

REPORT ON EXAMINATION
OF
OLD DOMINION INSURANCE COMPANY
JACKSONVILLE, FLORIDA

AS OF
DECEMBER 31, 2002

BY THE
OFFICE OF INSURANCE REGULATION

TABLE OF CONTENTS

LETTER OF TRANSMITTAL	-
SCOPE OF EXAMINATION	1
Status of Adverse Findings from Prior Examination	2
HISTORY	4
General	4
Capital Stock	6
Profitability of Company	6
Dividends to Stockholders	7
Management	7
Conflict of Interest Procedure	9
Corporate Records	9
Acquisitions, Mergers, Disposals, Dissolutions, and Purchase or Sales Through Reinsurance	9
Surplus Debentures	9
AFFILIATED COMPANIES	10
Tax Allocation Agreement	10
Cost Sharing and Management Agreement	10
ORGANIZATIONAL CHART	11
FIDELITY BOND AND OTHER INSURANCE	11
FIDELITY BOND AND OTHER INSURANCE	12
PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS	12
STATUTORY DEPOSITS	12
INSURANCE PRODUCTS AND RELATED PRACTICES	13
Territory and Plan of Operation	13
Treatment of Policyholders	13

REINSURANCE	13
Assumed	14
Ceded	14
ACCOUNTS AND RECORDS	14
Custodial Agreement	15
Independent Auditor Agreement	15
Risk-Based Capital	15
FINANCIAL STATEMENTS PER EXAMINATION	16
Assets	17
Liabilities, Surplus and Other Funds	18
Statement of Income	19
COMMENTS ON FINANCIAL STATEMENTS	20
COMPARATIVE ANALYSIS OF CHANGES IN SURPLUS	21
SUMMARY OF FINDINGS	22
CONCLUSION	25

Tallahassee, Florida

October 24, 2003

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Dear Sirs:

Pursuant to your instructions, in compliance with Section 624.316, FS, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners, we have conducted an examination as of December 31, 2002, of the financial condition and corporate affairs of:

**OLD DOMINION INSURANCE COMPANY
9428 BAYMEADOWS ROAD
JACKSONVILLE, FLORIDA 32256**

Hereinafter referred to as the "Company". Such report of examination is herewith respectfully submitted.

SCOPE OF EXAMINATION

This examination covered the period of January 1, 2000 through December 31, 2002. The Company was last examined by representatives of the Florida Office of Insurance Regulation (Office) as of December 31, 1999. This examination commenced with planning at the Office on June 2, 2003, to June 6, 2003. The fieldwork commenced on June 9, 2003 and was concluded as of November 12, 2003. The examination included any material transactions and/or events occurring subsequent to the examination date and noted during the course of the examination.

This financial examination was an association zone statutory financial examination conducted in accordance with the Financial Examiners Handbook, Accounting Practices and Procedures Manual and annual statement instructions promulgated by the National Association of Insurance Commissioners (NAIC) as adopted by Rules 4-137.001(4) and 4-138.001, Florida Administrative Code (FAC), with due regard to the statutory requirements of the insurance laws and rules of the State of Florida.

In this examination, emphasis was directed to the quality, value and integrity of the statement assets and the determination of liabilities, as those balances affect the financial solvency of the Company.

The examination included a review of the corporate records and other selected records deemed pertinent to the Company's operations and practices. In addition, the NAIC IRIS ratio report, the A.M. Best Report, the Company's independent audit reports and certain work papers prepared by the Company's independent certified public accountant were reviewed and utilized where applicable within the scope of this examination.

We valued and/or verified the amounts of the Company's assets and liabilities as reported by the Company in its annual statement as of December 31, 2002. Transactions subsequent to year-end 2002 were reviewed where relevant and deemed significant to the Company's financial condition.

This report of examination is confined to financial statements and comments on matters that involve departures from laws, regulations or rules, or which are deemed to require special explanation or description.

The Company's CPAs performed a consolidated statutory basis audit on National Grange Mutual Insurance Company and Insurance Subsidiaries, and since the Company is just a small part of the consolidated group, not much of their work was considered applicable to the Company.

Status of Adverse Findings from Prior Examination

The following is a summary of significant adverse findings contained in the Office's prior examination report as of December 31, 1999, along with any resulting action taken by the Company in connection therewith.

Corporate Records

The Company was directed to maintain its aged receivables listing in a manner conducive to calculating the receivables to be nonadmitted.

Resolution: The Company was still unable to maintain the aging of receivables.

The Company's accounting records were not maintained according to Section 607.1601(2), Florida Statutes (FS). The Company did not report on a timely and accurate basis to the Florida Hurricane Catastrophe Fund (FHCF) as required by Section 215.555(5)(c), FS.

Resolution: The Company continued to not report in a timely and accurately manner to the FHCF.

The Company did not maintain all of its corporate records in the State of Florida as required by Section 628.271(1) and (3), FS.

Resolution: The Company relocated the corporate records to the Jacksonville, FL office and provided on-line access to the general ledger from the Jacksonville office.

Short Term Investments

The Company was directed to correctly report the amounts in the bank accounts.

Resolution: The Company correctly reported such in the annual statement as of December 31, 2002.

Custody Agreements

The Company was directed to amend or enter into new custody agreements with financial institutions holding its securities that meet the requirements of the State of Florida.

Resolution: The Company has a new custody agreement with State Street Bank that complies with the requirements of the State of Florida.

Corporate Resolutions and Signature Cards

The Company was directed to have corporate resolutions and signature cards on file for all financial institutions with which the Company transacts business.

Resolution: The Company had proper corporate resolutions and signature cards on file for all financial institutions with which it did business.

HISTORY

General

The Company was incorporated in Florida on April 22, 1981 and commenced business on June 3, 1981 as Old Dominion Insurance Company.

In 1985, Innovative Resources Associates, Inc., (IRA) purchased all of the outstanding shares of the Company from Larry D. Barnette. In 1991, IRA changed its name to O.D.I.C. Holdings, Inc., a management company, whose outstanding shares were owned by Gary Vose (85 %) and Larry E. Haynes (15 %). In June of 1992, the Company was purchased by Green Tree Companies, Inc., (a holding company for The Mutual Assurance Company). In August of 1992, a Stock Purchase Agreement was executed by Green Tree Companies, Inc., whereby the Company's policyholder's surplus would be increased to at least \$ 10 million.

During January 1996, The Mutual Assurance Company merged into National Grange Mutual Insurance Company (NGM) with NGM continuing as the surviving company. As a result of this merger, the Company was transferred from The Mutual Assurance Company's holding company to NGM's holding company, Main Street America Financial Corporation (MSAFC). In March 1998, MSAFC exchanged all of the capital stock of the Company and other assets of Main Street America Holdings, Inc. (MSAHI) for newly issued shares of MSAHI. MSAHI was a holding company 50 percent owned by MSAFC and 50 percent owned by Fund American Enterprises Holdings, Inc.

In October 1999, a Share Transfer Endorsement took place, which transferred all of the shares of MSAHI held by Fund American Enterprises Holdings, Inc. to White Mountains Holdings (Barbados) SRL. White Mountains Holdings (Barbados) SRL is a wholly owned subsidiary of White Mountains Insurance Group, Inc., which was formerly Fund American Enterprises Holdings, Inc. White Mountains Insurance Group, Inc., subsequently reorganized and re-domesticated to Bermuda as White Mountains Insurance Group, LTD.

In May 2001, White Mountains Insurance Group, LTD acquired OneBeacon Insurance Company, also known as CGU Insurance Company, and transferred the 222,093 shares of Main Street America Holdings, Inc. held by its subsidiary, White Mountains Holdings (Barbados) SRL to OneBeacon Insurance Company.

The control of MSAHI and hence, the Company, remains with MSAFC by means of a tiebreaking vote authority until 2008.

In accordance with Section 624.401(1), FS, the Company was authorized to transact the following insurance coverage in Florida on December 31, 2002:

Fire	Private Passenger Auto Liability
Allied Lines	Commercial Automobile Liability
Farmowners Multi Peril	PPA Physical Damage
Homeowners Multi Peril	Commercial Auto Physical Damage
Commercial Multi Peril	Fidelity
Ocean Marine	Surety
Inland Marine	Glass
Earthquake	Burglary and Theft
Workers' Compensation	Mobile Home Multi Peril
Other Liability	

The Company has not written insurance coverage for five years in the lines of business of Ocean Marine, Commercial Auto Physical Damage, Glass and Mobile Home Multi Peril.

The Articles of Incorporation and the Bylaws were not amended during the period covered by this examination.

Capital Stock

As of December 31, 2002, the Company's capitalization was as follows:

Number of authorized common capital shares	2,500,000
Number of shares issued and outstanding	2,000,000
Total common capital stock	\$2,000,000
Par value per share	\$1.00

The control of the Company was maintained by its ultimate parent, NGM (a New Hampshire Company) which owns 100 percent of the stock of MSAFC, which in turn, owns 50 percent and has control of MSAHI, which owns 100 percent of the stock issued by the Company.

Profitability of Company

For the years 2000, 2001 and 2002, the Company's underwriting profit (loss) was (\$2,074,410), (\$512,535) and (\$1,008,792), while the overall profit (loss) was (\$998,497), \$1,246,155 and \$732,778, respectively. The Company was a member of a pooling agreement, hence its profitability was tied to the profitability of the pool. In 2002, the pool had several large, one time expenditures such as a Limited Assignment Distribution fee charge of \$20 million, an excess pension plan contribution of \$9.2 million and some adverse development on prior accident year losses. The Company indicated it did not expect these expenses to recur. The Company

stated its plans also called for rate increases and a strong marketing effort on its more profitable commercial lines of business.

Dividends to Stockholders

The Company did not declare or pay dividends to its stockholder during 2000, 2001 and 2002.

Management

The annual shareholder meeting for the election of directors was held in accordance with Sections 607.1601 and 628.231, FS. Directors serving as of December 31, 2002, were:

Directors

Name and Location	Principal Occupation
Philip D. Koerner Jacksonville, Florida	Chairman: ODIC Chairman, CEO & President: MSAFC, MSAHI, MSACC and MSAAC
Terry L. Baxter Lyme, New Hampshire	Director: Folksamerica Corp.
Cotton M. Cleveland New London, New Hampshire	President: Mather Associates
Albert H. Elfner, III Boston, Massachusetts	Retired
Charles A. Farmer Amherst, New Hampshire	Retired
William D. Gunter, Jr. Tallahassee, Florida	Chairman & CEO: Rogers, Atkins, Gunter & Assoc. Ins., Inc.
Terry S. Jacobs Covington, Kentucky	Chairman & CEO: Regent Communications, Inc.

James E. Morley, Jr.
Washington, District of Columbia

President: National Association of College
and University Business Officers

Barbara D. Stewart
Atlanta, Georgia

President: Stewart Economics, Inc.

Thomas M. Van Berkel
Jacksonville, Florida

President & COO:
National Grange Mutual Ins. Co
Officer: Other MSA Group Companies

The Board of Directors appointed the following senior officers:

Senior Officers

Name	Title
Thomas M. Van Berkel	Chief Executive Officer
Bill Shirkey	President
John C. Schwartz	Vice President Marketing
Philip M. Golden	Assistant Vice President
William C. McKenna	Assistant Vice President & Secretary
Edward J. Kuhl	Treasurer & Controller

The Company's Board appointed several internal committees in accordance with Section 607.0825, FS. The following were the principal internal board committees and members as of December 31, 2002:

Executive Committee

Philip D. Koerner¹
Cotton M. Cleveland
Charles A. Farmer
Terry S. Jacobs
Barbara D. Stewart

Audit Committee

James E. Morley, Jr.¹
Albert H. Elfner, III
William D. Gunter, Jr.
Barbara D. Stewart

Finance Committee

Philip D. Koerner¹
Albert H. Elfner, III
Charles A. Farmer
Terry S. Jacobs
Barbara Stewart

¹ Chairman

The Company did maintain an audit committee, as required by Section 624.424(8), FS.

Conflict of Interest Procedure

The Company had adopted a policy statement requiring annual disclosure of conflicts of interest, in accordance with Section 607.0832, FS. No exceptions were noted during this examination period.

Corporate Records

The recorded minutes of the shareholder, Board of Directors, Executive and Finance Committee meetings were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions in accordance with Section 607.1601, FS, including the authorization of investments as required by Section 625.304, FS.

Documentation did not exist in the minutes that the Company's directors reviewed the previous examination report.

Acquisitions, Mergers, Disposals, Dissolutions, and Purchase or Sales Through Reinsurance

There were no acquisitions, mergers, disposals, dissolutions, and purchase or sales through reinsurance during the period under examination.

Surplus Debentures

The Company had no surplus debentures.

AFFILIATED COMPANIES

The Company was a member of an insurance holding company system as defined by Rule 4-143.045(3), FAC. The latest holding company registration statement was filed with the State of Florida on April 24, 2003 as required by Section 628.801, FS, and Rule 4-143.046, FAC.

The following agreements were in force between the Company and its affiliates:

Tax Allocation Agreement

The Company's federal income tax return was consolidated with Main Street America Holdings Corporation, Main Street America Assurance Company and Main Street America Capital Corporation. The method of allocation between the companies was subject to a written agreement dated March 30, 1998 and approved by the Board of Directors. Allocation was based upon separate return calculations with the current credit for net losses recoverable on a consolidated basis.

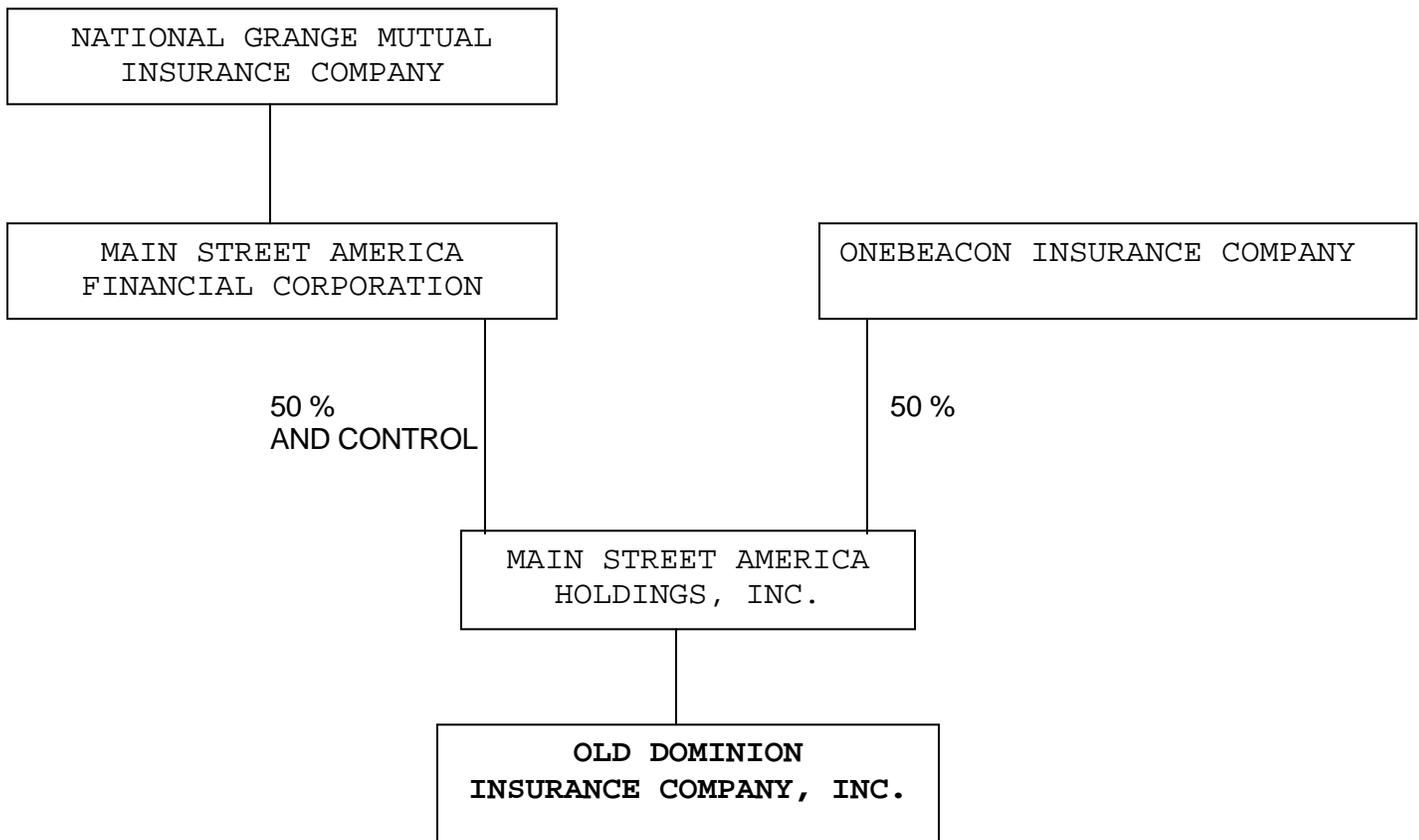
Cost Sharing and Management Agreement

Effective January 1, 1996, the Company entered into an intercompany expense allocation agreement with NGM to provide administrative and managerial services. NGM was to pay and account for direct costs of the Company. Indirect costs were allocated according to the NGM cost allocation procedures, based upon a uniform and reasonable basis for all affiliated companies. NGM furnished all affiliated companies with an accounting of costs and expenses paid by NGM on behalf of each affiliate in the agreement, on a quarterly basis.

A simplified organizational chart as of December 31, 2002, reflecting the holding company system, is shown below. Schedule Y of the Company's 2002 annual statement provided a list of all related companies of the holding company group.

**OLD DOMINION INSURANCE COMPANY
ORGANIZATIONAL CHART**

DECEMBER 31, 2002



FIDELITY BOND AND OTHER INSURANCE

NGM maintained fidelity bond coverage up to \$10,000,000 with a deductible of \$150,000, for itself and its subsidiaries, which adequately covered the suggested minimum amount of coverage for the combined companies as recommended by the NAIC. The Company carried other insurance coverage appropriate for the insurable risk.

PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS

The Company had no employees, no pension plans, stock ownership or insurance plans. All employees providing services for the Company were employees of the ultimate parent, NGM. The Company incurred pension costs and employee insurance costs as part of the expense allocation agreement.

STATUTORY DEPOSITS

The following securities were deposited with the State of Florida as required by Section 624.411, FS, and with various state officials as required or permitted by law:

State	Description	Par Value	Market Value
FL	USTBDS, 5.875%, 11/15/05	<u>\$ 1,050,000</u>	<u>\$ 1,164,513</u>
	TOTAL FLORIDA DEPOSITS	\$ 1,050,000	\$ 1,164,513
DE	USTBDS, 5.625%, 02/15/06	\$ 100,000	\$ 110,750
GA	USTBDS, 4.25%, 01/15/10	75,000	85,547
SC	USTBDS, 4.25%, 01/15/10	240,000	273,751
VA	USTBDS, 5.625%, 02/15/06	<u>600,000</u>	<u>664,500</u>
	TOTAL OTHER DEPOSITS	\$ 1,015,000	\$ 1,134,548
	Total Special Deposits	<u><u>\$2,065,000</u></u>	<u><u>\$2,299,061</u></u>

INSURANCE PRODUCTS AND RELATED PRACTICES

Territory and Plan of Operation

The Company was authorized to transact insurance in the following states, in accordance with Section 624.401(2), FS:

Delaware
Florida

Georgia
Maryland

South Carolina
Virginia

Treatment of Policyholders

The Company had established procedures for handling written complaints in accordance with Section 626.9541(1)(j), FS.

The Company maintained a claims procedure manual that included detailed procedures for handling each type of claim.

REINSURANCE

Effective January 1, 1998, the Company entered into a pooling agreement in which NGM was the lead company in an affiliated group of insurance companies. NGM had 40 percent of the pool, Main Street America Assurance Company had 55 percent and the Company had 5 percent. All lines of business were subject to the pooling agreement. Cessions to non-affiliated reinsurers occurred prior to the pool. Schedule F provisions were not shared by pool members; write-offs of uncollectible reinsurance were shared in accordance with each respective company pooling percentage. The reinsurance agreements reviewed were found to comply with NAIC standards

with respect to the standard insolvency clause, arbitration clause, transfer of risk, reporting and settlement information deadlines.

Assumed

The Company assumed 5 percent of the combined insurance business of the pool.

Ceded

The Company ceded 100 percent of its business to the pool.

The reinsurance contracts were reviewed by the Company's appointed actuary and were utilized in determining the ultimate loss opinion.

ACCOUNTS AND RECORDS

An independent CPA audited the consolidated statutory basis financial statements of NGM and their insurance subsidiaries annually for the years 2000, 2001 and 2002, in accordance with Section 624.424(8), FS. Supporting work papers were prepared by the CPA as required by Rule 4-137.002, FAC.

The Company's accounting records were maintained on a computerized system by NGM, in accordance with the intercompany expense allocation agreement, which provided for administrative services. The Company's general ledger was maintained on an accrual basis and the Company's balance sheet accounts were verified with the line items of the annual statement submitted to the Office.

The Company maintained its principal operational offices in Jacksonville, Florida. However, this examination was primarily conducted in Keene, NH, where the administrative personnel were located.

The Company was unable to age the agents' balances receivable and was unable to correctly calculate the receivables to be nonadmitted according to Rule 4-138.024, FAC. The Company entered billing dates in their system rather than policy effective dates. Based on a review of the independent CPA workpapers and subsequent receipts, it was determined by this examination that the agents' balances were not materially misstated.

The Company and non-affiliates had the following agreements:

Custodial Agreement

The Company had a Custody Agreement with State Street Bank and Trust Company.

Independent Auditor Agreement

The Company had an agreement with Ernst & Young LLP for an independent CPA audit.

Risk-Based Capital

The Company reported its risk-based capital at an adequate level.

FINANCIAL STATEMENTS PER EXAMINATION

The following pages contain financial statements showing the Company's financial position as of December 31, 2002, and the results of its operations for the year then ended as determined by this examination. Adjustments made as a result of the examination are noted in the section of this report captioned, "Comparative Analysis of Changes in Surplus."

**OLD DOMINION INSURANCE COMPANY
ASSETS**

DECEMBER 31, 2002

Classification	Per Company	Examination Adjustments	Per Examination
Bonds	\$37,063,825		\$37,063,825
Real Estate:			
Other properties	1,348,096		1,348,096
Cash:			
On deposit	6,267		6,267
Short-term investments	1,182,072		1,182,072
Receivable for securities	5,833		5,833
Agents' Balances:			
Uncollected premium	1,482,600		1,482,600
Deferred premium	6,167,349		6,167,349
Funds held by reinsurers	78,012		78,012
FIT recoverable	1,686,644		1,686,644
Guarantee funds receivable	22,242		22,242
Interest and dividend			
income due & accrued	411,633		411,633
Receivable from PSA	81,531		81,531
Equities and deposits			
in pools and associations	74,443		74,443
	<hr/>		
Totals	\$49,610,549	\$0	\$49,610,549
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**OLD DOMINION INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS**

DECEMBER 31, 2002

Liabilities	Per Company	Examination Adjustments	Per Examination
Losses	\$15,905,984		\$15,905,984
Loss adjustment expenses	1,755,155		1,755,155
Commissions payable	621,037		621,037
Other expenses	774,948		774,948
Taxes, licenses and fees	362,583		362,583
Unearned premium	14,426,966		14,426,966
Advanced premiums	200,290		200,290
Ceded reinsurance premiums payable	91,798		91,798
Drafts outstanding	850,416		850,416
Aggregate write-ins for liabilities	<u>310,595</u>		<u>310,595</u>
Total Liabilities	\$35,299,772		\$35,299,772
Common capital stock	2,000,000		2,000,000
Gross paid in and contributed surplus	33,577,677		33,577,677
Unassigned funds (surplus)	<u>(21,266,900)</u>		<u>(21,266,900)</u>
Surplus as regards policyholders	<u>\$14,310,777</u>		<u>\$14,310,777</u>
Total liabilities, capital and surplus	<u>\$49,610,549</u>	\$0	<u>\$49,610,549</u>

OLD DOMINION INSURANCE COMPANY, INC.
STATEMENT OF INCOME
DECEMBER 31, 2002

Premiums earned	\$27,841,517
DEDUCTIONS:	
Losses incurred	18,085,602
Loss expenses incurred	2,073,121
Other underwriting expenses incurred	9,757,205
Aggregate write-ins for underwriting deductions	0
Total underwriting deductions	<u>\$29,915,928</u>

Net underwriting gain or (loss) (\$2,074,410)

Investment Income

Net investment income earned	\$2,137,402
Net realized capital gains or (losses)	383,849
Net investment gain or (loss)	<u>\$2,521,251</u>

Other Income

Net gain or (loss) from agents' or premium balances charged off	\$0
Finance and service charges not included in premiums	153,573
Aggregate write-ins for miscellaneous income	(1,647,864)
Total other income	<u>(\$1,494,291)</u>

Net income before dividends to policyholders and before federal & foreign income taxes	(\$1,047,451)
Dividends to policyholders	<u>0</u>
Net Income, after dividends to policyholders, but before federal & foreign income taxes	(\$1,047,451)
Federal & foreign income taxes	<u>(48,954)</u>

Net Income (\$998,497)

Capital and Surplus Account

Surplus as regards policyholders, December 31 prior year \$15,397,545

Gains and (Losses) in Surplus

Net Income	(\$998,497)
Net unrealized capital gains or losses	0
Change in net deferred income tax	560,112
Change in non-admitted assets	(648,384)
Examination Adjustment	0
Change in surplus as regards policyholders for the year	<u>(\$1,086,768)</u>

Surplus as regards policyholders, December 31 current year \$14,310,777

COMMENTS ON FINANCIAL STATEMENTS

Losses and Loss Adjustment Expenses

\$17,661,139

NGM's actuary rendered an opinion that the amounts carried in the balance sheet as of December 31, 2002, make a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

The Office actuary reviewed work papers provided by the Company and was in concurrence with this opinion.

**OLD DOMINION INSURANCE COMPANY
COMPARATIVE ANALYSIS OF CHANGES IN SURPLUS**

DECEMBER 31, 2002

The following is a reconciliation of surplus as regards policyholders between that reported by the Company and as determined by the examination.

Surplus as Regards Policyholders per December 31, 2002, Annual Statement	\$14,310,777
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	<u>PER</u> <u>COMPANY</u>	<u>PER</u> <u>EXAM</u>	<u>INCREASE</u> <u>(DECREASE)</u> <u>IN SURPLUS</u>
ASSETS:			
LIABILITIES:			
Net Change in Surplus:			0
Surplus as Regards Policyholders December 31, 2002, Per Examination			\$14,310,777

SUMMARY OF FINDINGS

Compliance with previous directives

The Company has taken the necessary actions to comply with the comments made in the 1999 examination report issued by the Office, except for the following: reporting to the FHCF, maintenance of corporate records for overdue aged receivables, and written verification in the Company's minutes that the directors have reviewed the previous examination report.

Current examination comments and corrective action

The following is a brief summary of items of interest and corrective action to be taken by the Company regarding findings in the examination as of December 31, 2002.

General

The Company had not written insurance coverage in certain lines of business for a period of five years. The Company is directed to comply with Section 624.430, FS, and request that these lines of insurance be removed from its certificate of authority. **The Company is to provide documentation of compliance to the Office within 90 days after the report is issued.**

The Company's reply to General Interrogatories, Part 1 - Common Interrogatories, General, questions 7.1 and 7.2, was incorrect. The Company replied that there was no foreign entity controlling 10 percent or more of the reporting entity. White Mountains Insurance Group, Ltd., domiciled in Bermuda, indirectly owned 50 percent of the Company. **The Company is directed to correctly reply to all questions in the General Interrogatories on future annual statements.**

Affiliated Companies

The Company's Schedule Y - Organization Chart for 2002 did not include OneBeacon Insurance Company as the owner of the other 50 percent of Main Street America Holdings, Inc., the parent of Old Dominion Insurance Company. The annual statement instructions for Schedule Y - Organization Chart and Florida Administrative Code 4-143.045 provide for direct or indirect affiliates with the power to vote ten percent or more of the voting securities to be included in the Organizational Chart. **The Company is directed to provide a complete Schedule Y - Organizational Chart in future annual statements.**

Agent's Balances

This Company's calculation of agent's balances over 90 days old included some negative policy balances and the Company was unable to calculate the amount over 90 days old based on the effective dates of the policies. The calculation of total overdue receivables must not include negative policy balances and the aging must be calculated base on effective dates. **The Company is directed, as they were in the prior examination report, to correctly calculate overdue receivables in all future annual and quarterly statement filings.**

Facilities and Data Security

The Company's notification of employee termination to Facilities and Data Security took up to six days, allowing terminated employees continued logical and physical access. **The Company is directed to ensure that Data Security and Facilities are timely notified when an employee is terminated and the online "Change of Status" form be modified to provide electronic mail notification to Facilities and Data Security when the notice of termination**

form is submitted. The Company is to provide documentation of compliance to the Office within 90 days after the report is issued.

Corporate Records

Notation did not exist in the minutes of the Board of Director's meetings that the 1999 Examination Report by the Office was reviewed by the Board of Directors. **It is again recommended that the Board of Directors review this examination report at the next meeting of the Board after this examination report has been issued, and record the review in the Company minutes.**

There was no improvement in the Company's reporting to the FHCF, in accordance with Sections 215.555(5)(c), FS and Rule 19-8.029, FAC, in the three years since the last examination. **The Company is directed to comply with the reporting requirements of the FHCF, and provide written compliance within 90 days after the report is issued.**

SUBSEQUENT EVENTS

On December 27, 2002, the Company requested approved from the Office to pay a \$400,000 extraordinary dividend. The Office granted approval on January 6, 2003.

CONCLUSION

The customary insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of **Old Dominion Insurance Company** as of December 31, 2002, consistent with the insurance laws of the State of Florida.

Per examination findings, the Company's surplus as regards policyholders was \$14,310,777, which was in compliance with Section 624.408, FS.

In addition to the undersigned, Doug Haseltine, FCAS, MAAA, Actuary, participated in the examination.

Respectfully submitted,

Roger Kelley
Financial Examiner/Analyst II
Florida Office of Insurance Regulation

Respectfully submitted,

Michael Hampton, CPA, CFE, DABFA, CFE
Financial Examiner/Analyst Supervisor
Florida Office of Insurance Regulation

