums are Earned and Losses Incurred	Premiums Earned			Loss and Loss Expense Payments						12 Number of Claims Reported - Direct and Assumed			
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4-5 + 6-7 + 8-9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1993	XXX	XXX	XXX	5	3						2	XXX	
1994	163	98	65	1	1							9	
1995	138	84	54	12	7							3	
1996	152	92	60					1				5	
1997	208	140	68									2	
1998	219	151	68									1	
1999	175	121	54	1								1	
2000	143	99	44									1	
2001	53	38	15	132	109							23	
2002	6	4	1					3				3	
Total	XXX	XXX	XXX	151	120			4				35	XXX

Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					

Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nonlabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
XXX	XXX	XXX	XXX	XXX	XXX			XXX		
5	3	2	3.1	3.1	3.1			40.0		
1	1		0.7	1.2				40.0		
13	7	6	8.6	7.6	10.0			40.0		
								35.0		
								33.0		
1		1	0.6		1.9			35.0		
								35.0		
132	109	23	249.1	286.8	153.3			30.0		
3		3	60.0		300.0			30.0		
								30.0		
XXX	XXX	XXX	XXX	XXX	XXX			XXX		



**Page 70**

Sch. P, Pt. 1R, Sn. 2, Products Liability, Claims Made  
**NONE**

**Page 71**

Sch. P, Pt. 1S, Financial Guaranty/Mortgage Guaranty  
**NONE**

**SCHEDULE P - PART 2A - HOMEOWNERS/FARMOWNERS**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$'000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	One Year	Two Year
1. Prior								36	36	36		
2. 1993	5,141	5,305	5,223	5,251	5,163	5,165	5,096	5,093	5,091	5,067	(4)	(6)
3. 1994	XXX	9,740	9,436	9,598	9,690	9,701	9,666	9,673	9,671	9,675	4	2
4. 1995	XXX	XXX	6,591	6,812	6,957	6,916	6,854	6,864	6,831	6,792	(39)	(72)
5. 1996	XXX	XXX	XXX	10,168	10,469	10,517	10,346	10,196	10,147	10,139	(8)	(57)
6. 1997	XXX	XXX	XXX	XXX	5,880	6,097	6,066	6,024	6,021	6,001	(20)	(23)
7. 1998	XXX	XXX	XXX	XXX	XXX	7,664	8,468	8,532	8,673	8,621	(52)	89
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	7,801	8,238	8,141	8,057	(74)	(171)
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,988	6,894	6,958	64	(30)
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,233	6,580	347	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,977	XXX	XXX
12. Totals											218	(268)

**SCHEDULE P - PART 2B  
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

1. Prior								149	149	149		
2. 1993	8,413	7,989	7,676	7,468	7,250	6,951	6,869	6,868	6,837	6,835	(2)	(33)
3. 1994	XXX	8,443	8,044	7,673	7,673	7,369	7,218	7,092	7,137	7,136	(1)	44
4. 1995	XXX	XXX	8,368	8,390	8,767	8,297	7,769	7,730	7,694	7,685	(9)	(45)
5. 1996	XXX	XXX	XXX	8,480	8,315	8,411	8,368	8,034	8,163	8,115	(48)	81
6. 1997	XXX	XXX	XXX	XXX	7,756	8,227	7,997	7,816	7,647	7,515	(132)	(301)
7. 1998	XXX	XXX	XXX	XXX	XXX	8,435	8,693	8,535	8,641	8,456	(183)	(77)
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	8,650	9,465	9,688	9,489	(218)	4
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,943	9,055	9,179	124	1,236
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,996	10,569	1,573	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,768	XXX	XXX
12. Totals											1,103	899

**SCHEDULE P - PART 2C  
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

1. Prior								77	77	77		
2. 1993	1,653	1,925	1,868	1,815	1,717	1,654	1,614	1,614	1,613	1,613		(1)
3. 1994	XXX	1,906	2,023	1,995	2,037	2,032	1,912	1,874	1,834	1,834		(40)
4. 1995	XXX	XXX	2,222	2,438	2,324	2,390	2,152	2,063	2,013	2,013		(50)
5. 1996	XXX	XXX	XXX	2,180	2,197	2,267	2,316	2,212	2,263	2,238	(25)	26
6. 1997	XXX	XXX	XXX	XXX	2,152	2,512	2,584	2,671	2,542	2,506	(35)	(165)
7. 1998	XXX	XXX	XXX	XXX	XXX	2,832	3,179	3,310	3,387	3,480	93	170
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	3,027	3,347	3,682	3,688	6	321
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,682	3,154	3,311	157	629
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,007	2,967	(100)	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,684	XXX	XXX
12. Totals											95	890

**SCHEDULE P - PART 2D - WORKERS' COMPENSATION**

1. Prior								96	96	96		
2. 1993	3,663	4,207	4,300	4,088	4,016	3,975	3,639	3,757	3,815	3,835	20	78
3. 1994	XXX	4,291	3,986	3,653	4,080	3,847	3,605	3,577	3,563	3,565	2	(12)
4. 1995	XXX	XXX	4,334	4,151	4,806	4,509	4,299	4,309	4,282	4,263	(29)	(46)
5. 1996	XXX	XXX	XXX	3,935	4,180	4,264	4,314	4,035	4,174	4,269	95	214
6. 1997	XXX	XXX	XXX	XXX	3,362	3,611	3,680	3,677	3,472	3,411	(61)	(209)
7. 1998	XXX	XXX	XXX	XXX	XXX	3,311	3,334	4,232	4,753	4,840	87	608
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	4,340	4,917	6,001	6,373	772	1,456
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,233	5,401	6,297	896	2,064
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,358	5,627	259	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,863	XXX	XXX
12. Totals											2,041	4,096

**SCHEDULE P - PART 2E - COMMERCIAL MULTIPLE PERIL**

1. Prior								86	86	86		
2. 1993	2,939	2,893	2,964	3,058	2,875	2,723	2,694	2,596	2,595	2,534	(61)	(62)
3. 1994	XXX	4,418	4,645	5,040	5,224	4,763	4,532	4,441	4,385	4,379	(6)	(62)
4. 1995	XXX	XXX	5,221	5,200	5,448	5,357	5,021	4,698	4,651	4,545	(105)	(163)
5. 1996	XXX	XXX	XXX	5,985	5,525	5,552	5,529	5,874	5,893	5,893	(81)	(146)
6. 1997	XXX	XXX	XXX	XXX	5,236	4,921	5,138	5,507	5,198	5,044	(154)	(403)
7. 1998	XXX	XXX	XXX	XXX	XXX	4,482	4,384	4,693	4,719	4,837	119	144
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	4,627	4,862	5,282	5,134	(149)	272
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,166	5,144	5,278	134	112
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,591	4,848	257	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,330	XXX	XXX
12. Totals											(147)	(358)

**SCHEDULE P - PART 2F - SECTION 1  
MEDICAL MALPRACTICE - OCCURRENCE**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$'000 OMITTED)										DEVELOPMENT	
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	11 One Year	12 Two Year
1. Prior												
2. 1993												
3. 1994	XXX											
4. 1995	XXX	XXX										
5. 1996	XXX	XXX	XXX									
6. 1997	XXX	XXX	XXX									
7. 1998	XXX	XXX	XXX									
8. 1999	XXX	XXX	XXX									
9. 2000	XXX	XXX	XXX									
10. 2001	XXX	XXX	XXX									XXX
11. 2002	XXX	XXX	XXX						X		XXX	XXX
12. Totals												

**SCHEDULE P - PART 2F - SECTION 2  
MEDICAL MALPRACTICE - CLAIMS-MADE**

1. Prior												
2. 1993												
3. 1994	XXX											
4. 1995	XXX	XXX										
5. 1996	XXX	XXX	XXX									
6. 1997	XXX	XXX	XXX									
7. 1998	XXX	XXX	XXX									
8. 1999	XXX	XXX	XXX									
9. 2000	XXX	XXX	XXX									
10. 2001	XXX	XXX	XXX									XXX
11. 2002	XXX	XXX	XXX						X		XXX	XXX
12. Totals												

**SCHEDULE P - PART 2G - SPECIAL LIABILITY  
(OCEAN MARINE, AIRCRAFT (ALL PERILS),  
BOILER AND MACHINERY)**

1. Prior												
2. 1993												
3. 1994	XXX											
4. 1995	XXX	XXX										
5. 1996	XXX	XXX	XXX									
6. 1997	XXX	XXX	XXX									
7. 1998	XXX	XXX	XXX									
8. 1999	XXX	XXX	XXX									
9. 2000	XXX	XXX	XXX									
10. 2001	XXX	XXX	XXX									XXX
11. 2002	XXX	XXX	XXX						X		XXX	XXX
12. Totals												

**SCHEDULE P - PART 2H - SECTION 1  
OTHER LIABILITY - OCCURRENCE**

1. Prior												
2. 1993												
3. 1994	229	252										
4. 1995	XXX	XXX	223									
5. 1996	XXX	XXX	202									
6. 1997	XXX	XXX	276									
7. 1998	XXX	XXX	143									
8. 1999	XXX	XXX	234									
9. 2000	XXX	XXX	125									
10. 2001	XXX	XXX	63									
11. 2002	XXX	XXX	97									
12. Totals												

**SCHEDULE P - PART 2H - SECTION 2  
OTHER LIABILITY - CLAIMS-MADE**

1. Prior												
2. 1993												
3. 1994	XXX											
4. 1995	XXX	XXX										
5. 1996	XXX	XXX	XXX									
6. 1997	XXX	XXX	XXX									
7. 1998	XXX	XXX	XXX									
8. 1999	XXX	XXX	XXX									
9. 2000	XXX	XXX	XXX									
10. 2001	XXX	XXX	XXX									XXX
11. 2002	XXX	XXX	XXX						X		XXX	XXX
12. Totals												

**SCHEDULE P - PART 2I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	One Year	Two Year
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
2. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	433	447	14	XXX
3. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	524	XXX	XXX
4. Totals											14	

**SCHEDULE P - PART 2J - AUTO PHYSICAL DAMAGE**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
2. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,662	6,495	(167)	XXX
3. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,167	XXX	XXX
4. Totals											(167)	

**SCHEDULE P - PART 2K - FIDELITY, SURETY**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
2. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
3. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
4. Totals												

**SCHEDULE P - PART 2L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
2. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
3. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
4. Totals												

**SCHEDULE P - PART 2M - INTERNATIONAL**

1. Prior												
2. 1993												
3. 1994	XXX											
4. 1995	XXX	XXX										
5. 1996	XXX	XXX	XXX									
6. 1997	XXX	XXX	XXX									
7. 1998	XXX	XXX	XXX									
8. 1999	XXX	XXX	XXX									
9. 2000	XXX	XXX	XXX									
10. 2001	XXX	XXX	XXX								XXX	XXX
11. 2002	XXX	XXX	XXX						(X)		XXX	XXX
12. Totals												

**SCHEDULE P - PART 2N - REINSURANCE**

Nonproportional Assumed Property

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002	11 One Year	12 Two Year
1. Prior												
2. 1993	XXX											
3. 1994	XXX	XXX										
4. 1995	XXX	XXX	XXX									
5. 1996	XXX	XXX	XXX	XXX								
6. 1997	XXX	XXX	XXX	XXX	XXX							
7. 1998	XXX	XXX	XXX	XXX	XXX	XXX						
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Totals												

**SCHEDULE P - PART 2O - REINSURANCE**

Nonproportional Assumed Liability

1. Prior												
2. 1993	XXX											
3. 1994	XXX	XXX										
4. 1995	XXX	XXX	XXX									
5. 1996	XXX	XXX	XXX	XXX								
6. 1997	XXX	XXX	XXX	XXX	XXX							
7. 1998	XXX	XXX	XXX	XXX	XXX	XXX						
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Totals												

**SCHEDULE P - PART 2P - REINSURANCE**

Nonproportional Assumed Financial Lines

1. Prior												
2. 1993	XXX											
3. 1994	XXX	XXX										
4. 1995	XXX	XXX	XXX									
5. 1996	XXX	XXX	XXX	XXX								
6. 1997	XXX	XXX	XXX	XXX	XXX							
7. 1998	XXX	XXX	XXX	XXX	XXX	XXX						
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Totals												

**SCHEDULE P - PART 2R - SECTION 1  
PRODUCTS LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	One Year	Two Year
1. Prior												
2. 1993												
3. 1994	XXX											
4. 1995	XXX	XXX										
5. 1996	XXX	XXX	XXX									
6. 1997	XXX	XXX	XXX	XXX								
7. 1998	XXX	XXX	XXX	XXX	XXX							
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24	23	23		(1)
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX
12. Totals												(1)

**SCHEDULE P - PART 2R - SECTION 2  
PRODUCTS LIABILITY - CLAIMS-MADE**

1. Prior												
2. 1993												
3. 1994	XXX											
4. 1995	XXX	XXX										
5. 1996	XXX	XXX	XX)									
6. 1997	XXX	XXX	XX)									
7. 1998	XXX	XXX	XX)									
8. 1999	XXX	XXX	XX)									
9. 2000	XXX	XXX	XX)									
10. 2001	XXX	XXX	XX)								XXX	XXX
11. 2002	XXX	XXX	XX)									XXX
12. Totals												

**SCHEDULE P - PART 2S  
FINANCIAL GUARANTY / MORTGAGE GUARANTY**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2002	XXX	XXX	XXX	XXX	XXX	XXX	NONE	XXX	XXX	XXX	XXX	XXX
4. Totals												

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**SCHEDULE P - PART 3A - HOMEOWNERS/FAROWNERS**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$'000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002		
1. Prior	0 0 0									7		
2. 1993	3,510	4,390	4,529	4,681	4,848	4,965	5,081	5,084	5,082	5,087	5,815	3,247
3. 1994	XXX	7,834	8,046	9,032	9,222	9,601	9,615	9,622	9,624	9,627	12,523	5,511
4. 1995	XXX	XXX	4,320	6,177	6,394	6,571	6,714	6,726	6,767	6,792	8,120	2,997
5. 1996	XXX	XXX	XXX	7,862	9,733	10,038	10,026	10,027	10,057	10,108	12,478	5,476
6. 1997	XXX	XXX	XXX	XXX	4,438	6,545	5,674	5,833	5,940	5,956	5,646	2,959
7. 1998	XXX	XXX	XXX	XXX	XXX	6,261	7,759	7,937	8,234	8,315	6,943	3,361
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	6,690	7,372	7,698	7,724	7,436	1,788
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,719	6,353	6,619	6,955	525
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,164	5,647	5,386	3,031
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,103	4,128	2,847

**SCHEDULE P - PART 3B  
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

1. Prior	0 0 0									(20)		
2. 1993	2,311	3,947	5,054	5,833	6,430	6,695	6,776	6,788	6,797	6,828	5,413	2,474
3. 1994	XXX	2,442	4,084	5,033	5,962	6,440	6,759	6,936	7,115	7,120	5,425	2,639
4. 1995	XXX	XXX	2,630	4,539	5,774	6,584	7,109	7,484	7,553	7,807	5,553	2,605
5. 1996	XXX	XXX	XXX	2,863	4,719	5,814	6,813	7,110	7,349	7,574	6,079	2,738
6. 1997	XXX	XXX	XXX	XXX	2,883	4,720	5,628	6,302	6,889	7,160	6,127	2,788
7. 1998	XXX	XXX	XXX	XXX	XXX	2,936	4,817	6,015	6,826	7,491	6,419	3,114
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	3,284	5,094	6,555	7,541	6,332	1,184
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,574	5,363	6,631	5,972	666
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,522	5,643	5,746	2,219
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,327	4,291	1,921

**SCHEDULE P - PART 3C  
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

1. Prior	0 0 0									77		
2. 1993	342	584	949	1,171	1,469	1,574	1,613	1,613	1,613	1,613	829	383
3. 1994	XXX	501	789	1,139	1,411	1,582	1,701	1,815	1,832	1,832	1,039	471
4. 1995	XXX	XXX	579	933	1,267	1,435	1,694	1,856	1,960	1,960	1,263	562
5. 1996	XXX	XXX	XXX	658	1,064	1,826	2,096	2,146	2,207	2,207	1,465	646
6. 1997	XXX	XXX	XXX	XXX	718	1,097	1,341	1,681	1,936	2,255	1,449	686
7. 1998	XXX	XXX	XXX	XXX	XXX	809	1,399	1,779	2,235	2,611	1,700	740
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	906	1,580	2,006	2,750	1,739	495
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	993	1,585	2,042	1,722	794
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	623	1,321	1,596	743
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	626	849	395

**SCHEDULE P - PART 3D - WORKERS' COMPENSATION**

1. Prior	0 0 0									53		
2. 1993	990	1,997	2,717	3,133	3,442	3,604	3,639	3,665	3,686	3,708	2,790	666
3. 1994	XXX	980	1,987	2,500	2,891	3,112	3,229	3,401	3,445	3,494	2,945	795
4. 1995	XXX	XXX	943	1,986	2,657	3,166	3,560	3,730	3,684	3,622	2,838	939
5. 1996	XXX	XXX	XXX	1,181	2,344	2,915	3,256	3,603	3,844	3,922	2,539	1,021
6. 1997	XXX	XXX	XXX	XXX	871	1,741	2,326	2,698	2,980	3,265	2,446	1,418
7. 1998	XXX	XXX	XXX	XXX	XXX	1,013	2,049	2,704	3,378	3,767	1,999	700
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	1,326	2,616	3,471	4,289	1,967	488
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,166	2,537	3,584	1,619	765
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,003	2,354	1,987	813
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,264	1,317	558

**SCHEDULE P - PART 3E - COMMERCIAL MULTIPLE PERIL**

1. Prior	0 0 0									2		
2. 1993	1,100	1,580	1,709	1,983	2,308	2,436	2,476	2,488	2,503	2,523	1,599	1,396
3. 1994	XXX	2,256	2,817	3,175	3,535	3,876	4,088	4,194	4,234	4,246	2,797	2,122
4. 1995	XXX	XXX	1,886	2,849	3,366	3,781	4,037	4,222	4,277	4,402	2,331	2,192
5. 1996	XXX	XXX	XXX	3,025	3,764	4,132	4,504	4,759	4,989	5,106	3,523	2,789
6. 1997	XXX	XXX	XXX	XXX	2,323	3,232	3,661	4,308	4,808	4,861	2,419	2,026
7. 1998	XXX	XXX	XXX	XXX	XXX	2,203	2,933	3,382	3,720	4,175	2,160	1,818
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,228	3,619	4,146	2,548	1,264
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,165	3,262	3,676	2,533	1,728
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,237	2,922	2,068	1,538
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,690	1,145	634

**SCHEDULE P - PART 3F - SECTION 1  
MEDICAL MALPRACTICE - OCCURRENCE**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002			
1. Prior	000												
2. 1993	XXX												
3. 1994	XXX	XXX											
4. 1995	XXX	XXX	XXX										
5. 1996	XXX	XXX	XXX	XXX									
6. 1997	XXX	XXX	XXX	XXX	XXX								
7. 1998	XXX	XXX	XXX	XXX	XXX	XXX							
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

**SCHEDULE P - PART 3F - SECTION 2  
MEDICAL MALPRACTICE - CLAIMS-MADE**

1. Prior	000												
2. 1993	XXX												
3. 1994	XXX	XXX											
4. 1995	XXX	XXX	XXX										
5. 1996	XXX	XXX	XXX	XXX									
6. 1997	XXX	XXX	XXX	XXX	XXX								
7. 1998	XXX	XXX	XXX	XXX	XXX	XXX							
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

**SCHEDULE P - PART 3G - SPECIAL LIABILITY  
(OCEAN MARINE, AIRCRAFT (ALL PERILS),  
BOILER AND MACHINERY)**

1. Prior	000										XXX	XXX
2. 1993	XXX										XXX	XXX
3. 1994	XXX	XXX									XXX	XXX
4. 1995	XXX	XXX	XXX								XXX	XXX
5. 1996	XXX	XXX	XXX	XXX							XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	XXX						XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 3H - SECTION 1  
OTHER LIABILITY - OCCURRENCE**

Prior	000										16					
1993	19										140	140	73	85		
1994	XXX	44			123	136	138	139	140	140	96	96	55	101		
1995	XXX	33		53	61	73	96	88	86	84	76	80	68	71		
1996	XXX	XXX	24	49	55	60	60	66	66	66	66	66	70	88		
1997	XXX	XXX	XXX	21	37	42	50	50	50	29	29	29	43	45		
1998	XXX	XXX	XXX	XXX	15	5	16	21	21	46	48	48	41	42		
1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14	21	30	30	46	42	36		
2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6	17	95	95	25	37		
2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6	12	17	29	29		
2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1	7	20	20		

**SCHEDULE P - PART 3H - SECTION 2  
OTHER LIABILITY - CLAIMS-MADE**

Prior	000												
1993	XXX												
1994	XXX	XXX											
1995	XXX	XXX	XXX										
1996	XXX	XXX	XXX	XXX									
1997	XXX	XXX	XXX	XXX	XXX								
1998	XXX	XXX	XXX	XXX	XXX	XXX							
1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			



**SCHEDULE P - PART 3I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment		
	1	2	3	4	5	6	7	8	9	10				
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002				
1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	.....	.....	27	XXX	XXX	
2. 2001 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	352	.....	445	XXX	XXX
3. 2002 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	405	.....	XXX	XXX

**SCHEDULE P - PART 3J - AUTO PHYSICAL DAMAGE**

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	.....	(43)	.....	15	.....	12
2. 2001 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	6,464	.....	16,159	.....	2,467
3. 2002 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,316	.....	13,333	.....	2,361

**SCHEDULE P - PART 3K - FIDELITY/SURETY**

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	.....	.....	.....	XXX	XXX
2. 2001 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	.....	.....	XXX	XXX
3. 2002 .....	XXX	XXX	XXX	XXX	XXX	NONE	X	XXX	XXX	.....	.....	XXX	XXX

**SCHEDULE P - PART 3L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	.....	.....	.....	XXX	XXX
2. 2001 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	.....	.....	XXX	XXX
3. 2002 .....	XXX	XXX	XXX	XXX	XXX	NONE	X	XXX	XXX	.....	.....	XXX	XXX

**SCHEDULE P - PART 3M - INTERNATIONAL**

1. Prior .....	000	.....	.....	<b>NONE</b>							.....	XXX	XXX
2. 1993 .....	XXX	.....	.....	<b>NONE</b>							.....	XXX	XXX
3. 1994 .....	XXX	.....	.....	<b>NONE</b>							.....	XXX	XXX
4. 1995 .....	XXX	XXX	.....	<b>NONE</b>							.....	XXX	XXX
5. 1996 .....	XXX	XXX	XXX	<b>NONE</b>							.....	XXX	XXX
6. 1997 .....	XXX	XXX	XXX	<b>NONE</b>							.....	XXX	XXX
7. 1998 .....	XXX	XXX	XXX	<b>NONE</b>							.....	XXX	XXX
8. 1999 .....	XXX	XXX	XXX	<b>NONE</b>							.....	XXX	XXX
9. 2000 .....	XXX	XXX	XXX	<b>NONE</b>							.....	XXX	XXX
10. 2001 .....	XXX	XXX	XXX	<b>NONE</b>							.....	XXX	XXX
11. 2002 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.....	.....	XXX	XXX

**SCHEDULE P - PART 3N - REINSURANCE**

Nonproportional Assumed Property

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1	2	3	4	5	6	7	8	9	10			
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002			
1. Prior	000											XXX	XXX
2. 1993	XXX											XXX	XXX
3. 1994	XXX	XXX										XXX	XXX
4. 1995	XXX	XXX	XXX									XXX	XXX
5. 1996	XXX	XXX	XXX	XXX								XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	XXX							XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

**SCHEDULE P - PART 3O - REINSURANCE**

Nonproportional Assumed Liability

1. Prior	000											XXX	XXX
2. 1993	XXX											XXX	XXX
3. 1994	XXX	XXX										XXX	XXX
4. 1995	XXX	XXX	XXX									XXX	XXX
5. 1996	XXX	XXX	XXX	XXX								XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	XXX							XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

**SCHEDULE P - PART 3P - REINSURANCE**

Nonproportional Assumed Financial Lines

1. Prior	000											XXX	XXX
2. 1993	XXX											XXX	XXX
3. 1994	XXX	XXX										XXX	XXX
4. 1995	XXX	XXX	XXX									XXX	XXX
5. 1996	XXX	XXX	XXX	XXX								XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	XXX							XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

**SCHEDULE P - PART 3R - SECTION 1  
PRODUCTS LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002			
1. Prior	0 0 0												
2. 1993	1											6	5
3. 1994	XXX	2										2	1
4. 1995	XXX	XXX										3	2
5. 1996	XXX	XXX	5										2
6. 1997	XXX	XXX	XXX										1
7. 1998	XXX	XXX	XXX	XXX									
8. 1999	XXX	XXX	XXX	XXX	XXX								
9. 2000	XXX	XXX	XXX	XXX	XXX	1							
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	1			23			
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

**SCHEDULE P - PART 3R - SECTION 2  
PRODUCTS LIABILITY - CLAIMS-MADE**

1. Prior	0 0 0												
2. 1993													
3. 1994	XXX												
4. 1995	XXX	XXX											
5. 1996	XXX	XXX	XXX										
6. 1997	XXX	XXX	XXX										
7. 1998	XXX	XXX	XXX										
8. 1999	XXX	XXX	XXX										
9. 2000	XXX	XXX	XXX										
10. 2001	XXX	XXX	XXX										
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

NONE

**SCHEDULE P - PART 3S - FINANCIAL GUARANTY/MORTGAGE GUARANTY**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000				XXX	XXX
2. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
3. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

NONE

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE P - PART 4A - HOMEOWNERS/FARMOWNERS**

BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)

Years in Which Losses Were Incurred	1	2	3	4	5	6	7	8	9	10	
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
Prior											3
1993	215										1
1994	XXX	102									5
1995	XXX	250									4
1996	XXX	XXX	65								6
1997	XXX	XXX	80								8
1998	XXX	XXX	959								7
1999	XXX	XXX	XXX	XXX							30
2000	XXX	XXX	XXX	XXX	XXX						33
2001	XXX	XXX	XXX	XXX	XXX	XXX					59
2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	137
											480

**SCHEDULE P - PART 4B  
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

Years in Which Losses Were Incurred	1	2	3	4	5	6	7	8	9	10	
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
Prior											16
1993	1,945										4
1994	XXX	744									2
1995	XXX	2,014									8
1996	XXX	XXX	441								54
1997	XXX	XXX	599								35
1998	XXX	XXX	1,723								96
1999	XXX	XXX	XXX	XXX	XXX						261
2000	XXX	XXX	XXX	XXX	XXX	XXX					377
2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	665
2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,831

**SCHEDULE P - PART 4C  
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

Years in Which Losses Were Incurred	1	2	3	4	5	6	7	8	9	10	
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
Prior											5
1993	436										3
1994	XXX	261									24
1995	XXX	533									82
1996	XXX	XXX	151								172
1997	XXX	XXX	268								478
1998	XXX	XXX	740								629
1999	XXX	XXX	XXX	XXX	XXX						1,388
2000	XXX	XXX	XXX	XXX	XXX	XXX					1,388
2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,388
2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,388

**SCHEDULE P - PART 4D - WORKERS' COMPENSATION**

Years in Which Losses Were Incurred	1	2	3	4	5	6	7	8	9	10	
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
Prior											4
1993	1,013										11
1994	XXX	370									6
1995	XXX	1,001									22
1996	XXX	XXX	222								31
1997	XXX	XXX	380								48
1998	XXX	XXX	1,130								51
1999	XXX	XXX	XXX	XXX	XXX						14
2000	XXX	XXX	XXX	XXX	XXX	XXX					96
2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	257
2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	331

**SCHEDULE P - PART 4E - COMMERCIAL MULTIPLE PERIL**

Years in Which Losses Were Incurred	1	2	3	4	5	6	7	8	9	10	
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
Prior											16
1993	369										2
1994	XXX	219									25
1995	XXX	553									27
1996	XXX	XXX	164								112
1997	XXX	XXX	282								35
1998	XXX	XXX	986								126
1999	XXX	XXX	XXX	XXX	XXX						188
2000	XXX	XXX	XXX	XXX	XXX	XXX					352
2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	427
2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	959

**SCHEDULE P - PART 4F - SECTION 1  
MEDICAL MALPRACTICE - OCCURRENCE**

BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										
Years in Which Losses Were Incurred	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX						XXX		
10. 2001	XXX	XXX						XXX	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4F - SECTION 2  
MEDICAL MALPRACTICE - CLAIMS-MADE**

1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX						XXX		
10. 2001	XXX	XXX						XXX	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4G - SPECIAL LIABILITY  
(OCEAN MARINE, AIRCRAFT (ALL PERILS),  
BOILER AND MACHINERY)**

1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX						XXX		
10. 2001	XXX	XXX						XXX	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4H - SECTION 1  
OTHER LIABILITY - OCCURRENCE**

1. Prior										
2. 1993	135	99	75	36	8	8	6			
3. 1994	XXX	151	74	53	29	2	1			
4. 1995	XXX	XXX	227	53	36	96	16	7		
5. 1996	XXX	XXX	XXX	143	28	34	35	12	5	6
6. 1997	XXX	XXX	XXX	XXX	75	29	30	1		
7. 1998	XXX	XXX	XXX	XXX	XXX	116	26	7		
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	50	20	16	12
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	43	41	26
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	39	73
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	38

**SCHEDULE P - PART 4H - SECTION 2  
OTHER LIABILITY - CLAIMS-MADE**

1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX						XXX		
10. 2001	XXX	XXX						XXX	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)**

BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										
Years in Which Losses Were Incurred	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2001 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32
3. 2002 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24

**SCHEDULE P - PART 4J - AUTO PHYSICAL DAMAGE**

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	145	1
2. 2001 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	154
3. 2002 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 4K - FIDELITY/SURETY**

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2001 .....	XXX	XXX	XXX	XXX	NONE	XXX	XXX	XXX	XXX	XXX	XXX
3. 2002 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 4L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2001 .....	XXX	XXX	XXX	XXX	NONE	XXX	XXX	XXX	XXX	XXX	XXX
3. 2002 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 4M - INTERNATIONAL**

1. Prior .....											
2. 1993 .....											
3. 1994 .....	XXX										
4. 1995 .....	XXX	XXX									
5. 1996 .....	XXX	XXX									
6. 1997 .....	XXX	XXX									
7. 1998 .....	XXX	XXX									
8. 1999 .....	XXX	XXX									
9. 2000 .....	XXX	XXX									
10. 2001 .....	XXX	XXX						XXX	XXX		
11. 2002 .....	XXX	XXX						XXX	XXX		

**NONE**

**SCHEDULE P - PART 4N - REINSURANCE**

Nonproportional Assumed Property

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$'000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX						XXX		
10. 2001	XXX	XXX						XXX	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4O - REINSURANCE**

Nonproportional Assumed Liability

1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX						XXX		
10. 2001	XXX	XXX						XXX	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4P - REINSURANCE**

Nonproportional Assumed Financial Lines

1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX						XXX		
10. 2001	XXX	XXX						XXX	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4R - SECTION 1  
PRODUCTS LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
Prior 1993										
1994	XXX									
1995	XXX	XXX								
1996	XXX	XXX								
1997	XXX	XXX								
1998	XXX	XXX								
1999	XXX	XXX								
2000	XXX	XXX								
2001	XXX	XXX					XXX			
2002	XXX	XXX					XXX		XXX	

**NONE**

**SCHEDULE P - PART 4R - SECTION 2  
PRODUCTS LIABILITY - CLAIMS-MADE**

Prior 1993										
1994	XXX									
1995	XXX	XXX								
1996	XXX	XXX								
1997	XXX	XXX								
1998	XXX	XXX								
1999	XXX	XXX								
2000	XXX	XXX								
2001	XXX	XXX					XXX			
2002	XXX	XXX					XXX		XXX	

**NONE**

**SCHEDULE P - PART 4S - FINANCIAL GUARANTY/MORTGAGE GUARANTY**

Prior 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
2002	XXX	XXX	XXX	XXX	NONE	XXX	XXX	XXX	XXX	



**SCHEDULE P - PART 5A - HOMEOWNERS/FARMOWNERS**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	5,152	5,733	5,774	5,788	5,801	5,807	5,813	5,814	5,814	5,815
3. 1994	XXX	11,682	12,437	12,478	12,493	12,512	12,519	12,522	12,523	12,523
4. 1995	XXX	XXX	5,033	6,044	6,086	6,102	6,112	6,115	6,118	6,120
5. 1996	XXX	XXX	XXX	11,484	12,372	12,432	12,450	12,458	12,465	12,476
6. 1997	XXX	XXX	XXX	XXX	4,982	5,577	5,618	5,633	5,642	5,646
7. 1998	XXX	XXX	XXX	XXX	XXX	5,755	6,872	6,920	6,938	6,943
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	6,442	7,344	7,407	7,436
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,637	6,902	6,955
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,655	5,388
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,128

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	704	124	55	40	19	10	2	1	1	2
3. 1994	XXX	799	119	67	47	15	7	3	2	2
4. 1995	XXX	XXX	984	107	58	30	12	9	6	6
5. 1996	XXX	XXX	XXX	843	126	61	28	24	16	6
6. 1997	XXX	XXX	XXX	XXX	666	97	48	32	14	11
7. 1998	XXX	XXX	XXX	XXX	XXX	837	97	53	30	21
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	902	128	56	26
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,228	124	56
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	603	94
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	841

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	8,606	8,982	9,003	9,014	9,016	9,017	9,017	9,017	9,017	9,017
3. 1994	XXX	17,405	17,868	17,892	17,903	17,905	17,906	17,906	17,906	17,906
4. 1995	XXX	XXX	8,376	8,391	9,019	9,027	9,027	9,027	9,027	9,027
5. 1996	XXX	XXX	XXX	17,231	17,756	17,803	17,816	17,821	17,823	17,823
6. 1997	XXX	XXX	XXX	XXX	8,125	8,498	8,524	8,531	8,536	8,538
7. 1998	XXX	XXX	XXX	XXX	XXX	9,477	10,209	10,228	10,234	10,236
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	6,892	9,217	9,232	9,255
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,665	7,412	7,451
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,856	8,296
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,816

**SCHEDULE P - PART 5B  
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	3,341	4,891	5,194	5,309	5,386	5,397	5,406	5,408	5,412	5,413
3. 1994	XXX	3,442	4,343	5,200	5,315	5,377	5,402	5,417	5,423	5,425
4. 1995	XXX	XXX	3,597	5,079	5,332	5,445	5,514	5,540	5,547	5,553
5. 1996	XXX	XXX	XXX	4,043	5,631	5,896	5,986	6,044	6,061	6,079
6. 1997	XXX	XXX	XXX	XXX	4,257	5,710	5,984	6,042	6,098	6,127
7. 1998	XXX	XXX	XXX	XXX	XXX	4,485	5,979	6,263	6,366	6,419
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	4,629	6,027	6,245	6,352
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,640	5,744	5,972
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,203	5,746
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,291

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										36
2. 1993	2,257	656	287	138	63	27	11	10	3	2
3. 1994	XXX	2,150	627	319	157	73	46	16	6	2
4. 1995	XXX	XXX	2,147	625	284	152	70	30	19	8
5. 1996	XXX	XXX	XXX	2,254	566	281	125	75	47	22
6. 1997	XXX	XXX	XXX	XXX	2,088	546	229	137	62	28
7. 1998	XXX	XXX	XXX	XXX	XXX	2,238	591	237	109	54
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	2,355	629	311	141
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,230	536	229
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,403	605
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,692

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	7,106	7,530	7,582	7,586	7,600	7,600	7,600	7,600	7,600	7,600
3. 1994	XXX	7,236	7,715	7,764	7,786	7,790	7,792	7,793	7,794	7,794
4. 1995	XXX	XXX	7,345	7,838	7,892	7,908	7,915	7,917	7,917	7,917
5. 1996	XXX	XXX	XXX	8,053	8,539	8,582	8,582	8,582	8,589	8,589
6. 1997	XXX	XXX	XXX	XXX	8,137	8,513	8,557	8,572	8,575	8,576
7. 1998	XXX	XXX	XXX	XXX	XXX	8,911	9,337	9,378	9,389	9,394
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	7,708	8,110	8,179	8,192
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,870	7,279	7,336
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,630	9,585
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,497

**SCHEDULE P - PART 5C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	574									
3. 1994	XXX	731								
4. 1995	XXX	723	775							
5. 1996	XXX	XXX	940	785	815	822				
6. 1997	XXX	XXX	845	989	1,012	1,024	1,022	829		
7. 1998	XXX	XXX	XXX	1,129	1,201	1,219	1,247	1,037	829	
8. 1999	XXX	XXX	XXX	1,058	1,328	1,391	1,433	1,256	1,038	
9. 2000	XXX	XXX	XXX	XXX	1,048	1,306	1,382	1,457	1,263	
10. 2001	XXX	XXX	XXX	XXX	XXX	1,194	1,569	1,407	1,421	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	1,272	1,646	1,584	1,449

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	317									
3. 1994	XXX	134								
4. 1995	XXX	310	73							
5. 1996	XXX	XXX	115	41	18	9				
6. 1997	XXX	XXX	423	68	37	25	10	3	1	1
7. 1998	XXX	XXX	XXX	164	80	56	22	12	12	2
8. 1999	XXX	XXX	XXX	476	180	103	45	18	13	5
9. 2000	XXX	XXX	XXX	XXX	431	188	98	64	44	23
10. 2001	XXX	XXX	XXX	XXX	XXX	583	225	124	72	38
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	578	199	107	49

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	1,018									
3. 1994	XXX	1,068								
4. 1995	XXX	1,202	1,087							
5. 1996	XXX	XXX	1,289	1,088	1,090	1,090	1,090	1,090	1,090	1,090
6. 1997	XXX	XXX	1,575	1,312	1,316	1,318	1,318	1,318	1,318	1,318
7. 1998	XXX	XXX	XXX	1,745	1,745	1,759	1,759	1,759	1,759	1,759
8. 1999	XXX	XXX	XXX	1,926	2,050	2,067	2,070	2,072	2,072	2,072
9. 2000	XXX	XXX	XXX	XXX	1,897	2,027	2,058	2,063	2,064	2,067
10. 2001	XXX	XXX	XXX	XXX	XXX	2,249	2,405	2,421	2,425	2,427
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	2,036	2,153	2,188	2,193

**SCHEDULE P - PART 5D - WORKERS' COMPENSATION**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	1,867									
3. 1994	XXX	2,495								
4. 1995	XXX	1,892	2,510							
5. 1996	XXX	XXX	2,872	2,872	2,712	2,746	2,787	2,777	2,784	2,790
6. 1997	XXX	XXX	2,701	2,809	2,861	2,900	2,921	2,936	2,939	2,945
7. 1998	XXX	XXX	1,813	2,593	2,696	2,782	2,814	2,824	2,834	2,838
8. 1999	XXX	XXX	XXX	1,559	2,215	2,456	2,497	2,508	2,523	2,538
9. 2000	XXX	XXX	XXX	XXX	1,274	2,308	2,377	2,409	2,422	2,448
10. 2001	XXX	XXX	XXX	XXX	XXX	1,306	1,857	1,836	1,875	1,909
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	1,274	1,097	1,097	1,097

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	692									
3. 1994	XXX	245								
4. 1995	XXX	873	160							
5. 1996	XXX	XXX	220	103	73	58	37	19	20	52
6. 1997	XXX	XXX	820	128	84	60	39	19	13	11
7. 1998	XXX	XXX	XXX	147	84	55	44	44	27	25
8. 1999	XXX	XXX	XXX	783	235	137	82	66	56	42
9. 2000	XXX	XXX	XXX	XXX	181	98	59	59	44	23
10. 2001	XXX	XXX	XXX	XXX	685	618	475	102	57	37
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	816	200	128	84

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	2,883									
3. 1994	XXX	3,195								
4. 1995	XXX	3,259	3,230							
5. 1996	XXX	XXX	3,596	3,243	3,256	3,256	3,257	3,257	3,257	3,257
6. 1997	XXX	XXX	3,269	3,635	3,647	3,648	3,651	3,652	3,652	3,652
7. 1998	XXX	XXX	XXX	3,641	3,673	3,690	3,682	3,682	3,682	3,683
8. 1999	XXX	XXX	XXX	2,993	3,255	3,288	3,288	3,289	3,289	3,289
9. 2000	XXX	XXX	XXX	XXX	2,451	2,725	2,746	2,750	2,751	2,755
10. 2001	XXX	XXX	XXX	XXX	XXX	2,434	2,645	2,658	2,662	2,663
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	2,271	2,454	2,477	2,483

**SCHEDULE P - PART 5E - COMMERCIAL MULTIPLE PERIL**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	1,199	1,473	1,515	1,542	1,567	1,585	1,592	1,594	1,595	1,599
3. 1994	XXX	2,231	2,636	2,691	2,727	2,759	2,778	2,788	2,793	2,797
4. 1995	XXX	XXX	1,622	2,133	2,220	2,269	2,299	2,320	2,327	2,331
5. 1996	XXX	XXX	XXX	2,815	3,284	3,397	3,453	3,493	3,510	3,523
6. 1997	XXX	XXX	XXX	XXX	1,839	2,244	2,327	2,365	2,405	2,419
7. 1998	XXX	XXX	XXX	XXX	XXX	1,600	2,033	2,123	2,165	2,186
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	1,934	2,428	2,499	2,548
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,864	2,458	2,533
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,682	2,068
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,145

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										5
2. 1993	483	176	132	95	57	23	11	8	6	2
3. 1994	XXX	638	286	183	121	52	39	26	19	12
4. 1995	XXX	XXX	982	380	232	116	53	22	13	5
5. 1996	XXX	XXX	XXX	955	382	205	123	71	50	31
6. 1997	XXX	XXX	XXX	XXX	753	297	159	99	47	27
7. 1998	XXX	XXX	XXX	XXX	XXX	703	276	162	80	45
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	961	283	158	75
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	863	296	164
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	651	288
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	510

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	2,631	2,849	2,892	2,919	2,928	2,930	2,930	2,930	2,930	2,932
3. 1994	XXX	4,419	4,757	4,808	4,825	4,833	4,837	4,841	4,841	4,842
4. 1995	XXX	XXX	3,913	4,531	4,413	4,435	4,459	4,440	4,440	4,441
5. 1996	XXX	XXX	XXX	5,669	6,095	6,199	6,218	6,217	6,224	6,228
6. 1997	XXX	XXX	XXX	XXX	3,986	4,336	4,413	4,426	4,435	4,438
7. 1998	XXX	XXX	XXX	XXX	XXX	3,640	4,005	4,060	4,066	4,069
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	3,310	3,584	3,656	3,677
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,727	3,139	3,201
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,476	3,772
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,489

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Sch. P, Pt. 5F, Sn. 1A, Medical Malpractice, Occurrence  
**NONE**

Sch. P, Pt. 5F, Sn. 2A, Medical Malpractice, Occurrence  
**NONE**

Sch. P, Pt. 5F, Sn. 3A, Medical Malpractice, Occurrence  
**NONE**

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Sch. P, Pt. 5F, Sn. 1B, Medical Malpractice, Claims Made  
**NONE**

Sch. P, Pt. 5F, Sn. 2B, Medical Malpractice, Claims Made  
**NONE**

Sch. P, Pt. 5F, Sn. 3B, Medical Malpractice, Claims Made  
**NONE**

**SCHEDULE P - PART 5H - OTHER LIABILITY - OCCURRENCE**

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993		43	69	64	71	73	73	73	73	73
3. 1994	XXX	XXX	69	49	60	53	55	55	55	55
4. 1995	XXX	XXX	42	57	57	61	66	67	68	68
5. 1996	XXX	XXX	XXX	44	62	62	64	68	69	70
6. 1997	XXX	XXX	XXX	XXX	28	35	38	43	43	43
7. 1998	XXX	XXX	XXX	XXX	XXX	24	36	37	38	41
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	23	38	41	42
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13	20	25
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13	17
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7

SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993		44	22	13	5	2	2	1		2
3. 1994	XXX	XXX	40	12	8	9	6	1		
4. 1995	XXX	XXX	28	13	13	8	3	3	1	1
5. 1996	XXX	XXX	XXX	29	19	17	13	8	5	4
6. 1997	XXX	XXX	XXX	XXX	12	10	12	1		
7. 1998	XXX	XXX	XXX	XXX	XXX	22	4	2		
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	25	12	4	2
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	23	16	12
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14	12
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13

SECTION 3A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993		122	144	151	151	151	151	151	151	151
3. 1994	XXX	XXX	123	141	150	150	150	150	150	150
4. 1995	XXX	XXX	98	125	131	132	132	133	134	134
5. 1996	XXX	XXX	XXX	117	141	155	160	161	161	161
6. 1997	XXX	XXX	XXX	XXX	66	80	86	86	87	87
7. 1998	XXX	XXX	XXX	XXX	XXX	63	75	77	78	79
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	60	69	72	72
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	36	44	50
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	49	57
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40

**SCHEDULE P - PART 5H - OTHER LIABILITY - CLAIMS-MADE**

SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX	XXX							
6. 1997	XXX	XXX	XXX	XXX						
7. 1998	XXX	XXX	XXX	XXX	XXX					
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX	XXX							
6. 1997	XXX	XXX	XXX	XXX						
7. 1998	XXX	XXX	XXX	XXX	XXX					
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX	XXX							
6. 1997	XXX	XXX	XXX	XXX						
7. 1998	XXX	XXX	XXX	XXX	XXX					
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	



**SCHEDULE P - PART 5R - PRODUCTS LIABILITY - OCCURRENCE**

**SECTION 1A**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	2	6	6	6	6	6	6	6	6	6
3. 1994	XXX	2	2	2	2	2	2	2	2	2
4. 1995	XXX	XXX	3	3	3	3	3	3	3	3
5. 1996	XXX	XXX	XXX							
6. 1997	XXX	XXX	XXX	XXX						
7. 1998	XXX	XXX	XXX	XXX	XXX	1	1	1	1	1
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SECTION 2A**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	1	1								
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX	XXX	2						
6. 1997	XXX	XXX	XXX	XXX	1					
7. 1998	XXX	XXX	XXX	XXX	XXX					
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1		
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SECTION 3A**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993	5	6	9	9	9	9	9	9	9	9
3. 1994	XXX	3	3	3	3	3	3	3	3	3
4. 1995	XXX	XXX	5	5	5	5	5	5	5	5
5. 1996	XXX	XXX	XXX	2	2	2	2	2	2	2
6. 1997	XXX	XXX	XXX	XXX	1	1	1	1	1	1
7. 1998	XXX	XXX	XXX	XXX	XXX	1	1	1	1	1
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 5R - PRODUCTS LIABILITY - CLAIMS-MADE**

SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993										
3. 1994										
4. 1995	XXX									
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX								
10. 2001	XXX	XXX						XXX		
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993										
3. 1994										
4. 1995	XXX									
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX								
10. 2001	XXX	XXX						XXX		
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior										
2. 1993										
3. 1994										
4. 1995	XXX									
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX								
10. 2001	XXX	XXX						XXX		
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE P - PART 6C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior												
2. 1993	6,354	6,354	6,354	6,354	6,354	6,354	6,354	6,354	6,354	6,354	6,354	
3. 1994	XXX	6,921	6,921	6,921	6,921	6,921	6,921	6,921	6,921	6,921	6,921	
4. 1995	XXX	XXX	8,231	8,231	8,231	8,231	8,231	8,231	8,231	8,231	8,231	
5. 1996	XXX	XXX	XXX	9,551	9,551	9,551	9,551	9,551	9,551	9,551	9,551	
6. 1997	XXX	XXX	XXX	XXX	10,449	10,449	10,449	10,449	10,449	10,449	10,449	
7. 1998	XXX	XXX	XXX	XXX	XXX	11,122	11,122	11,122	11,122	11,122	11,122	
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	12,493	12,493	12,493	12,493	12,493	
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14,359	14,359	14,359	14,359	
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,679	15,679	15,679	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,592	16,592
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,592
13. Earned Premiums (Sc P-P1 1)	6,354	6,921	8,231	9,551	10,449	11,122	12,493	14,359	15,679	16,592		XXX

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior												
2. 1993	3,868	3,868	3,868	3,868	3,868	3,868	3,868	3,868	3,868	3,868	3,868	
3. 1994	XXX	4,179	4,179	4,179	4,179	4,179	4,179	4,179	4,179	4,179	4,179	
4. 1995	XXX	XXX	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	4,945	
5. 1996	XXX	XXX	XXX	5,292	5,292	5,292	5,292	5,292	5,292	5,292	5,292	
6. 1997	XXX	XXX	XXX	XXX	6,984	6,984	6,984	6,984	6,984	6,984	6,984	
7. 1998	XXX	XXX	XXX	XXX	XXX	7,461	7,461	7,461	7,461	7,461	7,461	
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	8,394	8,394	8,394	8,394	8,394	
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,007	10,007	10,007	10,007	
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,297	11,297	11,297	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,347	12,347
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,347
13. Earned Premiums (Sc P-P1 1)	3,868	4,179	4,945	6,292	6,984	7,461	8,394	10,007	11,297	12,347		XXX

**SCHEDULE P - PART 6D - WORKERS' COMPENSATION**

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior												
2. 1993	20,563	20,563	20,563	20,563	20,563	20,563	20,563	20,563	20,563	20,563	20,563	
3. 1994	XXX	23,407	23,407	23,407	23,407	23,407	23,407	23,407	23,407	23,407	23,407	
4. 1995	XXX	XXX	25,585	25,585	25,585	25,585	25,585	25,585	25,585	25,585	25,585	
5. 1996	XXX	XXX	XXX	26,708	26,708	26,708	26,708	26,708	26,708	26,708	26,708	
6. 1997	XXX	XXX	XXX	XXX	25,138	25,138	25,138	25,138	25,138	25,138	25,138	
7. 1998	XXX	XXX	XXX	XXX	XXX	22,283	22,283	22,283	22,283	22,283	22,283	
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	23,808	23,808	23,808	23,808	23,808	
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	25,733	25,733	25,733	25,733	
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	28,403	28,403	28,403	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,014	29,014
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,014
13. Earned Premiums (Sc P-P1 1)	20,563	23,407	25,585	26,708	25,138	22,283	23,808	25,733	28,403	29,014		XXX

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior												
2. 1993	12,603	12,603	12,603	12,603	12,603	12,603	12,603	12,603	12,603	12,603	12,603	
3. 1994	XXX	14,298	14,298	14,298	14,298	14,298	14,298	14,298	14,298	14,298	14,298	
4. 1995	XXX	XXX	15,618	15,618	15,618	15,618	15,618	15,618	15,618	15,618	15,618	
5. 1996	XXX	XXX	XXX	16,103	16,103	16,103	16,103	16,103	16,103	16,103	16,103	
6. 1997	XXX	XXX	XXX	XXX	17,692	17,692	17,692	17,692	17,692	17,692	17,692	
7. 1998	XXX	XXX	XXX	XXX	XXX	15,789	15,789	15,789	15,789	15,789	15,789	
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	16,951	16,951	16,951	16,951	16,951	
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,402	19,402	19,402	19,402	
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,709	21,709	21,709	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,921	21,921
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,921
13. Earned Premiums (Sc P-P1 1)	12,603	14,298	15,618	16,103	17,692	15,789	16,951	19,402	21,709	21,921		XXX

**SCHEDULE P - PART 6E - COMMERCIAL MULTIPLE PERIL**

**SECTION 1**

Years In Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior												
2. 1993	16,186	16,186	16,186	16,186	16,186	16,186	16,186	16,186	16,186	16,186	16,186	16,186
3. 1994	XXX	18,172	18,172	18,172	18,172	18,172	18,172	18,172	18,172	18,172	18,172	18,172
4. 1995	XXX	XXX	22,662	22,662	22,662	22,662	22,662	22,662	22,662	22,662	22,662	22,662
5. 1996	XXX	XXX	XXX	27,096	27,096	27,096	27,096	27,096	27,096	27,096	27,096	27,096
6. 1997	XXX	XXX	XXX	XXX	28,510	28,510	28,510	28,510	28,510	28,510	28,510	28,510
7. 1998	XXX	XXX	XXX	XXX	XXX	28,584	28,584	28,584	28,584	28,584	28,584	28,584
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	29,609	29,609	29,609	29,609	29,609	29,609
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32,339	32,339	32,339	32,339	32,339
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	36,408	36,408	36,408	36,408
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	38,353	38,353
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	38,353
13. Earned Premiums (Sc P-Pl 1)	16,186	18,172	22,662	27,096	28,510	28,584	29,609	32,339	36,408	38,353	XXX	XXX

**SECTION 2**

Years In Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior												
2. 1993	10,646	10,646	10,646	10,646	10,646	10,646	10,646	10,646	10,646	10,646	10,646	10,646
3. 1994	XXX	11,868	11,868	11,868	11,868	11,868	11,868	11,868	11,868	11,868	11,868	11,868
4. 1995	XXX	XXX	14,788	14,788	14,788	14,788	14,788	14,788	14,788	14,788	14,788	14,788
5. 1996	XXX	XXX	XXX	19,453	19,453	19,453	19,453	19,453	19,453	19,453	19,453	19,453
6. 1997	XXX	XXX	XXX	XXX	20,110	20,110	20,110	20,110	20,110	20,110	20,110	20,110
7. 1998	XXX	XXX	XXX	XXX	XXX	20,083	20,083	20,083	20,083	20,083	20,083	20,083
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	20,595	20,595	20,595	20,595	20,595	20,595
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	23,235	23,235	23,235	23,235	23,235
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26,961	26,961	26,961	26,961
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,063	29,063	29,063
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,063
13. Earned Premiums (Sc P-Pl 1)	10,646	11,868	14,788	19,453	20,110	20,083	20,595	23,235	26,961	29,063	XXX	XXX

**SCHEDULE P - PART 6H - OTHER LIABILITY - OCCURRENCE**

**SECTION 1A**

Years In Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior												
2. 1993	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483	2,483
3. 1994	XXX	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567
4. 1995	XXX	XXX	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863
5. 1996	XXX	XXX	XXX	3,133	3,133	3,133	3,133	3,133	3,133	3,133	3,133	3,133
6. 1997	XXX	XXX	XXX	XXX	3,252	3,252	3,252	3,252	3,252	3,252	3,252	3,252
7. 1998	XXX	XXX	XXX	XXX	XXX	3,357	3,357	3,357	3,357	3,357	3,357	3,357
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	3,655	3,655	3,655	3,655	3,655	3,655
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,231	4,231	4,231	4,231	4,231
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,671	4,671	4,671	4,671
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,392	5,392	5,392
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,392
13. Earned Premiums (Sc P-Pl 1)	2,483	2,567	2,863	3,133	3,252	3,357	3,655	4,231	4,671	5,392	XXX	XXX

**SECTION 2A**

Years In Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current year Premiums Earned	
	1	2	3	4	5	6	7	8	9	10		
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior												
2. 1993	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001
3. 1994	XXX	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056
4. 1995	XXX	XXX	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337
5. 1996	XXX	XXX	XXX	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687
6. 1997	XXX	XXX	XXX	XXX	2,783	2,783	2,783	2,783	2,783	2,783	2,783	2,783
7. 1998	XXX	XXX	XXX	XXX	XXX	2,956	2,956	2,956	2,956	2,956	2,956	2,956
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	3,223	3,223	3,223	3,223	3,223	3,223
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,795	3,795	3,795	3,795	3,795
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,242	4,242	4,242	4,242
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,968	4,968	4,968
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,968
13. Earned Premiums (Sc P-Pl 1)	2,001	2,056	2,337	2,687	2,783	2,956	3,223	3,795	4,242	4,968	XXX	XXX

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Sch. P, Pt. 6H, Sn. 1B, Other Liability, Claims Made  
**NONE**

Sch. P, Pt. 6H, Sn. 2B, Other Liability, Claims Made  
**NONE**

Sch. P, Pt. 6M, Sn. 1, International  
**NONE**

Sch. P, Pt. 6M, Sn. 2, International  
**NONE**

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Sch. P, Pt. 6N, Sn. 1, Reinsurance  
**NONE**

Sch. P, Pt. 6N, Sn. 2, Reinsurance  
**NONE**

Sch. P, Pt. 6O, Sn. 1, Reinsurance  
**NONE**

Sch. P, Pt. 6O, Sn. 2, Reinsurance  
**NONE**

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**SCHEDULE P - PART 6R - PRODUCTS LIABILITY - OCCURRENCE**

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current year Premiums Earned
	1	2	3	4	5	6	7	8	9	10	
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
1. Prior											
2. 1993	163										
3. 1994	XXX	163									
4. 1995	XXX	XXX	163								
5. 1996	XXX	XXX	138	163							
6. 1997	XXX	XXX	152	208	163						
7. 1998	XXX	XXX	208	219	138	163					
8. 1999	XXX	XXX	XXX	XXX	XXX	175	163				
9. 2000	XXX	XXX	XXX	XXX	XXX	143	143				
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	53	5			
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Se-P-Pl 1)	163	138	152	208	219	175	143	53	5		XXX

SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current year Premiums Earned
	1	2	3	4	5	6	7	8	9	10	
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
1. Prior											
2. 1993	98										
3. 1994	XXX	98									
4. 1995	XXX	84	98								
5. 1996	XXX	XXX	92	140							
6. 1997	XXX	XXX	140	151	98						
7. 1998	XXX	XXX	151	121	84	98					
8. 1999	XXX	XXX	XXX	XXX	XXX	121	99				
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	38				
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	38			
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Se-P-Pl 1)	98	84	92	140	151	121	99	38		4	XXX

**SCHEDULE P - PART 6R - PRODUCTS LIABILITY - CLAIMS-MADE**

SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current year Premiums Earned
	1	2	3	4	5	6	7	8	9	10	
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
1. Prior											
2. 1993											
3. 1994	XXX										
4. 1995	XXX	XXX									
5. 1996	XXX	XXX	XXX								
6. 1997	XXX	XXX	XXX	XXX							
7. 1998	XXX	XXX	XXX	XXX	XXX						
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX					
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Se-P-Pl 1)			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current year Premiums Earned
	1	2	3	4	5	6	7	8	9	10	
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
1. Prior											
2. 1993											
3. 1994	XXX										
4. 1995	XXX	XXX									
5. 1996	XXX	XXX	XXX								
6. 1997	XXX	XXX	XXX	XXX							
7. 1998	XXX	XXX	XXX	XXX	XXX						
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX					
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Se-P-Pl 1)			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS**

(\$000 OMITTED)

SECTION 1

Schedule P - Part 1	1 Total Net Losses and Expenses Unpaid	2 Net Losses and Expenses Unpaid on Loss Sensitive Contracts	3 Loss Sensitive as Percentage of Total	4 Total Net Premiums Written	5 Net Premiums Written on Loss Sensitive Contracts	6 Loss Sensitive as Percentage of Total
1. Homeowners/Farmowners	4,406			12,051		
2. Private Passenger Auto Liability/Medical	21,428			12,586		
3. Commercial Auto/Truck Liability/Medical	7,713			4,133		
4. Workers' Compensation	14,969			7,378		
5. Commercial Multiple Peril	9,353			9,498		
6. Medical Malpractice - Occurrence						
7. Medical Malpractice - Claims-made				4		
8. Special Liability				453		
9. Other Liability - Occurrence	547					
10. Other Liabilities - Claims-made						
11. Special Property	151			1,590		
12. Auto Physical Damage	521			13,585		
13. Fidelity/Surety						
14. Other						
15. International						
16. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX	XXX	XXX
17. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX	XXX	XXX
18. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX	XXX	XXX
19. Products Liability - Occurrence						
20. Products Liability - Claims - made						
21. Financial Guaranty/Mortgage Guaranty						
22. Totals	59,085			61,166		

SECTION 2

Years in Which Policies Were Issued	INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX								
10. 2001	XXX	XXX						XXX		
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3

Years in Which Policies Were Issued	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX								
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY  
**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS**

(continued)

SECTION 4

Years in Which Policies Were Issued	NET EARNED PREMIUMS REPORTED AT YEAR END (\$000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX						XXX		
10. 2001	XXX	XXX						XXX	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

SECTION 5

Years in Which Policies Were Issued	NET RESERVE FOR PREMIUM ADJUSTMENTS AND ACCRUED RETROSPECTIVE PREMIUMS AT YEAR END (\$000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX						XXX		
10. 2001	XXX	XXX						XXX	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX			



**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS**

(\$000 OMITTED)

SECTION 1

Schedule P - Part 1	1 Total Net Losses and Expenses Unpaid	2 Net Losses and Expenses Unpaid on Loss Sensitive Contracts	3 Loss Sensitive as Percentage of Total	4 Total Net Premiums Written	5 Net Premiums Written on Loss Sensitive Contracts	6 Loss Sensitive as Percentage of Total
1. Homeowners/Farmowners	4,406			12,051		
2. Private Passenger Auto Liability/Medical	21,428			12,586		
3. Commercial Auto/Truck Liability/Medical	7,713			4,133		
4. Workers' Compensation	14,966			7,376		
5. Commercial Multiple Peril	9,353			9,498		
6. Medical Malpractice - Occurrence						
7. Medical Malpractice - Claims-made						
8. Special Liability				4		
9. Other Liability - Occurrence	647			453		
10. Other Liabilities - Claims-made						
11. Special Property	151			1,599		
12. Auto Physical Damage	521			13,685		
13. Fidelity/Surety						
14. Other						
15. International						
16. Reinsurance - Nonproportional Assumed Property						
17. Reinsurance - Nonproportional Assumed Liability						
18. Reinsurance - Nonproportional Assumed Financial Lines						
19. Products Liability - Occurrence						
20. Products Liability - Claims - made						
21. Financial Guaranty/Mortgage Guaranty						
22. Totals	59,065			61,186		

SECTION 2

Years in Which Policies Were Issued	INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX								
10. 2001	XXX	XXX						XXX		
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3

Years in Which Policies Were Issued	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX								
10. 2001	XXX	XXX						XXX		
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS**  
(continued)

SECTION 4

Years in Which Policies Were Issued	NET EARNED PREMIUMS REPORTED AT YEAR END (\$000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX								
10. 2001	XXX	XXX						XXX	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 5

Years in Which Policies Were Issued	NET RESERVE FOR PREMIUM ADJUSTMENTS AND ACCRUED RETROSPECTIVE PREMIUMS AT YEAR END (\$000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX								
10. 2001	XXX	XXX						XXX	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 6

Years in Which Policies Were Issued	INCURRED ADJUSTABLE COMMISSIONS REPORTED AT YEAR END (\$000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX								
10. 2001	XXX	XXX						XXX	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 7

Years in Which Policies Were Issued	RESERVES FOR COMMISSION ADJUSTMENTS AT YEAR END (\$000 OMITTED)									
	1 1993	2 1994	3 1995	4 1996	5 1997	6 1998	7 1999	8 2000	9 2001	10 2002
1. Prior										
2. 1993										
3. 1994	XXX									
4. 1995	XXX	XXX								
5. 1996	XXX	XXX								
6. 1997	XXX	XXX								
7. 1998	XXX	XXX								
8. 1999	XXX	XXX								
9. 2000	XXX	XXX								
10. 2001	XXX	XXX						XXX	XXX	
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P INTERROGATORIES**

1. What is the extended loss and expense reserve - direct and assumed - for the following classes? An example of an extended loss and expense reserve is the actuarial reserve for the free-tail coverage arising upon death, disability or retirement in most medical malpractice policies. Such a liability is to be reported here even if it was not reported elsewhere in Schedule P, but otherwise reported as a liability item on Page 3. Show the full reserve amount, not just the change during the current year.

Years in which premiums were earned and losses were incurred	1 Medical Malpractice	2 Other Liability	3 Products Liability
1.01 Prior			
1.02 1993			
1.03 1994			
1.04 1995			
1.05 1996			
1.06 1997			
1.07 1998			
1.08 1999			
1.09 2000			
1.10 2001			
1.11 2002			
1.12 TOTALS			

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1996. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? Yes (X) No ( )

3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement? Yes (X) No ( )

4. Do any lines in Schedule P include reserves which are reported gross of any discount to present value of future payments, but are reported net of such discounts on Page 10? Yes ( ) No (X)

If Yes, proper reporting must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.

Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.

Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.

5. What were the net premiums in force at the end of the year for:  
(In thousands of dollars)

5.1 Fidelity	\$	
5.2 Surety	\$	

6. Claim count information is reported (check one):  
If not the same in all years, explain in Interrogatory 7.

6.1 per claim	( )	
6.2 per claimant	(X)	

7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes which have occurred which must be considered when making such analyses? Yes ( ) No (X)

7.2 (An extended statement may be attached)

.....  
.....  
.....

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

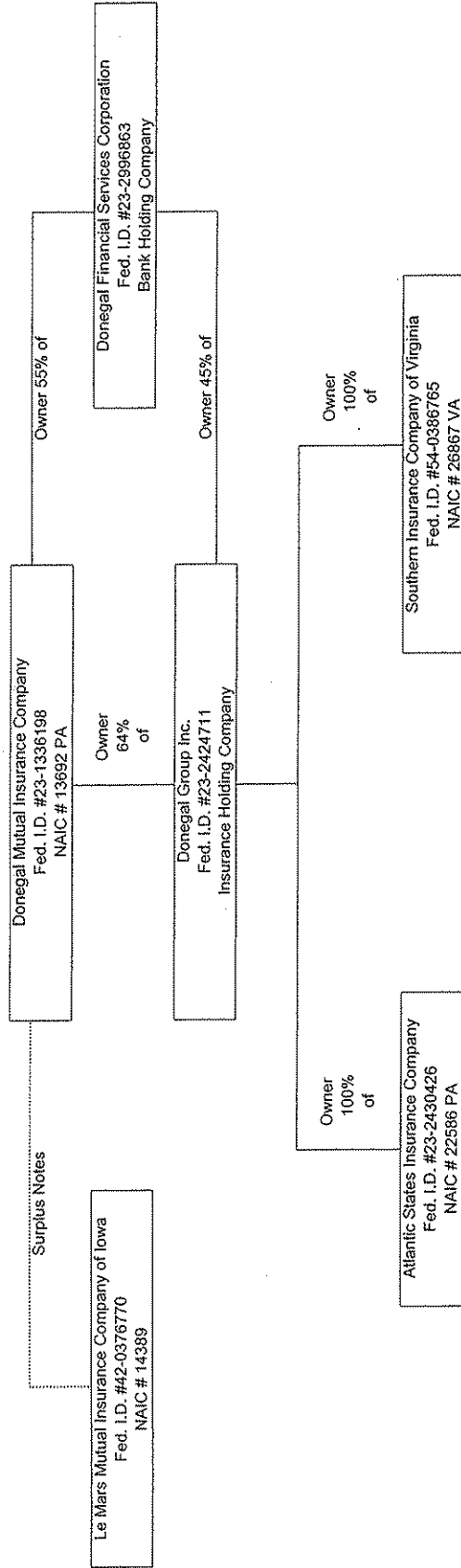
Allocated by States and Territories

States, Etc.	1	Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
			2	3						
1. Alabama	AL	No								
2. Alaska	AK	No								
3. Arizona	AZ	No								
4. Arkansas	AR	No								
5. California	CA	No								
6. Colorado	CO	No								
7. Connecticut	CT	No								
8. Delaware	DE	Yes	9,264,021	8,300,016	52,485	4,495,773	4,394,825	6,639,012	112,072	
9. Dist. Columbia	DC	No								
10. Florida	FL	No								
11. Georgia	GA	No								
12. Hawaii	HI	No								
13. Idaho	ID	No								
14. Illinois	IL	Yes								
15. Indiana	IN	Yes								
16. Iowa	IA	No								
17. Kansas	KS	No								
18. Kentucky	KY	No								
19. Louisiana	LA	No								
20. Maine	ME	No								
21. Maryland	MD	Yes	12,827,119	11,988,832	46,843	8,784,115	11,641,719	6,523,236	155,176	
22. Massachusetts	MA	No								
23. Michigan	MI	No								
24. Minnesota	MN	No								
25. Mississippi	MS	No								
26. Missouri	MO	No								
27. Montana	MT	No								
28. Nebraska	NE	No								
29. Nevada	NV	No								
30. New Hampshire	NH	No								
31. New Jersey	NJ	No								
32. New Mexico	NM	No								
33. New York	NY	Yes								
34. North Carolina	NC	Yes								
35. North Dakota	ND	No								
36. Ohio	OH	Yes	5,991,372	5,262,865		2,635,688	2,397,712	905,922	72,481	
37. Oklahoma	OK	No								
38. Oregon	OR	No								
39. Pennsylvania	PA	Yes	137,687,633	129,966,462	563,980	84,729,344	70,561,697	84,261,367	1,665,433	
40. Rhode Island	RI	No								
41. South Carolina	SC	No								
42. South Dakota	SD	No								
43. Tennessee	TN	Yes								
44. Texas	TX	No								
45. Utah	UT	No								
46. Vermont	VT	No								
47. Virginia	VA	Yes	3,097,434	2,973,133	192,293	2,862,259	3,170,263	2,686,650	37,471	
48. Washington	WA	No								
49. West Virginia	WV	No								
50. Wisconsin	WI	No								
51. Wyoming	WY	No								
52. American Samoa	AS	No								
53. Guam	GU	No								
54. Puerto Rico	PR	No								
55. U.S. Virgin Islands	VI	No								
56. Canada	CA	No								
57. Aggregate other alien	OT	XXX								
58. Totals	(a)	10	168,847,479	158,431,238	795,412	83,597,179	92,266,216	103,016,196	2,042,633	
DETAILS OF WRITE-INS										
5701	XXX									
5702	XXX									
5703	XXX									
5709. Summary of remaining write-ins for Line 57 from overflow page	XXX									
5709. Totals (Line 5701 through Line 5703 plus Line 5709) (Line 57 above)	XXX									
Explanation of basis of allocation of premiums by states, etc.										
location of risk										

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

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES  
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**



SCHEDULE Y (Continued)

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurer and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Receivable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
1382	72-1326188	DONEGAL MUTUAL INSURANCE COMPANY	2,229,382	(4,000,000)			2,832,887	(9,111,745)			(9,049,455)	(19,629,465)
0000	72-4204111	DONEGAL GROUP INC.	8,170,868								8,170,868	
2286	72-439426	ATLANTIC STATES INSURANCE COMPANY	(7,400,000)								(7,400,000)	
2887	54-6392765	SOUTHERN INSURANCE COMPANY OF VIRGINIA	(3,000,000)				(2,832,887)	9,111,745			2,278,858	19,629,465
1438	42-6376770	LE MARS MUTUAL INSURANCE COMPANY OF IOWA		4,000,000							4,000,000	
888888		CONTROL TOTALS										

If the nature of the transactions reported in Part 2 requires explanation, report such in the following explanatory note:

.....  
 .....  
 .....

**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

RESPONSE

1. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed by March 1?

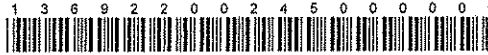
No

EXPLANATION:

.....  
.....

BARCODE:

Document Identifier 450:



2. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?

No

EXPLANATION:

.....  
.....

BARCODE:

Document Identifier 420:



3. Will the Financial Guaranty Insurance Exhibit be filed by March 1?

No

EXPLANATION:

.....  
.....

BARCODE:

Document Identifier 240:



4. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?

No

EXPLANATION:

.....  
.....

BARCODE:

Document Identifier 360:



5. Will an actuarial opinion be filed by March 1?

Yes

EXPLANATION:

.....  
.....

BARCODE:

Document Identifier 440:

6. Will the SVO Compliance Certification be filed by March 1?

Yes

EXPLANATION:

.....  
.....

BARCODE:

Document Identifier 470:

7. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?

No

EXPLANATION:

.....  
.....

BARCODE:

Document Identifier 490:



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

RESPONSE

8. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?

Yes

EXPLANATION:

BARCODE:

Document Identifier 450:

9. Will the Risk-based Capital Report be filed with the NAIC by March 1?

Yes

EXPLANATION:

BARCODE:

Document Identifier 390:

10. Will the Risk-based Capital Report be filed with the state of domicile, if required, by March 1?

Yes

EXPLANATION:

BARCODE:

Document Identifier 390:

11. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?

No

EXPLANATION:

BARCODE:

Document Identifier 385:



APRIL FILING

12. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?

Yes

EXPLANATION:

BARCODE:

Document Identifier 270:

13. Will Management's Discussion and Analysis be filed by April 1?

Yes

EXPLANATION:

BARCODE:

Document Identifier 350:

14. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?

No

EXPLANATION:

BARCODE:

Document Identifier 230:





**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

RESPONSE

15. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?

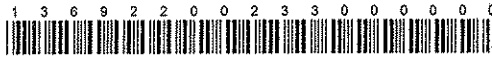
No

EXPLANATION:

.....

BARCODE:

Document Identifier 330:



16. Will the Accident and Health Policy Experience Exhibit be filed by April 1?

No

EXPLANATION:

.....

BARCODE:

Document Identifier 210:



17. Will the Investment Risks Interrogatories be filed by April 1?

Yes

EXPLANATION:

.....

BARCODE:

Document Identifier 285:

MAY FILING

18. Will this company be included in a combined annual statement which is filed with the NAIC by May 1?

Yes

EXPLANATION:

.....

BARCODE:

Document Identifier 201:

JUNE FILING

19. Will an audited financial report be filed by June 1?

Yes

EXPLANATION:

.....

BARCODE:

Document Identifier 220:

**SCHEDULE A - PART 1**

Showing all Real Estate Owned December 31 of Current Year

1 Description of Property	2 Location		3 City	4 Date Acquired	5 Date of Last Appraisal	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Fair Value Less Encumbrances	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Amounts Received During Year	13 Expended for Additions, Permanent Improvements and Changes in Encumbrances During Year	14 Gross Income Earned Less Interest Incurred on Encumbrances	15 Taxes, Repairs and Expenses Incurred
Properties occupied by the reporting entity - Administrative															
HOME OFFICE COMPLEX (BUILDING & LAND)				01/01/1983	05/30/2001	24,745,213		20,253,270	20,824,226	(533,316)			3,070,428	951,025	1,029,649
BARN & 75 ACRE TRACT OF LAND				09/11/1985	05/30/2001	65,276		65,276	4,250,000	(114,069)			31,824	11,000	4,844
TRAINING CENTER				12/31/1986	05/30/2001	4,398,529		3,948,640	3,270,000	(67,374)			3,104,250	969,358	35,101
0289589 - Properties occupied by the reporting entity - Administrative						29,279,120		24,367,186	25,517,226	(647,374)			3,104,250	969,358	1,069,594
0289589 - Total Properties occupied by the reporting entity						29,279,120		24,367,186	25,517,226	(647,374)			3,104,250	969,358	1,069,594
9999999 - TOTALS						29,279,120		24,367,186	25,517,226	(647,374)			3,104,250	969,358	1,069,594

**Page E02**

Schedule A, Pt. 2, Real Estate Acquired

**NONE**

**Page E03**

Schedule A, Pt. 3, Real Estate Sold

**NONE**

**SCHEDULE B - PART 1**

Showing all Mortgage Loans OWNED December 31 of Current Year

1 Loan Number	2 Location		3 State	4 Loan Type	5 Date Appraised	6 Rate of Interest	7 Book Value/Recomputed Investment Excluding Accrued Interest	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Value of Land and Buildings	11 Date of Last Appraisal or Valuation
	City	County									
59	Mechanicstown	PA	PA		04/04/1986	10.500	55,555			100,000	
141	Marietta	PA	PA		12/17/1984	9.000	29,200			255,000	
147	Johnstown	PA	PA		02/07/1982	8.250	6,700			170,000	
168	White Stone	VA	VA		04/07/1982	8.750	8,700			12,000	
187	Marietta	PA	PA		02/15/1985	8.000	2,575			12,000	
190	Elizabethtown	PA	PA		03/08/1985	8.000	4,700			15,400	
203	Mountville	PA	PA		09/27/1983	7.000	102,634			207,000	
205	Urbanna	VA	VA		10/25/1983	7.000	116,923			158,000	
207	McLusk	VA	VA		10/21/1983	7.000	45,974			17,400	
208	Hartfield	VA	VA		10/18/1983	7.000	80,270			160,000	
209	Westminster	MD	MD		11/12/1983	7.000	98,553			191,000	
210	King William	VA	VA		10/27/1983	7.000	43,865			191,000	
216	Manheim	PA	PA		10/11/1983	6.750	21,656			145,500	
221	Wrightsville	PA	PA		10/07/1983	6.750	9,939			82,000	
223	Mount Joy	PA	PA		10/07/1983	6.750	24,081			73,500	
224	Lancaster	PA	PA		10/20/1983	6.750	31,076			93,400	
233	Poling Springs	PA	PA		11/29/1983	6.750	33,076			199,700	
235	Lehigh	PA	PA		11/29/1983	6.750	12,889			185,000	
236	Camp Hill	PA	PA		11/29/1983	6.750	19,795			122,000	
237	Lordsburg	PA	PA		11/29/1983	6.750	25,429			150,000	
249	Columbia	PA	PA		12/13/1983	6.750	30,420			98,000	
250	Camp Hill	PA	PA		02/08/1984	6.750	40,519			122,000	
251	Columbia	PA	PA		02/24/1984	6.750	67,683			174,000	
252	Mechanicsville	VA	VA		10/31/1984	7.500	63,769			135,000	
253	Manheim	PA	PA		12/29/1984	6.750	126,898			188,000	
258	McLouthan	VA	VA		05/30/1985	8.000	100,387			195,000	
270	Elizabethtown	PA	PA		03/29/1986	7.500	62,119			125,000	
281	Elizabethtown	PA	PA		04/10/1986	7.500	163,510			227,900	
282	Columbia	PA	PA		04/14/1987	7.250	47,784			184,400	
287	Annyville	PA	PA		03/07/1987	7.500	54,527			113,000	
297	York	PA	PA		04/02/1988	6.750	59,110			101,000	
300	Lancaster	PA	PA		05/15/1988	6.750	83,884			208,000	
303	Columbia	PA	PA		05/15/1988	6.750	104,880			270,000	
304	Holtwood	PA	PA		07/21/1988	6.500	59,571			125,700	
306	Mount Joy	PA	PA		07/21/1988	6.750	62,674			91,000	
308	Mount Joy	PA	PA		09/30/1988	6.750	51,468			101,000	
310	Lancaster	PA	PA		10/08/1988	6.750	55,169			135,000	
313	Bainbridge	PA	PA		02/25/1989	6.750	88,827			171,000	
315	Elizabethtown	PA	PA		01/18/1989	6.750	88,827			171,000	
317	Columbia	PA	PA		01/18/1989	6.500	40,850			107,000	
319	Mount Joy	PA	PA		03/28/1989	6.500	62,225			200,000	

General Interrogatory:  
 1. Mortgages in good standing \$ ..... unpaid taxes \$ ..... interest due and unpaid.  
 2. Restructured mortgages \$ ..... unpaid taxes \$ ..... interest due and unpaid.  
 3. Mortgages with overdue interest over 90 days not in process of foreclosure \$ ..... unpaid taxes \$ ..... interest due and unpaid.  
 4. Mortgages in process of foreclosure \$ ..... unpaid taxes \$ ..... interest due and unpaid.

(continues)

SCHEDULE B - PART 1

Showing all Mortgage Loans OWNED December 31 of Current Year

1 Loan Number	2 Location		4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Book Value/Recorded Investment Excluding Accrued Interest	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Value of Land and Buildings	11 Date of Last Appraisal or Valuation
	City	State								
Mortgages in good standing - Mortgages in good standing not shown on lines 0195859 through 0269592 (continued)										
320	LANCASTER	PA		04/13/1999	6.500	105,275			162,000	
321	ELIZABETHTOWN	PA		04/26/1999	6.875	72,298			115,200	
322	WRIGHTSVILLE	PA		05/04/1999	6.500	35,339			65,200	
323	GLOUCESTER	VA		05/11/1999	6.500	91,900			170,000	
324	YORK	VA		06/15/1999	6.500	79,802			161,000	
325	YORK	VA		06/25/1999	6.875	232,584			375,000	
326	CHERTERVILLE	VA		07/15/1999	6.875	181,167			245,000	
327	MIDDLEBURY	VA		08/27/1999	6.875	169,169			217,500	
328	RICHMOND	VA		08/27/1999	6.875	175,089			269,000	
329	ROCKS	PA		08/30/1999	6.500	111,457			181,500	
330	MOUNT JOY	PA	E	09/20/1999	6.500	59,620			94,000	
331	ELIZABETHTOWN	PA		11/05/1999	6.500	62,814			91,000	
332	MARIETTA	PA		12/15/1999	6.875	71,332			97,400	
333	MIDDLETOWN	PA		01/19/2000	6.750	90,254			115,700	
334	MIDDLEBURY	PA		02/09/2000	6.500	82,491			108,400	
335	MARLBOROUGH	PA		05/10/2000	6.750	75,114			115,500	
336	MAYTOWN	PA		06/19/2000	6.500	72,017			104,200	
337	STRASSBURG	PA	E	06/30/2000	6.500	95,842			141,500	
338	YORK	PA		07/10/2000	6.500	45,953			83,300	
339	COLUMBIA	PA		07/31/2000	6.500	85,201			131,000	
340	COLUMBIA	PA		08/24/2000	6.875	83,200			111,000	
341	YORK	PA		08/24/2000	6.750	214,615			280,000	
342	ELIZABETHTOWN	PA	E	08/29/2001	6.500	200,648			260,000	
343	CHESTERFIELD	PA		08/29/2001	6.500	160,379			200,000	
344	HARRISBURG	PA		09/25/2002	6.500	175,433			220,000	
345	HARRISBURG	PA		09/25/2002	6.500	179,489			220,000	
346	MELROTHAN	PA		09/11/2002	6.500	123,653			170,000	
347	MANHEIM	PA	E	09/17/2002	6.500	102,170			142,500	
348	MELROTHAN	PA		09/17/2002	6.500	134,813			180,000	
349	MELROTHAN	PA		09/17/2002	6.500	145,329			194,000	
350	COLUMBIA	PA		09/21/2002	6.500	54,000			117,000	
351	YORK	PA		11/14/2002	6.000					
352	GLEN ROCK	PA								
353	YORK	PA								
354	GLEN ROCK	PA								
355	HARRISBURG	PA								
						6,295,933			11,696,842	
0195859 - Mortgages in good standing - Mortgages in good standing not shown on lines 0195859 through 0269592						6,295,933			11,696,842	
0195859 - TOTAL Mortgages in good standing						6,295,933			11,696,842	
9999999 - TOTALS						6,295,933			11,696,842	

SCHEDULE B - PART 2

Showing all Mortgage Loans SOLD, transferred or paid in full during the Year

1 Loan Number	2 Location		4 Loan Type	5 Date Acquired	6 Book Value/Resold Investment Excluding Accrued Interest Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book Value/Resold Investment Excluding Accrued Interest at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	City	State										
Mortgages closed by repayment												
149	MATTOWNS	PA		02/18/1992	1,689			1,689	1,689			1,689
153	KILMARNOCK	VA		04/13/1992	62,698			62,698	62,698			62,698
178	MOUNT JOY	PA		10/20/1992	5,141			5,141	5,141			5,141
185	MOUNT JOY	PA		11/05/1992	16,760			16,760	16,760			16,760
192	LIVELY	PA		03/15/1993	38,085			38,085	38,085			38,085
199	LANCASTER	PA		05/28/1993	3,274			3,274	3,274			3,274
215	BAINBRIDGE	PA		06/27/1993	4,442			4,442	4,442			4,442
219	MATHEWS	VA		06/11/1993	14,793			14,793	14,793			14,793
226	ELIZABETHTOWN	PA		09/12/1993	5,926			5,926	5,926			5,926
240	MARIETTA	PA		12/14/1993	29,886			29,886	29,886			29,886
241	COLUMBIA	PA		12/17/1993	25,057			25,057	25,057			25,057
256	MIDDLETOWN	PA		10/01/1994	299,162			299,162	299,162			299,162
289	COLUMBIA	PA		11/03/1995	5,518			5,518	5,518			5,518
272	LANCASTER	PA		04/19/1996	85,922			85,922	85,922			85,922
275	COLLETTA	PA		02/24/1996	194,331			194,331	194,331			194,331
276	NEW FREEDOM	PA		05/14/1996	13,124			13,124	13,124			13,124
278	BEVERLY	MD		05/24/1996	11,245			11,245	11,245			11,245
284	COLUMBIA	PA		12/30/1996	10,625			10,625	10,625			10,625
286	ACQUINTILLE	PA		04/11/1997	45,274			45,274	45,274			45,274
288	UNION UNIVERSITY	PA		05/13/1997	98,267			98,267	98,267			98,267
291	ELIZABETHTOWN	PA		07/31/1997	102,317			102,317	102,317			102,317
296	COLUMBIA	PA		01/15/1998	275,522			275,522	275,522			275,522
299	HARRISBURG	PA		04/29/1998	62,430			62,430	62,430			62,430
301	MILLERSVILLE	PA		05/08/1998	89,487			89,487	89,487			89,487
305	COLUMBIA	PA		07/23/1998	238,593			238,593	238,593			238,593
309	GLEN ROCK	PA		07/23/1998	147,827			147,827	147,827			147,827
311	WRIGHTSVILLE	PA		11/17/1998	71,176			71,176	71,176			71,176
312	ANNVILLE	PA		01/06/1999	144,086			144,086	144,086			144,086
316	HERSHEY	PA		03/19/1999	99,166			99,166	99,166			99,166
321	ELIZABETHTOWN	PA		04/15/1999	151,368			151,368	151,368			151,368
327	HARRISBURG	PA		01/02/2001	186,639			186,639	186,639			186,639
339	MANHEIM	PA		06/30/2000	303,050			303,050	303,050			303,050
347	YORK	PA		12/17/2001	184,000			184,000	184,000			184,000
01/98/99 - Mortgages closed by repayment					3,280,163			3,280,163	3,280,163			3,280,163
99/98/99 - TOTALS					3,280,163			3,280,163	3,280,163			3,280,163

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets Owned December 31 of Current Year

1 Number of Units and Description	2 City		3 State	4 Name of Vendor	5 Date Acquired	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment
	Location									
Fixed or Variable Interest Rate Investments that have the Underlying Characteristics of Other Fixed Income Instruments										
LOAN RECEIVABLE - DGI MARKETING LLC	MARETTA		PA	DIRECT	01/01/1998	485,000		485,000		
069899 - Subtotal - Fixed or Variable Interest Rate Investments that have the Underlying Characteristics of Other Fixed Income Instruments						485,000		485,000		
Surplus Debentures, etc.										
AMERICAN MUTUAL REINSURANCE CO.	CHICAGO		IL	DIRECT	01/01/1994	519,884		519,884		
108889 - Subtotal - Surplus Debentures, etc.	EWMARS		IA	DIRECT	06/12/2002	4,000,000		4,000,000		
						4,519,884		4,519,884		
Collateral Loans										
COLLATERAL LOAN - CLEVENTS, FRANK & KLINE	BETHLEHEM		PA	DIRECT	05/07/1989	3,049		3,049		
COLLATERAL LOAN - SPANGLER, JAMES, INC.	BOWLESTOWN		PA	DIRECT	07/11/2000	75,854		75,854		
COLLATERAL LOAN - WATKINS INSURANCE AGENCY	STOWACK		PA	DIRECT	11/07/2000	315,000		315,000		
COLLATERAL LOAN - CALVIN LONES	CONARKE		NY	DIRECT	08/19/2001	15,000		15,000		
COLLATERAL LOAN - CSC INSURANCE GROUP	CONFIELD		OH	DIRECT	09/25/2001	100,000		100,000		
COLLATERAL LOAN - AMERICAN HERITAGE INS. GROUP	MONONGAHELA		PA	DIRECT	01/21/2001	75,000		75,000		
COLLATERAL LOAN - DUNCAN INSURANCE GROUP	CINCINNATI		OH	DIRECT	05/21/2002	15,000		15,000		
COLLATERAL LOAN - DUNCAN INSURANCE GROUP	NORTH HURTINGTON		PA	DIRECT	11/26/2002	55,000		55,000		
128889 - Subtotal - Collateral Loans						603,903		603,903		
999999 - TOTALS						5,688,887		5,688,887		

**SCHEDULE BA - PART 2**

Showing Other Long-Term Invested Assets Sold, transferred or paid in full during the Year

1 Number of Units and Description	2 City		3 State	4 Name of Purchaser or Nature of Disposition	5 Date Acquired	6 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book/Adjusted Carrying Value Less Encumbrances at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	Location												
Fixed or Variable Interest Rate Investments that have the Underlying Characteristics of Other Fixed Income Instruments													
LOAN RECEIVABLE - DSI MARKETING LLC	MARLBOROUGH		MA	DIRECT	01/01/1998	780,000			780,000	780,000			
Subtotal - Fixed or Variable Interest Rate Investments that have the Underlying Characteristics of Other Fixed Income Instruments						780,000			780,000	780,000			
Collateral Loans													
COLLATERAL LOAN - ARTHUR C. HALL, INC.	WEST CHESTER		PA	DIRECT	01/06/1997	4,292			4,292	4,292			
COLLATERAL LOAN - BERKLEY	BERKLEY		PA	DIRECT	05/07/1999	17,571			17,571	17,571			
COLLATERAL LOAN - WALSH INSURANCE AGENCY	HARRISTOWN		PA	DIRECT	09/15/1999	4,333			4,333	4,333			
COLLATERAL LOAN - BEANWATSON EVER INC.	DOWLESTOWN		PA	DIRECT	02/11/2000	14,147			14,147	14,147			
Subtotal - Collateral Loans						40,293			40,293	40,293			
9999999 - TOTALS						820,293			820,293	820,293			



SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		15	16	17	18	19	20	21
			4	5									14	15							
CUSIP Identification	Description	Rate of Interest	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued December 31 of Current Year on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest			
U.S. Governments - Issuer Obligations																					
US GOVERNMENT OBLIGATIONS																					
ISSUER OBLIGATIONS																					
912810-EW-4	U. S. TREASURY BONDS	6.000	FA	02/15/2026		516,118	500,000	115.000	575,000	517,578	11,333	30,000	(220)					01/15/1998		5.920	
912810-FC-3	U. S. TREASURY BONDS	5.500	FA	08/15/2028		1,561,848	1,500,000	108.000	1,620,000	1,366,228	31,167	82,500	(1,129)					03/20/1998		5.575	
912827-3E-0	U. S. TREASURY NOTES	6.125	FA	07/15/2007		512,250	500,000	115.000	575,000	522,422	11,890	30,925	(2,202)					01/08/1998		5.663	
912827-3Z-3	U. S. TREASURY NOTES	5.500	FA	07/28/2003		1,289,939	1,250,000	101.000	1,282,500	1,747,953	22,500	36,150	2,516					07/21/1998		5.622	
912827-4D-1	U. S. TREASURY NOTES	5.750	AD	04/30/2003		495,109	500,000	101.000	505,000	485,123	4,882	26,150	2,516					03/01/2000		6.400	
912827-LB-3	U. S. TREASURY NOTES	5.750	FA	08/15/2003		489,383	500,000	108.000	575,000	521,658	16,578	26,100	(1,894)					03/01/2000		6.386	
912827-UR-3	U. S. TREASURY NOTES	6.500	FA	08/15/2005		5,343,447	5,200,000	112.000	5,912,500	5,321,914	11,147	255,375	(161)					08/18/1999		6.103	
619599-9	U.S. Governments - Issuer Obligations					5,343,447	5,200,000		5,912,500	5,351,914	111,417	255,375	(161)								
638939-9	Subtotal - U.S. Governments					5,343,447	5,200,000		5,912,500	5,351,914	111,417	255,375	(161)								
States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
STATES, TERRITORIES, POSSESSIONS																					
ISSUER OBLIGATIONS																					
641438-6X-7	NEVADA STATE MUNI BANK BOND	6.750	JJ	07/01/2009		10,170	10,000	101.000	10,100	10,301	338	675	(20)					PE	07/14/1995	6.529	
118639-9	States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations					10,170	10,000		10,100	10,301	338	675	(20)								
178969-9	Subtotal - States, Territories and Possessions (Direct and Guaranteed)					10,170	10,000		10,100	10,301	338	675	(20)								
Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																					
SPECIAL REVENUE AND ASSESSMENTS																					
ISSUER OBLIGATIONS																					
18737-RC-1	COLORADO WATER RESOURCES & PWR	6.125	MS	09/01/2007		30,000	30,000	101.000	30,300	29,634	613	1,638	(140)					PE	06/25/1992	6.219	
49198-CF-9	KENTUCKY STATE UNIVERSITY REV.	6.250	MM	05/01/2004		503,628	500,000	103.000	515,000	497,840	5,208	31,250	(2,357)					PE	11/21/1991	5.754	
516045-VC-4	LANDSTAR CO. PA HOSP. AUTH. REV.	5.800	AO	04/01/2008	100.000	145,000	145,000	101.000	146,450	145,000	2,103	8,410						PE	03/13/1999	5.884	
789174-S-2	PA STATE TOM. JEFFERSON UNIV. REV.	6.625	FA	08/15/2009		275,954	275,000	102.000	279,500	281,052	5,631	14,500	(1,277)					PE	02/18/1998	5.844	
90658-CA-8	UNION COUNTY PA BUCKHILL UNIV	6.200	AO	04/01/2007		290,000	290,000	101.000	292,500	290,000	3,835	15,500						PE	07/02/1992	6.236	
79625-HR-8	SAN ANTONIO TX TEL & GAS REV	6.000	FA	02/01/2008		40,236	40,000	115.000	46,000	39,788	1,000	2,400	(39)					PE	08/18/1992	5.950	
3103MB-A3-1	FEDERAL HOME LOAN BANK BONDS	7.675	AO	04/01/2007	100.000	500,000	500,000	102.000	510,000	500,000	9,214	38,315						PE	01/04/2000	7.822	
3103MB-UL-5	FEDERAL HOME LOAN BANK NOTES	7.445	FA	08/15/2009		250,000	250,000	104.000	260,000	250,000	7,091	18,613						PE	08/15/2000	7.594	
31064C-ND-4	FARMER MAC LOCAL NOTES	6.870	UJ	01/15/2005		458,517	500,000	101.000	500,000	492,578	5,851	34,375	(1,468)					PE	02/08/2000	7.369	
31064C-RD-9	FARMER MAC NOTES	7.500	MM	05/01/2007	100.000	502,799	500,000	108.000	540,000	507,175	5,938	37,500	(1,300)					PE	08/14/2000	7.180	

(continues)

SCHEDULE D - PART 1

Showing all Long-Term Bonds Owned December 31 of Current Year

CUSIP Identification	Description	Interest		Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Interest		Increase (Decrease) by Adjustment	Amount of Interest Due and Accrued on Bonds in Current Year on Bonds in Default as Principal or Interest	Date Acquired	Effective Rate of Interest
		4	5									14	15				
312820XB-8	U.S. GOVERNMENT	6.50	Mtly	08/01/2036			389,075	395,173	104,000	370,000	353,710	1,929	21,790	(1,516)		07/27/2001	5.477
312820Z7-5	FANNIE MAE GOLD POOL #80786	5.00	Mtly	11/01/2037			1,027,013	898,578	104,000	1,001,000	1,001,000	4,161	21,790	(274)		10/25/2002	3.235
3137HK-C9-0	FANNIE MAE CX 253956	5.00	Mtly	11/01/2038			214,974	211,267	103,000	1,070,345	716,381	4,161	4,161	(62)		07/27/2001	5.749
3137HK-J6-6	FANNIE MAE POOL 254505	5.00	Mtly	11/01/2039			1,076,235	990,528	103,000	1,070,345	1,070,345	4,161	4,161	(62)		11/15/2002	4.922
362074MR-6	GMM A POOL #3589	11.00	Mtly	10/15/2010			1,618	1,618	114,000	1,618	1,618	73	4,076	(974)		01/07/1994	13.005
	STATE TOTAL						2,627,955	2,584,603		2,655,988	2,630,782	11,435	47,077	(3,173)			
	COUNTRY TOTAL - U.S.						2,627,955	2,584,603		2,655,988	2,630,782	11,435	47,077	(3,173)			
	Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities						2,627,955	2,584,603		2,655,988	2,630,782	11,435	47,077	(3,173)			
	Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						7,081,840	7,004,505		7,270,718	7,063,689	100,536	325,743	(1,627)			
319999	Subtotal - Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						7,081,840	7,004,505		7,270,718	7,063,689	100,536	325,743	(1,627)			
	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																
	INDUSTRIAL & MISCELLANEOUS																
063551-8C-9	AMERICAN GENERAL FINANCE CORP.	7.50	Fa	08/11/2010			497,430	500,000	118,000	590,000	495,880	14,583	37,500	242		08/14/2000	7.754
063551-AL-2	AMERITECH CAPITAL FUNDING CORP.	6.15	Jd	09/15/2008			498,285	500,000	118,000	590,000	498,738	14,719	30,750	121		02/10/1998	6.280
063524-8L-4	AMERITECH CAPITAL FUNDING CORP.	7.10	Jd	09/15/2007			593,564	1,000,000	107,000	1,070,000	990,300	3,158	71,000	1,202		06/17/2000	4.407
063534-8L-9	BANK ONE CORP. NOTES	7.825	Fa	09/01/2005			500,000	500,000	113,000	585,000	500,000	15,885	38,125			08/02/2000	7.713
063534-8L-2	CI GROUP HOLDINGS, INC. GLOBAL	7.825	Fa	09/01/2005			759,975	759,975	108,000	810,000	751,713	21,445	57,188	(324)		08/16/2000	7.552
345387-1K-2	FORD MOTOR CREDIT CORP. NOTES	7.500	Jd	09/15/2004			625,721	625,000	103,000	643,750	626,750	2,083	46,875	(451)		08/02/2000	7.444
370495-SU-8	FORD MOTOR CREDIT CORP. NOTES	7.800	Fa	09/01/2005			500,000	500,000	102,000	510,000	500,000	15,833	38,125			08/16/2000	7.444
441812-GK-4	HOUSEHOLD FINANCE CORP. GLOBAL NOTE	7.825	Jd	08/15/2004			502,169	500,000	102,000	525,000	505,270	1,694	38,125	(1,353)		08/16/2000	7.439
441812-GM-4	HOUSEHOLD FINANCE CORP. NOTES	8.000	Jd	07/15/2007			505,955	500,000	112,000	560,000	507,580	13,125	38,375	(1,084)		08/15/2000	7.705
591188-H7-4	HEBRILL LYNCH & CO. GLOBAL BONDS	8.000	Jd	07/15/2010			1,041,441	1,000,000	112,000	1,150,000	1,005,400	36,689	80,000	(417)		03/01/2000	8.077
694032-RE-2	PACIFIC BELL TELEPHONE NOTES	6.125	Fa	09/15/2008			498,333	500,000	100,000	580,000	498,333	11,589	30,000	142		07/17/1998	6.221
773863-4A-7	ROCKWELL INTERNATIONAL CORP. NOTES	6.150	Jd	09/15/2008			498,333	500,000	100,000	580,000	498,333	11,589	30,000	142		07/17/1998	6.221
782681-0C-4	ST. PAUL COMPANIES, INC. INTN	6.300	Fa	03/01/2003			98,425	100,000	100,000	98,425	98,425	1,178	14,100	453		01/30/1998	6.378
880069-AG-7	SINQUEHANNA BANKSHARES SENIOR NOTE	6.300	Fa	02/01/2013			248,319	250,000	100,000	278,000	248,319	2,625	5,300	1,915		01/29/1996	6.524
880069-AC-5	SINQUEHANNA BANKSHARES, INC.	6.650	Mn	11/01/2012			8,419,919	8,425,000	100,000	9,141,750	8,419,919	83,341	588,713	1,342		10/30/2002	6.219
	COUNTRY TOTAL - U.S.						8,419,919	8,425,000		9,141,750	8,419,919	83,341	588,713	1,342			
	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						8,419,919	8,425,000		9,141,750	8,419,919	83,341	588,713	1,342			
439899	Subtotal - Industrial and Miscellaneous (Unaffiliated)						8,419,919	8,425,000		9,141,750	8,419,919	83,341	588,713	1,342			

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Interest		4 Rate of	5 How Paid	6 Maturity Date	7 Option Date	8 Option Call Price	9 Book/ Adjusted Carrying Value	10 Par Value	11 Rate Used to Obtain Fair Value	12 Fair Value	13 Actual Cost	14 Amount Due and Accrued December 31 of Current Year on Bonds not in Default		15 Gross Amount Received During Year	16 Increase (Decrease) by Adjustment	17 Increase (Decrease) by Foreign Exchange Adjustment	18 Amount of Interest Due and Accrued December 31 Current Year on Bonds in Default as to Principal or Interest	19 NAIC Designation	20 Date Acquired	21 Effective Rate of Interest	
		14	15																				
5495999	Total Bonds - Subtotal - Issuer Obligations								18,227,410	18,125,000		19,379,109	18,234,264	384,255	1,162,429	(3,284)							
5999999	Total Bonds - Subtotal - Single Class Mortgage-Backed/Asset-Backed Securities								2,827,893	2,954,898		2,855,898	2,630,782	11,433	47,077	(3,173)							
6099999	TOTALS								20,855,375	20,889,898		22,035,098	20,865,046	395,890	1,210,505	(6,457)							



**SCHEDULE D - PART 2 - SECTION 1**

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Number of Shares	4 Par Value Per Share	5 Rate Per Share	6 Book/Adjusted Carrying Value	7 Rate Per Share Used to Obtain Fair Value	8 Fair Value	9 Actual Cost	11 Dividends		12 Increase (Decrease) by Adjustment	13 Increase (Decrease) by Foreign Exchange Adjustment	14 NAIC Designation	15 Date Acquired
									10 Declared but Unpaid	Amount Received During Year				
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)														
04276-69-6	INDUSTRIAL & MISCELLANEOUS - U.S.	6,000,000		8.500	51,000	8.500	51,000	150,000			(15,000)		6	10/28/1988
31900-98-3	ARMSTRONG WORLD IND. 7.45%	2,000,000		48.000	96,000	48.000	96,000	100,000		5,000	6,000		P1	03/23/1988
37842-78-6	FEDERAL HOME LOAN MTG. CORP.	10,000,000		25.000	250,000	25.000	250,000	250,000		18,335	6,000		2	09/26/2001
48140-28-5	GENERAL MOTORS 7.375%	5,000,000		25.150	125,750	25.150	125,750	125,000		9,844	(999)		P3	09/24/1989
74670-98-7	INTERNATIONAL PAPER CAPITAL 7.875%	5,000,000		26.000	130,000	26.000	130,000	125,000		10,000	5,200		P2	09/04/2001
81904-28-4	PUBLIC STORAGE INC. 8%	4,000,000		23.850	95,600	23.850	95,600	100,000		7,000	(3,400)		2	03/03/1988
81984-38-9	SEARS ROEBUCK ACCEPT. CORP. 6.95%	2,500,000		24.200	60,500	24.200	60,500	62,500		4,344	(1,123)		2	10/23/1988
	COUNTRY TOTAL - U.S.				810,150		810,150	917,500		4,699	(7,353)			
INDUSTRIAL & MISCELLANEOUS - CANADA														
55822-68-9	MAGNA INTERNATIONAL, INC. 8.875%	2,500,000		26.300	65,750	26.300	65,750	62,500		5,547	125		P2	09/21/1989
	COUNTRY TOTAL - CANADA				65,750		65,750	62,500		5,547	125			
638599 - Subtotal	Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)				875,900		875,900	975,000		4,699	(7,800)			
638998 - TOTAL	Preferred Stocks				5,619,321		5,619,321	5,851,675		19,465	410,289			

**SCHEDULE D - PART 2 - SECTION 2**

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Number of Shares	4 Book/Adjusted Carrying Value	5 Rate Per Share Used to Obtain Fair Value	6 Fair Value	7 Actual Cost	8 Dividends		10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 NAIC Designation (a)	13 Date Acquired
							Decided but Unpaid	Amount Received During Year				
Common Stocks - Public Utilities (Unaffiliated)												
71902E-00-9	PUBLIC UTILITIES - U.S.	163,000						16				01/01/2002
Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)												
883688-00-1	BANKS, TRUST AND INSURANCE COMPANIES - U	20,000,000	416,820	20.841	416,820	50,151		16,290	(188)			03/01/2002
90761F-00-1	SUSQUEHANNA BANKSHARES	74,850,880	1,242,939	16.650	1,242,939	1,272,632		42,924	84,093			05/18/2001
679589-00-6	UNION NATIONAL FINANCIAL CORP		1,659,759		1,659,759	1,331,783		59,124	83,913			
679589-00-6	COUNTRY TOTAL - U.S.		1,659,759		1,659,759	1,331,783		59,124	83,913			
Common Stocks - Industrial and Miscellaneous (Unaffiliated)												
45805E-00-9	INDUSTRIAL & MISCELLANEOUS (Unaffiliated)	9,791,000	316,372	32.550	316,372	262,750		900	83,921			04/01/1997
651638-00-6	INSURANCE SERVICES OFFICE, INC. S.	10,000,000	294,200	29.420	294,200	262,750		900	7,550			05/15/2002
689589-00-6	NEWMONT MINING CORP. HOLDING CO.		868,672		868,672	262,750		900	91,471			
689589-00-6	COUNTRY TOTAL - U.S.		868,672		868,672	262,750		900	91,471			
Common Stocks - Parent, Subsidiaries, and Affiliates												
000000-00-0	PARENTS, SUBSIDIARIES AND AFFILIATES - U	1,000,000	15,284	15.284	15,284	15,325			(41)			03/31/1997
010971-00-4	DARKE COUNTY INSURANCE AGENCY	1,100,100	3,381,716	3,074,250	3,381,716	3,116,000			(615)			12/14/2000
203011-10-4	DONEGAL FINANCIAL SERVICES	5,000,000	3,784	0.753	3,784	6,000			(1,228)			11/28/1995
257011-20-1	COMMONWEALTH INSURANCE SERVICES	4,031,911,689	46,366,987	11.500	46,366,987	21,689,712		1,683,641	4,396,215			11/15/2002
257011-30-0	DONEGAL GROUP, INC., CLASS A	1,852,068,000	21,289,012	11.500	21,289,012	9,711,281		3,293,292	2,652,016			02/15/2001
689589-00-6	DONEGAL GROUP, INC., CLASS B		71,065,763		71,065,763	35,539,321		2,229,382	6,350,000			
689589-00-6	COUNTRY TOTAL - U.S.		71,065,763		71,065,763	35,539,321		2,229,382	6,350,000			
709589-00-6	Common Stocks - Parent, Subsidiaries, and Affiliates		73,335,193		73,335,193	38,144,854		2,289,433	6,845,384			
719589-00-6	Preferred and Common Stocks		78,854,714		78,854,714	43,756,729	18,466	2,689,642	6,873,355			

(a) For all common stocks bearing the NAIC designation "U" provide the number of such issues \$ ..... the total \$ value (included in Column 6) of all such issues \$ .....

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks Acquired During Current Year

1	2	3	4	5	6	7	8
CUSIP Identification	Description	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions							
SPECIAL REVENUE AND ASSESSMENTS - U.S.							
	U.S. GOVERNMENT						
312620-27-5	FANNIE MAE GOLD POOL #90766	10/25/2002	SANDLER ONEILL		1,028,750	1,000,000.00	3,330
31382-27-5	FANNIE MAE NOTES	11/01/2002	MORGENTHAU & CO.		500,000	500,000.00	
31371KUB-6	FANNIE MAE POOL 24586	11/15/2002	WINING SPARKS		1,023,811	800,000.00	2,234
	STATE TOTAL				2,552,561	2,497,200.00	5,564
	COUNTRY TOTAL - U.S.				2,552,561	2,497,200.00	5,564
319599	Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions				2,552,561	2,497,200.00	5,564
Bonds - Industrial and Miscellaneous (Unaffiliated)							
889890-AC-5	INDUSTRIAL & MISCELLANEOUS - U.S.				248,615	250,000.00	
	SUSQUEHANNA BANKSHARES, INC.	10/30/2002	SANDLER ONEILL		248,615	250,000.00	
	COUNTRY TOTAL - U.S.				248,615	250,000.00	
655699	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				248,615	250,000.00	
899897	Subtotal - Bonds - Part 3				2,801,176	2,747,200.00	6,564
899899	Subtotal - Bonds				2,801,176	2,747,200.00	6,564
Common Stocks - Public Utilities (Unaffiliated)							
71902E-10-9	PUBLIC UTILITIES - U.S.			103,000			
	THE PHOENIX COMPANIES	01/01/2002	DIRECT				
	COUNTRY TOTAL - U.S.			103,000			
699899	Subtotal - Common Stocks - Public Utilities (Unaffiliated)						
Common Stocks - Industrial and Miscellaneous (Unaffiliated)							
85163A-10-6	INDUSTRIAL & MISCELLANEOUS - U.S.			10,000,000			
	NEWMONT MINING CORP. HOLDING CO.	05/16/2002	OPPENHEIMER & CO.		282,750		
	COUNTRY TOTAL - U.S.			10,000,000	282,750		
699899	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)				282,750		
Common Stocks - Parent, Subsidiaries, and Affiliates							
25781-20-1	PARENTS, SUBSIDIARIES AND AFFILIATES - U			198,821,961			
	DONEGAL GROUP INC., CLASS A	11/15/2002	DIRECT		2,094,988		
	COUNTRY TOTAL - U.S.			198,821,961	2,094,988		
699899	Subtotal - Common Stocks - Parent, Subsidiaries, and Affiliates				2,094,988		
709897	Subtotal - Common Stocks - Part 3				2,317,658		
709899	Subtotal - Common Stocks				2,317,658		
719599	Subtotal - Preferred and Common Stocks				2,317,658		
729999	TOTALS			5,118,834	5,118,834		6,568

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks Sold, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Per Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
<b>Bonds - U.S. Governments</b>															
US GOVERNMENT OBLIGATIONS - U.S.															
91287-35-9	U.S. TREASURY NOTES	12/31/2002	MATURED	500,000	500,000.00	500,000.00	503,894	500,000	(885)						
91287-54-6	U.S. TREASURY NOTES	01/31/2002	MATURED	500,000	500,000.00	500,000.00	497,658	500,000	163					26,125	
91287-60-1	U.S. TREASURY NOTES	04/30/2002	MATURED	300,000	300,000.00	300,000.00	297,588	300,000	434					15,538	
038998	COUNTRY TOTAL - U.S.			1,300,000	1,300,000.00	1,300,000.00	1,298,227	1,300,000	(349)					53,653	
	Subtotal - Bonds - U.S. Governments			1,300,000	1,300,000.00	1,300,000.00	1,298,227	1,300,000	(349)					53,653	
<b>Bonds - States, Territories and Possessions</b>															
STATES, TERRITORIES, POSSESSIONS - U.S.															
ILLINOIS															
452359-VA-5	ILLINOIS STATE UNLIMITED TAX G.O.	10/01/2002	CALLED	20,000	20,000.00	20,000.00	217,780	20,000	(629)			4,400	4,400	13,750	
452359-WA-9	ILLINOIS STATE UNLIMITED TAX G.O.	10/01/2002	CALLED	30,000	30,000.00	30,000.00	29,985	30,000	(85)			800	800	600	
	STATE TOTAL			28,000	28,000.00	28,000.00	247,455	290,000	(715)			5,000	5,000	15,025	
MARYLAND															
51491-PS-5	MARYLAND STATE G.O.	04/25/2002	CALLED	255,000	250,000.00	250,000.00	248,783	253,485	(716)			1,515	1,515	8,049	
	STATE TOTAL			255,000	250,000.00	250,000.00	248,783	253,485	(716)			1,515	1,515	8,049	
NEW JERSEY															
18946-3B-8	CLARK COUNTY NEWADA STREET IMP	04/01/2002	CALLED	252,500	250,000.00	250,000.00	247,968	251,152	(184)			1,348	1,348	7,750	
61458-8S-8	RENEGA STATE HIGH BOND BANK	07/01/2002	CALLED	242,400	240,000.00	240,000.00	241,724	242,400	(402)			1,348	1,348	16,200	
	STATE TOTAL			494,900	490,000.00	490,000.00	489,692	493,552	(585)			1,348	1,348	23,950	
NEW JERSEY STATE G.O.															
646038-VA-4	NEW JERSEY STATE G.O.	08/01/2002	CALLED	507,500	500,000.00	500,000.00	500,000	500,000				7,500	7,500	31,875	
	STATE TOTAL			507,500	500,000.00	500,000.00	500,000	500,000				7,500	7,500	31,875	
WASHINGTON															
939741-MP-6	WASHINGTON STATE REFINING G.O.	08/03/2002	CALLED	505,000	500,000.00	500,000.00	497,635	502,581	(328)			2,419	2,419	31,000	
	STATE TOTAL			505,000	500,000.00	500,000.00	497,635	502,581	(328)			2,419	2,419	31,000	
WISCONSIN															
917655-XH-0	WISCONSIN STATE G.O.	05/01/2002	CALLED	500,000	500,000.00	500,000.00	492,155	498,895	57			1,015	1,015	15,750	
	STATE TOTAL			500,000	500,000.00	500,000.00	492,155	498,895	57			1,015	1,015	15,750	
COUNTRY TOTAL - U.S.															
179999	Subtotal - Bonds - States, Territories and Possessions			2,517,400	2,490,000.00	2,490,000.00	2,481,759	2,498,802	(1,837)			16,788	16,788	126,249	
	Bonds - Political Subdivisions of States						2,481,759	2,498,802	(1,837)			16,788	16,788	126,249	
<b>POLITICAL SUBDIVISIONS - U.S.</b>															
ALASKA															
033160-TG-7	MUNICIPALITY OF ANCHORAGE ALASKA	08/01/2002	CALLED	250,000	250,000.00	250,000.00	249,430	249,922	14			78	78	15,313	
	STATE TOTAL			250,000	250,000.00	250,000.00	249,430	249,922	14			78	78	15,313	
ARIZONA															
716914-4H-6	PHOENIX ARIZONA ULT G.O.	07/09/2002	CALLED	255,000	250,000.00	250,000.00	257,805	251,720	(417)			3,280	3,280	15,508	
	STATE TOTAL			255,000	250,000.00	250,000.00	257,805	251,720	(417)			3,280	3,280	15,508	
FLORIDA															
114689-PZ-5	BROWARD CO FLA REFINING G.O.	01/07/2002	CALLED	255,000	250,000.00	250,000.00	246,778	253,576	(2)			1,424	1,424	7,750	
	STATE TOTAL			255,000	250,000.00	250,000.00	246,778	253,576	(2)			1,424	1,424	7,750	
MARYLAND															
940155-3K-8	WASHINGTON SUBURBAN SANITARY DIST.	01/07/2002	CALLED	510,000	500,000.00	500,000.00	495,805	506,672	(24)			3,328	3,328	16,275	
	STATE TOTAL			510,000	500,000.00	500,000.00	495,805	506,672	(24)			3,328	3,328	16,275	
BERKS COUNTY PA G.O.															
084939-CJ-5	BERKS COUNTY PA G.O.	11/18/2002	CALLED	255,000	250,000.00	250,000.00	246,125	252,610	(384)			2,390	2,390	15,875	
	STATE TOTAL			255,000	250,000.00	250,000.00	246,125	252,610	(384)			2,390	2,390	15,875	
TEXAS															
283497-AU-5	EL PASO COUNTY ULT G.O.	02/15/2002	CALLED	250,000	250,000.00	250,000.00	250,000	250,000				669	669	8,000	
141018-J7-7	HARRIS COUNTY TEXAS G.O.	06/03/2002	CALLED	500,000	500,000.00	500,000.00	499,880	499,351	75			669	669	20,833	
	STATE TOTAL			750,000	750,000.00	750,000.00	749,880	749,351	75			669	669	28,833	
	(continues)														



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks Sold, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Per Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increases (Decreases) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
Bonds - Political Subdivisions of States (continued)															
249989	COUNTRY TOTAL - U.S.				2,275,000	2,250,000.00	2,240,833	2,253,829	(78)			11,171	11,171	11,171	99,983
Bonds - Subtotal - Bonds - Political Subdivisions of States															
Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions															
SPECIAL REVENUE AND ASSESSMENTS - U.S.															
ARIZONA															
721632-DR-1	PIMA COUNTY AZ UN SCH DISTRICT	07/01/2002	CALLED	250,000	250,000.00	250,000.00	249,398	249,911	0			89	89	89	15,313
STATE TOTAL															
COLORADO															
189197-DY-3	FRONTIER WATER RESOURCES & PWR	09/03/2002	CALLED	171,700	170,000.00	167,924	170,000	170,000	(81)			1,700	1,700	1,700	10,413
STATE TOTAL															
FLORIDA															
342816-SC-8	FLORIDA STATE DIV OF BD FIN	07/01/2002	CALLED	252,500	250,000.00	247,575	251,248	251,248	(165)			1,252	1,252	1,252	15,625
STATE TOTAL															
ILLINOIS															
263515-9F-4	DUPAGE IL WATER COMMISSION	03/01/2002	CALLED	255,000	250,000.00	253,313	253,952	253,952	(114)			1,038	1,038	1,038	7,813
STATE TOTAL															
PENNSYLVANIA															
216598-FV-3	EASTERN LANCASTER CO PA SCH DIST	03/19/2002	CALLED	250,000	250,000.00	250,000.00	250,000	250,000				(200)	(200)	7,794	
514288-DJ-5	LANCASTER AREA PA SEWER AUTH REY	11/01/2002	CALLED	250,000	250,000.00	250,000.00	250,000	250,000				597	597	16,556	
789114-DJ-5	PA STATE TOM JEFFERSON UNIV. REY	09/15/2002	CALLED	550,000	550,000.00	550,000.00	550,000	550,000	(3,965)			2,519	2,519	34,781	
739436-AV-3	POCONO MOUNTAIN SCHOOL DISTRICT	04/01/2002	CALLED	331,500	325,000.00	325,000.00	325,000	325,000	35			2,519	2,519	15,375	
914895-DR-4	UNIVERSITY OF PITT PA HIGHER ED	06/03/2002	CALLED	178,500	175,000.00	175,000.00	175,000	175,000	(241)			1,364	1,364	10,456	
914895-EG-7	UNIVERSITY OF PITT PA HIGHER ED	06/13/2002	CALLED	2,045,500	2,025,000.00	2,025,000.00	2,025,000	2,025,000	(4,273)			4,260	4,260	5,823	
STATE TOTAL															
TEXAS															
796253-CC-4	SAN ANTONIO, TX ELECTRIC & GAS REY	02/01/2002	CALLED	166,050	165,000.00	164,622	165,714	165,714	(6)			336	336	3,150	
796253-RW-8	SAN ANTONIO TX EL & GAS REY	02/01/2002	CALLED	166,050	165,000.00	164,470	165,714	165,714	(6)			336	336	3,150	
STATE TOTAL															
UTAH															
458640-U4-5	INTERMOUNTAIN POWER AGENCY	07/08/2002	CALLED	255,000	250,000.00	246,993	252,756	252,756	(244)			2,244	2,244	15,610	
STATE TOTAL															
U.S. GOVERNMENT															
312820-ZG-9	FOIA 90674	12/16/2002	PRINCIPAL RECEIPT	599,461	599,461.00	520,308	599,461	599,461	(10,754)					18,107	
312820-ZF-5	FANNIE MAE GOLD POOL #67086	12/16/2002	PRINCIPAL RECEIPT	1,472	1,472.00	1,463	1,472	1,472	(41)					6	
312819-FZ-2	FREDDIE MAC MTN	09/19/2002	CALLED	500,000	500,000.00	500,000.00	500,000	500,000						31,000	
313309-EX-3	FEDERAL HOME LOAN BANK BONDS	06/04/2002	CALLED	500,000	500,000.00	500,000.00	500,000	500,000						31,000	
313309-EX-3	FEDERAL HOME LOAN BANK BONDS	07/05/2002	CALLED	500,000	500,000.00	500,000.00	500,000	500,000						31,000	
313309-EX-3	FEDERAL HOME LOAN BANK BONDS	08/09/2002	CALLED	500,000	500,000.00	500,000.00	500,000	500,000						31,000	
313309-EX-3	FEDERAL HOME LOAN BANK BONDS	08/09/2002	CALLED	500,000	500,000.00	500,000.00	500,000	500,000						31,000	
313309-EX-3	FEDERAL HOME LOAN BANK BONDS	08/29/2002	CALLED	500,000	500,000.00	500,000.00	500,000	500,000						31,000	
313309-EX-3	FEDERAL HOME LOAN BANK BONDS	09/12/2002	CALLED	500,000	500,000.00	500,000.00	500,000	500,000						31,000	
313309-EX-3	FEDERAL HOME LOAN BANK BONDS	09/12/2002	CALLED	500,000	500,000.00	500,000.00	500,000	500,000						31,000	
31371K-C2-0	FANNIE MAE MEDIUM TERM NOTES	07/26/2002	PRINCIPAL RECEIPT	25,529	25,529.00	22,112	25,529	25,529	(4,453)					20,500	
31371K-UB-5	FANNIE MAE POOL 254565	07/26/2002	PRINCIPAL RECEIPT	6,884	6,884.00	6,872	6,884	6,884	(18)					7,927	
362074-4H-6	G.N.M.A POOL 43590	07/16/2002	PRINCIPAL RECEIPT	611	611.00	572	611	611	27					35	
36214K-CW-9	G.N.M.A POOL 103165	01/16/2002	PAY DOWN	5,280	5,280.00	5,730	5,790	5,790	(510)					59	
STATE TOTAL															
COUNTRY TOTAL - U.S.															
319959 - Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions															
7,684,555															
7,877,855.00															
7,885,203															
7,877,716															
(21,143)															
6,940															
402,419															

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks Sold, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
	Bonds - Industrial and Miscellaneous (Unaffiliated)														
69283-DH-0	INGRISTEER BANK CORP. - U.S. NOTES	09/16/2002	MATURED		100,000	100,000.00	99,510	100,000	79					6,375	
459989	COUNTRY TOTAL - U.S.				100,000	100,000.00	99,510	100,000	79					6,375	
609987	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				13,877,655	13,787,855.00	13,866,531	13,840,148	(23,988)			36,908	36,908	688,650	
609989	Subtotal - Bonds				13,877,655	13,787,855.00	13,866,531	13,840,148	(23,988)			36,908	36,908	688,650	
	Preferred Stocks - Banks, Trust and Insurance Companies (Unaffiliated)														
020002-20-0	BANKS, TRUST AND INSURANCE COMPANIES - U.S.	02/19/2002	ALLSTATE CORP. 7.25% SR QUARTERLY	2,000,000	50,000		50,000	50,000	(400)						3,801
75306-10-1	PLACES TIME, INC.	08/09/2002	PLC CAPITAL TRUST 18.25% SER. B	2,500,000	62,500		62,500	62,500	(400)						4,225
072950-50-7	BVIA FRANZA INTL. 8%	07/01/2002	COUNTRY TOTAL - U.S.	2,900,000	62,500		62,500	62,500	(125)						7,625
629989	Subtotal - Preferred Stocks - Banks, Trust and Insurance Companies (Unaffiliated)				175,000		175,000	175,000	(525)						2,500
639989	Subtotal - Preferred Stocks - Part 4				175,000		175,000	175,000	(525)						10,326
639989	Subtotal - Preferred Stocks				175,000		175,000	175,000	(525)						10,326
	Common Stocks - Industrial and Miscellaneous (Unaffiliated)														
057014-10-8	INDUSTRIAL & MISCELLANEOUS - U.S.	02/19/2002	OFFENHEIMER & CO.	10,000,000	178,523		170,884	170,884	11,484			7,539	7,539		500
75306-10-1	PLACES TIME, INC.	08/09/2002	OFFENHEIMER & CO.	10,000,000	91,897		91,125	91,125	(17,491)			(20)	(20)		500
683899	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)				289,621		262,109	262,109	(6,491)			7,512	7,512		500
709987	Subtotal - Common Stocks - Part 4				289,621		262,109	262,109	(6,491)			7,512	7,512		500
709989	Subtotal - Common Stocks				289,621		262,109	262,109	(6,491)			7,512	7,512		500
719989	Subtotal - Preferred and Common Stocks				444,621		437,109	437,109	(7,065)			7,512	7,512		500
729989	TOTALS				14,321,676		14,243,640	14,277,267	(31,094)			44,419	44,419	688,650	10,836

**SCHEDULE D - PART 5**

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares of Stocks (Stocks)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE D - PART 6 - SECTION 1**

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 NAIC Company Code or Alien Insurer Identification Number	4 NAIC Valuation Method (See SVO Purposes and Procedures manual)	5 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	6 Total Amount of Such Intangible Assets	7 Book/Adjusted Carrying Value	8 Stock of Such Company Owned by Insurer on Statement Date	
							8 Number of Shares	9 % of Outstanding
<i>Common Stocks - Other Affiliates</i>								
000000-00-0	DARKE COUNTY INSURANCE AGENCY	00000	MV	No	15,284	15,284	1,000,000	100.000
816997-00-4	DONEGAL FINANCIAL SERVICES	00000	MV	No	3,381,716	3,381,716	1,100,000	55.000
203011-10-4	COMMONWEALTH INSURANCE SERVICES	00000	MV	No	3,764	3,764	5,000,000	100.000
257701-20-1	DONEGAL GROUP INC., CLASS A	02500	NW	No	46,368,987	46,368,987	4,031,912,000	65.000
257701-30-0	DONEGAL GROUP INC., CLASS B	02500	NW	No	21,299,012	21,299,012	1,852,088,000	62.000
1509999	Subtotal - Common Stocks - Other Affiliates				71,066,763	71,066,763		
1609999	Subtotal - Common Stocks				71,066,763	71,066,763		
1709999	TOTALS				71,066,763	71,066,763		

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$ 68,681,052
2. Total amount of intangible assets nonadmitted \$ .....

**SCHEDULE D - PART 6 - SECTION 2**

1 CUSIP Identification	2 Name of Lower-tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 6, Section 1	5 Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
<i>Common Stocks</i>					
000000-00-0	ATLANTIC STATES INSURANCE COMPANY	DONEGAL GROUP INC.	291,400,000	64,000	64.000
000000-00-0	SOUTHERN INSURANCE COMPANY OF VIRGINIA	DONEGAL GROUP INC.	1,165,800,000	64,000	64.000
0299999	Subtotal - Common Stocks				

**SCHEDULE DA - PART 1**

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Interest		7 Maturity Date	8 Book/Adjusted Carrying Value	9 Increase (Decrease) by Adjustment (a)	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Par Value	12 Actual Cost	13 Amount Due and Accrued Dec. 31 of Current Year on Bonds Not in Default		14 Gross Amount Received	15 Paid for Accrued Interest	16 NAIC Designation	17 Effective Rate of Interest	
				Rate of	How Paid							13	14					
	U.S. Government Issuer Obligations																	
802807457	U.S. GOVERNMENT SECURITIES FUND	12/31/2002	FIRST UNION BANK			01/01/2003	605,738			605,738	605,738		147					VAR.
0193999	U.S. Governments - Issuer Obligations						605,738			605,738	605,738		147					
0089999	Subtotal - U.S. Government Bonds						605,738			605,738	605,738		147					
	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																	
	INDUSTRIAL & MISCELLANEOUS																	
	ISSUER OBLIGATIONS																	
238E1A34	DAWLER CHRYSLER C/P	12/20/2002	DIRECT			01/03/2003	1,390,074			1,400,000	1,390,074		838					3.829
242ZK192	JOHN DEERE CAPITAL C/P	12/21/2002	DIRECT			01/09/2003	1,898,618			1,900,000	1,898,618		650					3.750
3953LAN4	G. E. CAPITAL CORP. C/P	12/21/2002	DIRECT			01/07/2003	2,498,007			2,500,000	2,498,007		384					2.750
39565AD1	G. E. CAPITAL SERVICES C/P	12/21/2002	DIRECT			01/13/2003	2,498,430			2,500,000	2,498,430		389					2.794
	COUNTRY TOTAL - U.S.						8,295,130			8,300,000	8,295,130		2,219					
3999999	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						8,295,130			8,300,000	8,295,130		2,219					
4599999	Subtotal - Industrial and Miscellaneous (Unaffiliated)						8,295,130			8,300,000	8,295,130		2,219					
5499999	Total Bonds - Subtotal - Issuer Obligations						8,900,868			8,905,738	8,900,868		2,566					
6099999	TOTAL - Bonds						8,900,868			8,905,738	8,900,868		2,566					
8999999	TOTALS						8,900,868			8,905,738	8,900,868		2,566					

(a) Includes \$ ..... other than accret of discount and amortization of premium.

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Sch. DB, Pt. A, Sn. 1, Financial Options Owned  
**NONE**

Sch. DB, Pt. A, Sn. 2, Financial Options Acquired  
**NONE**

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Sch. DB, Pt. A, Sn. 3, Financial Options Terminated  
**NONE**

Sch. DB, Pt. B, Sn. 1, Written and In-Force  
**NONE**

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Sch. DB, Pt. B, Sn. 2, Financial Options Written  
**NONE**

Sch. DB, Pt. B, Sn. 3, Financial Options Terminated  
**NONE**

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Sch. DB, Pt. C, Sn. 1, Collar, Swap and Forwards Open  
**NONE**

Sch. DB, Pt. C, Sn. 2, Collar, Swap and Forwards Opened  
**NONE**

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Sch. DB, Pt. C, Sn. 3, Collar, Swap and Forwards Terminated  
**NONE**

Sch. DB, Pt. D, Sn. 1, Futures and Ins Futures Contracts Open  
**NONE**

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Sch. DB, Pt. D, Sn. 2, Futures Contracts Opened Current Year  
**NONE**

Sch. DB, Pt. D, Sn. 3, Futures Contracts Terminated Current Year  
**NONE**

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Sch. DB, Pt. E, Sn. 1, Counterparty Exposure Derivative Instr.  
**NONE**

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE DM**

For bonds and preferred stocks owned as of December 31, state the aggregate statement (admitted) value, the aggregate fair value, and the aggregate difference, if any, between them.

	1 Statement (Admitted) Value	2 Fair Value (a)	3 Excess of Statement over Fair Value (-), or Fair Value over Statement(+)
1. Bonds .....	29,756,243	30,935,936	1,179,693
2. Preferred Stocks .....	5,619,521	5,619,521	
3. Totals .....	35,375,764	36,555,457	1,179,693

(a) Amortized or book values shall not be substituted for fair values. Describe the sources or methods utilized in determining the fair values.

NAIC VALUATION OF SECURITIES

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE DONEGAL MUTUAL INSURANCE COMPANY

**SCHEDULE E - PART 1 - CASH**

1		2	3	4	5	6
Depository		Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
Name	Location and Supplemental Information					
<b>Open Depositories</b>						
ALLFIRST BANK	HARRISBURG, PA	VARIOUS	16,735		1,087,680	
FARMERS FIRST BANK	LITIZ, PA	VARIOUS	11,778		(11,518)	
MELLON BANK	PITTSBURGH, PA				(10,945,792)	
PROVINCE BANK	MARIETTA, PA	VARIOUS	24,309	2,431	5,484,022	
UNION NATIONAL BANK	MOUNT JOY, PA		7,058	1,256	100,000	
0199999 - TOTAL - Open Depositories		2.170	59,880	3,687	(4,275,608)	
0399999 - TOTAL Cash on Deposit			59,880	3,687	(4,275,608)	
0499999 - Cash in Company's Office					150	
0599999 - TOTAL Cash			59,880	3,687	(4,275,458)	

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	(6,020,720)	4. April	(6,910,719)	7. July	(8,551,906)	10. October	(6,889,548)
2. February	(7,254,401)	5. May	(10,530,219)	8. August	(4,623,670)	11. November	(5,093,429)
3. March	(9,306,845)	6. June	(7,703,674)	9. September	(3,691,507)	12. December	(4,275,458)



SCHEDULE E - PART 2 - SPECIAL DEPOSITS

1 Line Number	2 Type	3 Description of Deposit	4 Where Deposited and Purpose of Deposit	5 Par or Book Value	6 Statement Value (e)	7 Fair Value
Delaware						
DE0001 B	U. S. TREASURY NOTE, 5.5% DUE 2/28/03	DELAWARE INSURANCE DEPARTMENT - BENEFIT OF DE POLICYHOLDERS		100,000	99,393	101,000
DE38999 - Delaware				100,000	99,393	101,000
North Carolina						
NC0001 B	U. S. TREASURY NOTE, 5.5% 2/28/03	NORTH CAROLINA INSURANCE DEPARTMENT - BENEFIT OF NC POLICYHOLDERS		650,000	649,353	656,500
NC38999 - North Carolina				650,000	649,353	656,500
Virginia						
VA0001 B	U. S. TREASURY NOTE, 6.5% 8/15/05	VIRGINIA BUREAU OF INSURANCE - BENEFIT OF VA POLICYHOLDERS		300,000	303,498	306,000
VA38999 - Virginia				300,000	303,498	306,000
XC38999 - Subtotal - Special Deposits NOT held for the benefit of all Policyholders, Claimants, and Creditors of the Company				1,050,000	1,053,444	1,083,500
Special Deposits held for the benefit of all Policyholders, Claimants, and Creditors of the Company						
Z00001 B	U. S. TREASURY NOTE, 5.5% 2/28/03	PENNSYLVANIA INSURANCE DEPARTMENT - BENEFIT OF ALL POLICYHOLDERS		500,000	499,864	506,000
Z00002 B	U. S. TREASURY NOTE, 5.75% 8/15/03	PENNSYLVANIA INSURANCE DEPARTMENT - BENEFIT OF ALL POLICYHOLDERS		500,000	498,383	515,000
Z00003 B	U. S. TREASURY NOTE, 5.75% 4/30/03	PENNSYLVANIA INSURANCE DEPARTMENT - BENEFIT OF ALL POLICYHOLDERS		500,000	499,108	506,000
Z038999 - Subtotal - Special Deposits held for the benefit of all Policyholders, Claimants, and Creditors of the Company				1,500,000	1,497,455	1,527,000
9688899 - TOTALS				2,550,000	2,550,689	2,616,500

(e) Including \$..... cash and short-term investments as defined in SSAP No. 2 of the NMC Accounting Practices and Procedures Manual.