

Personal Lines Agency Business Of Great American Insurance Company

Financial Statements (In thousands)

Statement of Assets (excluding Investments) and Liabilities to be Transferred

	Year Ended December 31,	
	2002	2001
Assets (excluding Investments) to be Transferred:		
Agents' balances	\$ 37,015	\$ 44,632
Deferred policy acquisition costs	11,152	24,538
Goodwill	4,954	4,954
Other assets	414	4,684
	<u>\$ 53,535</u>	<u>\$ 78,808</u>
Liabilities to be Transferred:		
Unpaid losses and loss adjustment expenses	\$ 125,623	\$ 115,885
Unearned premiums	47,978	80,941
Other liabilities	5,199	3,680
	<u>\$ 178,800</u>	<u>\$ 200,506</u>

Statement of Underwriting Gains and Losses

	Twelve Months Ended December 31,	
	2002	2001
Earned premiums	\$ 107,224	\$ 149,925
Losses and Expenses:		
Losses and loss adjustment expenses	91,064	121,811
Commissions and other underwriting expenses	26,189	42,819
Underwriting loss	<u>\$ (10,029)</u>	<u>\$ (14,705)</u>

Statement of Underwriting Cash Flows

	Twelve Months Ended December 31,	
	2002	2001
Premiums collected	\$ 81,878	\$ 154,113
Losses and loss adjustment expenses paid	(81,326)	(111,806)
Commissions and other underwriting expenses paid	(10,346)	(46,092)
Cash used by underwriting	<u>\$ (9,794)</u>	<u>\$ (3,785)</u>