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GEICO CORP

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CARD 2 DISCLOSURE INC WASHINGTON D. C. 20016 FOR 12/31/83

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Quick Reference Chart to Contents of SEC Filings

REPORT CONTENTS	10-K	19-K 20-F	10-Q	8-K	10-C	6-K	Proxy Statement	Prospectus	Registration Statements '34 Act F-10	Registration Statements '34 Act 8-A 8-B	Registration Statements '33 Act "S" Type	ARS	Listing Application	N-1R	N-1Q
Auditor															
□ Name	A	A	■				■	A	A		A	A	■	A	
□ Opinion	A	A	■						A			A		A	
□ Changes				A			■								
Compensation Plans															
□ Equity	■		■				F	F	A		F		■	■	
□ Monetary	■		■					F	A		F		■		
Company Information															
□ Nature of Business	A	A				F		A	A		A	■	■		
□ History	F	A						A			A	■	■		
□ Organization and Change	F	F		A	■	F	■	A		F	A	■			
Debt Structure	A					F	■	A	A		A	A		A	
Depreciation & Other Schedules	A	A				F		A	A		A				
Dilution Factors	A	A		F		F		A	A		A	A			
Directors, Officers, Insiders															
□ Identification	F	A				F	A	A	A		A	F			
□ Background	■	A				F	F	A	■		A	■			
□ Holdings	■	A		■			A	A	A		A				
□ Compensation	■	A		■			A	A	A		A				
Earnings Per Share	A	A	A			F			A			A		A	
Financial Information															
□ Annual Audited	A	A							A			A		A	
□ Interim Audited		A					■	■			■				
□ Interim Unaudited	■		A	■		F		F			F				
Foreign Operations	A						■	A	A		A	■	F		
Labor Contracts		■		■			■		F		F				
Legal Agreements	F	■		■					F		F				
Legal Counsel				■				A			A		■		
Loan Agreements	F		F	■			■		F		F			■	
Plants and Properties	A	F		■				F	A		F	■			
Portfolio Operations															
□ Content (Listing of Securities)															A
□ Management														A	
Product-Line Breakout	A							A			A	■			
Securities Structure	A	A			■			A	A		A				
Subsidiaries	A	A					■	A	A		A	■	■		
Underwriting				■				A	A		A				
Unregistered Securities	■			■			■	F			F				
Block Movements	■			F			■		A				■		

Legend **A** – always included - included - if occured or significant **F** – frequently included ■ special circumstances only

TENDER OFFER/ACQUISITION REPORTS	13D	13 G	14D-1	14D-9	13E-3	13E-4
Name of Issuer (Subject Company)	A	A	A	A	A	A
Filing Person (or Company)	A	A	A	A	A	A
Amount of Shares Owned	A	A				
Percent of Class Outstanding	A	A				
Financial Statements of Bidders			F		F	F
Purpose of Tender Offer			A	A	A	A
Source and Amount of Funds	A		A		A	
Identity and Background Information			A	A	A	
Persons Retained Employed or to be Compensated			A	A	A	A
Exhibits	F		F	F	F	F

5161 River Road □ Washington, D.C. 20016 □ 301/951-1300

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SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

For the Fiscal Year Ended December 31, 1983 Commission File No. 1-8012

8

GEICO CORPORATION

Delaware	52-1135801
(Jurisdiction of Incorporation)	(IRS Employer Identification No.)

GEICO Plaza, Washington, D. C. 20076

Registrant's telephone number (301) 986-3000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO __

Aggregate market value of the voting stock held by non-affiliates of the registrant as of March 28, 1984 .... $1,081,598,315 (1)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

	As of March 28, 1984
Common Stock, $1.00 par value	19,984,048 shares

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of the GEICO Corporation Annual Report to Shareholders for the fiscal year ended December 31, 1983 are incorporated by reference into Parts I and II of this Form 10-K Report.

2. Portions of the GEICO Corporation Proxy Statement for the Annual Meeting of Shareholders to be held on May 16, 1984 are incorporated by reference into Part III of this Form 10-K Report.

(1) Except as stated herein, the amount set forth as the aggregate market value of GEICO Corporation's voting stock held by non-affiliates is based upon the closing price of $56.50 per share of Common Stock on the New York Stock Exchange on March 28, 1984. The amount excludes the market value of 840,715 shares of Common Stock beneficially owned by the Registrant's directors and executive officers (including 157,725 shares of Common Stock as to which said directors and/or officers disclaim beneficial ownership) and includes the market value of 6,850,000 shares of Common Stock beneficially owned by Berkshire Hathaway Inc.

GEICO Corporation
Form 10-K Annual Report

PART I

Item 1. Business (GEICO Corporation and Subsidiaries).

GEICO Corporation (the "Corporation") was organized as a Delaware corporation in 1978 and became the parent of Government Employees Insurance Company ("GEICO" or the "Company") in 1979. The Corporation is an insurance and financial services organization whose principal subsidiary, GEICO, is a multiple line property and casualty insurer engaged in writing preferred risk private passenger automobile, homeowners, fire and extended coverage, professional and comprehensive personal liability, excess business liability, boat and yacht insurance. GEICO wholly owns Criterion Insurance Company ("Criterion") and GEICO General Insurance Company ("GGIC"), which both write standard risk private passenger automobile insurance. Criterion also writes motorcycle insurance and, through its subsidiary, Criterion Casualty Company, nonstandard automobile insurance while GGIC also writes homeowners insurance.

Through wholly-owned Garden State Life Insurance Company ("GSLIC") and its subsidiary, GEICO Annuity and Insurance Company ("GEICO Annuity"), GEICO writes consumer-oriented life insurance and sells structured settlement annuity policies.

Government Employees Financial Corporation ("GEFCO"), previously a majority-owned Colorado corporation headquartered in Denver, became a wholly-owned subsidiary of GEICO in 1983 through a combination of open market purchases of GEFCO voting stock and, in July, consummation of an agreement and plan of merger submitted to and approved by GEFCO shareholders pursuant to which GEICO purchased for an aggregate price of $9.6 million the 30.5% of GEFCO's outstanding voting securities it did not already own. GEFCO directly or through one or more subsidiaries is in the business of consumer and business lending, industrial banking and timeshare marketing services.

Other wholly-owned insurance subsidiaries of the Corporation include: International Insurance Underwriters, Inc. ("IIU") which specializes in marketing automobile insurance to military personnel as they are transferred overseas; GEICO Financial Services, GmbH ("GFS") which places unsecured loans for GEFCO and sells automobile policies to American military personnel through offices in Germany; Plaza Financial Services Company, formed primarily to facilitate the marketing of life insurance products; and Resolute Group, Inc. which, through its wholly-owned subsidiaries, Resolute Reinsurance Company and Resolute Management Corporation, writes property and casualty reinsurance. The Corporation's financial services subsidiary is GEICO Investment Services Company ("GEIVEST"), a registered investment adviser and broker-dealer which provides investment management and administrative services to GEICO Investment Series Trust (the "Trust"). GEIVEST is the distributor of shares of Government Securities Cash Fund, a no-load money market mutual fund which currently is the only series of the Trust and provides other financial and investment services to the public. Other subsidiaries of the Corporation include Plaza Resources Company, which is engaged in leasing and other investment ventures and several real estate/property companies: Maryland Ventures, Inc., GEICO Facilities Corporation, GEICO Properties, Inc. ("GPI") and GEICO Washington Properties, Inc. ("GWPI"). GPI and GWPI are wholly-owned by GEICO.

Private passenger automobile insurance is the Corporation's dominant business segment although other insurance and financial service products have been and are being developed and marketed.

Seasonal variations in the business of the Companies are not material. While extraordinary weather conditions or other factors may from time to time have a noticeable impact on the frequency or severity of automobile or homeowners claims, such impact has not been material.

Each of the Corporation's insurance company subsidiaries is subject to regulation and supervision of its respective insurance business in each of the jurisdictions in which it does business. In general, the various state laws establish supervisory agencies with broad administrative powers. Those powers relate to the issuance to and revocation of licenses of insurers and their agents, standards of solvency, regulation of premium rates and investments, form and content of financial statements, methods of accounting, policy forms and reserves. In general, such regulation is for the protection of policyholders rather than shareholders. Such regulation and the requirements for prior approval in certain states of new or revised forms and rate schedules may impair the ability of the insurance company subsidiaries to take timely action to respond to newly perceived trends or claim experience. GEIVEST is regulated by the federal government and the various states in which it is licensed; the primary purpose of such regulation is to protect the investing public.

The United States Congress is currently reviewing the federal tax laws as they apply to both the life and property casualty insurance industries. The outcome of such review is uncertain at this time. The Congress and certain state legislatures are also considering the effects of the use of sex as a basis for rating classification; certain state legislatures are also reviewing the use of age and marital status in rating. The traditional underwriting and rating principles of the insurance industry continue to be questioned.

The insurance industry is highly competitive. GEICO currently competes most directly with the other companies, including mutual companies, that concentrate on preferred risk insurance. As the pressures on competitors from mounting and continuing underwriting losses increase, competition, particularly from insurers which may have a larger capital base or a broader policyholder base or may be able to realize economies of scale from a more diverse operating organization, may also be expected to increase. Although most insurance companies are stock companies like GEICO, in 1982 mutual companies wrote approximately thirty-three percent of all property and liability insurance in the United States. Mutual companies may have a competitive advantage in that certain earnings inure to the benefit of policyholders rather than to shareholders; it is noted, however, that stock companies, in certain instances, can pay dividends to their policyholders and GEICO did accrue $16.1 million in 1983 for payment of policyholder dividends in 1984 and 1985.

The latest available statistics as published in the National Underwriter reveal that, based upon 1982 earned premiums, GEICO was the tenth largest automobile insurer and the fifth largest stock automobile insurer in the United States.

As of December 31, 1983, the Corporation and its subsidiaries had 4,123 full-time employees and 835 part-time employees. A number of benefits are provided or made available for full-time employees including profit sharing, savings, pension and employee stock ownership plans and various insurance programs.

PRINCIPAL BUSINESS SEGMENT

The information concerning GEICO Corporation's private passenger automobile insurance business required by the remainder of this Item 1 is contained in its 1983 Annual Report to Shareholders under the caption "Principal Business Segments" on pages 6 through 12 and Note M of the "Notes to Consolidated Financial Statements" contained on page 35 and is incorporated herein by reference.

Item 2. Properties.

Through several of its real estate/property subsidiaries, the Corporation owns its headquarters building (GEICO Plaza) in Chevy Chase, Maryland and its Regional Office Buildings in Woodbury, New York and Macon, Georgia, certain of its claims drive-in facilities and certain additional properties.

GEICO Plaza is a multilevel structure with a total of approximately 428,400 square feet of office space. The greater part of the four-story portion was completed in 1959; an additional four-story portion and an eight-story tower were completed in 1964. Both the Woodbury and Macon Regional Office Buildings are similar to each other in design and capacity, each being a modern four-story structure containing approximately 250,000 square feet. There is sufficient capacity at these facilities to accommodate the Corporation's foreseeable requirements.

GEICO Plaza, the Woodbury and Macon Regional Office Buildings and certain claims facilities are each owned subject to long term notes which are owned by institutional investors. The notes are each secured by an indenture of mortgage, a deed of trust on the particular property and the assignment to the trustees of an occupancy lease coincident (including automatic renewals) with the term of the notes. GEICO Plaza, together with certain sales/drive-in facilities, is owned by GWPI subject to a 9 3/8% note due July 1, 2010. The outstanding balance at December 31, 1983 was $23,805,408. The Woodbury and Macon Regional Office Buildings, together with certain claims facilities, are owned by GPI subject, respectively, to 8 1/4% notes due June 15, 2004 and an 8 1/2% note due May 1, 2004. At December 31, 1983 the aggregate outstanding balance on these notes was $20,932,300.

GEICO also leases office space and drive-in claims facilities in various cities in the United States. These leases expire at various times between 1984 and 1992 with renewal options in a number of cases. In addition, GEICO maintains electronic data processing equipment with a depreciated cost as of December 31, 1983 of $6,833,570, located principally at GEICO Plaza.

Item 3. Legal Proceedings.

There are no material legal proceedings to which the Corporation is a party or of which the property of the Corporation is the subject.

Item 4. Submission of Matters to a Vote of Security Holders.

Not Applicable.

Executive Officers of the Registrant.

Pursuant to General Instruction G-3 to Form 10-K and Instruction 3 to Regulation S-K, Item 401(b), the following information is included hereunder.

John J. Byrne, 51, was elected Chairman of the Board and Chief Executive Officer of the Corporation in November 1978. He also was President from November 1978 until September 1981. He has been Chairman of the Board of GEICO since May 1976 and was President and Chief Executive Officer of GEICO from May 1976 to February 1980 and August 1983, respectively. Mr. Byrne has also served as Chairman of the Board of Criterion since May 1981, Resolute Group, Inc. since January 1981, Resolute Management Corporation since February 1981, Resolute Reinsurance Company since March 1981, GEIVEST since August 1981, GEICO Annuity since February 1982, GGIC since March 1982, GSLIC since June 1982, Criterion Casualty since September 1982, Plaza Resources Company from February 1982 to May 1982, Plaza Financial Services Company since January 1983 and has been a director of Criterion since April 1978, Resolute Reinsurance Company since February 1981, Plaza Resources Company since February 1982, Criterion Casualty since August 1982, GEICO Facilities Corporation from July 1980 to July 1981, GPI and GWPI from May 1976 to May 1980 and GEFCO since May 1982. Prior to his employment by GEICO, he served with The Travelers Insurance Companies from 1967 to 1970 as Director of Variable Annuities, from 1970 to 1973 as Senior Vice President and from 1973 to 1976 as Executive Vice President responsible for casualty-property personal lines and individual life, health and financial services.

Richard C. Lucas, 57, has been a director of GEICO since October 1979 and Senior Vice President since July 1978; he was Vice President from May 1977 until July 1978 and Internal Auditor from April 1978 to August 1978. Mr. Lucas may be deemed an "executive officer" (as that term is defined in Rule 3b-7 under the Act) of the Corporation because of his positions with its principal subsidiary. Mr. Lucas served as Senior Vice President of GEICO Corporation from January 1980 to May 1982 and was its Controller from November 1978 until January 1982. Mr. Lucas has been a director of Criterion since March 1980 and was a Vice President from June 1981 through December 1981. He has also been a director of AVEMCO Corporation since September 1981, Resolute Group, Inc. from January

1981 to March 1982 and from April 1983 to date, a director of Resolute Management Corporation from February 1981 to March 1982 and from April 1983 to date, a director of Resolute Reinsurance Company from February 1981 to March 1982 and from April 1983 to date, GGIC since March 1982, Criterion Casualty since August 1982, Plaza Financial Services Company since January 1983 and director of IIU since November 1982. He was President of IIU from November 1982 to October 1983, a director, Treasurer and Controller of GEIVEST from July 1981 to June 1982 and a Trustee, Controller and Treasurer of GEICO Investment Series Trust from September 1981 to June 1982. He also was a Vice President of Resolute Management Corporation from February 1981 to March 1982, a Vice President of Resolute Group, Inc. from January 1981 to March 1982 and Treasurer from January 1981 to February 1981 and a Vice President of Resolute Reinsurance Company from June 1981 to March 1982. Prior to his employment by GEICO, Mr. Lucas was self-employed as a consultant at various times from 1973 to 1977. He also served as Vice President, Massachusetts Company from 1975 until 1976; Senior Vice President and Chief Financial Officer, Financial Services Corporation from 1974 until 1975; and Vice President, Administration, Bradford Trust Company in 1973.

Eugene J. Meyung, 58, was elected a director of GEICO in May 1981 and Executive Vice President in September 1981. From July 1978 to August 1980 he was a Vice President of GEICO and from September 1980 to September 1981 he was a Senior Vice President. Mr. Meyung may be deemed an "executive officer" (as that term is defined in Rule 3b-7 under the Act) of the Corporation because of his positions with its principal subsidiary. Mr. Meyung has also served as a director of GGIC since March 1982, Criterion Casualty since August 1982, IIU since November 1982, Plaza Financial Services Company since January 1983 and Criterion since May 1983. Prior to joining GEICO, Mr. Meyung worked for State Farm Insurance Company for twenty-five years, leaving as Deputy Vice President, Operations.

James E. Reagan, 59, was elected a director of GEICO in May 1981; he has served as Senior Vice President since August 1979. Prior to that time he served as Vice President from July 1974 to August 1979 and Assistant Vice President from March 1964 to July 1974. Mr. Reagan may be deemed an "executive officer" (as that term is defined in Rule 3b-7 under the Act) of the Corporation because of his positions with its principal subsidiary. Mr. Reagan was also elected a director and President of Maryland Ventures, Inc. in December 1983 and GGIC in March 1982, a director of IIU in November 1982, director and Chairman of the Board of GEICO Facilities Corporation in July 1981, a director of GPI and GWPI in May 1981 and Chairman of the Board of GPI and GWPI in July 1981.

Louis A. Simpson, 47, was elected a director of the Corporation in May 1983, Senior Vice President of the Corporation and GEICO in August 1979, a director of GEICO in October 1979, a director and Vice President of Criterion in March 1980 and December 1979, respectively, a director and Vice President of GEIVEST in July and August of 1981, respectively, a director and Vice President of Resolute Reinsurance Company in February 1981 and June 1981, respectively, a director of GGIC in March 1982, a director and Vice President of GSLIC in June 1982, a director and Vice President of Criterion Casualty in August and September 1982, respectively, a director and Vice President of GEICO Annuity in May 1983 and March 1982, respectively and a director and Vice President of GEFCO in July 1983 and August 1980, respectively, a director and President of Plaza Resources Company in February 1982 and Chairman of the Board in May 1982. Mr. Simpson has also served as Vice President of Resolute Group, Inc. and Resolute Management Corporation since May 1981 and GEICO Investment Series Trust since

September 1981. Prior to his employment with the Corporation Mr. Simpson served as President and Chief Executive Officer of Western Asset Management, Los Angeles, California, from 1977 to August 1979, having joined that firm in 1972.

Donald K. Smith, 51, was elected Senior Vice President of the Corporation in January 1980 and has been its General Counsel since December 1978. He has been a director of GEICO, GPI and GWPI since May 1979, Criterion since March 1980, GEICO Facilities Corporation since July 1980, Resolute Reinsurance Company since February 1981, GEIVEST since August 1981, GGIC since March 1982, Criterion Casualty since August 1982, Plaza Financial Services Company since January 1983, GEFCO since July 1983 and a director, General Counsel and Secretary of Plaza Resources Company since February 1982. Mr. Smith has also served as Secretary of GGIC from March 1982 to December 1982 and General Counsel from March 1982, General Counsel of GEICO Investment Series Trust since September 1981, General Counsel and Assistant Secretary of GEIVEST since August 1981 and Senior Vice President and General Counsel of GEICO Facilities Corporation since September 1980 and of GPI, GWPI and GEICO since March 1977, having served as GEICO's Vice President and General Counsel from November 1972 to March 1977. He previously served as Vice President of Criterion from March 1974 to April 1979 and General Counsel from November 1972 to April 1979.

William B. Snyder, 54, was elected President of the Corporation in September 1981, a director of the Corporation in May 1980, Chief Executive Officer of GEICO in August 1983 and a director and President of GEICO in May of 1979 and February of 1980, respectively, having served GEICO as Executive Vice President from May 1979 to February 1980 and Senior Vice President from March 1977 to May 1979. Mr. Snyder has also served as a director of Maryland Ventures, Inc. since December 1983, a director and President of Plaza Financial Services Company since January 1983, a director of Criterion since May 1981, a director of Plaza Resources Company since February 1982, a director of GEICO Annuity since February 1982 and Vice President since March 1982, a director of Resolute Group, Inc., Resolute Management Corporation and Resolute Reinsurance Company from March 1982 to August 1982, a director of GGIC since March 1982, Criterion Casualty since August 1982, IIU since November 1982, GEIVEST since July 1981, President of GEIVEST from August 1981 to March 1982, a trustee of GEICO Investment Series Trust since September 1981, Chairman of the Board of GEICO Investment Series Trust since December 1981, a director and Vice President of GSLIC since June 1982, a director of GEICO Facilities Corporation since July 1981, a director of GPI and GWPI since May 1979, and President since May 1980, having served as Exectuve Vice President from May 1979 to May 1980. Prior to his employment by GEICO, he served with The Travelers Insurance Companies, from 1973 to 1977 as Vice President and from 1955 to 1973 in various other positions in The Travelers Companies.

W. Alvon Sparks, Jr., 48, was elected Senior Vice President of the Corporation and GEICO in September 1982 and a director of GEICO in May 1982. He was elected Vice President of Criterion in January 1982, Resolute Group, Inc., Resolute Management Corporation and Resolute Reinsurance Company in March 1982, Criterion Casualty in September 1982 and Vice President and Controller of GSLIC in June 1982. Mr. Sparks previously served as Vice President of the Corporation from November 1981 to September 1982 and January 1980 to August 1980 and of GEICO from November 1981 to September 1982 and from July 1978 to August 1980. Mr.

Sparks has also served as a director, Vice President and Controller of GEICO Annuity since May and April 1983, respectively, Controller of IIU since November 1982, a director, Treasurer and Controller of GEIVEST and a Trustee of GEICO Investment Series Trust since June 1982, a director and Vice President of Maryland Ventures, Inc. since December 1983, a director and Controller of Plaza Financial Services Company since January 1983, a director of GEFCO and IIU since August 1980, a director and Vice President of Plaza Resources Company since February 1982, a director of Resolute Group, Inc. and Resolute Management Corporation since March 1982, Resolute Reinsurance Company since April 1982, Criterion since May 1982, GSLIC since June 1982, Criterion Casualty since August 1982, and President and director of GEICO Facilities Corporation since March 1982. Previously Mr. Sparks had served as President and Chief Executive Officer of GEFCO and its wholly-owned subsidiaries from August 1980 to November 1981. Prior to joining GEICO he served as Senior Vice President and Controller of American Finance Management Corporation from December 1970 to July 1978.

All executive officers hold office at the pleasure of the Board of Directors. There is no family relationship among any of the above-named executive officers of the Corporation.

PART II

Item 5. Market for the Registrant's Common Stock and Related Security Holder Matters.

In response to this Item the material under the caption "Common Stock Market Prices and Dividends" (page 17) and the final paragraph of Note C (page 30) of the Notes to Consolidated Financial Statements in the Corporation's 1983 Annual Report to Shareholders is incorporated by reference.

Item 6. Selected Financial Data.

In response to this Item the material under the caption "Selected Financial Data" (pages 18 and 19) in the Corporation's 1983 Annual Report to Shareholders is incorporated by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The response to this Item is incorporated herein by reference from the material under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" (pages 14 through 17) in the Corporation's 1983 Annual Report to Shareholders.

Item 8. Financial Statements and Supplementary Data.

In response to this Item the consolidated financial statements and the notes thereto contained in the Corporation's 1983 Annual Report to Shareholders (pages 22 through 35), Supplemental Financial Information (pages 36 and 37) and the Quarterly Highlights of Operating Results (page 37) are incorporated by reference.

Item 9. Disagreements on Accounting and Financial Disclosure.

None

PART III

Item 10. Directors and Executive Officers of the Registrant.

The information required by this Item from Regulation S-K, Item 401(a), is incorporated herein by reference from the Corporation's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934 (the "Act"). The information required by this Item from Regulation S-K, Item 401(b)-(f) is included in Part I pursuant to Instruction 3 to Regulation S-K, Item 401(b).

Item 11. Executive Compensation.

The information required by this Item is incorporated herein by reference from the Corporation's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A under the Act.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The information required by this Item 12 is incorporated herein by reference from the section entitled "Beneficial Ownership of Stock" in the Corporation's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A under the Act.

Item 13. Certain Relationships and Related Transactions.

The information required by this Item is incorporated herein by reference from the Corporation's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A under the Act.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a)(1) and (2) List of Financial Statements and Financial Statement Schedules

The following consolidated financial statements of GEICO Corporation and subsidiaries, included in the annual report of the registrant to its shareholders for the year ended December 31, 1983, are incorporated by reference in Item 8:

Consolidated Balance Sheet - December 31, 1983 and 1982

Consolidated Statement of Income - Years Ended December 31, 1983, 1982 and 1981

Consolidated Statement of Shareholders' Equity - Years Ended December 31, 1983, 1982 and 1981

Consolidated Statement of Changes in Financial Position - Years Ended December 31, 1983, 1982 and 1981

Notes to Consolidated Financial Statements

The following financial information is included in response to Item 14(d):

	Reference
Report of Independent Accountants	Page No. 17
Schedule I - Summary of Investments Other Than Investments in Related Parties	Page No. 18
Schedule II - Amounts Receivable from Related Parties and Underwriters, Promoters and Employees Other Than Related Parties	Page No. 19
Schedule III - Condensed Financial Information of Registrant	Page Nos. 20-23
Schedule VI - Reinsurance	Page No. 24
Schedule VIII - Valuation and Qualifying Accounts	Page No. 25
Schedule IX - Short Term Borrowings	Page No. 26

All other schedules to the consolidated financial statements required by Article 7 of Regulation S-X are not required under the related instructions or are inapplicable and therefore have been omitted. Financial statements of unconsolidated affiliates and 50% or less owned persons accounted for by the equity method have been omitted because they do not, considered individually or in the aggregate, constitute a significant subsidiary.

(a)(3) Exhibits

The following exhibits are included in response to Item 14(c):

Exhibit No.	Description	Reference
3-a	Certificate of Incorporation.	Exhibit 4 to File No. 2-63138 on Form S-14.
3-b	Bylaws of GEICO Corporation as amended.	Exhibit 3(b) to GEICO Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1981.
4-a	Specimen certificate representing the common stock, $1.00 par value.	Exhibit 6(c) to File No. 2-63138 on Form S-14.
4-b	Specimen Warrant certificate evidencing right to purchase shares of common stock.	Exhibit 5-c to File No. 2-57242 on Form S-1.
4-c	Restated Warrant Agreement dated September 10, 1981 between GEICO and The Riggs National Bank of Washington, D.C.	Exhibit 4-c to GEICO Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1982.

(Copies of certain indentures, which in the aggregate do not represent securities worth as much as ten percent of the total consolidated assets of GEICO Corporation, will be furnished upon request.)

9	Proxy Agreement between Berkshire Hathaway Inc. and Suburban Trust Company.	Exhibit 7 to GEICO's Annual Report on Form 10-K for the fiscal year ended December 31, 1977
10-a	Employment Agreement effective January 1, 1982, between John J. Byrne and GEICO Corporation.	Filed with GEICO Corporation's Form 10-Q Report for the three months ended March 31, 1982.
10-b	Employment Agreement between Paul J. Hanna and GEICO effective July 1, 1978.	Exhibit 9 to GEICO Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1978.
10-c	Consultant Agreement between H. Edward Wrapp and GEICO Corporation dated April 1, 1983.	Page No. 27

10-d	Government Employees Insurance Company's 1973 Stock Option Plan, as amended.	Exhibit 10-m to GEICO Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1982.
10-e	Form of Option Agreement under 1973 Stock Option Plan, as amended, together with form of Notice of Intent to Exercise.	Exhibits 9-b and 9-d to GEICO's Annual Report on Form 10-K for the fiscal year ended December 31, 1973.
10-f	Amendments to Form of Option Agreement under 1973 Stock Option Plan (for employees granted more than $50,000 worth of options).	Exhibits 10-n and 10-o to GEICO Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1981.
10-g	Form of Non-Qualified Stock Option Agreement, as amended.	Exhibit 10-p to GEICO Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1981.
10-h	Statement of 1984 Incentive Bonus Program.	Page No. 30
10-i	Statement of 1983 Incentive Bonus Program.	Exhibit 10-q to GEICO Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1982.
10-j	Deferred Compensation Plan.	Exhibit 10 to GEICO Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1978.
10-k	Performance Share Plan, as amended.	Page No. 31
11	Additional Earnings Per Share Information.	Page No. 37
13	Annual Report to Shareholders for the year ended December 31, 1983.	Page No. 38
22	Subsidiaries of GEICO Corporation.	Page No. 82
24.	Consent of accountants.	Page No. 83
28.	Form 11-K Annual Report for the Revised Profit Sharing Plan for the Employees of the Government Employees Companies for the fiscal year ended December 31, 1983.	Page No. 84

(b) Reports on Form 8-K

GEICO Corporation did not file any report on Form 8-K during the three months ended December 31, 1983.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GEICO CORPORATION

By: W. K. Sparks, Jr.
Senior Vice President
(Principal Financial Officer)

March 30, 1984

By: W. H. Sprunk
Vice President and Controller
(Principal Accounting Officer)

March 30, 1984

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

John J. Byrne Chairman of the Board, Principal Executive Officer and Director	March 30, 1984 Date
Thomas E. Bolger Director	March 30, 1984 Date
Samuel C. Butler Director	March 30, 1984 Date
Paul J. Hanna Director	March 30, 1984 Date
Richard G. Rosenthal Director	March 30, 1984 Date
Louis A. Simpson Director	March 30, 1984 Date
Joseph J. Sisco Director	March 30, 1984 Date
William B. Snyder President and Director	March 30, 1984 Date
John C. Steggles Director	March 30, 1984 Date
Walter E. Washington Director	March 30, 1984 Date
Frank A. Weil Director	March 30, 1984 Date
H. Edward Wrapp Director	March 30, 1984 Date

ANNUAL REPORT ON FORM 10-K

ITEM 14(d)

FINANCIAL STATEMENT SCHEDULES

YEAR ENDED DECEMBER 31, 1983

GEICO CORPORATION

WASHINGTON, D. C.

REPORT OF INDEPENDENT ACCOUNTANTS

To The Shareholders
GEICO Corporation

We have examined the consolidated financial statements and related schedules of GEICO Corporation and subsidiaries listed in Item 14(a)(1) and (2) of the annual report on Form 10-K of GEICO Corporation for the year ended December 31, 1983. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of GEICO Corporation and subsidiaries at December 31, 1983 and 1982, and the consolidated results of their operations and changes in their financial position for each of the three years in the period ended December 31, 1983, in conformity with generally accepted accounting principles applied on a consistent basis. Further, it is our opinion that the schedules referred to above present fairly the information set forth therein in compliance with the applicable accounting regulations of the Securities and Exchange Commission.

Ernst & Whinney

ERNST & WHINNEY

Washington, D.C.
February 17, 1984

SCHEDULE I - SUMMARY OF INVESTMENTS - OTHER THAN INVESTMENTS IN RELATED PARTIES

GEICO CORPORATION
DECEMBER 31, 1983
In Thousands

Type of investment	Cost (1)	Market value	Amount at which shown in the Balance Sheet
Fixed maturities:			
Bonds:			
United States Government and government agencies and authorities	$ 56,205	$ 56,787	$ 56,205
States, municipalities and political subdivisions	532,642	484,933	532,642
Public utilities	4,573	4,371	4,573
All other corporate bonds	5,673	4,622	5,673
Redeemable preferred stocks	183,402	186,105	183,402
Total fixed maturities	782,495	$736,818	782,495
Equity securities:			
Common stocks:			
Public utilities	140,543	$149,232	149,232
Banks, trust and insurance companies	1,180	1,468	1,468
Industrial, miscellaneous and all other	189,857	272,218	272,218
Nonredeemable preferred stocks	72,310	75,622	75,622
Total equity securities	403,890	$498,540	498,540
Short-term investments	24,582		24,582
Total investments	$1,210,967		$1,305,617

(1) Fixed maturities at amortized cost and equity securities at original cost.

At December 31, 1983 GEICO Corporation and subsidiaries own common stock of R. J. Reynolds Industries with a cost of $35.6 million and a market value of $49.1 million and redeemable preferred stock of R. J. Reynolds Industries with an amortized cost of $19.3 million and market value of $19.5 million.

SCHEDULE II - AMOUNTS RECEIVABLE FROM RELATED PARTIES
AND UNDERWRITERS, PROMOTERS AND EMPLOYEES OTHER THAN RELATED PARTIES

GEICO CORPORATION
YEAR ENDED DECEMBER 31, 1983
In Thousands

Name of debtor	Balance at beginning of period	Additions	Deductions: Amounts collected	Deductions: Amounts written off	Balance at end of period: Current	Balance at end of period: Not current
John J. Byrne	$963(1)	-	$463	-	-	$500

(1) In 1980 the Corporation, with the approval of the Board of Directors, accepted notes for $962,500 from the Chairman of the Board payable on demand with interest at 6% per annum in return for the issuance of 209,741 shares of Common Stock to him upon exercise of options granted in 1976. In consideration of the Corporation agreeing to allow exercise by means of demand notes, the Chairman agreed to extend his term of employment.

SCHEDULE III - CONDENSED FINANCIAL
INFORMATION OF REGISTRANT
GEICO CORPORATION
(PARENT COMPANY)
BALANCE SHEET
In Thousands

	December 31, 1983	December 31, 1982
ASSETS		
Short-term investments	$ 384	$ 4,621
Fixed maturities, at amortized cost (market $22,362 and $7,081)	23,112	7,525
Equity securities, at market (cost $76,325 and $15,338)	77,811	18,539
Investment in subsidiaries (1)	467,163	405,707
Cash	1,060	787
Notes receivable from subsidiaries (1)	2,025	1,775
Note receivable from related party	500	963
Income tax benefit receivable	2,052	10,706
Accrued investment income	564	427
Dividends receivable from subsidiary (1)	-	300
Other assets	4,975	6,713
Total Assets	$579,646	$458,063
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Accrued expenses and other liabilities	$ 19,294	$ 13,434
Amounts payable on purchase of securities	50,403	663
Amounts due to subsidiaries (1)	411	59
Long-term debt	104,099	99,110
Total Liabilities	174,207	113,266
Shareholders' Equity:		
Common Stock	31,933	30,888
Paid-in surplus	177,600	153,085
Unrealized appreciation of equity securities:		
Parent only	1,980	2,047
Subsidiaries	67,029	58,759
Retained earnings		
Parent only	157,568	102,770
Subsidiaries	185,176	141,414
Treasury Stock, at cost	(210,858)	(144,166)
Guaranteed bank loan of Employee Stock Ownership Trust	(4,989)	-
Total Shareholders' Equity	405,439	344,797
Total Liabilities and Shareholders' Equity	$579,646	$458,063

(1) Eliminated in consolidation.

See accompanying note to condensed financial statements.

SCHEDULE III - CONDENSED FINANCIAL INFORMATION OF REGISTRANT
GEICO CORPORATION
(PARENT COMPANY)
STATEMENT OF INCOME
In Thousands

	For The Year Ended December 31, 1983	1982	1981
Revenue:			
Dividends from subsidiaries (1)	$ 73,000	$63,599	$47,000
Interest from subsidiaries (1)	157	192	142
Management fees from subsidiaries (1)	6,248	2,718	2,446
Other investment income	6,754	2,034	1,859
Total Revenue	86,159	68,543	51,447
Expenses:			
General and administrative	12,708	12,067	7,875
Interest paid to GEICO (1)	21	24	79
Other interest	12,052	11,467	10,894
Total Expenses	24,781	23,558	18,848
Income before income tax benefit, equity in undistributed income and realized gains (losses)	61,378	44,985	32,599
Income tax benefit from operations	7,614	8,848	6,626
Income before equity in undistributed income and realized gains (losses)	68,992	53,833	39,225
Equity in undistributed operating income of subsidiaries (1)	25,832	23,650	25,207
Operating Earnings	94,824	77,483	64,432
Realized gains on sale of investments	750	80	2
Equity in realized gains (losses) on sale of investments by subsidiaries (1)	18,179	(28,715)	18,852
Net Income	$113,753	$48,848	$83,286

(1) Eliminated in consolidation.

See accompanying note to condensed financial statements.

SCHEDULE III - CONDENSED FINANCIAL INFORMATION OF REGISTRANT
GEICO CORPORATION
(PARENT COMPANY)
STATEMENT OF CHANGES IN FINANCIAL POSITION
In Thousands

	For The Year Ended December 31,		
	1983	1982	1981
OPERATING ACTIVITIES			
Operating earnings	$ 94,824	$ 77,483	$ 64,432
Charges (credits) to earnings not involving funds:			
Equity in undistributed operating income of subsidiaries (1)	(25,832)	(23,650)	(25,207)
Income taxes	12,102	(152)	10,160
Increase (decrease) in amounts due subsidiaries (1)	352	(92)	(72)
Other	4,270	4,477	2,251
Cash provided from operating activities	85,716	58,066	51,564
DIVIDENDS PAID TO SHAREHOLDERS	(15,017)	(11,346)	(10,356)
FINANCING ACTIVITIES			
Issuance of long-term debt	-	7,500	-
Increase (decrease) in short-term debt, net	-	(6,000)	1,000
Proceeds from exercise of warrants and stock options	25,169	7,515	273
Purchase of Common Stock (Treasury)	(70,627)	(11,397)	(28,723)
Reissuance of Common Stock (Treasury)	4,327	-	-
Decrease in note receivable from related party	463	-	-
Other	(272)	(60)	(122)
Net cash flow from financing activities	(40,940)	(2,442)	(27,572)
Increase in cash	(273)	(90)	(665)
Net cash flow available for investment	$ 29,486	$ 44,188	$ 12,971
INVESTMENT OF CASH FLOW			
Purchase of investments	$146,919	$ 40,908	$ 431
Decrease (increase) in payable on security purchases	(49,740)	(438)	170
Sale of investments, net of related taxes	(77,412)	(17,028)	(4,101)
Investment in subsidiaries (1)	9,361	14,028	15,050
Sale of Garden State to GEICO (1)	-	(10,000)	-
Increase in notes receivable from subsidiaries (1)	250	250	1,400
Investment in tax benefit transfer leases	-	16,346	-
Purchase of property and equipment, net	108	122	21
Net investment of cash flow	$ 29,486	$ 44,188	$ 12,971

(1) Eliminated in consolidation.

See accompanying note to condensed financial statements.

SCHEDULE III - CONDENSED FINANCIAL
INFORMATION OF REGISTRANT

GEICO CORPORATION
(PARENT COMPANY)

NOTE TO CONDENSED FINANCIAL STATEMENTS

December 31, 1983

The condensed financial statements of GEICO Corporation (parent company) should be read in conjunction with the consolidated financial statements and notes thereto of GEICO Corporation and subsidiaries incorporated by reference in this Form 10-K Annual Report.

SCHEDULE VI - REINSURANCE

GEICO CORPORATION
THREE YEARS ENDED DECEMBER 31, 1983
In Thousands

	Gross amount	Ceded to other companies	Assumed from other companies	Net amount	Percentage of amount assumed to net
Year ended December 31, 1983:					
Life insurance in force	$228,955	$138,719	$132,487	$222,723	59%
Premiums earned:					
Accident and health insurance	$ 1,108	$ 231	$ (702)	$ 175	-
Property and liability insurance	764,476	24,387	26,343	766,432	3%
Life insurance	1,797	1,051	963	1,709	56%
Total premiums earned	$767,381	$ 25,669	$ 26,604	$768,316	
Year ended December 31, 1982:					
Life insurance in force	$154,024	$176,147	$134,674	$112,551	120%
Premiums earned:					
Accident and health insurance	$ 985	$ 220	$ 20,692	$ 21,457	96%
Property and liability insurance	709,767	17,692	17,251	709,326	2%
Life insurance	809	487	614	936	66%
Total premiums earned	$711,561	$ 18,399	$ 38,557	$731,719	
Year ended December 31, 1981:					
Premiums earned:					
Accident and health insurance	$ 579	$ 145	$ 771	$ 1,205	64%
Property and liability insurance	658,731	10,359	7,092	655,464	1%
Total premiums earned	$659,310	$ 10,504	$ 7,863	$656,669	

SCHEDULE VIII - VALUATION AND QUALIFYING ACCOUNTS

GEICO CORPORATION
THREE YEARS ENDED DECEMBER 31, 1983
In Thousands

Description	Balance at beginning of period	ADDITIONS: Charged to costs and expenses	ADDITIONS: Charged to other accounts	Deduction (Note 1)	Balance at end of period
Year ended December 31, 1983:					
Allowance for amounts uncollectible on cancelled policies	$ 1,100	$ 956	-	$ 956	$ 1,100
Year ended December 31, 1982:					
Allowance for amounts uncollectible on cancelled policies	$ 1,050	$ 1,479	-	$ 1,429	$ 1,100
Year ended December 31, 1981:					
Allowance for amounts uncollectible on cancelled policies	$ 1,200	$ 1,269	-	$ 1,419	$ 1,050

Note 1: The deductions from the allowance during the three years ended December 31, 1983 represent the net write-off of amounts not collected on cancelled policies.

SCHEDULE IX - SHORT TERM BORROWINGS
GEICO CORPORATION
THREE YEARS ENDED DECEMBER 31, 1983
In Thousands

Category of aggregate short term borrowings	Balance at end of period	Weighted average interest rate	Maximum outstanding during the period	Average amount outstanding during the period (3)	Weighted average interest rate during the period(4)
Year ended December 31, 1983:					
Note payable to bank (2)	$3,300	11.00%	$3,300	$2,561	10.65%
Year ended December 31, 1982:					
Note payable to bank (2)	$2,100	11.50%	$2,100	$ 518	11.73%
Notes payable to bank (1)	-	-	6,000	49	15.75%
Consolidated totals	$2,100	11.50%	$6,000	$ 567	12.08%
Year ended December 31, 1981:					
Notes payable to banks (1)	$6,000	15.75%	$6,000	$1,297	19.02%

(1) Demand notes payable to banks represent borrowings by GEICO Corporation under lines of credit borrowing arrangements which have no termination date but are reviewed periodically for renewal.

(2) Demand note payable to bank represents borrowing by a subsidiary of GEICO Corporation.

(3) Computed by averaging the daily amounts outstanding.

(4) Computed by dividing the interest expense for the period by the average amount outstanding during the period.

Exhibit 10(c)

CONSULTANT AGREEMENT

This AGREEMENT, entered into as of April 1, 1983, by and between GEICO CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (hereinafter called the "COMPANY"), and DR. H. EDWARD WRAPP, residing at 4738 South Lake Drive, Delray Dunes, Boynton Beach, Florida (hereinafter called "WRAPP"),

WITNESSETH THAT:

WHEREAS, WRAPP has had extensive experience with regard to planning and management, both as a corporate executive and director, and as a business consultant, including work with companies in the casualty insurance field;

WHEREAS, WRAPP has, for many years, taught and conducted research with regard to planning and management, both at the Harvard Business School and at the Graduate School of Business of the University of Chicago;

WHEREAS, WRAPP has agreed to serve as a Consultant to the COMPANY for a period of one (1) year in the fields of strategic planning, management development and human resources planning;

NOW, THEREFORE, in consideration of the mutual promises and agreements of the parties hereto and for other good and valuable consideration, the parties hereto agree as follows:

1. Commencing April 1, 1983, WRAPP agrees to make his services available to the COMPANY as a Consultant on all matters relating to strategic planning, management development and human resources planning, for a period of one (1) year, subject to the terms and conditions hereinafter set forth.

2. WRAPP agrees, if so elected, to serve as a member of the Board of Directors of the COMPANY, and as a

member or chairman of a committee or committees of the Board of the COMPANY.

3. WRAPP shall render the services described in Paragraph 1 above, to the COMPANY during a period of up to ten (10) full working days or their equivalent per year, at GEICO Plaza or at other mutually agreeable locations.

4. For the period of WRAPP's services as a Consultant, the COMPANY shall pay WRAPP a Consulting Fee of $20,000, which shall be paid in monthly installments of $1,666.67 on the first day of each month commencing April 1, 1983.

5. If WRAPP shall be unable (because of death or disability), or unwilling to complete the services contemplated under this Agreement, the COMPANY's obligation to make any subsequent monthly payments shall be terminated.

6. If WRAPP is serving as a member of the Board of Directors of the COMPANY or as a member or chairman of a committee(s) of the Board, WRAPP will receive the customary attendance fees for meetings of the Board or of committees thereof, together with the normal retainers paid to Directors of the Company.

7. WRAPP will be reimbursed for all reasonable expenses incurred in connection with services rendered by him to the COMPANY either as a consultant or as a director, committee member or chairman.

8. WRAPP shall not be eligible to participate in any benefit plan or program for employees of the COMPANY, including (but without being limited to) a plan or program for life, accident, health, medical or travel insurance, executive incentive bonus, stock options, performance shares or vacation or health leave, except that WRAPP shall participate in the Executive Financial Planning Program, Annual Physical Program and such other

plans or programs as expressly provide benefits, or eligibility for benefits, to directors of the COMPANY.

9. The validity, construction, interpretation and enforceability of this Agreement and the capacity of the parties shall be determined and governed by the laws of the State of Maryland.

10. This Agreement is personal to each of the parties hereto, and neither party may assign or delegate any of the rights or obligations hereunder without first obtaining the written consent of the other party.

11. This Agreement constitutes the entire agreement between the parties respecting the consulting services of WRAPP, and there are no representations, warranties or commitments, except as set forth herein. This Agreement may be amended only by an instrument in writing executed by the parties hereto.

IN WITNESS WHEREOF, H. EDWARD WRAPP has hereunto affixed his hand, and GEICO CORPORATION has caused this AGREEMENT to be signed and its corporate seal to be affixed hereto by its officers thereunto duly organized.

H Edward Wrapp

H. EDWARD WRAPP

GEICO CORPORATION

By: William B. Snyder

William B. Snyder, President

(SEAL)

Attest:

J M O'Connor

J. M. O'Connor, Secretary

GEICO CORPORATION & GEICO - 1984 BONUS PLAN FOR OFFICERS

BONUS POOL: Performance of the enterprise will be measured by our Board against the 1984 Business Plan, with focused attention on results compared with the selected key goals of:

(a) shareholder earnings: A return on equity which places us in the top quartile of American business, and a 15% growth in the earnings power of the enterprise as reflected in net income and/or operating earnings per share.

(b) underwriting ratio in GEICO of 95% on all seasoned business.

(c) expense ratios: management of productivity and of our expense ratios continue to be a core strategy, to return GEICO to its preeminence as the low cost operator. An improvement of one point for the general expense ratio and loss adjustment expense ratio combined would be good progress.

(d) controlled growth: will be judged against the several goals in the Business Plan relating to new sales and to written premium. We will consider 5% real growth in written premium after making appropriate adjustments for average rate changes and for involuntary business, to be satisfactory controlled growth.

Based on results measured against the key goals outlined above, the bonus pool may range from 0 to 30% of salaries with a target of 20% if all goals were just met.

DISTRIBUTION OF BONUS POOL: The Board will distribute the bonuses to participants after considering the recommendations of management. Individual bonuses will differ widely by performance (from 0% to 50% of salary) with performance measured and ranked by the general manager, with heavy emphasis on individual and departmental accomplishments of the objectives in the 1984 Business Plan and the general contribution to 1984 financial results. Payment will be in a single lump cash payment distributed with the release of the 1984 report to shareholders.

The non-officer plan tracks the above with the basic formula producing approximately half as great a percentage for the pool.

GEICO CORPORATION

PERFORMANCE SHARE PLAN

Section 1 - Purpose

The purpose of this Performance Share Plan (the "Plan") for key executives of GEICO Corporation and its subsidiaries (hereinafter collectively called "GEICO") is to further the long-term profitable growth of GEICO by offering a long-term incentive in addition to current compensation for such executives, thereby aiding GEICO in retaining those employees who contribute materially to GEICO's success, and to attract qualified persons to seek and accept employment with GEICO.

Section 2 - Administration of the Plan

(a) The Plan shall be administered by the Human Resources Committee (the "Committee") of the Board of Directors of GEICO Corporation (the "Board of Directors") which shall consist of not less than three members of the Board of Directors who are not eligible to participate in the Plan. The Committee shall be appointed by the Board of Directors, which may from time to time appoint members of the Committee in substitution for members previously appointed and may fill vacancies, however caused, in the Committee. The Committee's interpretation of the Plan and its determination of awards made under it shall be in its absolute discretion and shall be final and binding on all parties. The Committee shall have the authority, subject to the provisions of the Plan, to establish, adopt or revise such rules and regulations relating to the Plan as it may deem necessary or advisable for the administration of the Plan.

(b) The Committee shall conduct its business and hold meetings as determined by it from time to time, and any action taken by the Committee at meetings duly called shall require the affirmative vote of at least a majority of its members then in office. Any decision or determination reduced to writing and signed by all the members of the Committee shall be as fully effective as if it had been made by a majority vote at a meeting duly called and held.

Section 3 - Participants

(a) Participation shall be limited to key executives of GEICO who are selected for participation by the Committee. The Committee shall consider recommendations from the Chief Executive Officer of GEICO as to the selection of participants but shall not be bound by such recommendations.

(b) Any participant may receive one or more awards of performance shares as the Committee may from time to time determine, and such determinations may be different as to different participants and may vary as to different award cycles. A director of GEICO who is not also an employee shall not be eligible to receive an award. Nothing contained in the Plan shall be construed to limit the right of GEICO to grant performance shares or other forms of incentive compensation otherwise than under the Plan.

(c) The selection of an employee for participation in the Plan shall not give the participant any right to be retained in the employee of GEICO, and the right and power of GEICO to dismiss or discharge any participant is specifically retained. No participant and no person claiming under or through him shall have any right or interest, whether vested or otherwise, in the Plan or in any amount standing to his credit in the Plan unless and until all the terms, conditions and provisions of the Plan that affect such participant shall have been met as specified herein.

Section 4 - Awards

(a) Each employee designated as a participant in the Plan shall be awarded such number, if any, of performance shares, each of which shall consist of one share of Common Stock, par value $1.00 per share, of GEICO Corporation (the "Common Stock") as shall be determined by the Committee on the basis of performance and other criteria established by it. Once awarded, performance shares cannot be cancelled unilaterally by GEICO or the Committee, except through the provisions of Sections 6(c) and 7.

(b) Performance shares shall be awarded to participants contingent upon the future performance of GEICO, and the Committee shall establish the performance measures applicable to such performance and the time period over which such performance shall be measured.

(c) In determining the number of performance shares to be awarded, the Committee shall take into account each participant's responsibility level, past performance, potential, cash compensation level, incentive compensation awards and such other considerations as it deems appropriate.

(d) The maximum number of shares of Common Stock which may be paid out under the Plan shall be 250,000 plus the number of shares of Common Stock not paid out in cash or Common Stock under the GEICO Corporation Performance Share Plan which terminated on December 31, 1982.

(e) Shares of Common Stock which are covered by a performance share award but are not paid out, in cash or Common Stock, at the end of an award cycle, shall become available for awards under the Plan.

(f) There shall be no obligation at any time on the part of the Committee to award any shares of Common Stock, or in the event shares are awarded, to pay out such shares unless the terms and conditions of the Plan are met.

Section 5 - Participation Accounts

The Committee shall maintain accounts to show the performance shares awarded in each cycle to each participant.

Section 6 - Payments to Participants

(a) Payments with respect to performance shares shall be made to the participants promptly after the end of the cycle established when such shares were awarded or on such later date or dates as the Committee shall in each case determine. Payment may be made in one or more installments and may be made wholly in cash, wholly in shares of Common Stock or partly in each, all at the discretion of the Committee. Any payment may be subject to such restrictions and conditions as the Committee may determine.

(b) For purposes of making payments to participants, the value of a share of Common Stock on any date shall be the fair market value as determined pursuant to the Internal Revenue Code of 1954, as amended, and the regulations thereunder.

(c) Payments to a participant at the end of a cycle shall be reduced by an amount equal to the excess, if any, of the market value (as determined pursuant to Section 6(b)) of the shares of Common Stock allocated to his account over three times the market value of such shares on the date the award was made by the Committee.

(d) Any taxes required to be withheld by Federal, state or local law shall be deducted from all payments under the Plan.

(e) A participant may designate in writing, on forms prescribed by and filed with the Committee, a beneficiary or beneficiaries to receive any payments payable after his death and may at any time amend or revoke any such designation. If no beneficiary designation is in effect at the time of a participant's death, payments under the Plan shall be made to his legal representatives.

(f) Payments received by a participant under the Plan shall not be considered additional salary and shall not change an employee's annual base salary for purposes of calculating any benefits under any other GEICO employee benefit program now in effect or hereafter adopted.

(g) Payments made in Common Stock may be made from authorized and unissued shares or from shares held in the Treasury.

Section 7 - Forfeiture of Benefits

The payment of benefits under the Plan shall be governed by the following rules:

(a) Performance shares granted with respect to a cycle shall not be paid out to the participants unless during that cycle GEICO has met certain performance measures for such cycle which shall have been established by the Committee at the time the awards for that cycle are made but may be subject to such later revisions as the Committee shall deem appropriate.

(b) An award of performance shares to a participant shall terminate for all purposes if he does not remain continuously in the employ of GEICO at all times during the cycle for which such award was made, except for death, disability or retirement under a GEICO pension plan and as may otherwise be determined by the Committee under particular circumstances. If a participant's employment was terminated because of death, disability or retirement as aforesaid, he or his beneficiary shall be entitled to receive a pro rata portion of such participant's award based upon the portion of the cycle during which he was so employed, all as the Committee shall determine in each case.

Section 8 - Non-Alienation of Benefits

No right or benefit under the Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber or charge the same shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities or torts of the person entitled to such benefits. If any such person should become bankrupt or attempt to anticipate, alienate, sell, assign, pledge, encumber or charge any right or benefit hereunder then such right or benefit shall, in the discretion of the Committee, cease and terminate and in such event the Committee may allow them to lapse or hold and apply the same or any part thereof for the benefit of the participant, his beneficiaries, his or her spouse, children or other dependents or any of them, in such manner and in such proportion as the Committee may deem proper.

Section 9 - Units on Recapitalization, Stock Splits, etc.

The performance shares, and the number and class of shares of Common Stock subject thereto shall be appropriately adjusted by the Committee in the event of changes in the Common Stock by reason of recapitalizations, mergers, consolidations, combinations or exchanges of shares, split-ups, split-offs, spin-offs, liquidations or other similar changes in capitalization or any distributions to Common shareholders other than cash dividends.

Section 10 - Miscellaneous Provisions

(a) No participant shall be entitled to any voting rights or to receive any dividends with respect to any Common Stock covered by a performance share award but not yet paid to him.

(b) All expenses of administering the Plan shall be borne by GEICO and shall not be charged to any participants or to any payments due any participant.

(c) Notwithstanding any other provisions of the Plan, in the case of a change in control (as hereinafter defined) every performance share then awarded under the Plan shall vest immediately and payments of such shares shall thereupon be made in full immediately by GEICO or any sucessor corporation; in determining the amount of any payment pursuant to this sentence following such a change in control, the limitation set forth in Section 6(c) shall not be applicable. For the purposes of this Section 10(c) a "change in control" shall be deemed to occur if: (i) any person (including a group as defined in Section 13(d)(3) of the Securities Exchange Act of 1934 as amended (hereinafter "the Exchange Act")), corporation or other entity becomes hereafter the beneficial owner of more than 20% of the shares of GEICO entitled to vote for the election of directors, (ii) as a result of or in connection with any tender offer, exchange offer, merger or other business combination, sale of assets or contested election, or combination of the foregoing, the persons who were directors of GEICO just prior to such event shall cease to constitute a majority of the Board of Directors of GEICO, (iii) the Board of Directors of GEICO (or if approval of the Board of Directors is not required as a matter of law, the shareholders of GEICO) shall approve (A) any consolidation, merger or other transaction in which GEICO will cease to be an independent publicly owned corporation or pursuant to which shares of Common Stock will be converted into cash, securities or other property, other than a merger of GEICO in which holders of its Common Stock immediately prior to the merger have the same proportionate ownership of the common stock of the surviving corporation immediately after the merger, or (B) any sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all, or substantially all, the assets of GEICO or (C) the adoption of any plan or proposal for the liquidation or dissolution of GEICO or (iv) any person (including a group as defined in Section 13(d)(3) of the Exchange Act), corporation or other entity other than GEICO shall file a tender offer or exchange offer statement with the Securities and Exchange Commission indicating intent on the part of such person, corporation or other entity to acquire control of GEICO.

(d) No member of the Board of Directors or of the Committee shall be liable for any act or action, whether of commission or omission taken by any other member or by any other officer, agent or employee nor, except in circumstances involving his bad faith, for anything done or omitted to be done by himself.

(e) The place of administration of the Plan shall be conclusively deemed to be within the State of Delaware and the validity, construction, interpretation, administration and effect of the Plan, and of its rules and regulations, and the rights of any and all persons having or claiming to have an interest therein or thereunder, shall be governed by and determined exclusively and solely in accordance with the laws of the State of Delaware.

(f) The determination of the Committee with respect to any question arising as to any award of performance shares, the individuals selected for awards, the performance measures, the amount, terms, form and time of payment of performance shares and the interpretation of the Plan shall be final, conclusive and binding.

Section 11 - Amendments and Termination

The Board of Directors may terminate the Plan or modify it in such respects as they shall deem advisable in order to conform to any change in law or regulation applicable thereto or in any other respect but which shall not in any event change (i) the maximum number of shares of Common Stock which may be paid under the Plan, (ii) the class of employees eligible to receive awards or (iii) the provisions relating to the administration of the Plan by a committee consisting of directors not eligible to participate in the Plan as provided in Section 2.

Exhibit 13

GEICO CORPORATION

GOVERNMENT EMPLOYEES COMPANIES

NATION-WIDE SERVICE

ANNUAL REPORT 1983


GEICO

CORPORATE PROFILE AND FINANCIAL HIGHLIGHTS

CORPORATE HEADQUARTERS:

GEICO Plaza
Washington, D.C. 20076
Telephone (301) 986-3000

GEICO Corporation is principally an insurance organization whose largest subsidiary, Government Employees Insurance Company (GEICO), is a property and casualty insurer writing preferred risk private passenger automobile insurance and homeowners insurance. Criterion Insurance Company (Criterion) and GEICO General Insurance Company, wholly owned subsidiaries of GEICO, write standard risk private passenger automobile insurance. Criterion Casualty Company, a subsidiary of Criterion, began writing non-standard risk private passenger automobile insurance in 1983. Garden State Life Insurance Company, also a wholly owned subsidiary of GEICO, and GEICO Annuity and Insurance Company, a wholly owned subsidiary of Garden State, offer consumer-oriented life insurance products. Government Employees Financial Corporation (GEFCO), a wholly owned subsidiary of GEICO, engages in consumer lending, industrial banking and the marketing of timeshare intervals. Resolute Reinsurance Company, a subsidiary of Resolute Group, Inc., a wholly owned subsidiary of the Corporation, writes property and casualty reinsurance in the domestic and international markets. GEICO Investment Services Company, also wholly owned by GEICO Corporation, is a registered investment adviser and broker-dealer.

FINANCIAL HIGHLIGHTS

(In thousands, except per share data)	1983	1982	1981	1980	1979	1978
Premiums	$ 768,316	$ 731,719	$ 656,669	$ 620,120	$ 601,553	$ 577,252
Net investment income (pretax)	96,478	82,743	66,401	60,492	58,349	52,777
Net investment income (aftertax)	87,665	71,758	56,494	50,754	48,092	37,603
Operating earnings	94,824	77,483	64,432	59,644	59,549	62,409
Net income	113,753	48,848	83,286	60,763	74,282	88,198
Assets	1,775,790	1,563,799	1,362,009	1,274,796	1,235,949	1,187,585
Shareholders' equity (1)	405,439	344,797	238,904	192,178	191,074	220,807
Operating earnings per share (2)	4.48	3.67	2.98	2.59	2.14	1.74
Net income per share (2)	5.37	2.32	3.85	2.64	2.67	2.49
Dividends paid per common share	.72	.56	.48	.43	.36	.20
Return on equity (three year rolling)	31.7%	32.7%	39.8%	43.9%	51.4%	11.9%
Book value per share (1)	19.88	16.85	11.60	8.89	7.60	6.45
Weighted average shares (2)	21,172	21,092	21,644	23,003	27,753	34,343

(1) fully converted
(2) fully diluted

TO OUR SHAREHOLDERS

Do your friends a favor. Have them see GEICO for their automobile and homeowner insurance needs. We are easy to do business with and low cost—how can you beat that?

1983 was a landmark year for GEICO. Our underwriting results were to our standards, our sales of new business picked up quite nicely, our investment results were just fine, and we were able to hold the line on prices. It was a year when we managed good results for our policyholders and for our owners, started some long range savings plans to help our employees become owners and strengthened our position for the future. A year which will be difficult to repeat.

We continue to pound away at our one simple business idea which we haven't changed much in almost 50 years. It's the best we can do and stay comfortable managing your capital.

With respect to our insurance operations our target in Government Employees Insurance Company remains to produce a 95% underwriting ratio on seasoned business—in 1983 we did somewhat better than that, which means that our policyholders will continue to benefit from lower prices as well as quality service. This fine result comes from continued disciplined management of underwriting, claims, our regional offices, prices and data processing, all with focused attention on productivity. I could not be more proud of the general managers who continue to deliver these outstanding results.

Remembering that 1982 was a sour sales year, GEICO sales to new customers were up 50% in 1983 and aggregate written premiums were up 8% with almost no rate increase. Patience is not my greatest virtue but we are determined to achieve disciplined growth our way. Maybe it's starting to work. On the other hand we expect competition for good risks to stiffen in 1984 and 1985, so the path gets no easier.

Our most significant shortfall was in expense management—we continue to spend more money than we should.

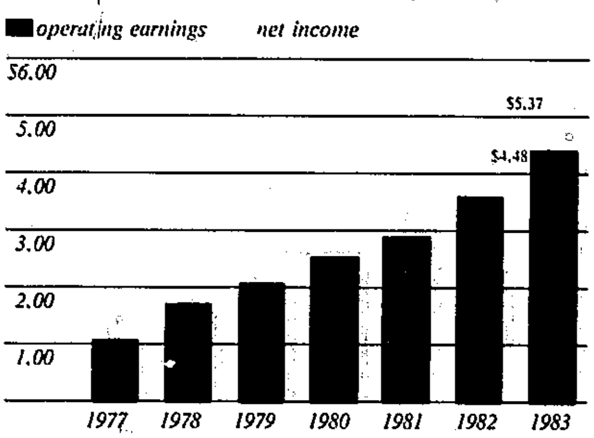
Your investment portfolio enjoyed a nice increase in real value, as did investment income. Lou's letter tells you more about these results. Overall, your equity in the enterprise increased by over $60 million, even after accounting for $56 million in net distributions to shareholders (dividends and repurchased stock less receipts from exercised warrants). This extraordinary increase in real value is the direct result of disciplined insurance operations delivering a dependable underwriting gain, a solid cash flow available to the investment portfolios, and careful judgment being exercised with respect to investing those assets to create maximum long term value.

1984? More of the same. I see a more modest underwriting gain, another year of modest price increases, a nice growth in both new sales and in total revenue, solid growth in total value of the investment portfolio and the income thereon. We already have realized substantial capital gains in 1984, so the net income per share may spurt—this may not be all that important. I think our expense ratios will improve further as we focus on productivity and I expect some further growth in dividends to you. Overall, I expect an unremarkable year. Our guarded forecast is that GEICO will continue to prosper modestly in 1984.

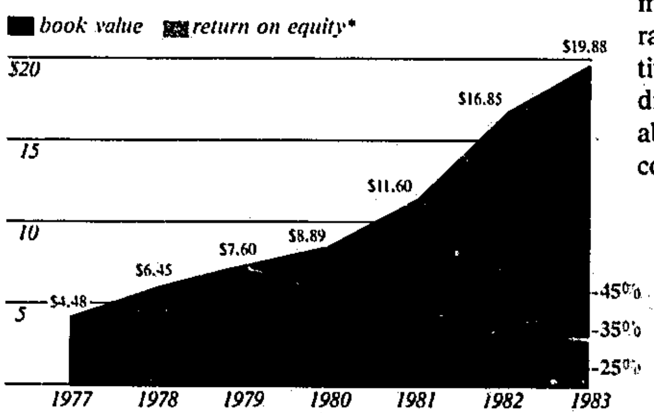
John J. Byrne

John J. Byrne
Chairman
March 2, 1984

operating earnings and net income *(dollars per share)*



book value per share and return on equity



*three years ending

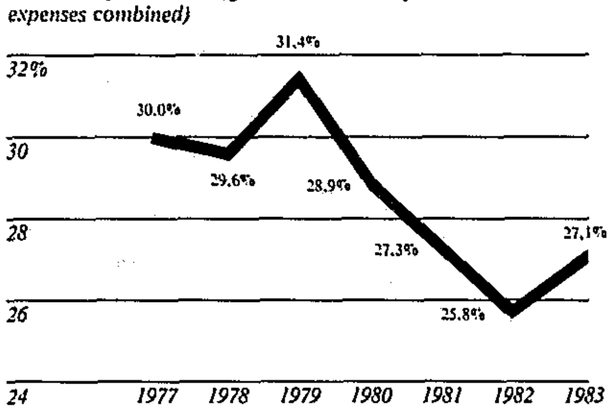
Personal lines property-casualty insurance continues to be the cornerstone of our insurance operation. We work hard to keep our attention focused on the fundamentals of this business which include promoting the use of occupant restraints, the reduction of drunk driving, compliance with the 55 mile speed limit and improving traffic signs.

As a management discipline, in GEICO, we select good drivers and provide them low-cost auto insurance. Growth is a result of the things we do well.

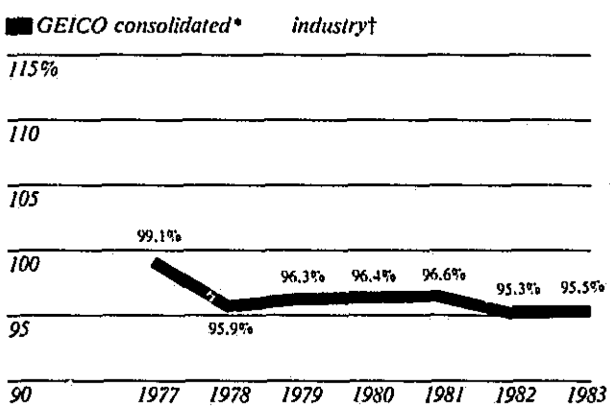
The 1983 all-lines combined loss and expense ratio of 95.5% for our four personal lines companies was satisfactory. The 1983 homeowner underwriting ratio of 96.4% is a return to profitability from GEICO's 101.1% in 1982 and 124.0% in 1981. We suffered a reduction in GEICO's homeowners policies from 207,167 in 1982 to 205,131 in 1983; the rebuilding job is under way.

The expense ratios shown below increased in 1983, reflecting increased marketing expenses, investments in new technology and improved employee programs. To remain the low-cost operator, we must do better and our 1984 plan calls for improvement. This should result from our 1983 investments in technology and people programs.

GEICO expense ratios *(general and loss adjustment expenses combined)*



combined loss and expense ratios ††



* *GEICO, Criterion, GEICO General and Criterion Casualty*
† *Source: AM Best estimate*
†† *after policyholder dividends*

In 1983 underwriting profit greater than anticipated in 21 states allowed GEICO to declare $16.1 million in dividends to policyholders in those states. This payment is contrary to our objective of providing the lowest possible initial premium. However, we are pleased to be able to return this premium to our customers who earned it through good driving experience.

Written premiums on voluntary auto for GEICO were up 11.0% over 1982. We believe this was due to more competitive prices, better marketing procedures and increased automobile sales. Many people purchasing more expensive new cars are willing to change insurance companies to secure lower premiums. Our average auto premium rates increased about 1% during 1983.

Our marketing investment in auto insurance is more cost effective with four companies now in place to write preferred, standard, specialty and non-standard risk customers. During 1983 GEICO introduced a plan offering reduced rates for preferred automobile customers over age 50 and also guaranteed renewal of policies in certain states. We believe this approach will support our preferred program for mature drivers. We also introduced a similiar homeowners program of rate reduction for retired persons over age 50. These programs should impact results in 1984 and beyond.

Criterion Insurance Company's results improved in 1983. The Company's underwriting ratio including Criterion Casualty Company was 102.1%, reflecting startup costs for the new company. We are pleased with this progress in providing specialty and non-standard insurance.

Reinsurance provided by Resolute Group progressed another step forward with gross premiums increasing $10 million to $22 million in 1983. We believe Resolute's management team is providing one of the more disciplined sets of financial results in this troubled industry.

For 1984, our employees managing our core business are pledged to prove "It's easy to do business with GEICO" as they strive to remain the low-cost operator.

Will B. Snyder

William B. Snyder
President

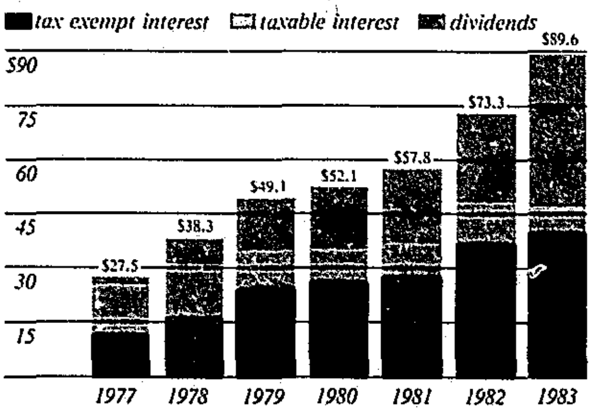
March 2, 1984

When I wrote this letter last year, I said we expected 1983 to be a reasonable year for investors but a less rewarding one than 1982. That forecast has turned out to be quite accurate. While the year started on a strong note, both fixed income and equity markets deteriorated in the second half. I was pleased with GEICO's investment results in this environment as your portfolio outperformed the market indices by a wider margin in 1983 than in the prior year. Absolute results did, however, fall short of 1982's outstanding performance in spite of excellent common stock returns. The common stock portfolio returned over 27% aftertax while tax-exempts and preferred stocks earned approximately 8% and 12% aftertax. At year-end the market value of the consolidated investment portfolio exceeded amortized cost by nearly $50 million.

Investment income gains were higher than I had expected at the beginning of the year. Investment income increased 16.6% pretax compared with 1982 and, aftertax, the gain was 22.2%.

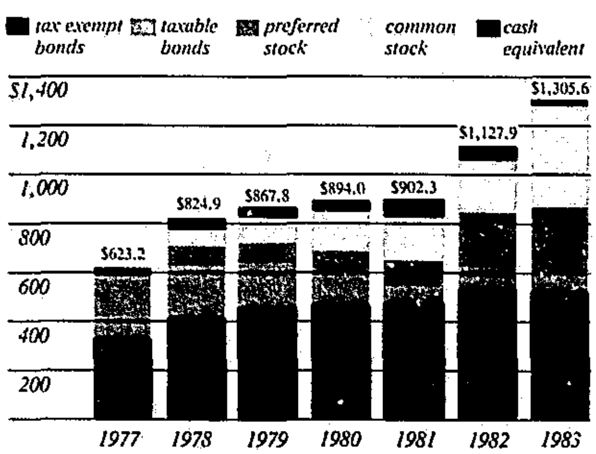
In 1983 we increased the common stock portfolio significantly, purchasing over $70 million in electric utility stocks in the middle of the year and over $60 million in telephone utilities largely in the fourth quarter. I believe that in the present environment the high dividend yields, moderate growth prospects and low price earnings ratios of these utility issues are characteristics which offer us better potential for attractive aftertax total returns than do more aggressive common stock investments or bonds. In the fixed income portfolio we continued to reduce the average maturity of our holdings, selling longer-term tax-exempt bonds. We limited fixed income purchases to redeemable and convertible preferreds and short-term tax-exempt issues. At year-end the average maturity of the tax-exempt portfolio was under ten years.

investment income aftertax *(millions of dollars)**



*before investment expenses

invested assets *(millions of dollars)*



The outlook for the economy in 1984 is quite positive. We expect real economic activity will expand at a satisfactory rate, accompanied by only moderate, albeit rising, inflation, while corporate profits should post good gains over 1983 levels. Interest rate trends are, however, less positive. The strength of the economy, continuing Federal budget deficits, and the Federal Reserve's resolve to fight inflation will probably prevent any significant declines in interest rates. As a result, I think bond investors, ourselves included, will do very well to earn the coupon rate on their bonds this year. The prospects for common stock investments are even more questionable for 1984. In my opinion equities began the year overvalued relative to bonds. Common stock investors were not only very optimistic about earnings growth but were also expecting interest rates to decline. Expectations and prices have become more reasonable since the beginning of the year, and we are starting to see some attractive buying opportunities. I do not, however, expect a major improvement in common stock prices until the bond market does better. In sum, I think 1984 will be a tricky and difficult year for investors and we plan to manage GEICO's portfolio with a careful eye to limiting risk.

As I told my colleagues in the investment department the other day, down markets are great for increasing one's humility. Let's hope that your investment team at GEICO is sufficiently humble to take advantage of those opportunities that I know will occur in 1984.

Louis A. Simpson

Louis A. Simpson
Senior Vice President
March 2, 1984

PROPERTY AND CASUALTY INSURANCE

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Government Employees Insurance Company
Criterion Insurance Company
GEICO General Insurance Company
Criterion Casualty Company

Government Employees Insurance Company, the flagship subsidiary of GEICO Corporation (the Corporation), is one of the nation's largest writers of private passenger automobile insurance. In its 48-year history Government Employees Insurance Company, or GEICO as it is widely known, has been identified with low-cost insurance coverage and excellent service. Today, GEICO operates in the District of Columbia and all states except Massachusetts (where it is licensed to write non-automobile lines) and New Jersey. Although other lines of insurance and financial services are offered, family automobile insurance still accounts for about 90% of our business.

GEICO deals directly with its customers. By using direct response methods and insuring drivers with good driving records, GEICO delivers quality insurance services at a price advantage over most of its competitors.

To ensure that GEICO continues to satisfy the needs of selected groups, several programs were introduced in 1983 to lower premiums and/or provide additional benefits for segments of our existing policyholder group and potential customers. These programs included discounts for mature drivers and homeowners and guaranteed renewability features for drivers age 50 and over. In addition, GEICO made it possible for its military policyholders to continue their GEICO insurance when transferring to Germany.

The results achieved by the "GEICO Preferred" sponsored marketing program were encouraging. The membership of associations which have endorsed the Companies since this program was introduced in 1979 currently exceeds 1.3 million persons.

The Corporation's strategy is to develop a multi-company structure. Criterion Insurance Company (Criterion), organized in 1961, is primarily responsible for meeting the automobile insurance needs of younger enlisted military personnel and other groups not meeting GEICO's preferred risk underwriting standards. It operates in the District of Columbia and all states except Massachusetts, New Jersey and South Carolina. New customers are acquired and service is provided primarily through General Field Representatives (commissioned agents). The General Field Representative (GFR) Program, with 95 offices in 30 states, produced 72% of Criterion's new business in 1983. Criterion writes only private passenger automobile and motorcycle insurance. On January 1, 1984 Criterion's Cycle-Gard motorcycle insurance program was officially endorsed by the American Motorcyclist Association (AMA). The AMA has 135,000 members and is the oldest and largest motorcycle owners' organization in the U.S.

GEICO General Insurance Company (GGIC) is a wholly owned GEICO subsidiary acquired in 1982. GGIC operates in 36 states and the District of Columbia but is licensed to do business in all fifty states. During 1984 GGIC plans to become operational in several selected additional states. Through direct response marketing, GGIC now writes automobile insurance exclusively for civilians not meeting GEICO's preferred risk underwriting standards. We believe this Company is now positioned for moderate growth.

Criterion Casualty Company is a Criterion subsidiary formed in 1982 to offer nonstandard automobile insurance principally through its GFRs. The Company wrote its first policy in June 1983 and is presently operating in 16 states. Criterion Casualty plans to do business in an additional 13 states, including Florida and Texas, by year end 1984.

Through this multi-company operating structure the Companies are now positioned to compete more effectively for the insurance needs of a broader range of the public. GEICO offers 12-month premium protection against rate increases instead of the six-month policy available from most other companies, several easy payment plans and 24-hour nationwide telephone service for sales, customer inquiries and claims. In addition, our employees continue to make good service a top priority with their personalized handling of claims and policyholders' needs.

GEICO's automobile policy persistency remained at traditionally high levels in 1983—about 92% of GEICO's customers accepted our offer to renew their coverage.

Motor vehicle accidents are the leading cause of death and injuries among children. This is an especially tragic fact because most traffic accident deaths and injuries could be avoided if children were properly protected. Unfortunately, only a small percentage of children are protected by restraints when they travel. That's why over forty states and the District of Columbia have passed laws requiring that children, generally up to age four, be restrained in child safety seats or seatbelts while riding in private passenger vehicles.

To encourage the use of child restraints, GEICO introduced the "Safe Rider" program in October 1983. Through this innovative program we offer our policyholders in certain states and all Company employees the Cosco/Peterson child safety seat, pictured above, at a price substantially below the retail cost. The seat can be used for children from birth through forty pounds. And, at this time GEICO Corporation is extending this offer to all its shareholders as well. If you are a shareholder who is not an employee or policyholder to whom this offer has been made previously and would like further information about ordering these specially priced child safety seats, please write to: GEICO Corporation, Communications Department, GEICO Plaza, Washington, D.C. 20076.

In 1983 the Corporation's automobile written premiums including service charges grew 8.0% to $728.8 million following a 7.8% increase in 1982. Automobile premiums in 1983 and 1982 included $8.6 million and $19.8 million, respectively, received from GGIC. Voluntary auto policy premiums increased by 9.3% while premiums from assigned or involuntary business declined 8.8%. While voluntary rates in 1983 rose slightly more than 1%, involuntary premium rates increased 11.5%.

The number of claims reported to GEICO and Criterion decreased 3.0% in 1983 following reductions of less than 1% in 1982 and 3.2% in 1981. These decreases reflect a continuation of the countrywide trend of lower accident frequency, the election of higher deductibles by many of our policyholders and continued dedication by management to disciplined underwriting. We are returning these savings to our customers in the form of dividends and lower premiums.

For the third consecutive year we have experienced a lower rate of increase in the cost of settling claims. With medical costs leading the way, we estimate that bodily injury claims costs increased 7% compared to 10% in 1982 and 15% in 1981. It is our estimate that costs associated with repairing damaged automobiles increased at an annual rate of 6% compared to 8% in 1982 and 12% in 1981.

During 1982 and 1983 we have been developing a new multi-company claims data processing system. When implemented in 1984, the new system will provide major improvements including on-line processing capability, elimination or reduction of steps in claims processing and ample capability for enhancement. In addition, this new system will permit our employees to give faster and more efficient customer service.

Overall, the Companies' property and casualty business has achieved an underwriting profit for the seventh consecutive year, in contrast with the industry whose underwriting results have been unsatisfactory in the last few years. Property and casualty operations recorded an underwriting gain of $38.6 million in 1983 compared to gains of $36.1 million and $28.1 million in 1982 and 1981. This was after providing in 1983 for payment of dividends of $16.1 million to policyholders in 21 states with better than anticipated underwriting results.

The Statutory Underwriting Ratio for property and casualty operations was 95.5% in 1983 compared to 95.3% in the previous year and 96.6% in 1981.

HOMEOWNERS INSURANCE

Our homeowners insurance underwriting results improved further in 1983, following several years of loss experience. The return to profitability required an extensive program to help our customers insure the true value of their property and to improve risk selection. Although the number of policies decreased as a result of these changes, we believe that we are now positioned for disciplined growth in the future. During 1983 premium rates decreased an average of 6.5% countrywide.

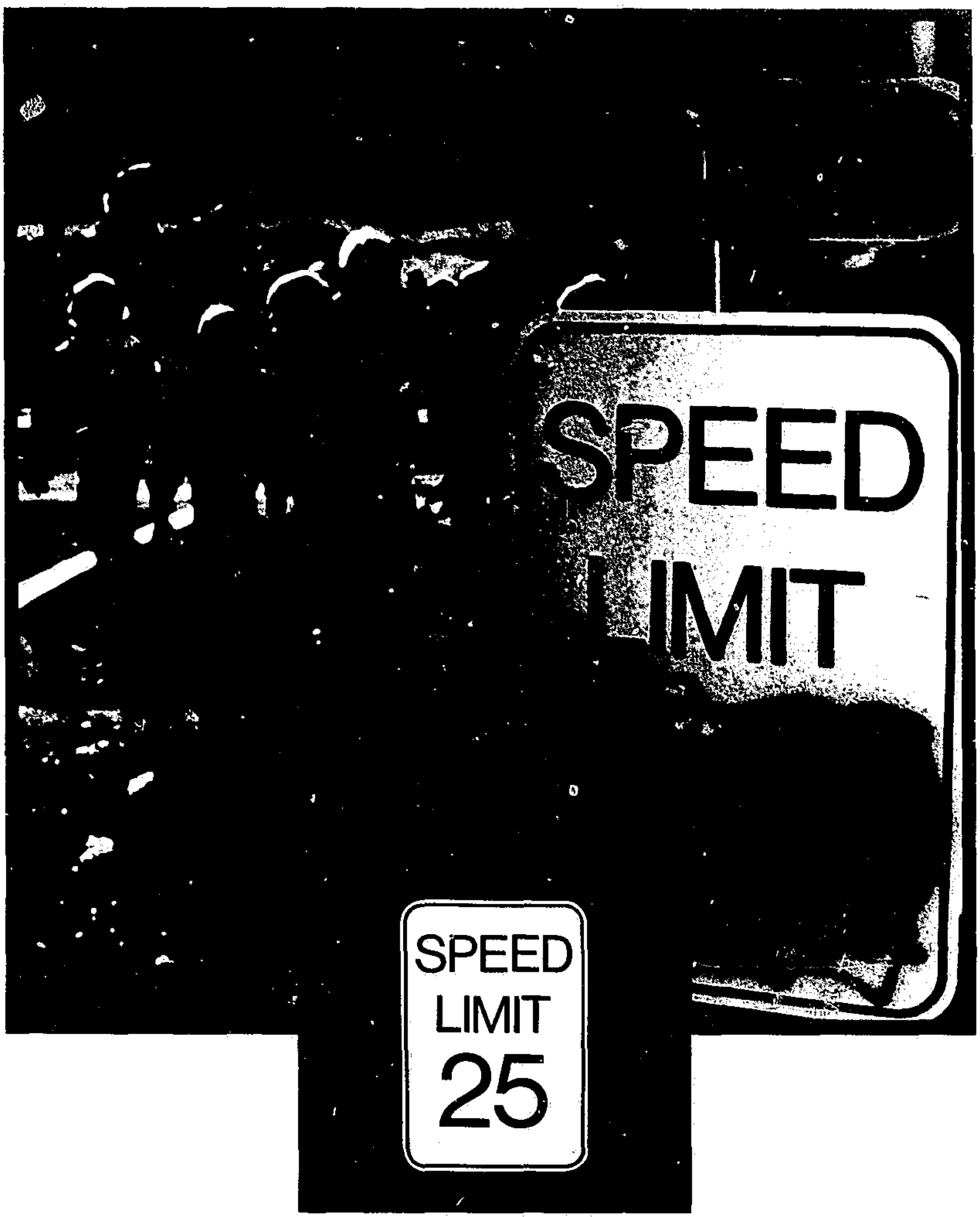
Homeowners insurance is a relatively small line for GEICO, comprising only 7% of the Corporation's property and casualty premiums. In 1983 homeowners written premiums including service charges decreased slightly to $52.9 million following an increase of 24.8% in 1982. Premiums in 1983 and 1982 included $2.4 million and $9.8 million received from GGIC business. The underwriting ratio for homeowners business, excluding GGIC business, was 91.9% compared to 101.1% in 1982 and 124.0% in 1981.

OTHER PROPERTY AND CASUALTY LINES

In 1983 GEICO introduced a new coverage line, personal umbrella liability insurance (Pacesetter Plus). In addition, GEICO offers boat, yacht and accident and health insurance. As an accommodation, GEICO also offers fire and comprehensive personal liability insurance to its automobile policyholders. In the aggregate, in 1983 these coverages accounted for less than 2% of property and casualty written premiums.

REINSURANCE

Resolute Group, Inc. is the Corporation's wholly owned property and casualty reinsurance subsidiary formed in 1981. Through Resolute Reinsurance Company it writes treaty and facultative reinsurance in both domestic and foreign markets with international business accounting for about 60% of premiums. Resolute Reinsurance Com-



Defaced signs can't provide vital information drivers need to operate their vehicles safely. A high proportion of driver errors are caused or compounded by poor, or non-existent signs, signals and markings. Signs, signals and markings control traffic flow at intersections, inform drivers of safe speeds, warn of hazards, and communicate most of the information needed while driving. Often signs are damaged, missing, obscured or faded. Markings may be inadequate or unclear and signals may be malfunctioning or inoperative. We encourage our employees and customers to identify and report potential hazards to their state or local transportation officials. Citizen pressure can lead to action and prevent accidents.

pany, with a statutory surplus of over $20 million, serves as a preferred market for the brokers and intermediaries who produce the Company's business. In 1983 Resolute's gross reinsurance premiums assumed exceeded $22 million, up from $12 million in 1982. Approximately 40% of 1983 premiums were retained for its net account, up from 32% in 1982, with the balance ceded to other reinsurers.

While in 1983 the reinsurance market remained acutely competitive with deteriorating performance, Resolute's results, although still immature, provided a loss ratio of 74.8% compared to 79.3% recorded in the prior year. The expense ratio of 39.6% was down from 66.2% in 1982, the latter ratio reflecting startup and overhead costs. The ratio should continue to decline as volume increases. With an underwriting ratio of 114.4%, Resolute reported an underwriting loss for 1983 of $1.4 million. After investment income, taxes and other items, net income for the year was $612,000, up from $71,000 in 1982.

FINANCIAL SERVICES TO INDIVIDUALS

LIFE AND HEALTH INSURANCE

GEICO Annuity and Insurance Company

GEICO Annuity and Insurance Company (GEICO Annuity) is a Garden State Life Insurance Company (Garden State) subsidiary formed in 1982 to offer consumer oriented life insurance and annuity products through direct response mechanisms. GEICO Annuity is now licensed in 14 states with applications pending in nine additional states. During 1983 the Company began marketing its first product, an annual renewable term life insurance policy targeted at selected groups. In 1984 GEICO Annuity will test other life insurance and annuity products for a broader market. There are no meaningful financial results as yet.

Garden State Life Insurance Company

Garden State Life Insurance Company, a wholly owned GEICO subsidiary, was acquired in 1982 in a move to market life insurance and annuity products through securities brokers as well as independent insurance agents. New product development has been deliberately slow because of the rapidly changing environment within the life insurance market. An important accomplishment in 1983 was the recruitment of additional talented staff to complete the development of a marketing plan and administrative systems necessary to manage the business effectively. In 1983 Garden State introduced annuities designed to fund structured settlements of liability claims. Additional products under development will be implemented as market conditions allow. There are no meaningful financial results as yet.

SAVINGS AND THRIFT INSTRUMENTS

GEICO Investment Services Company

In 1983 Criterion Investment Services Company changed its name to GEICO Investment Services Company to strengthen its identity with GEICO. GEICO Investment Services Company is a registered investment adviser and broker/dealer formed by the Corporation to provide investment management and administrative services for Government Securities Cash Fund (the Fund), a no-load, money market mutual fund first offered to the public in February 1982.

The Fund's investment objectives are safety of principal and high current income consistent with maximum liquidity. Its emphasis is on high quality short-term money market securities and its portfolio is limited to obligations issued or guaranteed by the U.S. Treasury or U.S. Government Agencies and to Repurchase Agreements collateralized by such obligations. It was designed to appeal to the growing cash management needs of the Companies' policyholders as well as other potential clients.

The Fund's portfolio is managed by GTC Management, Inc., a wholly owned subsidiary of Girard Bank of Philadelphia, which in turn is a subsidiary of Mellon National Corporation of Pittsburgh. GEICO Investment Services Company provides overall investment guidance and is the administrator and distributor for the Fund.

The Fund is being sold in 15 states and the District of Columbia, jurisdictions in which over 80% of GEICO's automobile policyholders reside.

On November 30, 1983 (the end of its second fiscal year), Government Securities Cash Fund's net assets totaled $73.4 million, down from $93.5 million a year earlier, reflecting a nationwide trend of declining money market fund assets. During this period the Fund retained 78% of its assets compared to the industry which on average

The swiftness and certainty of punishment increase deterrence of drinking and driving. The partygoers above are toasting a "jolly good fellow" who's enjoying a good time — such a good time that he was arrested for drunken driving on his way home. And the judge thought he was such a "jolly good fellow" that he sentenced him to a 90-day license suspension.

Alcohol was a factor in at least half of the estimated 43,000 traffic fatalities during 1983. GEICO has worked closely with citizen activist groups, police, government officials, legislators, and local drunk driving task forces to take effective action against drunken drivers. Laws have been strengthened, public awareness improved, and enforcement increased. A variety of combinations of penalties including mandatory minimum jail sentences, license suspensions and fines are in effect or under consideration in most states. The most important objective is to get a drunk driver off the road. And the simplest, most direct action to accomplish that is to revoke the driver's license.

retained 71%. For the twelve months ending November 30, 1983 investors earned a total return of 8.49% with dividends reinvested.

In December 1983 GEICO Investment Services Company introduced its second product, the GEICO Insured Plus Account. Insured Plus is a new savings product that invests client savings in money market deposit accounts of selected federally insured banks and savings and loan associations. The rates paid by these accounts are pegged to the average 90-day Treasury Bill rate plus premium. This product is being offered to GEICO and Criterion policyholders and should be attractive to those desiring a high yield on their savings combined with the safety of FDIC insurance.

Government Employees Financial Corporation

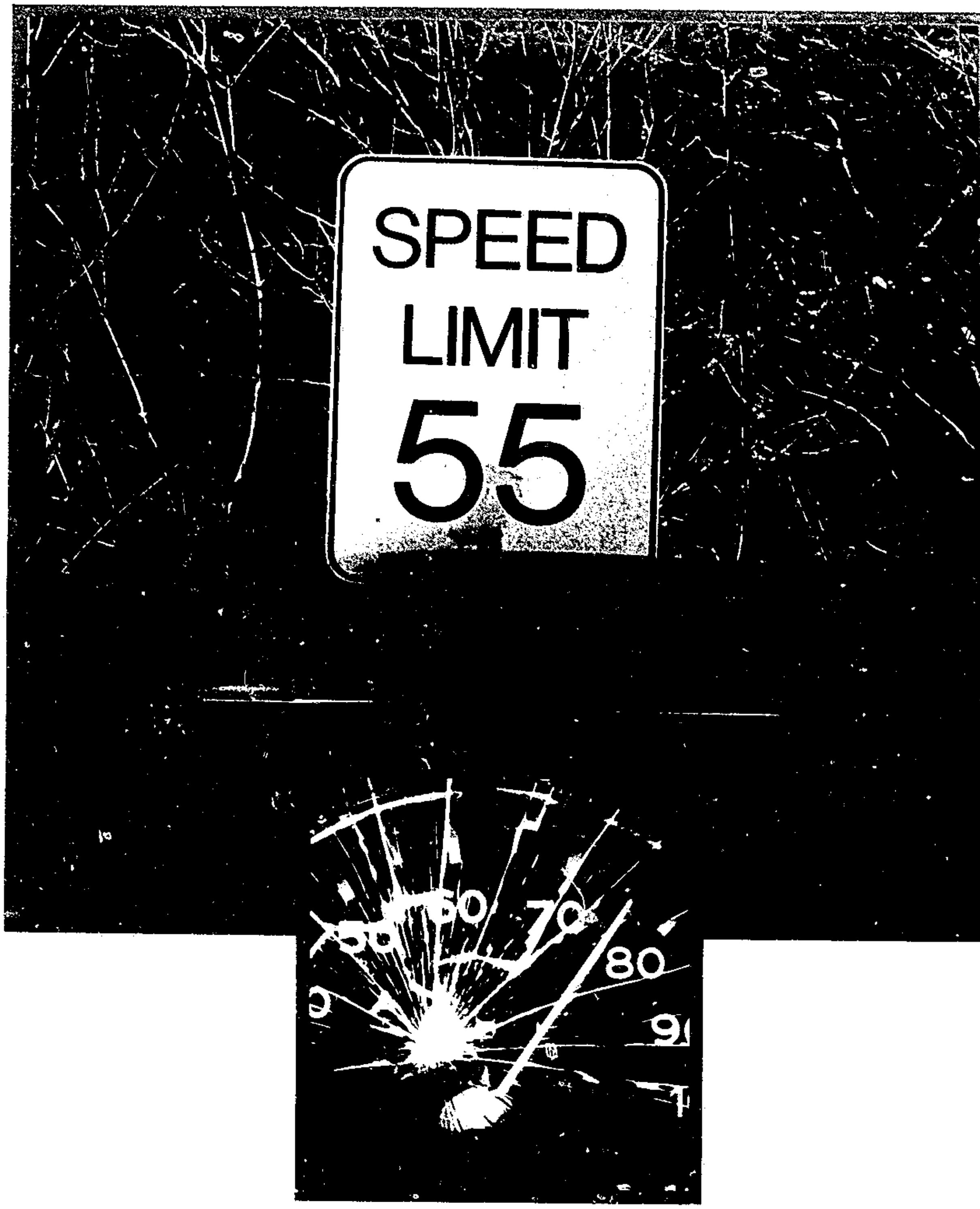
Government Employees Financial Corporation (GEFCO), headquartered in Denver, Colorado, provides consumer finance, industrial banking and timeshare marketing services.

In July 1983 GEFCO became a wholly owned subsidiary of GEICO through an agreement and plan of merger under which the Corporation purchased the remaining outstanding stock at $19.75 for each share of GEFCO common stock and $22.57 for each share of GEFCO preferred stock, 1973 series.

GEFCO's net income from continuing operations in 1983 rose to $3.5 million from $1.7 million in the prior year and a loss in 1981. Improved general economic conditions and some strategic changes supported by its parent have favorably affected GEFCO's basic businesses.

During 1983 GEFCO expanded its timeshare lending and marketing activities to include the acquisition of the San Clemente Inn in California, a timeshare development, by a limited partnership composed of subsidiaries of the Corporation and GEFCO.

In 1984 GEFCO will concentrate on the acquisition of well-secured real estate loans, increasing loan servicing fee income, judicious expansion of timeshare marketing activities in California and continued product development in non-capital intensive business segments.



GEICO advocates better nationwide compliance with the 55 mph speed limit by all drivers, because it saves lives, fuel and money. In the 10 years since the national maximum speed limit was set at 55 mph, experts estimate that 45,000 to 60,000 lives have been saved by adherence to this limit. In general the higher the speed, the greater the risk of being killed if a crash should occur. The risk of a fatality doubles as the speed of the vehicle increases from 45 to 60 mph and doubles again from 60 to 70 mph. The number of drivers who can maintain vehicle control decreases rapidly at speeds higher than 55 mph. At speeds above 55 mph, stopping distance lengthens dramatically. By reducing overall speeds, drivers have more reaction time to avoid an accident, and the consequences are less severe should an accident occur.

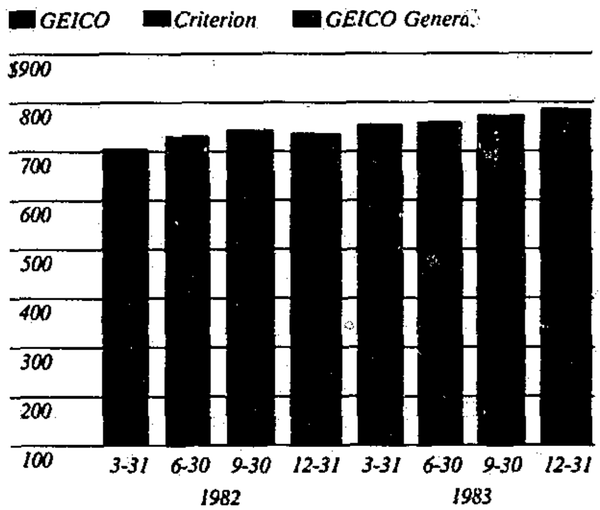
RESULTS OF OPERATIONS

REVENUE

Premiums—Consolidated premiums totaled $768.3 million in 1983, up 5.0% from $731.7 million in the prior year. Premiums in 1982 included $20.7 million earned under an accident and health reinsurance treaty which terminated in December 1982. Premiums increased in 1983 as voluntary auto new sales improved and renewals by existing policyholders continued at a high level. For 1983 voluntary automobile rates increased slightly more than 1% compared to 8.8% in 1982. Consolidated premiums in 1981 were $656.7 million.

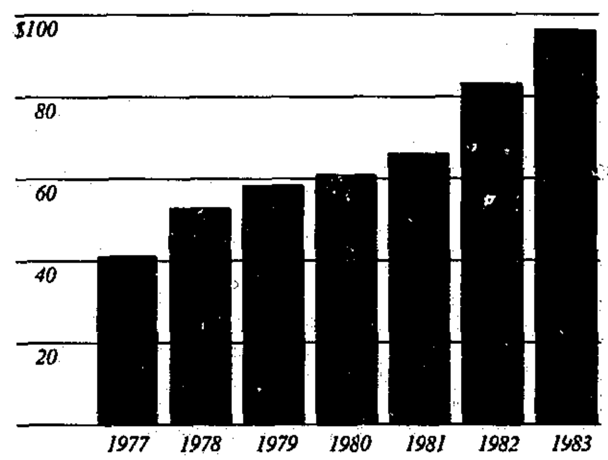
Net Investment Income—Consolidated pretax net investment income increased 16.6% to $96.5 million in 1983 compared to $82.7 million in 1982. Aftertax net investment income was up 22.2% reflecting a significant increase in dividend income in 1983. The high yields obtained on electric utility stocks purchased during 1983 also contributed to the year's good results. In 1982 pretax and aftertax net investment income increased 25% and 27% respectively over 1981 due, in part, to the investment of the $90 million in proceeds received from the sale of GELICO.

property and casualty written premiums*
including service charges
(millions of dollars)



*twelve months ending

consolidated net investment income pretax
(millions of dollars)



Equity in Earnings of Affiliates — Earnings of GEFCO and AVEMCO, included in the consolidated financial statements on the equity method of accounting, totaled $4.2 million for the year compared to $2.0 million in 1982 and $.3 million in 1981.

The increase in 1983 reflected improved GEFCO results and an increase in the Corporation's ownership of GEFCO from 69.5% to 100% through a merger effected on July 27 after approval by the shareholders of GEFCO.

The Corporation's equity in the earnings of AVEMCO for 1983 was $1.0 million compared to $.9 million in 1982 and $.8 million in 1981. On September 2, 1983 the Corporation increased its equity in AVEMCO from 22.5% to 33.3% by purchase of shares from AVEMCO.

Other Revenue—For 1983, $1.0 million from the sale of timeshare units at San Clemente Inn and $2.3 million of commission income from subsidiaries purchased from GEFCO in 1982 are included in other revenue.

BENEFITS AND EXPENSES

Benefits and expenses, before interest expense and income taxes, totaled $750.2 million in 1983, up 5.5% from $710.8 million in 1982. Benefits and expenses in 1982, which rose 11.9% from 1981, included $20.7 million incurred under the accident and health reinsurance treaty.

Property and casualty operations again benefited from reduced accident frequency in 1983, a further decline in GEICO's involuntary policies, the apparent success of highway safety programs and careful risk selection. Automobile claims reported decreased 3.0% (excluding GEICO General), the sixth consecutive year in which there was a decline. While further moderating in 1983, inflation continued to offset partially the benefits realized from fewer accidents.

Policy acquisition and other operating expenses increased 13.9% to $160.6 million and, as shown by the significant Statutory Indicators (page 18), the ratio of general expenses to written premiums was 16.4%. This reflects, in part, increased new business expense and improved employee benefit programs. In 1982 and 1981 the ratios were 15.3% and 15.5%.

During 1983 dividends to policyholders of $16.1 million were accrued to be paid in certain states with underwriting experience more favorable than anticipated. Our objective continues to be an underwriting profit of 5% on our seasoned business.

Interest expense increased to $16.3 million in 1983 compared to $15.6 million in 1982 and $15.0 million in 1981 reflecting a full year's interest on the $7.5 million of 15% Debentures issued on June 30, 1982 in conjunction with the purchase of Garden State Life Insurance Company.

INCOME TAXES

Although operating earnings before tax increased to $106.2 million, federal income taxes decreased to $11.3 million in 1983 due to increased dividend income. In 1982 federal income taxes increased 5.1% to $13.5 million due primarily to higher underwriting gain and investment income compared to 1981.

In December 1982 GEICO Corporation invested $16.3 million in "safe harbor" tax benefit transfer leases, resulting in current taxes payable reductions of $10.2 million in 1982 and $5.6 million in 1983. While these leases have no effect on operating earnings for financial reporting purposes, the reduction in current taxes provides additional funds for investment.

OPERATING EARNINGS

Consolidated operating earnings totaled $94.8 million, up 22.4% from $77.5 million in 1982 which was up 20.3% from $64.4 million in 1981. Operating earnings per share increased 22.1% in 1983 to $4.48 following a 23.2% increase to $3.67 per share in 1982.

The weighted average shares outstanding were 21,171,702 in 1983 compared to 21,091,983 in 1982 and 21,643,932 in 1981.

NET INCOME

Net income totaled $113.8 million in 1983 compared to $48.8 million in 1982 and $83.3 million in 1981, equal to $5.37, $2.32 and $3.85 respectively on a fully diluted per share basis.

Net income in 1983 reflected a net realized investment gain of $18.9 million ($.89 per share) from securities transactions including a gain from the Corporation's investment in Crum and Forster (please see Note "E" to the financial statements). In 1982 a realized loss of $28.6 million ($1.35 per share) was incurred mainly to offset the gain from the sale of GELICO in 1981 (reportable for tax purposes in 1982). Net income in 1981 included an aftertax gain of $27.2 million ($1.25 per share) from the sale of the Corporation's interest in GELICO, offset in part by a realized investment loss of $8.3 million ($.38 per share) from the sale of other investments.

This report focuses on fully diluted per share results as constituting the most representative measure of the Corporation's performance.

LIQUIDITY

CASH FLOW

In the three years 1981 through 1983 GEICO Corporation and its subsidiaries generated a positive cash flow of $376.4 million from operations. In addition, during 1982 and 1983 the Corporation received $31.6 million for 1,316,782 shares of Common Stock issued on the exercise of 633,197 Common Stock Purchase Warrants. On January 4, 1982 GEICO received $90 million from the sale of its GELICO shares to Legal & General Group Plc.

During the three-year period the Corporation and its subsidiaries spent $106.8 million in cash to repurchase its Common Stock (held in Treasury), $25 million to redeem GEICO's Senior Preferred Stock in 1981 and $35.8 million to bring ownership in subsidiaries and affiliates to present levels. In the same period the Corporation paid $36.7 million in dividends to its shareholders and added $274.8 million net in new investments.

The Corporation receives dividends from GEICO, its principal subsidiary, which provide adequate cash for parent company operations. The regulatory restrictions on such dividends are described in Note "C" to the financial statements.

INVESTMENTS

Pretax net investment income increased 16.6% to $96.5 million from $82.7 million in 1982. Such income totaled $66.4 million in 1981. Investment income growth over the past three years was moderated due to the use of $106.8 million for repurchase of shares, funds which would otherwise have been available for investment.

Net new investments of $154.8 million were made in the consolidated portfolio during 1983. Net common stock purchases totaled $167.9 million for the year, with over $74 million invested in electric utility and $62 million in telephone utility issues. In the fixed income portfolio, net purchases of redeemable preferred stocks totaled $71.1 million and there were net sales of $44.5 million of longer-term tax-exempt bonds. At year-end the market value of fixed maturity investments was $45.7 million or 5.8% below statement carrying value.

The common stock portfolio, adjusted for purchases and sales, earned an aftertax total rate of return, including market appreciation, of 27.2% in 1983. The comparable return for the S&P 500 was 16.9%. The largest industry positions in the common stock portfolio at year-end were in foods and other consumer nondurables (28.7%), electric utilities (19.9%), telephone utilities (15.9%) and office equipment (9.0%).

The GEICO Corporation Investment Summary shows the year-end investment portfolios for 1983, 1982 and 1981. The carrying value of bonds and redeemable preferred stocks is amortized cost while equity securities are carried at year-end market value. At December 31, 1983 the Corporation and its consolidated subsidiaries held $39.7 million in cash and cash equivalents. Additionally, approximately $114.6 million of the bond portfolio will mature in 1984.

The Corporation has a continuing outlook for a positive cash flow from operations and ample liquidity.

GEICO Corporation Investment Summary
(In millions)

	1983		1982	1981
	Carrying Value	**% Portfolio**	Carrying Value	Carrying Value
Short-term investments	**$ 24.6**	**1.9%**	$ 55.4	$ 73.4
Fixed maturities				
U.S. Government bonds	**56.2**	**4.3**	78.6	57.1
Corporate bonds	**10.3**	**.8**	10.7	6.5
Tax-exempt bonds	**532.6**	**40.8**	538.6	483.2
Bonds	**599.1**	**45.9**	627.9	546.8
Redeemable preferred stocks	**183.4**	**14.0**	111.3	40.9
	782.5	**59.9**	739.2	587.7
Equity securities				
Preferred stocks	**75.6**	**5.8**	94.1	52.8
Common stocks	**422.9**	**32.4**	239.2	188.4
	498.5	**38.2**	333.3	241.2
Totals	**$1,305.6**	**100.0%**	$1,127.9	$902.3
Note receivable				$ 90.0

GEICO Corporation Bond Maturity Table
(In millions)

	1983			1982		
Maturity	**Amortized Value**	**% Portfolio**	**Market Value**	Amortized Value	% Portfolio	Market Value
Less than one year	**$114.6**	**19.1%**	**$114.4**	$ 45.7	7.3%	$ 45.5
1–5 years	**104.7**	**17.5**	**102.5**	146.8	23.4	146.1
6–10 years	**180.5**	**30.1**	**167.5**	166.5	26.5	152.8
11–15 years	**126.3**	**21.1**	**110.8**	142.4	22.7	127.8
16–20 years	**35.4**	**5.9**	**27.3**	51.2	8.1	39.3
Greater than 20 years	**37.6**	**6.3**	**28.2**	75.3	12.0	53.5
	$599.1	**100.0%**	**$550.7**	$627.9	100.0%	$565.0

LOSS RESERVES

Claim settlement costs continued to rise through 1983, however at a rate more favorable than anticipated. Property and casualty loss and loss adjustment reserves rose 1.6% to $526.3 million compared to an 8.4% increase in 1982 and a 1.0% increase in 1981.

The Corporation analyzes loss information, including projected timing of claim payments, in order to have sufficient maturities of investments and other liquid assets to meet claim payment patterns. In addition, the Companies' reinsurance treaties are structured to avoid the serious cash drains that can accompany catastrophe losses.

CAPITAL STRUCTURE

On January 1, 1981 the Corporation's capital structure consisted of Common Stock (20,263,305 shares) and Cumulative Convertible Preferred Stock (676,801 shares). On the basis of common share equivalents, the 21,616,907 total outstanding at January 1, 1981 had been reduced to 20,392,[illegible] shares at December 31, 1983.

In 1981 and 1982 a total of 670,527 shares of convertible preferred was converted into 1,341,054 shares of common. On November 1, 1982 the Corporation redeemed the remaining 6,274 shares of Convertible Preferred Stock then outstanding, at a price of $9.66 per share plus accrued dividends.

On December 31, 1981 the Corporation had 648,542 Warrants outstanding to purchase 1,348,979 shares of Common Stock at any time through August 1, 1983, at $24 a share. In 1982, 141,755 Warrants were exercised for 294,834 common shares and during 1983 a total of 491,442 Warrants were exercised for 1,021,948 common shares. The remaining 15,345 Warrants, including 4,500 owned by the Corporation and held in its treasury, expired August 1, 1983.

In September 1983 the Corporation completed a tender offer to purchase 700,000 shares of its Common Stock at $60 per share and simultaneously, pursuant to an agreement with Berkshire Hathaway, purchased an additional 350,000 shares at the same price from that company so that its percentage interest in the Corporation would not significantly change as a result of the tender offer. The purchase of these 1,050,000 shares for $63.3 million in cash caused a reduction in both shareholders' equity and book value per share. In other transactions the Corporation purchased 61,100 shares for $3.4 million in 1983, 460,100 shares for $11.4 million in 1982 and 1,220,579 shares for $28.7 million in 1981.

In 1983 the Corporation guaranteed a loan to the GEICO Companies Employee Stock Ownership Plan and Trust and will make annual contributions sufficient to enable the trustee of that Plan to repay the loan including interest. At December 31, 1983 the loan balance was $5 million.

INFLATION

Please see 'Supplemental Information on the Effects of Changing Prices' regarding the impact of inflation, using measurement bases developed by the Financial Accounting Standards Board. Additionally, explanatory comments with respect to the Corporation's operations are included in those disclosures.

COMMON STOCK MARKET PRICES AND DIVIDENDS

The Corporation's Common Stock is listed on the New York Stock Exchange, ticker symbol GEC. Under Securities and Exchange Commission rules, certain securities dealers are permitted to continue to make an over-the-counter market in the Corporation's stock. The number of record holders of the Common Stock at January 31, 1984 was 5,902.

The following table shows the quarterly high and low prices for the Common Stock on the New York Stock Exchange and also shows dividends paid to shareholders of record in each quarter of 1983 and 1982.

	High	Low	Dividends Paid
1983			
Fourth Quarter	$61 3/4	$56	$.18
Third Quarter	61	53	.18
Second Quarter	64	46 3/8	.18
First Quarter	47 1/2	41	.18
1982			
Fourth Quarter	$45 3/4	$30	$.14
Third Quarter	30 3/8	21 1/2	.14
Second Quarter	27 1/2	21	.14
First Quarter	28	22 1/2	.14

SELECTED FINANCIAL DATA

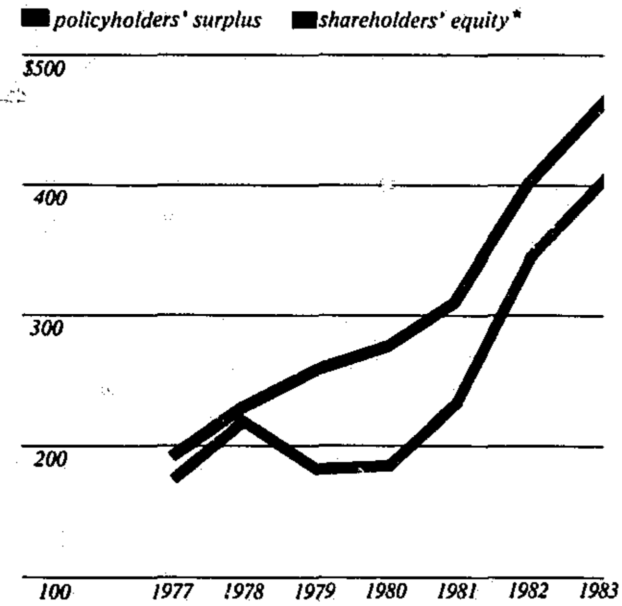
GEICO CORPORATION *(In thousands, except per share data)*	1983	1982	1981
OPERATING RESULTS			
Premiums	$ 768,316	$ 731,719	$ 656,669
Net investment income	96,478	82,743	66,401
Equity in earnings of unconsolidated affiliates	4,147	2,008	4,383
Other revenue	3,762	935	—
Total revenue	872,703	817,405	727,453
Total benefits and expenses	777,879	739,922	663,021
Operating earnings	94,824	77,483	64,432
Realized investment gain (loss) net of tax effect	18,929	(28,635)	18,854
Utilization of operating loss carryforward	—	—	—
Net income	$ 113,753	$ 48,848	$ 83,286
WEIGHTED AVERAGE SHARES OUTSTANDING			
Fully diluted	21,172	21,092	21,644
Primary	21,144	20,364	20,623
PER SHARE RESULTS			
Fully Diluted:			
Operating earnings	$ 4.48	$ 3.67	$ 2.98
Net income	$ 5.37	$ 2.32	$ 3.85
Primary:			
Operating earnings	$ 4.48	$ 3.80	$ 3.11
Net income	$ 5.38	$ 2.39	$ 4.02
Common Stock dividends	$ .72	$ .56	$ .48
FINANCIAL CONDITION			
Assets	$1,775,790	$1,563,799	$1,362,009
Long-term debt	153,890	144,472	137,495
Redeemable Preferred Stock	—	—	2,086
Common Shareholders' Equity	405,439	344,797	236,818
Book value per share (fully converted)	$ 19.88	$ 16.85	$ 11.60

SIGNIFICANT STATUTORY INDICATORS *(In thousands, except ratios)*			
PROPERTY AND CASUALTY OPERATIONS			
Surplus for protection of policyholders	$ 459,806	$ 399,483	$ 317,062
Ratio of twelve months written premiums to surplus	1.7:1	1.8:1	2.1:1
Loss ratio	76.9%	80.0%	81.1%
Expense ratio	16.4%	15.3%	15.5%
Underwriting ratio	93.3%	95.3%	96.6%
Underwriting ratio after policyholder dividends	95.5%	95.3%	96.6%
GEICO			
Surplus for protection of policyholders	$ 459,806	$ 399,483	$ 317,062
Ratio of twelve months written premiums to surplus	1.5:1	1.6:1	1.9:1

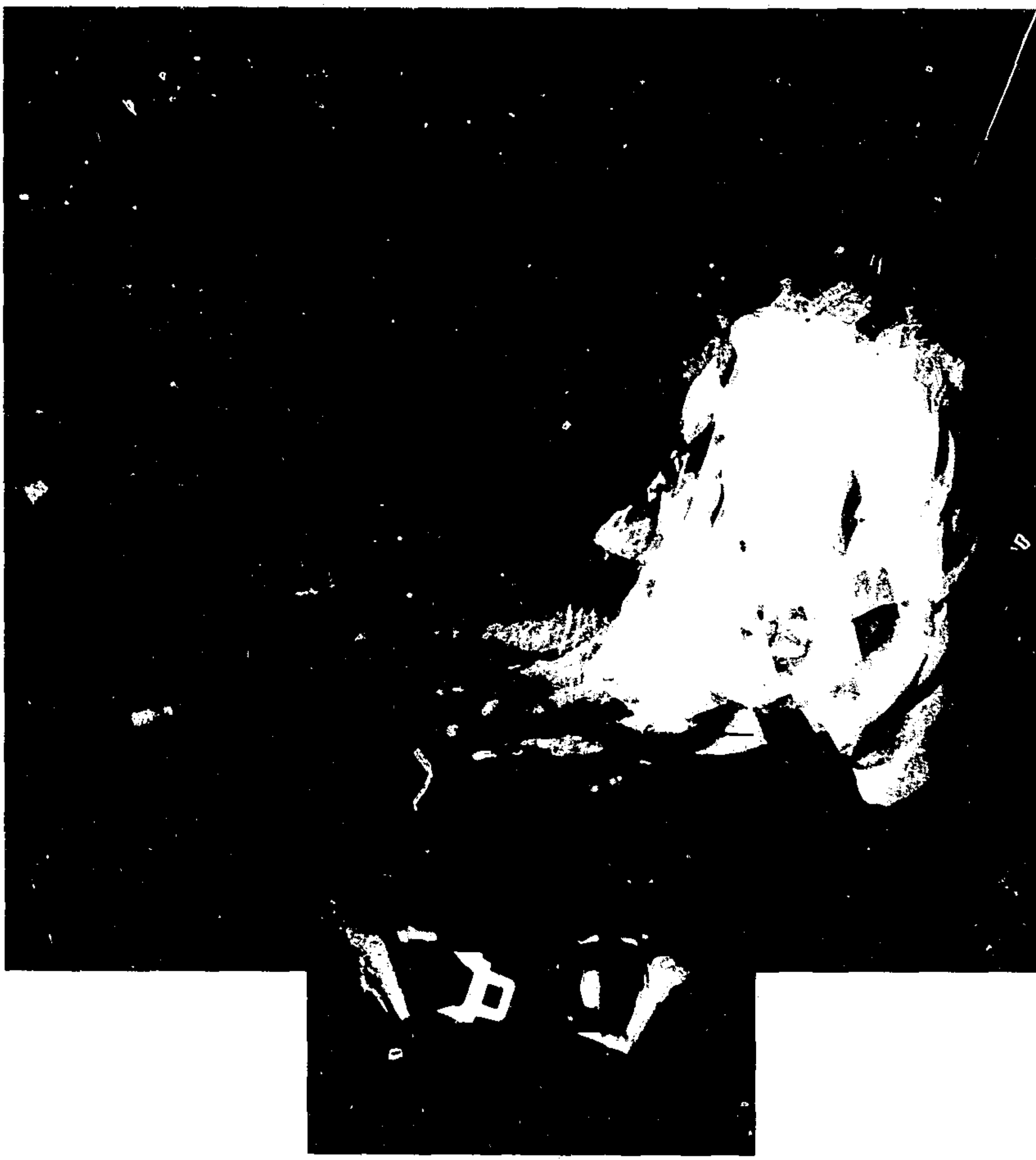
Expense ratios are calculated using underwriting expense less net service charges, as related to premiums written.

1980	1979	1978	1977
$ 620,120	$ 601,553	$ 577,252	$ 463,600
60,492	58,349	52,777	40,870
3,796	5,659	4,878	696
—	—	—	—
684,408	665,561	634,907	505,166
624,764	606,012	572,498	467,402
59,644	59,549	62,409	37,764
1,119	(723)	(6,958)	120
—	15,456	32,747	20,697
$ 60,763	$ 74,282	$ 88,198	$ 58,581
23,003	27,753	34,343	34,345
20,522	17,336	18,040	17,744
$ 2.59	$ 2.14	$ 1.74	$ 1.10
$ 2.64	$ 2.67	$ 2.49	$ 1.70
$ 2.87	$ 3.24	$ 2.99	$ 1.78
$ 2.92	$ 4.09	$ 4.42	$ 2.96
$ .43	$ .36	$ .20	$ .03
$1,274,796	$1,235,949	$1,187,585	$ 991,914
137,920	120,037	47,154	47,524
6,227	17,443	72,078	100,864
185,951	173,631	148,729	77,575
$ 8.89	$ 7.60	$ 6.45	$ 4.48
$ 283,321	$ 261,036	$ 230,469	$ 198,717
2.2:1	2.3:1	2.5:1	3.0:1
80.5%	79.8%	80.8%	84.1%
15.9%	16.2%	15.1%	15.0%
96.4%	96.0%	95.9%	99.1%
96.4%	96.3%	95.9%	99.1%
$ 283,321	$ 251,078	$ 220,473	$ 178,630
1.9:1	2.1:1	2.4:1	2.5:1

property and casualty policyholders' surplus and GEICO Corp. shareholders' equity (*millions of dollars*)



* *fully converted*



In 1983, about 43,000 people were killed in traffic accidents in this country. None of those killed expected to be in an accident and most were not wearing their safety belts.

According to the National Highway Traffic Safety Administration, studies prove that safety belts reduce traffic fatalities by 60 to 70 percent and cut the number of serious injuries by 50 percent.

We provide speakers, films and free literature to educate our policyholders and other drivers about the importance of using seat belts. During 1983 we mailed one million flyers about seat belts to our auto policyholders, and included the buckle up message in our advertising. The "Convincer" pictured above is a device which simulates a 7 mph crash impact. It is used by police departments in their public education campaigns. Disbelievers are "convinced" after they experience the tremendous force involved even at this low speed. We hope we can help convince all our customers and employees before it's too late.

REPORT OF ERNST & WHINNEY, INDEPENDENT AUDITORS

TO THE SHAREHOLDERS
GEICO CORPORATION

We have examined the consolidated balance sheet of GEICO Corporation and subsidiaries as of December 31, 1983 and 1982, and the related consolidated statements of income, shareholders' equity, and changes in financial position for each of the three years in the period ended December 31, 1983. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of GEICO Corporation and subsidiaries at December 31, 1983 and 1982, and the consolidated results of their operations and changes in their financial position for each of the three years in the period ended December 31, 1983, in conformity with generally accepted accounting principles applied on a consistent basis.

Ernst & Whinney

Washington, D.C.
February 17, 1984

GEICO CORPORATION
CONSOLIDATED BALANCE SHEET

December 31, in thousands of dollars

ASSETS	1983	1982
Investments—Note E:		
Fixed maturities, at amortized cost (market $736,818 and $677,700)	$ 782,495	$ 739,242
Equity securities, at market (cost $403,890 and $257,260)	498,540	333,273
Short-term investments	24,582	55,417
Total Investments	1,305,617	1,127,932
Cash	15,074	8,817
Investment in affiliates—Note A	50,842	24,181
Accrued investment income	18,639	16,052
Premiums receivable	250,925	237,940
Deferred policy acquisition costs—Note D	41,788	37,445
Property and equipment, at cost less accumulated depreciation of $27,970 and $25,255—Note H	46,013	47,639
Other assets	46,892	63,793
Total Assets	**$1,775,790**	**$1,563,799**

See Notes to Consolidated Financial Statements

2

LIABILITIES AND SHAREHOLDERS' EQUITY

	1983	1982
Liabilities		
Policy liabilities:		
Loss and life benefit reserves	$ 468,913	$ 468,385
Loss adjustment expense reserves	71,645	67,215
Unearned premiums	451,936	418,187
Dividends to policyholders	16,070	—
	1,008,564	953,787
Amounts payable on purchase of securities	53,773	5,868
Other liabilities	89,174	73,378
Income taxes—Note F	61,650	39,397
Short-term debt—Note H	3,300	2,100
Long-term debt—Note H	153,890	144,472
Total Liabilities	1,370,351	1,219,002
Shareholders' Equity—Notes C and I		
Common Stock—$1 par value, 60,000,000 shares authorized, 31,932,931 and 30,887,950 shares issued and 20,392,819 and 20,458,938 shares outstanding	31,933	30,888
Paid-in surplus	177,600	153,085
Unrealized appreciation of equity securities	69,009	60,806
Retained earnings—Note F	342,744	244,184
Treasury Stock, at cost (11,540,112 and 10,429,012 shares)	(210,858)	(144,166)
Guaranteed bank loan of Employee Stock Ownership Trust—Notes G and H	(4,989)	—
Total Shareholders' Equity	405,439	344,797
Total Liabilities and Shareholders' Equity	$1,775,790	$1,563,799

GEICO CORPORATION
CONSOLIDATED STATEMENT OF INCOME

For the year ended December 31, in thousands of dollars except per share results	1983	1982	1981
Revenue			
Premiums	$768,316	$731,719	$656,669
Net investment income	96,478	82,743	66,401
Equity in earnings of GELICO	—	—	4,035
Equity in earnings of unconsolidated affiliates	4,147	2,008	348
Other revenue	3,762	935	—
Total Revenue	872,703	817,405	727,453
Benefits and Expenses			
Losses, life benefits and loss adjustment expenses	573,587	569,797	516,800
Policy acquisition expenses—Note D	62,525	63,639	52,945
Other operating expenses	98,033	77,358	65,377
Provision for dividends to policyholders	16,070	—	—
Interest expense—Note H	16,337	15,587	15,019
Total Benefits and Expenses	766,552	726,381	650,141
Operating Earnings Before Income Taxes	106,151	91,024	77,312
Income taxes—Note F	11,327	13,541	12,880
Operating Earnings	94,824	77,483	64,432
Realized gain on sale of GELICO, net of tax—Note M	—	—	27,156
Realized gains (losses) on investments, net of tax—Note E	18,929	(28,635)	(8,302)
Net Income	$113,753	$ 48,848	$ 83,286

Per Share Results—Note J:			
Fully Diluted:			
Operating Earnings	$4.48	$3.67	$2.98
Net Income	$5.37	$2.32	$3.85
Primary:			
Operating Earnings	$4.48	$3.80	$3.11
Net Income	$5.38	$2.39	$4.02

See Notes to Consolidated Financial Statements

GEICO CORPORATION
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

For the year ended December 31, in thousands of dollars	1983	1982	1981
Common Stock:			
Balance, beginning of year	$ 30,888	$ 30,113	$ 29,012
Conversion of Preferred Stock into Common Stock	—	441	900
Exercise of warrants, stock options and other	1,043	334	33
Payment of performance shares	2	—	168
Balance, end of year	31,933	30,888	30,113
Paid-in surplus:			
Balance, beginning of year	153,085	144,316	138,137
Proceeds over par value of stock issued upon:			
Conversion of Preferred Stock into Common Stock	—	1,588	3,240
Exercise of warrants, stock options and other	24,031	7,181	241
Payment of performance shares	93	—	2,698
Proceeds over cost of reissued Treasury Stock	391	—	—
Balance, end of year	177,600	153,085	144,316
Unrealized appreciation (depreciation) of equity securities:			
Balance, beginning of year	60,806	(11,483)	(10,781)
Unrealized appreciation (depreciation) net of deferred taxes	8,203	72,289	(702)
Balance, end of year	69,009	60,806	(11,483)
Retained earnings:			
Balance, beginning of year	244,184	206,641	133,629
Net income	113,753	48,848	83,286
Dividends declared on:			
Convertible Preferred Stock	—	(95)	(295)
Common Stock ($.72, $.56 and $.48 per share)	(15,017)	(11,207)	(9,979)
Other	(176)	(3)	—
Balance, end of year	342,744	244,184	206,641
Treasury Stock, at cost:			
Balance, beginning of year	(144,166)	(132,769)	(104,046)
Purchase of 1,197,100; 460,100 and 1,220,579 shares of Common Stock	(70,627)	(11,397)	(28,723)
Reissuance of 86,000 shares of Common Stock	3,935	—	—
Balance, end of year	(210,858)	(144,166)	(132,769)
Guaranteed bank loan of Employee Stock Ownership Trust:			
Balance, beginning of year	—	—	—
Borrowings	(9,989)	—	—
Repayments	5,000	—	—
Balance, end of year	(4,989)	—	—
Total Shareholders' Equity	$495,439	$344,797	$236,818

See Notes to Consolidated Financial Statements

GEICO CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended December 31, in thousands of dollars	1983	1982	1981
Operating Activities:			
Operating earnings	$ 94,824	$ 77,483	$ 64,432
Charges (credits) to earnings not involving funds:			
Net premiums receivable	(12,985)	(14,349)	(15,330)
Deferred policy acquisition costs	(4,343)	1,836	(6,737)
Loss, life benefit and loss adjustment expense reserves	4,958	37,674	4,625
Unearned premiums	33,749	12,849	38,413
Dividends to policyholders	16,070	—	—
Income taxes	15,372	(5,072)	17,277
Equity in undistributed earnings of affiliates	(3,318)	(1,618)	(1,125)
Provision for depreciation	4,260	4,481	4,054
Accrual of discount and amortization of premiums on investments	(4,229)	(4,958)	(4,340)
Reinsurance balances and other	29,849	(3,526)	(3,911)
Cash provided from operating activities	174,207	104,800	97,358
Dividends Paid to Shareholders	(15,017)	(11,346)	(10,356)
Financing Activities:			
Issuance of long-term debt	5,000	7,500	—
Increase (decrease) in short-term debt, net	1,200	(3,900)	1,000
Proceeds from exercise of warrants and stock options	25,169	7,515	273
Purchase of Common Stock (Treasury)	(70,627)	(11,397)	(28,723)
Reissuance of Common Stock (Treasury)	4,327	—	—
Redemption of GEICO Senior Preferred Stock (minority interest)	—	—	(25,000)
Other	(388)	(592)	(2,004)
Net cash flow from financing activities	(35,319)	(874)	(54,454)
Increase in cash	(6,257)	(287)	(213)
Net cash flow available for investment	$117,614	$ 92,293	$ 32,335
Investment of Cash Flow:			
Purchase of investments	$522,864	$478,092	$220,261
Increase in payable on security purchases	(47,905)	(2,799)	(1,798)
Sale of investments, net of related taxes	(387,096)	(338,227)	(203,205)
Decrease in receivable from security sales	(1,388)	(413)	(655)
Investment in affiliates and subsidiaries	23,217	20,068	35
Investment in tax benefit transfer leases	—	16,346	—
Increase (decrease) in note receivable	—	(89,968)	89,968
Sale of GELICO, net of related taxes	—	—	(80,766)
Purchase of property and equipment, net	2,673	5,386	7,945
Other	5,249	3,808	550
Net investment of cash flow	$117,614	$ 92,293	$ 32,335

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A: CONSOLIDATION

The consolidated financial statements include the accounts of GEICO Corporation (the Corporation) and its subsidiaries except Government Employees Financial Corporation (GEFCO). Investments in GEFCO, a 100% owned consumer finance company, AVEMCO Corporation, a 33% owned general aviation insurance and finance company, and other non-majority owned affiliates are accounted for using the equity method.

Significant intercompany accounts and transactions have been eliminated.

Property and Casualty Insurance

Summary consolidated financial data for the property and casualty insurance subsidiaries are presented below. The property and casualty insurance subsidiaries are Government Employees Insurance Company (GEICO), Criterion Insurance Company (CRICO), Criterion Casualty Company, and GEICO General Insurance Company.

Condensed Balance Sheets
(In thousands)

	December 31, 1983	December 31, 1982
Assets		
Investments		
Short-term investments	$ 19,822	$ 49,094
Fixed maturities	709,337	697,176
Equity securities	417,601	311,011
Affiliates	77,855	48,502
Cash	12,923	6,758
Property and equipment, net	43,546	46,062
Premiums receivable, net	243,843	233,126
Deferred policy acquisition costs	38,548	35,192
Other assets	32,662	47,575
	$ 1,596,137	$ 1,474,496
Liabilities and Shareholder's Equity		
Reserves for losses and loss adjustment expenses	$ 521,447	$ 515,893
Unearned premiums	448,003	417,199
Other liabilities	184,525	152,688
Shareholder's equity	442,162	388,716
	$ 1,596,137	$ 1,474,496

Condensed Income Statements
(In thousands)

	Year Ended December 31, 1983	1982	1981
Premiums	$ 760,219	$ 727,570	$ 656,540
Net investment income	81,868	76,998	62,965
Equity in operating earnings of:			
GEFCO	3,173	1,098	(424)
AVEMCO	1,002	900	762
GELICO	—	—	4,035
Other affiliates	(869)	(468)	—
Total Revenue	845,393	806,098	723,878
Losses and loss adjustment expenses	567,228	566,752	516,871
Other expenses	154,374	124,871	111,548
Interest expense	4,005	4,052	4,095
Income taxes	20,660	23,291	19,319
Total Benefits and Expenses	746,267	718,966	651,833
Operating Earnings	99,126	87,132	72,045
Realized gain—GELICO	—	—	27,156
Realized gains (losses)	17,837	(28,715)	(8,304)
Net Income	$ 116,963	$ 58,417	$ 90,897

Resolute Group, Inc.

Summary financial data for Resolute Group, Inc., a consolidated subsidiary which writes property and casualty reinsurance, are as follows:

(In millions)	1983	1982	1981
Investments	$ 28.7	$ 17.4	$ 15.2
Total assets	40.3	24.9	17.7
Shareholder's equity	12.5	13.4	15.3
Underwriting loss	(1.4)	(1.8)	(1.1)
Net investment income	2.0	2.0	1.7
Net income	.6	.1	.3

Life Insurance

Summary financial data for the two life insurance subsidiaries, Garden State Life Insurance Company and GEICO Annuity and Insurance Company, are as follows:

(In millions)	1983	1982
Investments	$ 28.4	$ 22.3
Total assets	42.8	41.1
Shareholder's equity	26.8	21.7
Premiums	1.9	1.0
Net investment income	2.8	1.7
Net income (loss)	(.1)	.7

Plaza Resources Company

Plaza Resources Company, a wholly owned subsidiary, has invested in a computer software limited partnership, a real estate development partnership, and oil and gas exploration programs. The computer software costs have been expensed as incurred. The real estate development partnership is developing and selling timeshare vacation units jointly with GEFCO. The oil and gas exploration programs are accounted for by the successful efforts method. Summary financial data for Plaza Resources Company, are as follows:

(In millions) Condensed Balance Sheets	December 31, 1983	1982
Investments in:		
Computer software limited partnership	$ .2	$ .5
Oil and gas fields	3.5	.3
Real estate development partnership	3.1	—
Other assets, net	.1	1.5
Shareholder's equity	$ 6.9	$ 2.3

Condensed Income Statements	Year Ended December 31, 1983	1982
Computer software costs expensed	$ (2.8)	$ (2.0)
Real estate development income	1.0	—
Oil and gas costs expensed	(1.1)	(.5)
Income tax benefit	1.4	1.3
Net loss	$ (1.5)	$ (1.2)

GEFCO and AVEMCO

At December 31, 1982 GEICO owned 67% of the common stock and 55% of the voting shares of GEFCO. During 1983 GEICO purchased the remaining outstanding common and preferred stock of GEFCO for $14.2 million. GEFCO's earnings are included in the Corporation's financial statements based on the extent of ownership from the dates of additional acquisition. Consolidated results of operations would not have been significantly different had these additional acquisitions been made on January 1, 1982. Summary financial data for GEFCO are as follows:

(In millions) Condensed Balance Sheets	December 31, 1983	1982
Cash and investments	$ 60.0	$ 44.6
Net finance receivables	115.1	130.4
Other assets	6.5	5.2
Total assets	$ 181.6	$ 180.2
Notes and debentures payable	$ 63.9	$ 76.5
Liability for savings deposits	73.4	61.9
Other liabilities	5.0	5.7
Total liabilities	142.3	144.1
Redeemable preferred stock	1.0	1.0
Nonredeemable preferred stock and common shareholders' equity	38.3	35.1
Total liabilities and equity	$ 181.6	$ 180.2

Condensed Income Statements	Year Ended December 31, 1983	1982	1981
Interest on finance receivables	$ 22.2	$ 25.9	$ 31.5
Investment and other income	13.6	6.4	2.4
Total revenue	35.8	32.3	33.9
Interest and capital financing expenses	15.2	16.1	19.7
Other operating expenses	16.6	13.5	15.6
Income taxes	.5	1.0	(.8)
Income (loss) from continuing operations	3.5	1.7	(.6)
Discontinued operations	.2	.8	.1
Net income (loss)	$ 3.7	$ 2.5	$ (.5)

GEICO Corporation's consolidated balance sheet includes investments in GEFCO's bonds of $5,571,145 and $5,923,380 at December 31, 1983 and 1982, respectively.

In 1983 CRICO increased its ownership of AVEMCO Corporation from 22% to 33% by purchasing 422,631 additional shares of common stock from AVEMCO for $8.5 million. Summary financial data for AVEMCO are as follows:

(In millions)	1983	1982	1981
Total assets	$ 83.8	$ 72.1	$ 63.9
Shareholders' equity	38.2	25.2	21.1
Revenue	37.5	36.3	31.3
Net income	4.1	4.4	3.9

The Corporation received dividends of $.8 million in 1983, $.4 million in 1982 and $.3 million in 1981 from GEFCO and AVEMCO.

NOTE B: SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting

The accompanying financial statements are presented in conformity with generally accepted accounting principles (GAAP). These principles differ from statutory accounting practices prescribed or permitted by regulatory authorities for the insurance subsidiaries as described in Note C.

Investments

Investments in fixed maturities (bonds, notes and redeemable preferred stocks) are reported at amortized cost and investments in equity securities (common and nonredeemable preferred stocks) at market value. Realized gains and losses on sales of investments, as determined on a specific identification basis, are included in the statement of income. GEICO Corporation's equity in changes in unrealized appreciation (depreciation) on equity securities, after deferred income tax effects, is reported directly in shareholders' equity. The consolidated unrealized investment appreciation at December 31, 1983 before deferred tax effects consisted of gross gains of $104.6 million and gross losses of $9.9 million.

Deferred Policy Acquisition Costs

Costs that vary with and are directly related to the production of business and are recoverable have been deferred. Such costs include commissions, premium taxes, advertising and certain underwriting and policy issuance costs. The costs of acquiring property and casualty insurance are being amortized to income as the related written premiums are earned. The costs of acquiring life insurance, including the present value of insurance inforce purchased with Garden State Life Insurance Company, are being amortized to income as revenues are earned.

Loss, Life Benefit and Loss Adjustment Expense Reserves

Property and casualty loss reserves are based on averages for automobile claims reported within the most recent three months, case basis estimates for other reported claims and calculated estimates of unreported losses. The reserve for losses further includes additional amounts to reflect anticipated future economic and social conditions. The determination of these additional amounts includes consideration of studies of reserve levels performed by independent consulting actuaries. The reserve for losses has been reduced by approximately $21.0 million and $19.2 million at December 31, 1983 and 1982, respectively, for anticipated salvage and subrogation recoveries. Loss adjustment expense reserves are based upon estimates of expenses to be incurred in the settlement of claims. Reserves are recorded net of estimated reinsurance recoverable on unpaid losses and loss adjustment expenses.

Management believes that its aggregate provision for loss and loss adjustment expense at December 31, 1983 is reasonable and adequate to cover the ultimate net cost of losses on reported and unreported claims arising from accidents which had occurred by that date, but such provision is necessarily based on estimates and the ultimate net cost may vary from such estimates. As adjustments to these estimates become necessary, such adjustments are reflected in current operations. The methods used to develop these reserves are subject to continuing review and refinement.

Liabilities for future life policy benefits have been computed principally by the net level premium method with anticipated rates of mortality, withdrawals and investment yield based upon company experience.

Premium Revenue and Dividends to Policyholders

Property and casualty premiums are earned prorata over the terms of the policies and life and annuity premiums are recognized as revenue over the premium paying period. Premium revenues are reported net of reinsurance. The dividends to policyholders of $16.1 million charged to operations in 1983 have been based upon amounts expected to be paid.

Property and Equipment

The annual provisions for depreciation are computed by the straight-line method over 45 year useful lives for buildings and over 3-10 year useful lives for equipment.

Goodwill

The excess of the purchase price over the fair value of the net assets acquired on purchased subsidiaries and affiliates has been recorded as goodwill and is being amortized on a straight-line basis over forty years or less. At December 31, 1983 goodwill on consolidated subsidiaries of $7.4 million is included in other assets and negative goodwill on unconsolidated affiliates of $1.4 million is included with investment in affiliates.

NOTE C: RECONCILIATION OF STATUTORY ACCOUNTS

The generally accepted accounting principles which differ significantly from statutory accounting practices are:

- Policy acquisition costs are deferred and amortized in proportion to premium recognition.
- Loss reserves are based upon estimates of ultimate losses net of salvage and subrogation recoverable.
- Life benefit reserves are based upon current estimates of mortality, interest and withdrawals.
- Deferred income taxes are provided for timing differences between pretax accounting income and taxable income.
- Nonadmitted assets, principally certain premiums receivable and property and equipment, are reported as assets.
- The mandatory securities valuation reserve is reported as a part of retained earnings.
- The costs of employee compensated absences are recorded on an accrual basis.
- Equity in the undistributed net income of affiliates is included in net income, net of deferred income taxes.

A reconciliation of net income and shareholder's equity of GEICO under statutory practices to net income and shareholders' equity reported herein under GAAP for the Corporation is as follows:

Net Income *(In thousands)*	Year Ended December 31, 1983	1982	1981
GEICO-statutory accounting practices	$ 115,287	$ 48,717	$ 98,584
Deferred income taxes	(5,200)	8,776	(6,712)
Income (loss) from consolidation of subsidiaries	(527)	1,757	877
Equity in undistributed net income of GELICO	—	—	1,080
Equity in undistributed net income of affiliates	2,745	1,017	(440)
Deferred policy acquisition costs	3,671	(2,070)	6,144
Salvage and subrogation	1,951	885	83
Effect of equity accounting on gain from sale of GELICO	—	—	(9,227)
Other	(964)	(665)	508
GEICO-in accordance with GAAP	116,963	58,417	90,897
Senior preferred dividends	—	—	(190)
Parent company operations	(3,210)	(9,569)	(7,421)
The Corporation in accordance with GAAP	$ 113,753	$ 48,848	$ 83,286

Shareholders' Equity *(In thousands)*	December 31, 1983	1982	1981
GEICO-statutory accounting practices	$ 459,806	$ 399,483	$ 317,062
Deferred policy acquisition costs	33,771	30,100	32,169
Salvage and subrogation	19,319	17,368	16,483
Deferred income taxes	(57,150)	(43,120)	(33,664)
Nonadmitted assets	9,755	8,475	8,440
Accrued compensated absences	(4,811)	(4,464)	(4,289)
Effects of consolidated real estate subsidiaries	(17,290)	(17,921)	(18,333)
Valuation of consolidated insurance subsidiaries and unconsolidated affiliates	(1,642)	(2,021)	4,236
Other	404	816	(429)
GEICO-in accordance with GAAP	442,162	388,716	321,675
Parent company capital transactions-net	(4,614)	(15,020)	(63,441)
Parent company operations	(32,109)	(28,899)	(19,330)
Cumulative Preferred Stock	—	—	(2,086)
The Corporation in accordance with GAAP	$ 405,439	$ 344,797	$ 236,818

Consolidated net income for all property and casualty insurance subsidiaries as determined under statutory practices was $110.1 million in 1983, $51.7 million in 1982 and $97.6 million in 1981. Consolidated shareholder's equity under statutory practices for these subsidiaries was $480.0 million and $414.8 million at December 31, 1983 and 1982, respectively.

Consolidated life and accident and health subsidiaries reported a net loss of $1.4 million in 1983 and net income of $.7 million in 1982 as determined under statutory practices. Consolidated shareholder's equity under statutory practices for these subsidiaries was $20.7 million and $17.2 million at December 31, 1983 and 1982, respectively.

Statutory requirements place limitations on the maximum amount of annual dividends and other distributions which can be remitted to the Corporation by its consolidated insurance subsidiaries without prior approval of the appropriate state insurance commissioners. The consolidated insurance companies had total net assets of $442.2 million at December 31, 1983, of which approximately $106.8 million is available for payment of dividends in 1984 and other amounts may be available in the form of loans or cash advances. During 1983 the Corporation received $72.1 million in dividends from these subsidiaries.

NOTE D: POLICY ACQUISITION COSTS

Policy acquisition costs information is summarized as follows:

(In thousands)	1983	1982	1981
Policy acquisition costs incurred:			
Commission and brokerage	$ 9,713	$ 11,551	$ 12,801
Premium taxes	14,685	13,559	12,752
Salaries, direct mail selling and other	42,470	36,620	34,130
Present value of insurance inforce purchased with Garden State Life Insurance Company	—	2,171	—
	$ 66,868	$ 63,901	$ 59,683
Policy acquisition costs expensed	$ 62,525	$ 63,639	$ 52,945

NOTE E: INVESTMENT OPERATIONS

Investment Income

The sources of investment income are summarized as follows:

(In thousands)	1983	1982	1981
Fixed maturities	$ 68,583	$ 51,890	$ 40,094
Equity securities	25,572	19,757	19,084
Short-term investments	5,366	13,474	9,534
Other	626	450	166
Total investment income	100,147	85,571	68,878
Investment expenses	3,669	2,828	2,477
Net investment income	$ 96,478	$ 82,743	$ 66,401

There were no investments in fixed maturities which were non-income producing for the twelve month period ended December 31, 1983.

Realized Gains (Losses)

Realized gains (losses) on investments are summarized as follows:

(In thousands)	1983	1982	1981
Fixed maturities	$ (19,292)	$ (24,738)	$ (7,772)
Equity securities	40,271	(15,105)	(5,382)
Other	120	46	87
Equity in affiliates' realized losses	(65)	—	(28)
	21,034	(39,797)	(13,095)
Income taxes	(2,105)	11,162	4,793
Realized gains (losses)	$ 18,929	$ (28,635)	$ (8,302)

The above summary includes a $25.5 million after-tax realized gain on GEICO's investment in Crum and Forster common stock which was exchanged for cash and Xerox Corporation securities in 1983.

Unrealized Appreciation (Depreciation)

A summary of unrealized appreciation (depreciation) on investments in equity securities during each year reflected directly in shareholders' equity is as follows:

(In thousands)	1983	1982	1981
Unrealized appreciation (depreciation)	$ 18,637	$ 92,492	$ (1,139)
Equity in affiliates' unrealized appreciation	192	358	118
Deferred income taxes	(10,626)	(20,561)	319
Unrealized appreciation (depreciation) reflected in shareholders' equity	$ 8,203	$ 72,289	$ (702)

Investments in fixed maturities are carried at amortized cost since such securities are generally held to maturity. A summary of unrealized appreciation (depreciation) on investments in fixed maturities is as follows:

(In thousands)	1983	1982	1981
Amortized cost	$ 782,495	$ 739,242	$ 587,727
Market value	736,818	677,700	391,661
Excess of amortized cost over market value at December 31	$ 45,677	$ 61,542	$ 196,066
Unrealized appreciation (depreciation) during the year	$ 15,865	$ 134,524	$ (43,185)

NOTE F: INCOME TAXES

Tax Expense

Tax expense has been computed upon pretax financial reporting income as follows:

(In thousands)	1983	1982	1981
Tax on:			
Tax basis income before loss carryforward	$ 4,179	$ 7,105	$ 6,105
Timing differences	7,148	6,436	6,775
Income tax provision	$ 11,327	$ 13,541	$ 12,880

Effective Tax Rate Reconciliation

A reconciliation of the effective tax rates in the consolidated statement of income to the prevailing Federal income tax rate (46%) is as follows:

(In thousands)	1983	1982	1981
Income tax provision at 46% of pre-tax income	$ 48,829	$ 41,871	$ 35,563
Effect of:			
Tax-exempt interest income	(17,210)	(15,486)	(11,225)
Dividends received deduction	(17,736)	(10,531)	(9,792)
Investment tax credit	(979)	(1,422)	(2,650)
Affiliates undistributed earnings	(1,017)	(127)	3,049
Capital gains rate differential	(872)	(928)	(880)
Other items	312	164	(1,185)
Income tax provision	$ 11,327	$ 13,541	$ 12,880

Investment tax credits are accounted for by the flow-through method.

Deferred Tax Provision

The deferred tax provision resulted from timing differences in recognition of revenue and expenses for tax and financial statement purposes as follows:

(In thousands)	1983	1982	1981
Deferral of policy acquisition costs	$ 2,160	$ (844)	$ 3,099
Deferred compensation	(2,242)	(2,324)	286
Investment tax credit	248	928	(590)
GELICO's undistributed earnings	—	(3,570)	3,506
Tax benefit transfer leases	5,622	10,232	—
Other	1,360	2,014	474
Deferred tax provision	$ 7,148	$ 6,436	$ 6,775

During 1982 the Corporation invested $16.3 million in "safe harbor" tax benefit transfer leases resulting in $5.6 million and $10.2 million reductions in current income taxes payable for 1983 and 1982, respectively. The net cost of the leases, which is classified with other assets, is amortized over the lease term. The reduction in current tax expense is offset by an increase in the deferred tax provision for financial reporting purposes with no effect on net income.

Tax Liability

The components of the federal income tax liability included in the financial statements are as follows:

(In thousands)	December 31, 1983	1982
Current tax recoverable	$ (1,448)	$ (5,999)
Deferred tax payable	36,525	29,449
Deferred tax related to unrealized appreciation on equity securities	26,573	15,947
Income tax liability	$ 61,650	$ 39,397

GEFCO is an unconsolidated affiliate for financial reporting but will be included in the Corporation's consolidated U.S. federal income tax return beginning July, 1983. Taxes payable shown in the preceding table excludes the effect of GEFCO's earnings and deductions.

CRICO has a $3.2 million net operating loss carryforward for tax purposes, of which $2.4 million expires in 1991 and $.8 million in 1994. Other subsidiaries have separate net operating loss carryforwards totalling $1.3 million.

Policyholders' Surplus Account

A portion of the life insurance subsidiaries' statutory income is not subject to current income taxation, but is accumulated in an account designated "Policyholders' Surplus Account". The aggregate balance in this account, $3.7 million at December 31, 1983, would be taxed at applicable current rates only if distributed to stockholders or if the account exceeded a prescribed maximum. No Federal income taxes have been provided on this amount since, in management's opinion, the conditions under which such taxes would be incurred are not probable.

NOTE G: EMPLOYEE BENEFITS

The Corporation and its subsidiaries have a defined benefit noncontributory pension plan covering most full-time employees, the cost of which was $4,203,144 in 1983, $4,477,519 in 1982, and $4,428,550 in 1981. The plan provides for payment based on salary and years of service. The policy is to fund accrued pension costs, including amortization of prior service costs, over 30 years.

Accumulated plan benefits, as estimated by consulting actuaries, and plan net assets at December 31, 1982 (latest valuation date) and 1981 were as follows:

(In thousands)	December 31, 1982	December 31, 1981
Actuarial present value of accumulated plan benefits:		
Vested	$ 33,245	$ 29,641
Nonvested	7,513	7,487
	$ 40,758	$ 37,128
Net assets available for plan benefits	$ 55,536	$ 40,558

The assumed rate of return on invested assets used in determining the actuarial present value of accumulated plan benefits was 6% for both the December 31, 1982 and 1981 valuations.

Substantially all employees of the Corporation and its subsidiaries are covered under the GEICO Companies Employee Stock Ownership Plan and Trust established effective June 10, 1983. The Trust borrowed $10.0 million from a bank and used the proceeds to purchase shares of the Corporation's Common Stock. The Corporation guaranteed the loan and will make annual contributions sufficient to enable the Trust to repay the loan including interest. During 1983 the Corporation charged $5,757,054 to expense for amounts contributed to the Trust, which repaid $5.0 million of the loan principal. The obligation of the Trust, guaranteed by the Corporation, is included in the Corporation's long-term debt and a like amount is recorded as a separate reduction of shareholders' equity.

The Corporation also has a Profit Sharing Plan for eligible employees. Contributions for 1983 and prior were based on percentages of employee contributions. The Plan was revised in 1983 so that employer contributions will be a discretionary amount to be declared by the Board of Directors based on profits. Employer contributions of $3,235,043, $875,922 and $729,798 were charged to expense in 1983, 1982 and 1981, respectively.

NOTE H: DEBT

Long-term debt consists of the following:

(In thousands)	December 31, 1983	December 31, 1982
Unsecured note at prime due January 1985	$ 5,000	$ —
Unsecured 15% Debenture due 1997	7,500	7,500
Unsecured 13-3/4% Debentures due 1999, annual sinking fund requirement 1990-1999 of 10% of principal amount outstanding January 1990	18,323	18,323
Unsecured 11% Debentures due 1999, annual sinking fund requirement 1990-1999 of 10% of principal amount outstanding January 1990	73,287	73,287
Wholly-owned real estate and property subsidiaries —		
GEICO Properties, Inc.:		
8-1/4% notes, due in equal quarterly installments of $339 including interest, until June 2004	13,339	13,580
8-1/2% note, due in equal quarterly installments of $196 including interest, until May 2004	7,593	7,726
GEICO Washington Properties, Inc.:		
9-3/8% note due in equal monthly installments of $203 including interest, until June 2010	23,805	24,002
GEICO Facilities Corporation:		
Other	54	54
Guaranteed bank loan of Employee Stock Ownership Trust	4,989	—
	$153,890	$144,472

Property with a cost of $41,752,205 has been pledged as security for the notes of the real estate subsidiaries and long-term leases have been assigned as additional collateral. The note agreements provide that in the event of default the entire unpaid principal and interest become due and payable.

The aggregate maturities of long-term debt for the years 1984 through 1988 are: $621,579; $5,677,618; $738,730; $805,376; and $878,061, respectively.

The Corporation has $3.5 million of unsecured lines of credit with commercial banks at the prime interest rate. The short-term debt represents borrowing by a consolidated subsidiary.

NOTE I: SHAREHOLDERS' EQUITY

Redeemable Preferred Stock

GEICO Corporation has authorized 15 million shares of Cumulative Junior Preferred Stock, par value $1 per share. The only authorized series is the $.736 Convertible Series (the Convertible Preferred Stock). At December 31, 1981, 226,776 shares of Convertible Preferred Stock were issued and outstanding. During 1982, 220,502 shares of the Convertible Preferred Stock were converted to Common Stock and on November 1, 1982, the remaining 6,274 shares were called and redeemed at $9.66 per share plus accrued dividends.

Share Acquisitions and Conversions

The Corporation purchased 1,197,100; 460,100 and 1,218,500 shares of Common Stock in 1983, 1982 and 1981, respectively, for an aggregate cost of $70,627,440, $11,397,061, and $28,674,262 in 1983, 1982 and 1981, respectively. During 1982 and 1981, 441,004 and 900,050 shares of Common Stock, respectively, were issued upon conversion of the Convertible Preferred Stock.

Stock Option and Performance Share Plans

Under the Corporation's Stock Option Plan, options were granted to officers and key employees for the purchase of Common Stock at 100% or more of fair market value at date of grant. The options are exercisable in installments beginning one year from date of grant and expire not more than 10 years thereafter.

	Options Available For Grant	Price Per Share On Date of Grant	Options Outstanding
Balance at Dec. 31, 1980	31,768	$2.68 to $36.06	145,396
Granted	(32,500)	23.50	32,500
Exercised	—	6.04 to 20.75	(32,906)
Terminated	1,768	6.56 to 36.06	(1,768)
Balance at Dec. 31, 1981	1,036	2.68 to 36.06	143,222
Exercised	—	2.68 to 23.50	(39,519)
Terminated	1,983	6.56 to 36.06	(1,983)
Balance at Dec. 31, 1982	3,019	6.04 to 36.06	101,720
Exercised	—	6.04 to 36.06	(20,865)
Terminated	(3,019)	16.90 to 36.06	(240)
Balance at Dec. 31, 1983	—	$6.04 to $23.50	80,615

In 1979 the Corporation's shareholders approved a performance share plan under which awards in the aggregate of 500,000 performance shares may be made to key executives to be paid in shares of the Corporation's Common Stock or cash based on the attainment of certain goals. Payment for 184,763 performance shares, consisting of 167,999 shares of Common Stock and $286,036 in cash, was made in 1981 and payment for 2,168 performance shares was made in shares of Common Stock in 1983. Charges of $4,595,242, $4,725,263, and $1,833,349 were made against 1983, 1982 and 1981 earnings, respectively, under the plan. In 1983 the Corporation's shareholders approved an extended performance share plan of an additional 250,000 performance shares. A total of 643,684 authorized shares have been reserved for stock options and performance share awards.

Warrants

At December 31, 1981 GEICO Corporation had outstanding warrants, exercisable at anytime to August 1, 1983, to purchase 1,348,979 shares of its Common Stock at $24 per share. During 1983 and 1982, 1,021,948 and 294,834 shares, respectively, of Common Stock were issued upon the exercise of warrants. On August 1, 1983 the remaining unexercised warrants expired.

NOTE J: EARNINGS PER SHARE

Fully diluted earnings per share were determined using 21,171,702 shares in 1983, 21,091,983 in 1982, and 21,643,932 in 1981 assuming conversion of the Convertible Preferred Stock and exercise of dilutive warrants, stock options and performance share awards.

Primary earnings per share have been computed by dividing the weighted average number of common shares outstanding plus shares assumed to be outstanding for the effect of dilutive options, warrants and performance shares, into earnings after deduction for preferred stock dividend requirements. The assumed average outstanding shares were 21,143,675 in 1983, 20,364,428 in 1982, and 20,622,661 in 1981.

NOTE K: REINSURANCE

The Corporation's insurance subsidiaries are involved in both the cession and assumption of reinsurance with other companies. Reinsurance treaties are maintained for the purpose of insuring excess risks of the subsidiaries and a portion of all risks for Resolute Reinsurance Company. The Corporation and its insurance subsidiaries remain liable to the extent the reinsuring companies are unable to meet their treaty obligations. Amounts deducted from policy liabilities and premium and loss accounts for reinsurance cessions of the property and casualty insurance subsidiaries, excluding the effect of reinsurance facilities, are as follows:

(In thousands)	December 31, 1983	1982
Policy liabilities		
Loss and loss adjustment expense reserves	**$26,225**	$ 16,483
Unearned premium reserve	**$ 6,415**	$ 5,877

(In thousands)	Year ended December 31, 1983	1982	1981
Premiums written	**$20,446**	$ 16,565	$ 8,230
Premiums earned	**$19,908**	$ 14,331	$ 7,162
Loss and loss adjustment expense incurred	**$16,822**	$ 7,945	$ 5,539

In December 1981 GEICO entered a one year accident and health reinsurance treaty under which premiums of $20,692,000 and $771,000 were earned in 1982 and 1981, respectively. Losses and expenses incurred under the treaty approximated premiums earned.

NOTE L: COMMITMENTS AND CONTINGENCIES

Rental expense for all leases was $10,305,000 in 1983, $7,898,000 in 1982, and $6,913,000 in 1981.

The Corporation and its subsidiaries have entered into noncancellable leases expiring at various dates through 1992 for both real estate and equipment, all of which are operating leases. The future minimum rental commitments as of December 31, 1983 for noncancellable leases with a remaining term of at least one year are as follows:

(In thousands)	Total	Building Space	Equipment
1984	$ 4,959	$2,032	$ 2,927
1985	4,912	1,939	2,973
1986	4,401	1,703	2,698
1987	2,710	1,201	1,509
1988	1,291	975	316
1989–1992	255	255	—
	$18,528	$8,105	$10,423

Under an agreement dated August 12, 1980, as amended, the Corporation is committed to guarantee up to $10.0 million of GEFCO commercial paper, if any, maturing through February 29, 1984, for which the Corporation receives a fee at an annual rate of $12,500. At December 31, 1983, $10.0 million of commercial paper subject to this agreement was outstanding.

The Corporation has a one-third interest in a limited partnership to develop a retirement community. In return for its interest the Corporation has guaranteed $2 million of the partnership debt.

In the ordinary course of its insurance operations, the Corporation is affected by various regulatory, legislative and judicial actions. In the opinion of management, loss to the Corporation materially in excess of amounts provided for in its loss reserves is not probable.

NOTE M: SALE OF GELICO

On December 21, 1981 GEICO Corporation sold its investment in the common stock of GELICO (65.5% of outstanding shares) to Legal & General Group for a note receivable of $90.0 million (paid on January 4, 1982) resulting in a $27.2 million gain, net of $9.2 million income tax expense. The Corporation has agreed to continue providing certain staff and support services on a fee basis for a specific period of time.

GEICO Corporation will continue to operate in the life and health insurance business segment. However, until the operations of Garden State Life Insurance Company and GEICO Annuity and Insurance Company expand to a significant level, private passenger automobile insurance is GEICO Corporation's dominant business segment, pursuant to Financial Accounting Standards Board Statement No. 14.

SUPPLEMENTAL INFORMATION ON THE EFFECTS OF CHANGING PRICES (UNAUDITED)

As required by Financial Accounting Standards Board (FASB) Statement No. 33, "Financial Reporting and Changing Prices," the Corporation must provide supplemental information concerning the effects of changing prices on its financial statements. The disclosures are intended to address two different aspects of an inflationary environment: (1) the effect of a rise in the general price level on the exchange value or purchasing power of the dollar (called "general inflation") and (2) the specific price changes in the individual resources used by the Corporation. Because there is presently no consensus on which aspect, if any, of inflation should be reported, especially as related to insurance companies, the FASB has devised an experiment requiring certain large, publicly held companies to present supplemental information reflecting both types of inflation measures.

The supplemental information on changing prices does not reflect a comprehensive application of either type of inflation accounting. The FASB decided to focus on items most affected by changing prices, that is: (1) the effect of both general inflation and specific price changes on properties and related depreciation expense, and (2) the effect of general inflation on holding monetary assets and liabilities.

Effect on Properties and Related Depreciation Expense

FASB Statement No. 33 requires the presentation, if material, of a supplemental statement of income from continuing operations. The Corporation has computed income from continuing operations as required by the Statement. The supplemental statement of income from continuing operations is not presented because fixed assets and depreciation expense are not significant items in the Corporation's financial statements and the resulting difference between net income, as reported, and income adjusted for general inflation or specific price changes was not material.

Holding Monetary Assets and Liabilities

When prices are increasing, the holding of net monetary assets during any given period results in a loss of general purchasing power. The FASB's current methodology requires non-monetary classification for unearned premiums and deferred policy acquisition costs of property and casualty companies despite the recommendation of its own advisory Insurance Task Force that these and all other assets and liabilities be categorized as monetary. Based on the current methodology required by the FASB, the Corporation incurred a purchasing power loss from holding net monetary assets of $2.4 million in 1983, compared to a gain of $3.3 million if unearned premiums and deferred policy acquisition costs were classified as monetary.

FIVE-YEAR COMPARISON OF SUPPLEMENTAL FINANCIAL DATA ADJUSTED FOR EFFECTS OF CHANGING PRICES

(In thousands, except per share data)

	Year Ended December 31, 1983	1982	1981	1980	1979
Total revenue:					
As reported	$ 872,703	$ 817,405	$ 727,453	$ 684,408	$ 665,561
Adjusted for general inflation (1)	$ 872,703	$ 843,699	$ 796,887	$ 827,502	$ 913,539
Purchasing power gain (loss) from holding net monetary assets during the year (1):					
As required	$ (2,388)	$ (4,780)	$ (8,121)	$ (16,023)	$ (30,591)
Alternative computation	$ 3,318	$ 1,132	$ 5,241	$ 2,923	$ (7,870)
Net assets at year end:					
As reported	$ 405,439	$ 344,797	$ 238,904	$ 192,178	$ 191,074
Adjusted for general inflation (2)	$ 405,439	$ 357,886	$ 257,575	$ 225,719	$ 252,244
Operating earnings per share (fully diluted):					
As reported	$ 4.48	$ 3.67	$ 2.98	$ 2.59	$ 2.14
Adjusted for general inflation (1)	$ 4.48	$ 3.79	$ 3.26	$ 3.13	$ 2.94
Net income per share (fully diluted):					
As reported	$ 5.37	$ 2.32	$ 3.85	$ 2.64	$ 2.67
Adjusted for general inflation (1)	$ 5.37	$ 2.39	$ 4.22	$ 3.19	$ 3.66
Cash dividends declared per common share:					
As reported	$ .72	$ .56	$ .48	$ .43	$ .36
Adjusted for general inflation (1)	$ .72	$ .58	$ .53	$ .52	$ .49
Market price per common share at year end:					
Historical amount	$ 58.13	$ 43.00	$ 27.75	$ 14.63	$ 12.06
Adjusted for general inflation (2)	$ 58.13	$ 44.63	$ 29.92	$ 17.18	$ 15.92
Consumer price index:					
Average	298.4	289.1	272.4	246.8	217.4
Year-End	303.5	292.4	281.5	258.4	229.9

(1) In average 1983 dollars
(2) In year-end 1983 dollars

QUARTERLY HIGHLIGHTS OF OPERATING RESULTS (UNAUDITED)

(In millions, except per share resuslts)

	1983				1982			
	Three Months Ended				Three Months Ended			
	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31
Revenue								
Premiums	$ 201.1	$ 196.9	$ 187.8	$ 182.5	$ 190.0	$ 186.0	$ 184.7	$ 171.0
Net investment income	24.8	25.4	23.6	22.7	21.1	20.7	20.9	20.0
Affiliates and other	2.3	2.5	1.6	1.5	1.2	.8	.6	.4
Total Revenue	228.2	224.8	213.0	206.7	212.3	207.5	206.2	191.4
Benefits and Expenses								
Losses, life benefits and loss adjustment expenses	145.1	145.6	142.2	140.6	145.9	140.8	145.0	138.1
Operating expenses	44.1	40.0	37.8	38.7	38.0	37.2	34.0	31.8
Provision for dividends to policyholders	8.6	7.5	—	—	—	—	—	—
Interest expense	4.0	4.1	4.1	4.1	4.1	4.1	3.7	3.7
Income taxes	2.1	2.5	4.3	2.4	3.0	4.1	4.3	2.1
Total Benefits and Expenses	203.9	199.7	188.4	185.8	191.0	186.2	187.0	175.7
Operating Earnings	24.3	25.1	24.6	20.9	21.3	21.3	19.2	15.7
Realized gains (losses) on investments	(8.1)	(1.5)	(.4)	28.9	(12.3)	(17.3)	(.2)	1.2
Net Income	$ 16.2	$ 23.6	$ 24.2	$ 49.8	$ 9.0	$ 4.0	$ 19.0	$ 16.9
Per Share Results								
Fully Diluted:								
Operating earnings	$ 1.18	$ 1.16	$ 1.15	$ .98	$ 1.01	$ 1.03	$ .94	$ .76
Net income	$ .79	$ 1.09	$ 1.13	$ 2.35	$ .43	$ .19	$ .92	$ 82
Primary:								
Operating earnings	$ 1.18	$ 1.16	$ 1.15	$ .99	$ 1.02	$ 1.06	$ .95	$ .77
Net income	$ .79	$ 1.09	$ 1.13	$ 2.36	$ .43	$ .20	$ .94	$ .83

GEICO CORPORATION BOARD OF DIRECTORS

Thomas E. Bolger
Chairman of the Board, Bell Atlantic Corporation

Samuel C. Butler
Partner, Cravath, Swaine & Moore

John J. Byrne
Chairman of the Board and Chief Executive Officer,
GEICO Corporation

Paul J. Hanna
Former Vice Chairman of the Board and
Vice Chairman of the Investment Committee,
GEICO Corporation

Richard G. Rosenthal
Private Investor

Louis A. Simpson
Senior Vice President, GEICO Corporation

Joseph J. Sisco
Partner, Sisco Associates

William B. Snyder
President, GEICO Corporation

John C. Steggles
Retired Senior Vice President,
General Reinsurance Corporation

Walter E. Washington
Counsel, Burns Summit Rovins & Feldesman

Frank A. Weil
Partner, Wald, Harkrader & Ross

H. Edward Wrapp
Retired Professor of Business Policy,
Graduate School of Business, University of Chicago

HONORARY DIRECTORS

Daniel J. Callahan, Jr.
Retired Senior Vice President,
The Riggs National Bank of Washington, D.C.

Lorimer A. Davidson
Chairman Emeritus, GEICO Corporation

Harvey B. Gram, Jr.
Retired Chairman of the Board,
Johnston, Lemon & Co., Inc.

William K. Jacobs, Jr.
Private financial consultant

Alvin E. Kraus
Retired Chairman of the Board,
Criterion Insurance Company

David Lloyd Kreeger
Honorary Chairman of the Board,
GEICO Corporation

Alvin E. Kraus, having reached retirement age, did not stand for re-election to the Board of Directors in May 1983. A retired Chairman of the Board of Criterion Insurance Company, Mr. Kraus had served on certain of the Boards of the Government Employees Companies since 1961. Mr. Kraus began his association with the Government Employees Companies in 1939. As one of the founders of Criterion Insurance Company in 1961, Mr. Kraus was elected First Vice President and a Director of the Company in that same year. He was elected Executive Vice President of Criterion in 1964 and President in 1966. He retired as President of Criterion in March 1974, but continued to serve as a member of that Company's Board of Directors. In April 1976 he became a member of GEICO's Board of Directors and a consultant to the Chairman of the Board of GEICO. He is widely recognized as one of the foremost authorities in the industry on automobile insurance and underwriting. Mr. Kraus has served our Companies with outstanding merit and distinction and his unselfish dedication and valuable leadership have been important to the success of the Companies.

Louis A. Simpson, a Senior Vice President of GEICO Corporation, was elected to the Board effective May 18, 1983. Mr. Simpson joined GEICO Corporation and Government Employees Insurance Company in September 1979 as Senior Vice President and Chief Investment Officer. Mr. Simpson is responsible for management of the investment portfolios for GEICO Corporation and its subsidiaries. Prior to joining GEICO, he was President and Chief Executive Officer of Western Asset Management, a subsidiary of the Los Angeles based Western Bancorporation. A graduate of Ohio Wesleyan University, Mr. Simpson subsequently received a Masters Degree in Economics from Princeton. He is a member of the Board of Directors of Children's Hospital National Medical Center and the National Bank of Washington. His business and professional affiliations include the Washington Society of Financial Analysts, Financial Analysts Federation, the Society of Government Economics and the American Economics Association.

At the November meeting of the Board, **John C. Steggles**, a retired Senior Vice President of General Reinsurance Corporation, was elected a Director, expanding Board membership to 12. Mr. Steggles was born and educated in England. He joined North Star Reinsurance Company, New York in 1950 and became a vice president of General Re upon the merger of General Re and North Star Reinsurance Corporation in 1955. He was with General Re through 1982, with responsibilities for treaty reinsurance, production, underwriting and marketing. Prior to joining North Star, he was employed by Alexander Howden at Lloyd's of London. His business and professional affiliations include The Hartford Club and The Metropolitan Club.

COMMITTEES OF THE BOARD

GEICO Corporation's Board of Directors consists of 12 members. Assisting the Board in the management of its responsibilities are five Board Committees. The names of those serving on the committees and primary Committee functions are as follows:

AUDIT COMMITTEE

Paul J. Hanna, *Chairman*

Thomas E. Bolger   Joseph J. Sisco   Walter E. Washington

In addition to recommending for appointment the Corporation's Independent Accountants, the Audit Committee, which is composed of non-management Directors, monitors the Accountants' audits, reviews the audit results with management and the Accountants, reviews the Annual Report on Form 10-K, reviews with the Accountants and the Internal Auditor, the Corporation's internal controls and accounting procedures, reviews the intercompany charge policy and carries out actions required under the Foreign Corrupt Practices Act. The Internal Auditor reports directly to the Audit Committee and functions as staff thereto.

EXECUTIVE COMMITTEE

Samuel C. Butler, *Chairman*

John J. Byrne   Paul J. Hanna   William B. Snyder   H. Edward Wrapp

This committee exercises the powers of the Board of Directors when the Board is not in session, recommends plans relating to the development of corporate structure, reviews proposals regarding merger or affiliation with other companies, reviews proposals to enter new or expanded lines of business and analyzes corporate practices involving disclosure.

HUMAN RESOURCES COMMITTEE

Thomas E. Bolger, *Chairman*

Samuel C. Butler   Richard G. Rosenthal   H. Edward Wrapp

This committee reviews programs relating to the development of human resources, including personnel and compensation practices; education and training programs; and the introduction of external resources (both the hiring of new employees and retention of consultants). It recommends to the Board the compensation of the Chairman of the Board, Chief Executive Officer, President, Executive Vice President and Senior Vice Presidents; fixes the compensation of other officers; approves and administers compensation programs; maintains responsibility for administration of employee benefit plans; elects all officers except the Chairman of the Board, Chief Executive Officer, President, Executive Vice President and Senior Vice Presidents; reviews Management's organizational plans; and approves Directors' compensation. The Committee also recommends proposed nominees for election to the Board by the Shareholders at the Annual Meetings or by the Board to fill an existing vacancy.

INVESTMENT COMMITTEE

John J. Byrne, *Chairman*

Paul J. Hanna, *Vice Chairman*

Richard G. Rosenthal   Louis A. Simpson   William B. Snyder   Frank A. Weil

The Investment Committee approves broad investment policies and guidelines and assists the Investment Department in their development; approves and monitors the investment portfolio and its performance relative to comparative standards; and authorizes the purchase, conversion, transfer and sale of stocks, bonds and of other securities within prescribed guidelines.

SOCIAL RESPONSIBILITY COMMITTEE

Joseph J. Sisco, *Chairman*

Paul J. Hanna   William B. Snyder   Walter E. Washington   Frank A. Weil

This committee oversees the fulfillment of social responsibilities to shareholders, policyholders, employees and the general public; reviews the Affirmative Action Program with respect to employment and upward mobility of females, minorities and disadvantaged segments of society; monitors involvement in political action, particularly with respect to state legislative affairs; and reviews responsibilities to society in the providing of insurance services and allocating charitable contributions.

SENIOR OFFICERS OF GEICO CORPORATION AND ITS AFFILIATES

GOVERNMENT EMPLOYEES INSURANCE COMPANY

John J. Byrne
Chairman

William B. Snyder
President and Chief Executive Officer

Eugene J. Meyung
Executive Vice President

Senior Vice Presidents
Richard C. Lucas
James E. Reagan
Louis A. Simpson*
Donald K. Smith*
General Counsel
W. Alvon Sparks, Jr.*

Vice Presidents
Martin Adler
Actuary
August P. Alegi*
Terry L. Baxter
Ralph L. Belford, III
Marion E. Byrd
Edward J. Clark
Theodore F. Culp
Herbert L. De Prenger
Thomas N. Exarhakis
Alvin Kaltman
Merrill D. Knight, III
Ernest M. Lucas
Donald D. Messmer
Olza M. Nicely
Richard A. Ollen
Ross D. Pierce
William H. Sprunk*
Controller
Walter R. Tinsley
Edward H. Utley
Patrick E. Wilson

Treasurer
Albert M. McKenney*

Secretary
John M. O'Connor*

GEICO CORPORATION

John J. Byrne
Chairman and Chief Executive Officer

William B. Snyder
President

*Officers of GEICO Corporation with title shown.

CRITERION INSURANCE COMPANY AND CRITERION CASUALTY COMPANY

John J. Byrne
Chairman

Harry I. Bond
President

Charles T. Connolly
Senior Vice President Actuary

GEICO GENERAL INSURANCE COMPANY

John J. Byrne
Chairman

James E. Reagan
President

GOVERNMENT EMPLOYEES FINANCIAL CORPORATION

Paul J. Hanna
Chairman

John J. Krieger
President

RESOLUTE COMPANIES

John J. Byrne
Chairman

David M. Evans
President

Michael L. Horigan
Executive Vice President

GARDEN STATE LIFE INSURANCE COMPANY AND GEICO ANNUITY INSURANCE COMPANY

John J. Byrne
Chairman

Herbert L. De Prenger
President

GEICO INVESTMENT SERVICES COMPANY

John J. Byrne
Chairman

Richard A. Ollen
President

ANNUAL MEETING

The Annual Meeting of Shareholders of GEICO Corporation will be held on Wednesday, May 16, 1984 at 10:00 a.m. at GEICO's regional office in Woodbury, New York.

TRANSFER AGENTS AND REGISTRARS

The Riggs National Bank of Washington, D.C.
Corporate Trust Department
P. O. Box 2651
Washington, D.C. 20013

Manufacturers Hanover Trust Company
P. O. Box 24935
Church Street Station
New York, New York 10249

SHAREHOLDER INQUIRIES

Communications concerning transfer requirements, lost certificates, dividends and change of address should be directed to one of the Corporation's transfer agents.

STOCK EXCHANGE LISTING

The Corporation's Common Stock is listed on the New York Stock Exchange. The symbol is GEC.

STATISTICAL SUPPLEMENT

A statistical supplement for GEICO Corporation, containing details of certain financial and other data which are summarized in this report, is available to shareholders and other interested parties upon written request directed to the Office of the Secretary.

INDEPENDENT AUDITORS

The financial statements contained in this report have been examined by Ernst & Whinney, GEICO Corporation's independent auditors, who have been appointed by the Board of Directors, subject to ratification by the shareholders to examine the Corporation's 1984 financial statements. A representative of Ernest & Whinney will be present at the Annual Meeting.

FORM 10-K

The Corporation's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, will be available after March 31, 1984, without charge to shareholders, upon written request directed to:

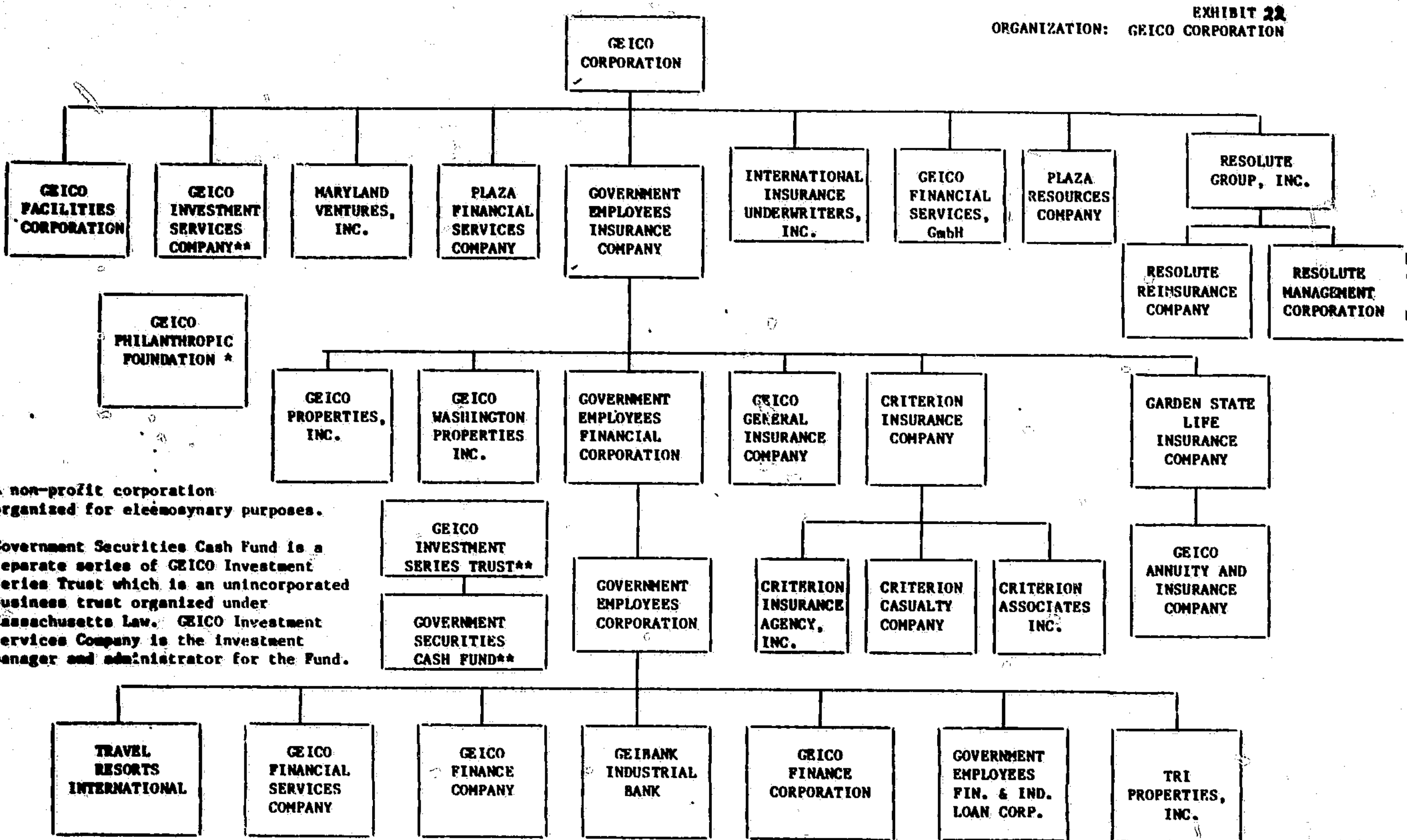
**Mr. John M. O'Connor
Secretary
GEICO Corporation
GEICO Plaza
Washington, D.C. 20076**

The report and the financial statements herein have been published for the general information of shareholders of GEICO Corporation and are not intended to induce any purchase or sale of securities.

GEICO CORPORATION

Washington, D. C.

EXHIBIT 22
ORGANIZATION: GEICO CORPORATION



*A non-profit corporation organized for eleemosynary purposes.

**Government Securities Cash Fund is a separate series of GEICO Investment Series Trust which is an unincorporated business trust organized under Massachusetts Law. GEICO Investment Services Company is the investment manager and administrator for the Fund.

January 1984
UND-4-#8

Ernst & Whinney

1225 Connecticut Avenue, N.W.
Washington, D.C. 20036

202/862-6000

The Administrative Committee
Amended Profit Sharing Plan for the
Employees of the Government Employees Companies
Washington, D.C.

We have examined the statement of net assets available for the plan benefits of the Amended Profit Sharing Plan for the Employees of the Government Employees Companies as of December 31, 1983, and the related statement of income and changes in net assets available for plan benefits for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the net assets of the Amended Profit Sharing Plan for the Employees of the Government Employees Companies at December 31, 1983, and the income and changes in net assets available for plan benefit for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Ernst & Whinney

Washington, D.C.
March 20, 1984

Exhibit 28

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended December 31, 1983

Revised Profit Sharing Plan
for the Employees of the
Government Employees Companies

GEICO Corporation
GEICO Plaza
Washington, D. C. 20076

This Form 11-K is filed herewith for the fiscal year ended December 31, 1983, for the Revised Profit Sharing Plan for the Employees of the Government Employees Companies (the "Plan"). The Plan is offering participations to eligible employees of GEICO Corporation (the "Company") and certain of its subsidiaries that participate in the Plan ("Participating Companies;" the Company and the Participating Companies are hereinafter referred to as the "Companies"). The address of the Companies and the Plan is GEICO Plaza, Washington, D. C. 20076.

Item 1.

Effective April 1, 1983, the Plan was amended to permit participating employees to direct their contributions to a fund of the Plan that invests in the common stock, par value $1.00 per share (the "Common Stock"), of the Company.

Effective December 30, 1983 the Plan was amended to permit a contribution in such amount as determined by the Board of Directors of the Company in its discretion.

Effective January 1, 1984 the Plan was amended to include a true profit sharing provision in that contributions of participants will no longer be matched, but rather the amounts of contributions by Participating Companies will now be based on their profitability and allocated in a manner to benefit those participants whose departments performed well for a profitable Company or Participating Company. The Plan was also amended to encourage employee savings through the use of both before-tax and after-tax earnings by taking advantage of Section 401(k) of the Internal Revenue Code. The Plan, as amended, is subject to the approval of the Internal Revenue Service.

Item 2.

See Item 1 above.

Item 3.

Following the end of each Plan Year, the Companies contribute to the Plan out of their net profits such amount as will be determined by the Board in its sole discretion based upon each Company's proportionate contribution to net profit for the Plan Year. For the past five fiscal years the following amounts have been contributed to the Plan:

Total Amount Contributed *	Years
$3,327,826	1983
934,430	1982
776,405	1981
707,915	1980
581,654	1979

* The contributions made by the Companies in Plan years 1979 through 1983 were based on the formula rate then in effect. The amount contributed for Plan year 1983 includes an extraordinary contribution of $2,239,476. Future contributions will be determined by reference to the method herein described.

Item 4.

At the end of the Plan's fiscal year ended December 31, 1983, there were approximately 2,550 employees participating in the Plan.

Item 5.

The members of the Administrative Committee and their positions held with affiliates of the Plan are listed below. All members of the Committee can be reached at GEICO Plaza, Washington, D. C. 20076. The members of the Committee receive no compensation from the Plan.

Name	Position
L. Gary Barnes	Associate Controller, GEICO Corporation, Government Employees Insurance Company ("GEICO") and Criterion Insurance Company ("CRICO").
Terry L. Baxter	Vice President, GEICO and CRICO.
Charles T. Connolly	Director, Sr. V.P. and Actuary, CRICO and Criterion Casualty Company ("CRICO Casualty"); Director and Sr. V. P., Criterion Associates, Inc. ("CRICO Associates").
Herbert L. DePrenger	Vice President, GEICO; Director and President, Garden State Life Insurance Company ("Garden State") and GEICO Annuity and Insurance Company ("GEICO Annuity"); Director, Plaza Financial Services Company ("Plaza Financial").
Eberhard J. Gabriel	Sr. V.P., General Counsel and Assistant Secretary, Government Employees Financial Corporation, Government Employees Corporation, Government Employees Finance and Industrial Loan Corporation, GEICO Financial Services Company, GEICO Finance Corporation, GEICO Finance Company, GEIBank Industrial Bank ("GEIBANK"), Travel Resorts International ("Travel"); Director, Travel and GEIBANK.
Ronald E. Guzinski	Director of Human Resources, GEICO.
Albert M. McKenney	Treasurer, GEICO Corporation, GEICO, CRICO, CRICO Associates, CRICO Casualty, Garden State, GEICO Annuity, GEICO Properties, Inc. ("GPI"), GEICO Washington Properties, Inc. ("GWPI"), International Insurance Underwriters, Inc. ("IIU") & Plaza Financial; director, treasurer and secretary, Maryland Ventures, Inc.

Jay C. Planalp	Assistant V.P. and Internal Auditor, GEICO Corporation, GEICO, CRICO, GPI, GWPI, CRICO Casualty, GEICO Investment Services Company, and GEICO Facilities Corporation.
John D. Ruff	Senior Counsel, GEICO Corporation; General Counsel, CRICO Associates; Assistant General Counsel, CRICO; General Counsel, Secretary and Director, IIU; Assistant General Counsel and Assistant Secretary, CRICO Casualty.

Item 6.

The custodian of the Plan is The Riggs National Bank of Washington, D.C. The custodian receives no compensation from the Plan. The custodian maintains a $25 million banker's blanket bond in connection with the custody of the security investments of the Plan.

Item 7.

During the fiscal year 1983 participating employees were given a Summary Annual Report for the Plan's 1982 fiscal year. This report presented a basic financial statement of the Plan including the value of the Plan's assets, its expenses and its income. Additionally, the report advised the participants of their right to receive certain additional information about the Plan.

In addition to the Summary Annual Report, participants of the Plan received quarterly statements regarding their individual accounts under the Plan.

Item 8.

A substantial part of the assets of the Plan is invested in securities other than those of the Companies. The aggregate dollar amount of brokerage commissions paid by the Plan were $8,055, $4,306, and $8,003 for the fiscal years 1983, 1982 and 1981, respectively.

Item 9.

(a) Financial Statements, Profit Sharing Plan of Government Employees Companies.

1. Auditors' Reports.

2. Statement of Net Assets Available for Plan Benefits, December 31, 1983 and 1982.

3. Statement of Income and Changes in Net Assets Available for Plan Benefits, Three Years Ended December 31, 1983.

4. Notes to Financial Statements.

The information required by Rule 6.34 to be filed in Schedules I, II and III is contained in the Financial Statements.

(b) Exhibits:

1. Copy of the Revised Profit Sharing Plan for the Employees of the Government Employees Companies, revised as of February 17, 1984 (most current revision).

2. Copy of the Summary Plan Description for the Plan as required by ERISA effective for the period commencing January 1, 1984.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the plan) have duly caused this annual report to be signed by the undersigned thereunto duly authorized.

Revised Profit Sharing Plan for
the Employees of the Government
Employees Companies

By Herbert L. DePrenger

Herbert L. DePrenger
Chairman of the Profit Sharing
Administrative Committee

Date: March 30, 1984

Exhibit 28

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended December 31, 1983

Revised Profit Sharing Plan
for the Employees of the
Government Employees Companies

GEICO Corporation
GEICO Plaza
Washington, D. C. 20076

This Form 11-K is filed herewith for the fiscal year ended December 31, 1983, for the Revised Profit Sharing Plan for the Employees of the Government Employees Companies (the "Plan"). The Plan is offering participations to eligible employees of GEICO Corporation (the "Company") and certain of its subsidiaries that participate in the Plan ("Participating Companies;" the Company and the Participating Companies are hereinafter referred to as the "Companies"). The address of the Companies and the Plan is GEICO Plaza, Washington, D. C. 20076.

Item 1.

Effective April 1, 1983, the Plan was amended to permit participating employees to direct their contributions to a fund of the Plan that invests in the common stock, par value $1.00 per share (the "Common Stock"), of the Company.

Effective December 30, 1983 the Plan was amended to permit a contribution in such amount as determined by the Board of Directors of the Company in its discretion.

Effective January 1, 1984 the Plan was amended to include a true profit sharing provision in that contributions of participants will no longer be matched, but rather the amounts of contributions by Participating Companies will now be based on their profitability and allocated in a manner to benefit those participants whose departments performed well for a profitable Company or Participating Company. The Plan was also amended to encourage employee savings through the use of both before-tax and after-tax earnings by taking advantage of Section 401(k) of the Internal Revenue Code. The Plan, as amended, is subject to the approval of the Internal Revenue Service.

Item 2.

See Item 1 above.

Item 3.

Following the end of each Plan Year, the Companies contribute to the Plan out of their net profits such amount as will be determined by the Board in its sole discretion based upon each Company's proportionate contribution to net profit for the Plan Year. For the past five fiscal years the following amounts have been contributed to the Plan:

Total Amount Contributed *	Years
$3,327,824	1983
934,430	1982
776,405	1981
707,915	1980
581,654	1979

* The contributions made by the Companies in Plan years 1979 through 1983 were based on the formula rate then in effect. The amount contributed for Plan year 1983 includes an extraordinary contribution of $2,239,476. Future contributions will be determined by reference to the method herein described.

Item 4.

At the end of the Plan's fiscal year ended December 31, 1983, there were approximately 2,550 employees participating in the Plan.

Item 5.

The members of the Administrative Committee and their positions held with affiliates of the Plan are listed below. All members of the Committee can be reached at GEICO Plaza, Washington, D. C. 20076. The members of the Committee receive no compensation from the Plan.

Name	Position
L. Gary Barnes	Associate Controller, GEICO Corporation, Government Employees Insurance Company ("GEICO") and Criterion Insurance Company ("CRICO").
Terry L. Baxter	Vice President, GEICO and CRICO.
Charles T. Connolly	Director, Sr. V.P. and Actuary, CRICO and Criterion Casualty Company ("CRICO Casualty"); Director and Sr. V. P., Criterion Associates, Inc. ("CRICO Associates").
Herbert L. DePrenger	Vice President, GEICO; Director and President, Garden State Life Insurance Company ("Garden State") and GEICO Annuity and Insurance Company ("GEICO Annuity"); Director, Plaza Financial Services Company ("Plaza Financial").
Eberhard J. Gabriel	Sr. V.P., General Counsel and Assistant Secretary, Government Employees Financial Corporation, Government Employees Corporation, Government Employees Finance and Industrial Loan Corporation, GEICO Financial Services Company, GEICO Finance Corporation, GEICO Finance Company, GEIBank Industrial Bank ("GEIBANK"), Travel Resorts International ("Travel"); Director, Travel and GEIBANK.
Ronald E. Guzinski	Director of Human Resources, GEICO.
Albert M. McKenney	Treasurer, GEICO Corporation, GEICO, CRICO, CRICO Associates, CRICO Casualty, Garden State, GEICO Annuity, GEICO Properties, Inc. ("GPI"), GEICO Washington Properties, Inc. ("GWPI"), International Insurance Underwriters, Inc. ("IIU") & Plaza Financial; director, treasurer and secretary, Maryland Ventures, Inc.

Jay C. Planalp	Assistant V.P. and Internal Auditor, GEICO Corporation, GEICO, CRICO, GPI, GWPI, CRICO Casualty, GEICO Investment Services Company, and GEICO Facilities Corporation.
John D. Ruff	Senior Counsel, GEICO Corporation; General Counsel, CRICO Associates; Assistant General Counsel, CRICO; General Counsel, Secretary and Director, IIJ; Assistant General Counsel and Assistant Secretary, CRICO Casualty.

Item 6.

The custodian of the Plan is The Riggs National Bank of Washington, D.C. The custodian receives no compensation from the Plan. The custodian maintains a $25 million banker's blanket bond in connection with the custody of the security investments of the Plan.

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During the fiscal year 1983 participating employees were given a Summary Annual Report for the Plan's 1982 fiscal year. This report presented a basic financial statement of the Plan including the value of the Plan's assets, its expenses and its income. Additionally, the report advised the participants of their right to receive certain additional information about the Plan.

In addition to the Summary Annual Report, participants of the Plan received quarterly statements regarding their individual accounts under the Plan.

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A substantial part of the assets of the Plan is invested in securities other than those of the Companies. The aggregate dollar amount of brokerage commissions paid by the Plan were $8,055, $4,306, and $8,003 for the fiscal years 1983, 1982 and 1981, respectively.

Item 9.

(a) Financial Statements, Profit Sharing Plan of Government Employees Companies.

The information required by Rule 6.34 to be filed in Schedules I, II and III is contained in the Financial Statements.

(b) Exhibits:

1. Copy of the Revised Profit Sharing Plan for the Employees of the Government Employees Companies, revised as of February 17, 1984 (most current revision).

2. Copy of the Summary Plan Description for the Plan as required by ERISA effective for the period commencing January 1, 1984.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the plan) have duly caused this annual report to be signed by the undersigned thereunto duly authorized.

Revised Profit Sharing Plan for the Employees of the Government Employees Companies

By /s/ Herbert L. DePrenger
Herbert L. DePrenger
Chairman of the Profit Sharing Administrative Committee

Date: March 30, 1984

EXHIBIT 24

CONSENT OF INDEPENDENT AUDITORS

Ernst & Whinney

1225 Connecticut Avenue, N.W.
Washington, D.C. 20036

202/862-6000

We consent to the incorporation by reference in Registration Statements numbered 2-83426 and 2-68792 on Form S-8 dated December 30, 1983 and March 31, 1983, respectively, of our report on the financial statements and schedules included in the annual report on Form 10-K of GEICO Corporation for the year ended December 31, 1983.

Ernst & Whinney

ERNST & WHINNEY

Washington, D.C.
March 30, 1984

Charles A. Miller
Certified Public Accountant
8630 CAMERON STREET
SILVER SPRING, MD. 20910
TELEPHONE (301) 587-8830

CHARLES A. MILLER, CPA

The Administrative Committee
Amended Profit Sharing Plan for the
Employees of the Government Employees Companies

I have examined the statement of net assets available for plan benefits of the Amended Profit Sharing Plan for the Employees of the Government Employees Companies as of December 31, 1982, and the related statements of income and changes in net assets for each of the two years in the period ended December 31, 1982. My examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances.

In my opinion, the financial statements referred to above present fairly the net assets available for plan benefits at December 31, 1982, and the income and changes in net assets for each of the two years in the period ended December 31, 1982, in conformity with generally accepted accounting principles applied on a consistent basis.

March 30, 1983

Charles A. Miller

AMENDED PROFIT SHARING PLAN
FOR THE EMPLOYEES OF THE GOVERNMENT EMPLOYEES COMPANIES

STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

	December 31, 1983	December 31, 1982
Investments, at fair value		
Fund "A"		
Common stocks (cost $1,078,967 and $1,176,964) - Note H	$ 1,320,266	$ 1,325,050
GAMMA Short-term Collective Investment Fund	147,770	186,950
Cash	26,733	10,331
	1,494,769	1,522,331
Fund "B"		
Aetna Interest Accumulation Account	6,838,674	5,723,722
Cash	91,901	37,327
	6,930,575	5,761,049
Fund "C"		
GEICO Corporation Common Stock (cost $6,243,770 for 267,176 shares and $5,661,403 for 270,514 shares)	15,529,605	11,632,103
Government Employees Financial Corporation Common Stock (cost $194,587 for 24,681 shares in 1982)	-	364,045
Government Employees Financial Corporation $.84 Convertible Preferred Stock (cost $348,916 for 16,765 shares in 1982)	-	278,718
Government Employees Financial Corporation Convertible Subordinated Debenture, 5.25%, due 10/1/83 (amortized cost $137,682 for $137,400 par value in 1982)	-	125,034
GAMMA Short-term Collective Investment Fund	129,903	140,973
Receivable from Government Employees Companies - Note A	2,239,476	-
Cash	78,273	77,978
Other	3,724	4,793
	17,980,981	12,623,644
Fund "G"		
GEICO Corporation Common Stock (cost $494,202 for 8,485 shares in 1983)	493,191	-
Cash	8,021	-
	501,212	-
Fund "M"		
Government Securities Cash Fund	188,935	189,027
Cash	4,393	4,641
	193,328	193,668
Savings Account	442,865	122,566
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$27,543,730	$20,223,258

See Notes to Financial Statements

AMENDED PROFIT SHARING PLAN
FOR THE EMPLOYEES OF THE GOVERNMENT EMPLOYEES COMPANIES

STATEMENT OF INCOME AND CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
Year Ended December 31, 1983

	Fund "A"	Fund "B"	Fund "C"	Fund "G"	Fund "M"	Savings Account	Total
Balance at January 1, 1983	$1,522,331	$5,761,049	$12,623,644	$ -	$193,668	$122,566	$20,223,258
Investment income							
Dividends	49,286	-	192,419	2,108	-	-	243,813
Interest	19,668	656,921	16,604	417	14,725	25,480	733,815
	68,954	656,921	209,023	2,525	14,725	25,480	977,628
Net realized gains on security sales - Note E	46,432	-	833,724	-	-	-	880,156
Unrealized appreciation (depreciation) in fair value of investments - Note F	93,213	-	3,228,523	(1,011)	-	-	3,320,725
	208,599	656,921	4,271,270	1,514	14,725	25,480	5,178,509
Contributions							
Employees	303,822	1,672,094	-	79,020	79,364	1,943	2,136,243
Government Employees Companies	-	-	3,326,614	-	-	1,210	3,327,824
	303,822	1,672,094	3,326,614	79,020	79,364	3,153	5,464,067
Total additions	512,421	2,329,015	7,597,884	80,534	94,089	28,633	10,642,576
Distributions to participants	(134,750)	(812,082)	(1,083,633)	(1,927)	(8,772)	(64,325)	(2,105,489)
Withdrawal of Banner Life Insurance Companies - Note J	(71,491)	(260,327)	(866,421)	-	(18,376)	-	(1,216,615)
Fund transfers	(333,742)	(87,080)	(290,493)	422,605	(67,281)	355,991	-
Increase (decrease) in net assets	(27,562)	1,169,526	5,357,337	501,212	(340)	320,299	7,320,472
Balance at December 31, 1983	$1,494,769	$6,930,575	$17,980,981	$501,212	$193,328	$442,865	$27,543,730

See Notes to Financial Statements

AMENDED PROFIT SHARING PLAN
FOR THE EMPLOYEES OF THE GOVERNMENT EMPLOYEES COMPANIES

STATEMENT OF INCOME AND CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
Year Ended December 31, 1982

	Fund "A"	Fund "B"	Fund "C"	Fund "M"	Savings Account	Total
Balance at January 1, 1982	$1,324,685	$4,672,977	$ 8,000,927	$ -	$127,858	$14,126,447
Investment income						
Dividends	48,358	-	163,784	-	-	212,142
Interest	30,576	511,223	42,457	5,462	16,877	606,595
	78,934	511,223	206,241	5,462	16,877	818,737
Net realized losses on security sales - Note E	(51,067)	-	(110,218)	-	-	(161,285)
Unrealized appreciation in fair value of investments - Note F	155,389	-	4,371,313	-	-	4,526,702
	183,256	511,223	4,467,336	5,462	16,877	5,184,154
Contributions						
Employees	275,276	1,428,444	-	94,489	386	1,798,595
Government Employees Companies	-	-	934,314	-	116	934,430
	275,276	1,428,444	934,314	94,489	502	2,733,025
Total additions	458,532	1,939,667	5,401,650	99,951	17,379	7,917,179
Distributions to participants	(197,461)	(804,697)	(778,933)	(16,606)	(22,671)	(1,820,368)
Fund transfers	(63,425)	(46,898)	-	110,323	-	-
Increase (decrease) in net assets	197,646	1,088,072	4,622,717	193,668	(5,292)	6,096,811
Balance at December 31, 1982	$1,522,331	$5,761,049	$12,623,644	$193,668	$122,566	$20,223,258

See Notes to Financial Statements

AMENDED PROFIT SHARING PLAN
FOR THE EMPLOYEES OF THE GOVERNMENT EMPLOYEES COMPANIES

STATEMENT OF INCOME AND CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
Year Ended December 31, 1981

	Fund "A"	Fund "B"	Fund "C"	Savings Account	Total
Balance at January 1, 1981	$1,301,331	$3,555,006	$5,215,605	$ 16,361	$10,088,303
Investment income					
Dividends	39,765	-	114,096	-	153,861
Interest	47,688	372,978	347,921	12,549	781,136
	87,453	372,978	462,017	12,549	934,997
Net realized gains on security sales - Note E	10,720	-	853,425	-	864,145
Unrealized appreciation (depreciation) in fair value of investments - Note F	(141,617)	-	1,417,926	-	1,276,309
	(43,444)	372,978	2,733,368	12,549	3,075,451
Contributions					
Employees	284,280	1,227,818	-	1,932	1,514,030
Government Employees Companies	-	-	775,651	754	776,405
	284,280	1,227,818	775,651	2,686	2,290,435
Total additions	240,836	1,600,796	3,509,019	15,235	5,365,886
Distributions to participants	(142,142)	(598,256)	(587,344)	-	(1,327,742)
Fund transfers	(75,340)	115,431	(136,353)	96,262	-
Increase (decrease) in net assets	23,354	1,117,971	2,785,322	111,497	4,038,144
Balance at December 31, 1981	$1,324,685	$4,672,977	$8,000,927	$127,858	$14,126,447

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

Note A: Description of Plan

The following description of the Amended Profit Sharing Plan (the "Plan") and Revised Profit Sharing Plan (the "Revised Plan") for the Employees of the Government Employees Companies (the "Companies") provides only general information. Participants should refer to the Plan and the Revised Plan agreements for a complete description.

The Plan - The Plan was a defined contribution plan allowing employees of the Companies to participate after achieving 23 years of age and one year of qualifying service. The Plan was superseded by the Revised Plan on January 1, 1984.

Contributions of up to 16 percent of fully taxed base salary were allowed by participating employees, and the Companies matched, from profits, a percentage of the first 6 percent based on years of participation in the Plan. Participant contributions were made into one or more of the Funds described in Note C.

Vesting first occurred after two years of service in the Plan. A participant vested in 20 percent of the Companies contributions at that time and vesting increased by 10 percent annually until 100 percent vesting was achieved after ten years.

Participants leaving the Plan due to death, retirement or disability became 100 percent vested and were entitled to the full value of their account. Participants terminating their employment for other reasons received the full value of employee contributions and the vested portion of the value of the Companies' contributions. A participant still under employment could not make any withdrawals during the first two years. A participant who withdrew during employment was only eligible for one withdrawal during each twelve month period and was assessed a penalty.

The Plan was amended December 30, 1983, as a transition between the Plan and the Revised Plan, to allow the Companies to make contributions to the Plan aggregating $2,239,476 from 1983 profits of the Companies. This contribution was received by the Revised Plan during January 1984 and is recorded as a receivable at December 31, 1983.

The Revised Plan - The Revised Plan became effective on January 1, 1984, superseding the Plan. Significant changes are described below:

Contributions of up to 6 percent of pre-tax base pay and/or up to 3 percent of after-tax base pay are allowed, with the Companies contributing, from profits, an amount to be shared by all eligible employees based on an individual's planning center performance and base pay.

Vesting of 20 percent occurs after two years of service with the Companies instead of two years of service in the Plan. Any employee automatically becomes a member of the Revised Plan after meeting the eligibility requirements, which are the same as under the Plan.

Withdrawals may be made from all employee contributions and vested employer contributions at any time except that pre-tax contributions made under the Revised Plan can only be withdrawn under hardship conditions.

NOTE B: Signficant Accounting Policies

The accompanying financial statements are prepared on the accrual basis of accounting. Investments are stated at aggregate fair value based upon quoted market prices; cost approximates fair value unless otherwise noted. Unrealized appreciation or depreciation in the aggregate fair value of investments held at year-end is reflected in investment income. Net realized gains and losses on security sales are determined using the average cost of investments. Administrative expenses are paid by the Companies.

NOTE C: Investments

Contributions are made to one or more of the following funds:

Fund "A" - A portfolio primarily invested in common stocks.

Fund "B" - An interest accumulation contract issued by the Aetna Life and Casualty Company which guarantees a fixed rate of return subject to annual adjustments.

Fund "C" - A portfolio primarily invested in GEICO Corporation Common Stock, which previously also included Government Employees Financial Corporation Common Stock, Convertible Preferred Stock and Convertible Subordinated Debentures. Fund "C" investment income is earned substantially from employer securities.

Fund "G" - A portfolio of GEICO Corporation Common Stock. Fund "G" investment income is earned substantially from employer securities.

Fund "M" - Government Securities Cash Fund, a money market fund, investing in short-term securities guaranteed or collateralized by obligations of the U.S. Government or its agencies.

Savings Account - A Federally insured savings account available to employees at age sixty.

Employees may make contributions to Fund "A", "B", "G", and "M" and may invest in more than one Fund. Employer contributions are made to Fund "C", which also includes employee contributions prior to January 1, 1971 Plan amendments. The Savings Account includes both employee and employer contributions.

The number of participants in each Fund, with reference to employee contributions only, at December 31 was as follows:

	Fund "A"	Fund "B"	Fund "C"	Fund "G"	Fund "M"	Savings Account
1983	636	1,977	59	239	120	3
1982	554	1,694	68	-	194	1
1981	592	1,498	72	-	-	2

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE D: Federal Income Taxes

The Plan was exempt from taxation in accordance with the provisions of Section 501(a) of the Internal Revenue Code. Employer contributions and income earned from Plan investments were not taxable to participants until distributed. Employee contributions were made from fully taxed base salary and, therefore, not taxed at distribution.

The Revised Plan is similar to the Plan except any contributions made from pre-tax base pay will be taxed at distribution.

NOTE E: Net Realized Gains (Losses) on Security Sales

	Proceeds	Cost	Net Realized Gains (Losses)
Year ended December 31, 1983			
Fund "A" - Securities other than employers	$ 363,920	$ 317,488	$ 46,432
Fund "C" - Securities of employers			
GEICO Corporation Common Stock	987,694	459,718	527,976
GEFCO Convertible Preferred Stock	371,389	348,916	22,473
GEFCO Common Stock	478,980	194,586	284,394
GEFCO Convertible Subordinated Debentures	136,563	137,682	(1,119)
	1,974,626	1,140,902	833,724
Total	$2,338,546	$1,458,390	$ 880,156
Year ended December 31, 1982			
Fund "A" - Securities other than employers	$ 190,769	$ 241,836	$ (51,067)
Fund "C" - Securities other than employers	85,938	100,000	(14,062)
Securities of employers			
GEFCO Convertible Subordinated Debentures	222,949	319,105	(96,156)
	308,887	419,105	(110,218)
Total	$ 499,656	$ 660,941	$(161,285)
Year ended December 31, 1981			
Fund "A" - Securities other than employers	$ 300,909	$ 290,189	$ 10,720
Fund "C" - Securities other than employers	1,017,385	1,032,602	(15,217)
Securities of employers			
GEICO Corporation Common Stock	1,406,228	436,350	969,878
GEFCO Convertible Subordinated Debentures	273,743	374,979	(101,236)
	1,679,971	811,329	868,642
	2,697,356	1,843,931	853,425
Total	$2,998,265	$2,134,120	$ 864,145

GEFCO is the Government Employees Financial Corporation.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE F: Unrealized Appreciation (Depreciation) in Fair Value of Investments

	Fund "A"	Fund "C"	Fund "G"	Total
Balance at December 31, 1980	$ 134,314	$ 268,073	$ -	$ 402,387
Unrealized appreciation (depreciation) during 1981	(141,617)	1,417,926	-	1,276,309
Balance at December 31, 1981	(7,303)	1,685,999	-	1,678,696
Unrealized appreciation during 1982	155,389	4,371,313	-	4,526,702
Balance at December 31, 1982	148,086	6,057,312	-	6,205,398
Unrealized appreciation (depreciation) during 1983	93,213	3,228,523	(1,011)	3,320,725
Balance at December 31, 1983	$ 241,299	$9,285,835	$(1,011)	$9,526,123

NOTE G: Contributions

	Year ended December 31,		
	1983	1982	1981
Employees			
Government Employees Insurance Company	$1,678,547	$1,389,035	$1,238,541
Criterion Insurance Company	102,072	71,105	90,724
Government Employees Financial Corporation	72,797	57,902	61,942
GEICO Corporation	254,719	186,053	68,281
Garden State Life Insurance Company	9,557	-	-
Resolute Group, Inc.	18,551	12,157	-
Banner Life Insurance Companies - See Note J	-	82,343	54,542
	$2,136,243	$1,798,595	$1,514,030
Government Employees Companies			
Government Employees Insurance Company	$2,683,399	$ 734,456	$ 636,886
Criterion Insurance Company	197,457	43,596	53,350
Government Employees Financial Corporation	107,527	30,168	26,830
GEICO Corporation	280,053	85,041	31,838
Garden State Life Insurance Company	20,561	-	-
Resolute Group, Inc.	38,827	6,428	-
Banner Life Insurance Companies - See Note J	-	34,741	27,501
	$3,327,824	$ 934,430	$ 776,405

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE H: Fund "A" Common Stocks

The following is a listing of the common stocks held in Fund "A" at December 31, 1983:

Industry	Issuer	Number of Shares	Fair Value
Automobile	General Motors Corporation	600	$ 44,625
Chemicals	Monsanto Company	500	52,625
Consumer Durables	Sony Corporation	3,000	46,875
Consumer Non-durables	Procter & Gamble Company	1,000	56,875
Drugs/Health Care	Hospital Corporation of America	1,333	52,654
	Merck & Company, Inc.	1,800	162,675
			215,329
Electric Equipment	Emerson Electric Company	2,000	133,000
Electronics	Perkin-Elmer Corporation	2,000	58,750
Finance Related	Sears Roebuck & Company	3,000	111,375
	State Street Boston Corporation	1,000	29,250
			140,625
Natural Gas	Sonat, Inc.	2,000	65,750
	Texas Eastern Corporation	1,000	58,250
			124,000
Office Equipment	International Business Machines Corporation	1,200	146,400
Oil	Atlantic Richfield Company	2,000	86,500
Oil Service	Dresser Industries, Inc.	3,000	62,250
	Schlumberger, Limited	1,000	50,000
			112,250
Retail Sales	Tandy Corporation	900	39,037
Telephone	United Telecommunications, Inc.	3,000	63,375
Total			$1,320,266

The Tandy Corporation Common Stock was non-income producing during the year ended December 31, 1983.

The aggregate cost of the common stocks listed above is $1,078,967, which is the same as for Federal income tax purposes. Gross unrealized appreciation and depreciation are as follows:

Gross Unrealized Appreciation	$288,679
Gross Unrealized Depreciation	(47,380)
Net Unrealized Appreciation	$241,299

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I: Withdrawals and Forfeitures

	1983	1982	1981
Terminations and Withdrawals	$2,105,489	$1,820,368	$1,327,742
Forfeitures	112,796	126,880	79,121

Terminations and withdrawals during 1983 shown above do not include the withdrawal of $1,216,615 by the Banner Life Insurance Companies (see Note J). Forfeitures are allocated proportionately among remaining active participants on December 31 of each year based on the participant's earnings. Forfeitures represent only company contributions to Fund "C".

NOTE J: Withdrawal of the Banner Life Insurance Companies

The Banner Life Insurance Companies, formerly Government Employees Life Insurance Company and Government Employees Life Insurance Company of New York, withdrew from the Amended Plan effective with the distribution of cash and securities in January 1983. The withdrawal of the Banner Life Insurance Companies is shown separately on the Statement of Income and Changes in Net Assets Available for Plan Benefits for the year ended December 31, 1983.

Exhibit 1 to Form 11-K

REVISED PROFIT SHARING PLAN
FOR THE EMPLOYEES OF THE
GOVERNMENT EMPLOYEES COMPANIES

REVISED PROFIT SHARING PLAN

FOR THE EMPLOYEES OF THE

GOVERNMENT EMPLOYEES COMPANIES

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REVISED PROFIT SHARING PLAN

FOR THE EMPLOYEES OF THE

GOVERNMENT EMPLOYEES COMPANIES

This Plan shall be known as the "Revised Profit Sharing Plan for the Employees of the Government Employees Companies." The Plan is designed to encourage employee savings and to provide out of the profits of the Government Employees Companies benefits for its eligible Employees upon their retirement, disability, or termination of service and for their beneficiaries in the event of their death. This Plan, as amended and restated herein, shall entirely supersede the Amended Profit Sharing Plan for the Employees of the Government Employees Companies as in effect prior to January 1, 1984 with respect to all Employees on that date. The rights to benefits of all Employees whose employment with a Company terminated prior to January 1, 1984 shall be determined solely under the provisions of the Plan as in effect at the time of such termination of employment, except as otherwise provided herein.

ARTICLE I

Definitions

1.1 "Affiliate" will mean a member with a Company of a controlled group of organizations within the meaning of Section 1563(a) of the Internal Revenue Code, determined without regard to Section 1563(a)(4) and (e)(3)(C) of the Code, or a member with a Company of a group of trades or businesses (whether or not incorporated) under common control as determined by the Secretary of the Treasury in regulations adopted under Section 414(c) of the Code.

1.2 "Board" will mean the Board of Directors of GEICO Corporation.

1.3 "Break in Service" will have the meaning set forth in Paragraph 3.3.

1.4 "Committee" will mean the Administrative Committee appointed by the Board for the purpose of administering this Plan.

1.5 "Companies" will mean Government Employees Insurance Company, Garden State Life Insurance Company, Criterion Insurance Company, Government Employees Financial Corporation, GEICO Corporation, Resolute Management Corporation, and any other corporation which, with the approval of the Board, adopts the Plan, or any successor or successors of said Companies. A Company will mean one of the Companies.

1.6 "Corporate Trustee" will mean the corporate entity or entities appointed by the Board to manage and invest the assets of the Fund that comprise Funds A, B, C, G and M.

*1.7 "Earnings" will mean the regular or basic pay of a Participant prior to a reduction in Earnings on account of contributions made pursuant to Section 4.1 of Article IV and exclusive of bonuses, overtime pay, and other extra compensation. Earnings of a Participant who at any time is simultaneously in the employ of two or more of the Companies and Affiliates included herein, shall be the total Earnings received by the Participant.

* Revised: 2/3/84

1.8 "Effective Date" will mean January 1, 1984.

1.9 "Election Date" will mean March 31, June 30, September 30, or December 31 of any year.

1.10 "Elective Contributions" shall mean the pre-tax and after-tax contributions to the Plan as more fully described in Section 4.1, below.

*1.11 "Employee" will mean any person employed by a Company and any person employed by an Affiliate that is not a Company who is designated as eligible to participate in the Plan by the Board.

1.12 "Fiduciary" will mean any person or entity who exercises discretionary authority or control over the management of the Plan, assets held under the Plan, or disposition of Plan assets; who renders investment advice for direct or indirect compensation as to assets held under the Plan or has any authority or responsibility in the administration of the Plan.

1.13 "Fund" will mean the trust fund held by the Corporate Trustee in accordance with the Trust Agreement. It will consist of Funds A, B, C, G, and M, the amount allocable to each of which shall be designated by the Committee.

1.14 "Fund A" will mean that portion of the Fund composed of Elective Contributions which is primarily invested in common stocks, convertible preferred stocks, equity-oriented mutual funds and other similar securities, except where and to the extent that the Corporate Trustee determines such investment to be imprudent.

1.15 "Fund B" will mean that portion of the Fund composed of Elective Contributions which is primarily invested in fixed income securities such as corporate bonds, debentures, mortgages, preferred stocks, and United States, state, and local securities, or in group annuity contracts, such investments to be made at the direction of the Committee.

* Revised: 2-3-84

1.16 "Fund C" will mean that portion of the Fund composed of the assets of the Old Plan on December 31, 1970, and Company contributions made on and after January 1, 1971. The assets of Fund C shall be invested up to 100% in the common stocks (and instruments convertible into the common stocks) of GEICO Corporation.

1.17 "Fund G" will mean that portion of the Fund composed of Elective Contributions which is invested up to 100% in the common stocks (and instruments convertible into the common stocks) of GEICO Corporation.

1.18 "Fund M" will mean that portion of the Fund composed of Elective Contributions which is primarily invested in a mutual fund specializing in United States government securities, the selection of which is to be made at the direction of the Committee.

1.19 "Month of Service" will have the meaning as set forth in Paragraph 3.2

1.20 "Old Plan" will mean the Profit Sharing Plan for the Employees of Government Employees Companies as it existed on December 31, 1970.

1.21 "Participant" will mean an Employee who meets the eligibility requirements set forth in Article II and a former Participant who has a Participant Account under the Plan.

1.22 "Participant Account" will mean, as of any Valuation Date, the then amount of the Participant's Elective Contributions, the Company contributions, and the forfeitures allocated on his behalf, adjusted to reflect any withdrawals and distributions, investment earnings and losses attributable to such contributions and forfeitures, and the then market value of the Fund, subject, however, to the provisions of Paragraph 6.3.

*1.23 "Plan" will mean the Revised Profit Sharing Plan for the Employees of the Government Employees Companies as set forth in this document and as it may be amended from time to time; provided, however, that for purposes of

* Revised: 2/2/84

Paragraph 16.4, as well as for the purposes of the funding and payment of benefits, the Plan, as adopted by each Company, shall be deemed to be a separate single plan as to each Company.

1.24 "Plan Year" will mean the calendar year.

1.25 "Pre-tax Contributions" and "After-tax Contributions" will have the meanings set forth in Section 4.1 of the Plan.

1.26 "Trust Agreement" will mean the agreement or agreements entered into between GEICO Corporation and the Corporate Trustee to carry out the purposes of the Plan, such Trust Agreement being incorporated herein as part of this Plan.

1.27 "Valuation Date" will mean the last business day of any month.

1.28 "Year of Qualifying Service" will have the meaning set forth in Paragraph 2.1.

1.29 "Year of Service" will have the meaning set forth in Paragraph 3.1.

ARTICLE II

Participation

2.1 Eligibility. Each salaried Employee hired on or after the Effective Date will become a Participant on the earlier of the January 1 or July 1 coincident with or next following the first anniversary of his date of employment and satisfaction of the following requirements:

(a) Attainment of age 23;

(b) Completion of a Year of Qualifying Service.

The term "Year of Qualifying Service" means a 12 consecutive month period, beginning on the Employee's first date of employment, during which the Employee completes at least 6 Months of Service, or in the case of an Employee who does not complete 6 Months of service during such 12 month period, any Plan Year commencing after the Employee's first date of employment in which the Employee completes 6 Months of Service.

2.2 Participation Following a Break in Service. A former Participant who terminates employment and who returns to the employment of a Company as a salaried Employee will become a Participant on his date of rehire, unless his prior Years of Service are disregarded under subparagraph 3.4(b) of the Plan, in which event he will become a Participant on the earlier of the January 1 or July 1 coincident with or next following the date he first satisfies the requirements of Paragraph 2.1 following such termination of employment.

2.3 Notification of Eligibility. The Committee will notify each salaried Employee of his forthcoming eligibility to participate in the Plan and of the terms of this Plan and will give him the opportunity to make contributions hereunder.

2.4 <u>Method of Making Contributions</u>. To authorize contributions to the Plan, a salaried Employee must make written application on a form provided by the Committee, which form will include an authorization for payroll deductions to cover the amount of such contributions elected in accordance with Section 4.1(b) and an authorization for a reduction in salary equivalent to any pre-tax contribution to be made by a Company or an Affiliate, as the case may be, on the Participant's behalf pursuant to Section 4.1(a).

*2.5 <u>Change of Status to Hourly Employment</u>. In the event a Participant's status changes from a salaried Employee to an hourly Employee, he shall continue his participation in the Plan; provided, however, that no further Elective Contributions under Paragraph 4.1 shall be made by him or on his behalf, nor shall any Company contributions or forfeitures pursuant to Article V be allocated to his Participant Account.

*2.6 <u>Change of Status to Salaried Employment</u>. In the event the status of an hourly Employee who is not a Participant changes to that of a salaried Employee, he shall become a Participant in the Plan on the earlier of the January 1 or July 1 coincident with or next following his change to salaried employment, provided that he otherwise satisfies the requirements of Paragraph 2.1.

* Revised: 2/17/84

ARTICLE III

Service

3.1 Year of Service. An Employee will be credited with a Year of Service for each Plan Year in which he completes at least 6 Months of Service. Years of Service prior to the Effective Date will be computed in the same manner as Years of Service after the Effective Date.

3.2 Months of Service. An Employee will be credited with a Month of Service for each month during which he is either directly or indirectly compensated by a Company for at least one hour during such month, including months for which back pay, irrespective of mitigation of damages, has been awarded or agreed to by a Company. Months of Service also will be credited for periods of

(a) paid leave such as vacation, personal, holidays, health, work injury, bereavement, jury duty/court; and

(b) military leave or furlough

provided that the Employee returns to active employment with a Company at the expiration of such military leave or furlough, within the period during which the Employee's re-employment rights are protected by law. Months of Service also will include, to the extent that credit for such periods is required under regulations prescribed by the Secretary of Labor or the Secretary of the Treasury and to the extent that credit would be given under this Paragraph 3.2 were the Employee then in the employ of a Company, months during which an Employee is employed by:

(a) An Affiliate; and

(b) any corporation which is a predecessor corporation of a Company, or corporation merged, consolidated or liquidated into a Company or a predecessor of a Company, or a corporation, substantially all of the assets of which have been acquired by a Company if

(1) such corporation maintained the Plan or a predecessor plan; or

(2) such corporation did not maintain the Plan or a predecessor plan but credit is required to be given for service with such a corporation under regulations prescribed by the Secretary of the Treasury.

3.3 Break in Service. An Employee will incur a Break in Service in any Plan Year in which he completes less than three Months of Service. The determination of the occurrence of a Break in Service prior to such date will be made under the rules of the Plan as in effect prior to such date.

3.4 Service Which is Disregarded. In computing an Employee's aggregate number of Years of Service, all such Years of Service shall be aggregated, except that the following periods shall be disregarded:

(a) Periods during which a Company did not maintain the Plan or a predecessor plan as defined in regulations issued by the Secretary of the Treasury;

(b) In the case of an Employee who at the time of a Break in Service does not have any rights to vested benefits under Article X, periods prior to a Break in Service if the Employee's number of Years of Service are less than or equal to the number of consecutive years during which the Employee has incurred a Break in Service;

(c) Years of Service after a Break in Service for purposes of determining the Employee's vested interest in the value of his individual account attributable to Company contributions which accrued before the Break.

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ARTICLE IV

Elective Contributions

*4.1 Amount of Elective Contributions.

(a) Except as otherwise provided in Section 4.7, each Participant, regardless of his status under the Plan as in effect on December 31, 1983, who has not attained age 70 may authorize the Company or an Affiliate by which he is employed to make contributions (hereinafter referred to as "pre-tax contributions") to the Plan on his behalf in an amount equal to any integral percentage between 1% to 6% of his Earnings, in exchange for his agreement that his salary shall be reduced in a like amount. Such salary reduction shall be made prior to withholding for federal income taxes and prior to withholding for state income taxes except in states where contributions to plans qualified under Section 401(k) of the Internal Revenue Code of 1954, as amended, are subject to income tax withholding.

(b) In addition to contributions made under Section 4.1(a) or in lieu of such contributions, each Participant regardless of his status under the Plan as of December 31, 1983, may make supplemental Elective Contributions (hereinafter referred to as "after-tax contributions") under the Plan in an amount equal to any integral percentage between 1% to 8% of his aggregate Earnings for all years during which he participated in the Plan, reduced by any prior supplemental Elective Contributions, either through payroll deductions or in single sum payments made once annually. Such contributions will be deducted from the Participant's Earnings after withholding for federal and state taxes. Payroll deductions will begin as of the first payroll period coincident with or immediately following the date on which the Committee receives the Participant's written application.

* Revised: 2/2/84

4.2 Change in Percentage of Elective Contributions. The percentage of Earnings designated by a Participant to measure the pre-tax and post-tax contributions made to his account under the Plan will continue in effect, notwithstanding any change in his Earnings, until he elects to change such percentage, or until attaining age 70, at which time all Elective Contributions shall cease. Except as provided in this Paragraph a Participant may change such percentage at any time by filing a written request for such change with the Committee. Any such change will become effective on the Election Date coincident with or immediately following the expiration of 30 days following the date such written request is filed with the Committee.

4.3 Suspension of Elective Contributions. A Participant may elect to suspend the pre-tax contributions to his account for a period of not less than one month and may elect to suspend his after-tax contributions for not less than one month. Any such suspension will become effective with the first payroll period beginning coincident with or immediately following the expiration of 10 days following the date such written direction is filed with the Committee. Any such Participant may resume making Elective Contributions by filing written authorization to resume payroll deductions with the Committee in which event his Elective Contributions will be resumed with the first payroll period beginning coincident with or immediately following the expiration of 10 days following the later of:

(a) the date such written authorization is received by the Committee; and

(b) the expiration of a period of one month following the effective date of such suspension.

4.4 Remittance of Elective Contributions to Corporate Trustee. The amounts deducted or paid over to the Companies as Elective Contributions will be remitted by the Companies to the Corporate Trustee as soon as practicable.

4.5 Allocation of Elective Contributions. The Elective Contributions made by or for each Participant will be allocated to his Participant Account. The Corporate Trustee shall separately account for pre-tax and after-tax contributions to the Plan.

4.6 Discrimination Requirements. For any Plan Year, the sum of the pre-tax contributions made to a Participant's account in accordance with Paragraph 4.1(a) and contributions made to his account under the GEICO Companies Employee Stock Bonus Plan must satisfy either subparagraph (a) or (b) set forth below:

(a) The Actual Deferral Percentage for Participants whose Earnings are among the highest 1/3rd of all Participants may not exceed 1.5 times the Actual Deferral Percentage for Participants whose Earnings are among the lowest 2/3rds of all Participants.

(b) The Actual Deferral Percentage for Participants whose Earnings are among the highest 1/3rd of all Participants may not (1) exceed 2.5 times the Actual Deferral Percentage for Participants whose Earnings are among the lowest 2/3rds of all Participants, and (2) exceed the Actual Deferral Percentage for Participants whose Earnings are among the lowest 2/3rds of all Participants by more than 3 percentage points.

For purposes of this discrimination test, the term "Actual Deferral Percentage" means, for any Plan Year, the average of the ratios for all Participants, or the ratio for an individual Participant, of (a) to (b), where (a) and (b) are as follows:

(a) the sum of GEICO Companies Employee Stock Bonus Plan contributions and contributions made in accordance with Paragraph 4.1(a) by, or on behalf of, the Participant for such Plan Year;

(b) the Participant's Earnings for such Plan Year.

4.7 <u>Excess Pre-Tax Contributions</u>. If for any Plan Year it is determined that the discrimination requirements under Paragraph 4.6 are not satisfied, certain Participants whose Earnings are among the highest 1/3rd of all Participants will have the pre-tax contributions made on his behalf in accordance with Paragraph 4.1(a) reduced retroactively as follows:

(a) The Participant with the highest individual Actual Deferral Percentage will have the pre-tax contributions under Paragraph 4.1(a) reduced by 0.1% of his Earnings.

(b) If the discrimination requirements set forth in Section 4.6 are still not satisfied after the reduction under Section 4.7(a) is made, another reduction will be made. The Participant with the highest individual Actual Deferral Percentage after the reduction under Section 4.7(a) is made (including any Participant whose contributions are reduced under Section 4.7(a)), will have his pre-tax contributions reduced by 0.1% of his Earnings. This process will continue until the discrimination requirements under Section 4.6 are satisfied.

A Participant whose pre-tax contributions have been reduced in accordance with this Section 4.7 will have the amount of such reduction added to the Participant's after-tax contributions, if any, made in accordance with Paragraph 4.1(b).

ARTICLE V

Company Contributions

5.1 Company Contributions. Following the end of each Plan Year, and within the period of time prescribed for filing the federal income tax return for the tax year ending with or within such Plan Year, the Companies will contribute to the Fund from their net profit such amount as will be determined by the Board in its sole discretion.

5.2 Allocation of Company Contributions. The Board will determine the portion of the total contribution under Section 5.1 to be made by each Company based on each Company's proportionate contribution to net profit for the Plan Year. Each Company will then allocate its share of the total contribution to the Planning Centers within such Company based on the ratio of (i) each Planning Center's Planning Center Ranking multiplied by the total Earnings of Eligible Participants in such Planning Center to (ii) the sum of the products of each Planning Center's Planning Center Ranking and the total Earnings of all Eligible Participants in such Planning Center. An Eligible Participant's share of the Company contribution allocated to his Planning Center will be determined by multiplying such contribution by the ratio of the Eligible Participant's Earnings for the Plan Year to the total Earnings for the Plan Year of all Eligible Participants in such Planning Center.

For purposes of this Section 5.2, the term "Planning Center" will mean an organizational unit within GEICO Corporation which has independent budget and plan objectives against which its results are measured; the term "Planning Center Ranking" will mean the numerical value assigned annually to each Planning Center by the President of GEICO Corporation acting on the advice of GEICO

Corporation's senior management; and the term "Eligible Participant" will mean, with respect to any Plan Year, each Participant who (1) was credited with a Year of Service for such Plan Year and is a salaried Employee on the last day of the Plan Year, or (2) retired, died or became disabled during such Plan Year.

5.3 Application of Forfeitures. Any amount attributable to Company contributions which are forfeited in accordance with Article X by Participants who incur a Break in Service prior to becoming fully vested will be reallocated to Participant Accounts; however, only the accounts of those Participants who are actively employed by the same Company as of such Valuation Date will be included in such reallocation. The amount of forfeitures so reallocated to each such Participant Account as of such Valuation Date will be that portion of the total forfeitures applicable to the Company by which he is employed with respect to such Valuation Date which bears the same ratio to such total as the Earnings of such Participant having a Participant Account balance above zero bear to the aggregate Earnings received from such Company by all Participants having an Account balance above zero of such Company. Such forfeitures will be treated as Company contributions.

*5.4 Maximum Annual Additions.

(a) Basic Limitation. Subject to the adjustments hereinafter set forth, the maximum aggregate annual addition to a Participant's account in any limitation year shall in no event exceed the lesser of:

(1) $30,000; or

(2) 25% of the amount of a Participant's compensation.

(b) Definitions.

(1) For the purposes of this Paragraph 5.4 the term "Affiliate" has the meaning set forth in Article I, Paragraph 1.1, as modified by

* Revised: 2/2/84

Section 415(h) of the Internal Revenue Code.

(2) For purposes of this Paragraph 5.4, the term "compensation" will include only those items of income specified in Treasury Regulation § 1.415-2(d)(1)(i), as well as any amounts received by a Participant pursuant to an unfunded, nonqualified deferred compensation plan in the year in which such amounts are includable in the Participant's gross income; and the term "compensation" will not include any items of income specified in Treasury Regulation § 1.415-2(d)(2).

(3) For purposes of this Paragraph 5.4 the term "limitation year" or "year" means the calendar year.

(c) Cost of Living Adjustment. The limitation of $30,000 imposed by Subparagraph (a) above will be adjusted for increases in the cost of living in compliance with Regulations issued by the Secretary of the Treasury pursuant to the provisions of section 415(d) of the Internal Revenue Code of 1954, as amended.

(d) Limitation for Participants in a Combination of Plans.

(1) Notwithstanding the foregoing, in the case of an Employee who participates in this Plan and a defined benefit plan which meets the requirements of section 401(a) of the Internal Revenue Code of 1954, as amended, maintained by the Company or an Affiliate, the sum of the defined benefit plan fraction and the defined contribution plan fraction for any year will not exceed 1.0. For purposes of applying the limitations of this Section, the following rules shall apply:

(i) The term "defined benefit plan fraction" will mean, for any year, a fraction the numerator of which is the projected annual benefit of the Employee determined as of the end of such year, and the denominator of which is the lesser of the product of 1.25 multiplied by the dollar limitation specified in Section 415(b)(1)(A) of the Internal Revenue Code for such year or the product of 1.4 multiplied by 100% of the Employee's compensation for such year; provided, however, that the defined benefit plan fraction with respect to any Employee described in section 2004(d)(2) of the Employee Retirement Income Security Act of 1974 will never be deemed to exceed 1.0.

(ii) The term "defined contribution plan fraction" will mean, for any year, a fraction the numerator of which is the sum of the aggregate annual additions on behalf of the Employee determined as of the end of such year, and the denominator of which is the sum of the lesser of the following amounts determined for such year and for each prior year of the Employee's service

- the product of 1.25 multiplied by the dollar limitation in effect under Section 415(c)(1)(A) of the Internal Revenue Code for each such year, or
- the product of 1.4 multiplied by 25% of the Employee's compensation for each such year; provided, however, that the defined contribution plan fraction will never be deemed to exceed 1.0 with respect to years prior to January 1, 1976.

(iii) The term "annual addition" shall mean for any year the sum of the Company and Affiliate contributions other than contributions representing repayment of interest under the GEICO Companies Employee Stock Ownership Plan, contributions under Paragraph 4.1(a), forfeitures other than forfeitures under the GEICO Companies Employee Stock Ownership Plan, and the lesser of Elective Contributions under Paragraph 4.1(b) in excess of 6% of the Employee's compensation or 1/2 of the Employee's total contributions under Paragraph 4.1(b). In computing such annual additions for any year prior to January 1, 1976, the amount of an Employee's Elective Contributions taken into account shall be deemed to be an amount equal to the excess of such Employee's Elective Contributions for each year in which the Employee was an active Participant in the Plan over 10% of the Participant's aggregate compensation during such years multiplied by a fraction, the numerator of which is 1 and the denominator of which is the number of full years during which the Participant actually participated in the defined contribution plan prior to January 1, 1976; provided, however, that all Employee Elective Contributions made on or after October 2, 1973 which exceed the maximum amount of contributions the Employee was permitted to make under the provisions of the Plan as in effect on October 2, 1973 shall be taken into account.

(2) The limitations of Subparagraph (d)(1) hereof shall not apply with respect to any Participant who on September 2, 1974 participated in this Plan or another qualified defined contribution plan aggregated herewith and any defined benefit plan maintained by the Company or an Affiliate if the following conditions are met:

(i) The defined benefit plan fraction with respect to the Participant is not increased, by amendment or otherwise, after December 31, 1974; and

(ii) No employer contributions or forfeitures are allocated, nor are any voluntary Employee contributions made, to the Participant's account under any defined benefit or defined contribution plan maintained by the Company or an Affiliate after September 2, 1974, and

(iii) No voluntary Employee contributions are made under any defined benefit or defined contribution plan maintained by the Company or an Affiliate after September 2, 1974.

(e) <u>Treatment of Affiliate Plans.</u> The limitations of this Article with respect to any Participant who at any time has participated in any other defined contribution plan which is qualified under section 401(a) of the Internal Revenue Code of 1954, as amended, or in more than one qualified defined benefit plan maintained by a Company or by an Affiliate shall apply as if the total benefits payable under all such defined benefit plans in which the Participant has been a member were payable from one plan, and as if the total annual additions made to all defined contribution plans in which the Participant has been a member were made to one plan.

(f) Preclusion of Excess Annual Additions. The Administrative Committee shall maintain records showing for each month during the limitation year the pre-tax contributions to each Participant's account, his after-tax Elective Contributions to the Plan, and Company contributions and forfeitures credited to the Participant's Account. If the Committee determines that, as of the end of any month, no additional Participant or Company contributions may be made and credited to the Participant's account without exceeding the limitations prescribed in this Article V for the year, then no further such contributions by the Participant or the Company shall be made or credited to the Participant's account during the year.

(g) Adjustment to Defined Benefit Plan. Notwithstanding the provisions of Subparagraph (f), in the event that the limitations prescribed under Subparagraph (d) are exceeded with respect to any Participant who participates in this Plan and a qualified defined benefit plan maintained by a Company or an Affiliate, the benefits under the defined benefit plan shall be frozen, or, if necessary, reduced prior to making any adjustments under this Plan.

(h) Disposal of Excess Annual Additions. In the event that, notwithstanding Subparagraph (f) hereof, the limitations with respect to annual additions prescribed hereunder are exceeded with respect to any Participant and such excess arises as a consequence of the crediting of forfeitures to the Participant's account or a reasonable error in estimating the Participant's compensation, such excess shall be disposed of by returning to the Participant his after-tax contributions to the Plan for the year in which the excess arose and the earnings thereon but only to the extent necessary to cause the annual addition to the Participant's account to equal, but not exceed, the limitations prescribed hereunder. In the event that after all of the contributions and earnings are returned there remains an excess, such excess shall be held in a suspense account and reallocated among the accounts of all Participants in the limitation year succeeding the year in which the excess arose.

5.5 Other Contribution Limitations. Notwithstanding any other provision herein to the contrary and subject to the provisions of Paragraph 5.3 above, in no event shall the total Company contributions on behalf of any Participant in any calendar year exceed the amount which is the lesser of 10% of such Participant's compensation during such calendar year, or $10,000, adjusted annually for increases in the cost of living. Additionally, in no event shall the sum paid to the Corporate Trustee by all Companies for any one year exceed the maximum amount deductible from the income of the Companies for such year under section 404(a)(3)(A) of the Internal Revenue Code of 1954 as amended from time to time, nor will an amount be contributed by a Company which would result in disqualification of the Plan under sections 401(a) and 501(a) of the Internal Revenue Code of 1954, as amended.

ARTICLE VI

Investment of Contributions

6.1 Investment of Contributions. Each Employee will direct, at the time he becomes a Participant under the Plan, that the Elective Contributions, if any, to his account be invested in one of the following ways:

(a) 100% in Fund A, Fund B, Fund G or Fund M;

(b) 50% in each of two Funds;

(c) 75% in one of the Funds and 25% in another;

(d) 25% in each of two Funds and 50% in another; or

(e) 25% in Fund A, 25% in Fund B, 25% in Fund G, and 25% in Fund M.

Separate elections may be made with respect to pre-tax and after-tax contributions to the Plan. The Corporate Trustee will maintain separate accounts for the pre-tax and after-tax monies in these four funds. Assets of the Old Plan, as well as Company contributions made on and after January 1, 1971, will be invested in Fund C.

6.2 Change in Investment Elections. Any investment election given by a Participant will continue in effect until changed by the Participant. A Participant may change his investment election as to future Elective Contributions to his account, within the limits set forth in Paragraph 6.1, by giving written notice to the Committee. At six month intervals a Participant may also change his investment election as to the value of his Participant Account created by prior Elective Contributions, within the limits set forth in Paragraph 6.1, by giving written notice to the Committee; provided, however, that if, in the opinion of the Committee, because of market conditions or otherwise, the position of Fund A, Fund B, Fund G or Fund M may be adversely affected by any transfer necessary to accomplish such change, the Committee may direct that such change may be accomplished over a period not to exceed one year from the date as of which such change was directed; and, provided further, that direct transfers from Fund B to Fund M are not permitted. Except as hereinabove provided, any change of investment election will become effective on the Election Date coincident with or immediately following the expiration of 30 days following the date written notice is received by the Committee.

6.3 Savings Account. At any time after his 60th birthday, a Participant may elect, by giving written notice to the Committee, that the value of his Participant Account and all future contributions and forfeitures allocated on his behalf be transferred, without regard to the extent to which such Participant would be entitled to receive them under Articles X and XII in the event of termination of employment, to a fully insured savings account in a Federally insured savings institution held in the name of the Committee for the benefit of such Participant. At any time after his 50th birthday and before his 60th birthday a Participant who is eligible for retirement under the Companies' Pension Plan and who has completed 10 or more Years of Service in this Plan, may also elect this transfer to a savings account provided he submits in writing to the Committee a firm, irrevocable, early retirement date which is not more than one year from the effective date of such election. Any transfer made in accordance with the provisions of this Paragraph will be effected as of the Election Date coincident with or immediately following the expiration of 30 days following the date written notice is received by the Committee. Any Participant who elects a transfer in accordance with the provisions of this Paragraph will not be entitled to make any further changes in the allocation of the transferred amounts, nor may such Participant make any further changes in his investment election.

ARTICLE VII

Participant Accounts

7.1 Credits to Participant Accounts. The Participant Account of each Participant will be credited with his own after-tax contributions, with pre-tax contributions deposited in accordance with Section 4.1(a) of this Plan, with forfeitures and with any Company contributions which are allocated thereto. The Participant Account of each Participant will be credited, as of each Valuation Date, with the Participant's share of the investment income and any realized and unrealized capital gains of Funds A, B, C, G and M that occurred during the month ending on such Valuation Date. Such Participant's share of the investment income and realized and unrealized capital gains of Funds A, B, C, G or M for a month will be that portion of the total investment income and capital gains of such Fund for such month which bears the same ratio to such total as the balance of his Participant Account attributable to such Fund on such Valuation Date bears to the aggregate of the balances of all Participant Accounts attributable to such Fund on such Valuation Date. The Corporate Trustee will separately account for pre-tax and after-tax contributions to Funds A, B, G and M.

7.2 Debits of Participant Accounts. Subject to Paragraphs 10.3 and 13.3, the Participant Account of each Participant will be debited with the amount of any withdrawal made by him pursuant to Article XIII, with the amount of any forfeitures pursuant to Article X, and with the amount of any distribution made to him or on his behalf pursuant to Articles VIII, IX, X and XI. The Participant Account of each such Participant will also be debited, as of each Valuation Date, with the Participant's share of any realized and unrealized capital losses of Funds A, B, C, G and M that occurred during the month ending on such Valuation Date. The Participant's share of any realized and unrealized capital losses of Funds A, B, C, G and M for a month will be that portion of the total realized and unrealized capital losses of such Fund for such month which bear the same ratio to such total as the balance of his Participant Account attributable to such Fund on such Valuation Date bears to the aggregate of the balances of all Participant Accounts attributable to such Fund on such Valuation Date.

ARTICLE VIII

Retirement

8.1 Retirement Date. The normal retirement date of a Participant will be the first day of the month coincident with or next following his 65th birthday.

8.2 Benefit at Retirement. A Participant who attains age 65 shall be 100% vested in his account. A Participant who retires on or after attaining age 65 shall be entitled to the value of his account, determined as of the Valuation Date coincident with or immediately preceding the date he ceases to be an Employee. He will also be entitled to 100% of his share of the Company contribution(s) made for the years up to and including the year of the Participant's retirement, if any, made under Section 5.1 as of the Valuation Date coincident with or immediately following the date on which such contribution(s) is (are) made to the Fund. Distribution of the value of his Participant Account will be made in accordance with Article XII.

ARTICLE IX

Death

9.1 __Death While Actively Employed.__ If a Participant dies while actively employed, 100% of the value of his Participant Account, determined as of the Valuation Date coincident with or immediately preceding his death, will be paid to the beneficiary designated by the Participant. Such beneficiary will also be entitled to 100% of his share of the Company contribution(s) made for the years up to and including the year of the Participant's death, if any, made under section 5.1 as of the Valuation Date coincident with or immediately following the date on which such contribution(s) is (are) made to the Fund. Distribution of the value of the Participant's Account will be made in accordance with Article XII.

9.2 __Death After Retirement.__ If a Participant dies after retirement, any benefit payable to the Participant's beneficiary will depend upon the method that has been employed to distribute the value of his Participant Account in accordance with Article XII.

9.3 __Beneficiary.__ Each Participant will designate the beneficiary to whom, in the event of his death, any benefit is payable hereunder. Each such Participant has the right, from time to time, to change any designation of beneficiary. A designation or change of beneficiary must be in writing on forms supplied by the Committee and any change of beneficiary will not become effective until such change of beneficiary is filed with the Committee whether or not such Participant is alive at the time of such filing. The interest of any beneficiary who dies before such Participant will terminate unless otherwise provided. If a beneficiary is not validly designated, cannot be found or is not living at the date of payment, any amount payable pursuant to this Plan will be paid to the spouse of such Participant, or, in the event no spouse survives the Participant, it will be paid in equal shares to the children of such Participant, or, in the event no children survive the Participant, it will be paid in equal shares to the Participant's parents, or in the event no parent survives the Participant, payment will be made to the estate of such Participant.

ARTICLE X

Termination of Employment or Status as Employee and Vesting

10.1 Before Two Years of Service. Any Participant who ceases to be an Employee for any reason other than retirement, death, or disability prior to the completion of two Years of Service will be entitled to receive, in a lump sum, the entire amount of the Elective Contributions then credited to his Participant Account, adjusted to reflect investment income and realized and unrealized capital gains and losses through the Valuation Date coincident with or immediately preceding the date he ceases to be an Employee.

10.2 After Two Years of Service. Any Participant who ceases to be an Employee for any reason other than retirement, death, or disability after the completion of at least two Years of Service will receive, in a lump sum, the entire amount of the Elective Contributions then credited to his Participant Account (including Participant contributions under the Old Plan), adjusted to reflect investment income and realized and unrealized capital gains and losses through the Valuation Date coincident with or immediately preceding the date he ceases to be an Employee. In addition, such Participant will receive his entire vested percentage of the remaining value of his Participant Account attributable to Company contributions (including all forfeitures) as of such Valuation Date and, in the event his employment terminates prior to allocation of any Company contribution to which he may be entitled, the vested percentage of such contribution as of the Valuation Date coincident with or immediately following the date on which such contribution is made to the Fund. The applicable percentage will be determined from the following vesting schedule based upon the Participant's Years of Service as of the date he ceases to be an Employee.

Completed Years of Service	Percentage of Vesting
Less than 2	0
2 but less than 3	20
3 but less than 4	30
4 but less than 5	40
5 but less than 6	50
6 but less than 7	60
7 but less than 8	70
8 but less than 9	80
9 but less than 10	90
10 or more	100

10.3 Transfers. For purposes of Sections 10.1 and 10.2 of this Article X, a Participant who is transferred from a Company to an Affiliate will not be deemed to have terminated his employment.

10.4 Distribution of Benefit and Separate Accounting. Any distribution to a Participant entitled to benefits in accordance with this Article X will be payable as soon as is practicable after the Participant's termination of employment. In the event a Participant receives a distribution prior to a Break in Service which is in part attributable to Company contributions and he is less than 100% vested in his Participant Account attributable to Company contributions at such time, his remaining interest in the portion of his Participant Account attributable to such contributions shall be accounted for separately. The Participant's vested portion of such separate account at any time shall be the Participant's vested percentage of the sum of such account balance and all prior distributions from such account, minus all prior distributions from such account.

10.5 **Forfeitures.** As of the Valuation Date coincident with the last day of the Plan Year in which a terminated Participant incurs a Break in Service, the nonvested portion of his Participant Account will be forfeited.

ARTICLE XI

Total Disability

*11.1 Definition of Disability. A Participant will be considered as totally disabled for the purposes of this Plan if, by reason of accidental bodily injury or sickness, he is completely unable to perform any and every duty pertaining to his employment with a Company or an Affiliate, while such Participant is not engaged in any occupation or employment for wage or profit; provided, however, that a Participant will not be considered as totally disabled within the meaning of this Plan if such disability is the result of intentionally self-inflicted injury, participating in a riot, committing a felony or any type of assault, or engaging in an illegal occupation.

11.2 Disability Benefit. If a Participant becomes totally disabled, as defined in Paragraph 11.1, and such disability continues for at least six months, the Participant will be entitled to receive 100% of the value of his Participant Account, determined as of the Valuation Date coincident with or immediately preceding the expiration of such six months, or, with the consent of the Committee, determined as of any Valuation Date up to or immediately preceding his 65th birthday. Distribution of the Participant's account will be made in accordance with Article XII.

* Revised: 2/3/84

ARTICLE XII

Payment of Benefits

12.1 Form of Payment. Distributions under Articles VIII, IX or XI normally will be payable in a lump sum, in cash or in kind, at the Committee's discretion. A Participant (or the beneficiary of a deceased Participant) may elect, however, to have distribution of his Participant Account made in monthly (or annual) installments which provide monthly (or annual) payments for a period certain of 5, 10 or 15 years, as selected by the Participant. In the event an installment payout is selected, the Committee will instruct the Corporate Trustee to: (i) segregate the Participant's Account to a fully insured savings account in a Federally insured savings institution held in the name of the Committee, which will make payments for the benefit of such Participant; or (ii) take the necessary action to provide for such a term certain installment payout under the terms of an insurance company group annuity contract into which the Trustee has entered; or (iii) effect such other form of installment distribution as the Committee may select.

12.2 Time of Payment. The Committee will effect payments in accordance with the provisions of this Section 12.2.

(a) In the case of a distribution on account of a Participant's termination of employment for reasons other than retirement, death or disability, the Committee will begin payments as soon as practicable after the date of termination of employment. If the Participant is entitled to a Company contribution after his termination of employment, such contribution will be distributed as soon as practicable.

(b) In the case of a distribution on account of retirement, death or disability, the Participant or his beneficiary may elect to receive his distribution as soon as practicable after the event giving rise to the distribution or may elect to delay such distribution until the following calendar year.

The first payment under a distribution in installments will be made within 90 days after such date. In no event will payment commence later than the 60th day after the close of the Plan Year in which the Participant attains age 65 or terminates employment, if later.

12.3 Death of Participant Prior to Receiving Full Distribution. If a Participant dies after having become totally disabled and prior to receiving distribution of the entire value of his Participant Account, the payments that would otherwise have been made to such Participant will be made to his designated beneficiary.

ARTICLE XIII

Withdrawals and Loans

13.1 Withdrawals. A Participant may elect to withdraw a portion or all of his Participant Account in accordance with the following rules:

(a) A Participant may withdraw the full value of his Participant Account attributable to his contributions (i) made in accordance with Paragraph 4.1(b) and/or (ii) made prior to January 1, 1984.

(b) A Participant may withdraw the value of his Participant Account attributable to Company contributions to the extent he is entitled to such contributions under Paragraph 10.2; provided such contributions were made at least 24 months prior to the request for withdrawal or the Participant has participated in the Plan for five or more years.

(c) A Participant may withdraw the full value of his Participant Account attributable to the contributions made in accordance with Paragraph 4.1(a) only upon demonstration of financial hardship as defined by the Administrative Committee in accordance with regulations prescribed by the Secretary of the Treasury.

A withdrawal may be requested by filing a written request with the Committee at any time and from time to time, provided, however, that only one such withdrawal may be made in any 12-month period. Any such withdrawal will be effective as of the Election Date coincident with or next following the expiration of 30 days after such written request is received by the Committee. A Participant Account will be valued on the Valuation Date coincident with or immediately preceding the Election Date.

13.2 Fund to be Charged with Withdrawal. To the extent possible, any withdrawal will be charged to the Participant's interest in Funds A, B, G or M as specified by the Participant, or, if not specified, to Funds A, B, G and M in proportion to the Participant's interest in these funds. To the extent the Participant's total interest in Funds A, B, G and M is not sufficient to make the total distribution, the excess will be charged in the following order of priority:

(a) To the Participant's interest in Fund C to the extent of the value thereof that is attributable to any Participant contributions made under the Old Plan.

(b) To the Participant's interest in Fund C to the extent of the value thereof that is attributable to Company contributions.

13.3 Separate Accounting. In the event a Participant withdraws any amount attributable to Company contributions prior to a Break in Service and prior to becoming 100% vested in his Participant Account attributable to Company contributions, his remaining interest in the portion of his Participant Account attributable to such contributions will be accounted for separately, and his vested portion of such separate account at any time will not be less than the amount determined in accordance with Paragraph 10.4.

13.4 Loans from Participant Accounts. Effective January 1, 1985, a Participant may make application to the Committee on forms prescribed by the Committee to borrow from his Participant Account. Any loan made pursuant to this Section 13.4 will be subject to the following provisions:

(a) The amount of the loan will not be less than $1,000.

(b) In the case of a Participant whose Participant Account is $20,000 or less, the amount of the loan may not exceed the lesser of $10,000 or 90 percent of the portion of the Participant's Participant Account to which he would be entitled upon termination of employment under the terms of Article X.

(c) In the case of a Participant whose Participant Account exceeds $20,000, the amount of the loan may not exceed the lesser of $50,000 or 50 percent of the portion of the Participant's Participant Account to which he would be entitled upon termination of employment under the terms of Article X.

(d) Only one loan may be made to a Participant in any given Plan Year and no Participant may have more than one loan outstanding at any given time.

(e) A loan will be repaid by payroll deductions over a period of time not in excess of five years following the date of the loan; provided that, if a Participant requests a loan for the purpose of purchasing a primary residence, the Committee may authorize repayment of the loan over a period of time not in excess of 30 years following the date of the loan.

(f) The rate of interest on a loan made pursuant to this Section 13.4 will be determined by the rate of interest being earned by Fund B as of the beginning of the Plan Year in which the loan is made and will be fixed for the duration of the loan.

(g) A Participant may designate the Fund or Funds from which his loan is to be borrowed. Payroll deductions made to repay the loan will be invested in Fund B.

(h) Loans will be adequately secured, as determined by the Committee.

(i) Loans will be available to all Participants on a reasonably equivalent basis and will not be made available to highly compensated Employees, officers or shareholders in an amount greater than the amount made available to other Employees.

(j) If a loan is outstanding when a Participant terminates his employment with a Company or an Affiliate, the Participant must repay the loan prior to distribution of his Participant Account.

ARTICLE XIV

Administrative Committee

14.1 Administrative Committee. The Plan will be administered by an Administrative Committee, the members of which will be appointed by and serve at the pleasure of the Board. All of the members of the Committee will be officers, directors, or employees of one of the Companies. The Committee will be the named fiduciary under the Plan.

14.2 Agents of the Committee. The members of the Committee will elect a chairman from among the Committee membership, and a secretary who may, but need not be, one of the members of the Committee, and may appoint such committees with such powers as they will determine; may authorize one or more of their number, or any agent, to execute or deliver any instrument or to make any payment in their behalf; and may employ counsel, agents, and such clerical, accounting, and other services as they might require in carrying out the provisions of the Plan.

14.3 Meetings of the Committee. The members of the Committee will meet at least annually with minutes of these meetings provided to the Board. The majority of the members of the Committee at the time in office will constitute a quorum for the transaction of business. All resolutions or other action taken by the Committee will be by the vote of the majority of the Committee at any meeting; or without a meeting, by instrument in writing signed by a majority of the members of the Committee.

14.4 Administrative Powers of the Committee. The Committee may from time to time establish rules for the administration of the Plan. Except as otherwise herein expressly provided, the Committee will have the exclusive right to interpret the Plan and decide any matters arising hereunder in the administration and operation of the Plan, and any interpretations or decisions so made will be conclusive and binding on all persons having an interest in the Plan; provided, however, that all such interpretations and decisions will be applied in a uniform manner to all Employees similarly situated. The committee will be responsible for advising the Trustee of the portion of any contributions for deposit in Fund A, Fund B, Fund C, Fund G and Fund M and for directing any transfer of assets or cash between Fund A, Fund B, Fund G and Fund M should such transfer be necessary.

14.5 Compensation of Committee. No member of the Committee will receive any compensation for his services as such.

14.6 Certification of Benefits. Subject to the provisions of this Plan, it will be the duty of the Committee to compute and certify the amount of benefit payable hereunder to any Participant or beneficiary.

14.7 Application and Forms for Benefits. The Committee may require a Participant to complete and file with the Committee an application for benefits and all other forms approved by the Committee, and to furnish all pertinent information requested by the Committee. The Committee may rely upon all such information so furnished it, including such Participant's current mailing address.

14.8 Benefit Claims Procedures. In the event of a claim by a Participant or beneficiary as to the amount of any distribution and/or method of payment under the Plan, within 90 days of the filing of such claim, unless special circumstances require an extension of such period, such person will be given notice in writing of any denial, which notice will set forth the reason for the denial, the Plan provisions on which the denial is based, an explanation of what other material or information, if any, is needed to perfect the claim, and an explanation of the claims review procedure. The Participant or beneficiary may request a review of such denial within 60 days of the date of receipt of such denial by filing notice in writing with the Committee or its designated representative, and such a person will have the right to review pertinent Plan documents and to submit issues and comments in writing. The Committee or its representative, will respond in writing to a request for review within 60 days of receiving it. The Committee or such representative, at its or his discretion, may request a meeting to clarify any matters deemed appropriate. All interpretations, determinations, and decisions of the Committee or its designated representative in respect of any matter hereunder will be final, conclusive, and binding upon all interested parties.

14.9 Member's Own Participation. No member of the Committee may act, vote or otherwise influence a decision of the Committee specifically relating to his own participation under the Plan.

14.10 Expenses of the Committee. The Companies will pay any reasonable expenses incurred by the Committee in carrying out the provisions of this Plan.

14.11 Records and Reports. The Committee will exercise such authority and responsibility as it deems appropriate in order to comply with the Employee Retirement Income Security Act of 1974 and governmental regulations issued thereunder relating to records of Participants' Years of Service, account balances and the percentage of such account balances which are nonforfeitable under the Plan; notifications to Participants; annual registration with the Internal Revenue Service; and annual reports to the Department of Labor.

14.12 Indemnification of Committee Members. The Companies will indemnify each member of the Committee, to the maximum extent permitted by law, for all liability incurred while administering the Plan.

ARTICLE XV

Fiduciary Responsibilities

15.1 Delegation of Fiduciary Responsibilities. Any Fiduciary may designate other individuals, corporations or other entities who are not Fiduciaries to carry out such Fiduciary's responsibilities under the Plan, except to the extent that the Employee Retirement Income Security Act of 1974 prohibits the delegation of trustee responsibilities. Any Fiduciary or other person designated to carry out fiduciary responsibilities who is not charged with a specific responsibility under the provisions of the Plan or Trust Agreement will be under no duty to question any act or omission of another fiduciary with respect to such responsibility, and will not be liable for a breach of fiduciary responsibility by another fiduciary unless he participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary knowing such act or omission is a breach, or if he has knowledge of a breach by such fiduciary, he fails to make reasonable efforts under the circumstances to remedy the breach.

15.2 Employment of Experts. Any fiduciary may retain the services of and delegate administrative duties to an accountant, trustee, insurance company, counsel or other expert as may be necessary or beneficial to the administration of the Plan. Upon an expert's acceptance of delegated administrative duties, no fiduciary will be liable for the acts and omissions of such expert but will be fully protected in any action taken or suffered in good faith in reliance upon the advice or opinion of such expert.

15.3 Manner of Acting. A fiduciary will discharge his duties with respect to the Plan with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, and in accordance with the Plan.

ARTICLE XVI

Amendment and Termination

16.1 Right to Amend or Terminate. The Companies reserve the right to amend, modify, suspend, or terminate the Plan in whole or in part at any time and to suspend or discontinue contributions thereto in whole or in part at any time. No amendment will be effective unless the Plan as so amended is for the exclusive benefit of the Participants, and their beneficiaries, and no amendment will deprive any such Participant or beneficiary without his consent of any benefit theretofore vested in him, provided that any and all amendments may be made which are necessary to qualify or maintain the qualification of the Plan under the Internal Revenue Code of 1954, as amended.

16.2 Distribution of Funds Upon Termination. Upon complete or partial termination of the Plan or complete discontinuance of Company contributions, each affected Participant will be immediately entitled to 100% full vesting in the value of his Participant Account.

16.3 Winding Up. The Trustee and the Committee will continue to function as such for such period of time as may be necessary for the winding up of this Plan and for the making of distributions provided in Article XII.

16.4 Merger or Consolidation. This Plan will not in whole or in part merge or consolidate with, or transfer its assets or liabilities to any other plan unless each affected Participant in this Plan would (if the Plan then terminated) receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then terminated).

ARTICLE XVII

General Provisions

*17.1 Plan Voluntary. Nothing contained herein will be deemed to give any Employee the right to be retained in the service of a Company or an Affiliate or to interfere with the rights of a Company or an Affiliate to discharge any Employee at any time.

17.2 Payments to Minors and Incompetents. If a Participant or beneficiary entitled to receive any benefits hereunder is a minor or is deemed by the Committee or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, they will be paid to such persons as the Committee might designate or to the duly appointed guardian.

17.3 Non-Alienation of Benefits. To the extent permitted by law, no benefit payable under the Plan will be subject in any manner to anticipation, assignment, attachment, garnishment, or pledge; and any attempt to anticipate, assign, attach, garnish or pledge the same will be void; and no such benefits will be in any manner liable for or subject to the debts, liabilities, engagements, or torts of any Participant; and if any Participant is adjudicated bankrupt or attempts to anticipate, assign, or pledge any benefits, then such benefits will, in the discretion of the Committee, cease and in this event the Committee will have the authority to cause the same or any part thereof to be held or applied to or for the benefit of such Participant, his spouse, his children or other dependents, or any of them, in such manner and in such proportion as the Committee may deem proper.

If any court of competent jurisdiction shall impose any garnishment, attachment, execution or other levy on any benefit payable under the Plan,

* Revised: 2/3/84

the Committee will notify the Participant, or other person entitled to receive the Participant's benefit, of the court order. Unless and until the order is set aside, the following provisions apply:

(a) The Committee may refrain from doing anything that will prevent it from obeying the order.

(b) 30 days after giving such Notice, the Committee may obey the order.

17.4 Appointment of Corporate Trustee. A Corporate Trustee under the Plan will be appointed by the Board, with such powers, as to investments, reinvestments, control, and disbursement of the Fund, as are set forth in the Trust Agreement, or in such Trust Agreement as modified from time to time. The Board may remove a Corporate Trustee at any time on the notice required by the terms of the Trust Agreement.

17.5 Participants' Rights with Respect to GEICO Stock. In the event an offer of purchase is tendered to the Corporate Trustee with respect to shares of common stock of GEICO Corporation held in the Plan's Funds, the Corporate Trustee will, if time permits, pass the ownership rights appertaining to such shares held in Fund G or Fund C through to Plan Participants, in proportion to the interest of each in Fund G and/or Fund C so that such Plan Participants may instruct the Corporate Trustee as to how they wish it to respond to the tender offer.

(a) To the extent that Participants have signed written instructions with regard to their percentage interest in Fund G or Fund C, the Trustee shall follow such instructions;

(b) To the extent that Participants have given no instructions to the Trustee, the Trustee shall exercise its sound business judgement and tender the remaining stock only if it is in the best interest of

Plan Participants that the stock be tendered.

17.6 Non-Diversion of Contributions. All contributions when made to the Fund and all property and funds of the Fund, including income from investments and from all other sources, will be retained for the exclusive benefit of Participants and their beneficiaries and will be used to pay benefits provided hereunder. Notwithstanding the foregoing, any contribution which is made by a Company by a mistake of fact, or is conditioned upon deduction of the contribution under Section 404 of the Internal Revenue Code of 1954 and such deduction is disallowed, or is conditioned upon the initial qualification of the Plan under Section 401(a) of the Internal Revenue Code of 1954, as amended, and the Plan does not so qualify, may be returned to the Company within one year after the payment to the Fund of the contribution, the disallowance of the deduction (to the extent disallowed) or the date of denial of the qualification of the Plan, whichever is applicable.

17.7 Use of Masculine and Feminine; Singular and Plural. Wherever used in this Plan, the masculine gender will include the feminine gender and the singular will include the plural, unless the context indicates otherwise.

17.8 Governing Law. The provisions of the Plan will be construed according to the laws of Delaware and the Employee Retirement Income Security Act of 1974.

ARTICLE XVIII

Rollover Contributions

18.1 A salaried Employee, with the consent of the Administrative Committee, may rollover into the Plan any lump sum distribution (within the meaning of Section 402(e)(4)(A) of the Internal Revenue Code, as amended from time to time (the "Code")), or any distribution described under Section 402(a)(5) of the Code received from another retirement plan qualified under Section 401(a) of the Code, subject to the following conditions and exceptions:

(a) Any such distribution must be rolled over to the Plan within 60 days of receipt by the Employee, unless such a rollover is made from an individual retirement account or individual retirement annuity described in Section 408 of the Code, or a retirement bond described in Section 409 of the Code, to which the distribution had been rolled over by the Employee within 60 days of receipt by him.

(b) A rolled over amount may not include any amounts representing Employee contributions, other than contributions made in accordance with Section 4.1(a) of Article IV.

(c) No rollover will be permitted by an Employee to the extent the rollover represents amounts attributable to periods during which the Employee was a self-employed individual within the meaning of Section 401(c)(1) of the Code.

(d) Any rollover amounts will be treated as supplemental Elective Contributions for all purposes of the Plan, unless specifically designated otherwise.

(e) Any rollover amounts must be in the form of cash only and are to be invested in Fund A, Fund B, Fund G or Fund M, or in Fund A, Fund B, Fund G and Fund M in any combination permitted under Section 6.1.

Furthermore, any election under Section 6.1 will govern the investment of rollover amounts.

18.2 Notwithstanding anything hereinbefore to the contrary, the Plan, if so directed by the Administrative Committee, will accept a direct transfer from another retirement plan qualified under Section 401(a) of the Code of the entire amount thereunder due a salaried Employee. Such a transferred amount will be treated as a rollover amount under Section 18.1, and will be subject to the rules set forth therein, except that:

(a) Such a transfer may include amounts attributable to Employee and/or Employer contributions; and

(b) Such transfers need not meet the timing requirements of Paragraph (a) under Section 18.1.

Exhibit 2 to Form 11-K

Profit Sharing Plan

Government Employees Companies

YOUR PROFIT SHARING PLAN

Your Profit Sharing Plan provides you with an opportunity to share in the profits of the Company. Since your Plan is a qualified plan under IRS rules and regulations, money contributed by the Company and earnings on all the money in the Plan receive special advantageous tax treatment.

Your Profit Sharing Plan at a Glance

Plan Name:	Revised Profit Sharing Plan for the Employees of the Government Employees Companies
Trustee:	The Riggs National Bank of Washington, D.C. 800 17th Street, N.W. Washington, D.C. 20013 All company and employee contributions are paid over to the trustee by the Company.
Plan Administrator:	Profit Sharing Plan Administrative Committee
Profit Sharing Forms:	Can be obtained from: Regional Personnel Departments Internal Services/Employee Relations Department Branch Office Personnel Representative
Plan Year:	January 1 to December 31
Plan Type:	Profit Sharing Plan — Defined Contribution Plan
Who is Eligible:	All full-time salaried employees who are at least 23 years old and have completed a year of qualifying service, as described on page 3.
Enrollment:	Automatic — Employees who wish to contribute must complete an "Enrollment and Change" form.

Effective Date of Enrollment:	The January 1 or July 1 after you satisfy the eligibility requirements.

Definition of Terms

Earnings:	Your regular or base pay excluding overtime pay, bonuses, and any other extra compensation
Break in Service:	When you work less than three months in any one year
Retirement Date:	The first day of the month coincident with or next following your 65th birthday
Vesting:	Your right to a portion of the Company contributions based on your years of service
Year of Qualifying Service:	The 12 consecutive month period, beginning with your date of employment, during which you complete at least 6 months of service or any calendar year in which you complete at least 6 months of service
Your Account:	Your contributions (adjusted to reflect investment gains or losses), contributions made by the Company on your behalf in exchange for your agreement to reduce your salary by the same amount, allocated forfeitures, and any vested portion of the current value of Company contributions.

Eligibility and Enrollment in the Plan

As a salaried employee, you must meet two eligibility requirements to become a member of the Profit Sharing Plan:

- You must be at least 23 years old
- You must have completed at least one year of qualifying service.

If you meet both of these eligibility requirements you will be automatically enrolled in the Plan on the January 1 or July 1 which falls either on or after the date you first meet these requirements.

Example

You are hired as a salaried employee on June 15, 1983, are 24 years old and continue to work until July 1, 1984. You will be enrolled in the Plan on July 1, 1984, because you will have met both eligibility requirements (age 23 or older and completion of 1 year of qualifying service).

Example

You are hired as a salaried employee on June 15, 1982, and are 21 years old. Your 23rd birthday is March 8, 1984. You will be enrolled in the Plan on July 1, 1984, since that will be the first enrollment date after you have met both eligibility requirements.

You will be notified of your eligibility to participate in the Plan. All employees who become eligible to join the Plan will be automatically enrolled. To become a contributing Plan member, you must complete a written application, authorizing a contribution to the Plan from your salary by payroll deduction. If you do not wish to contribute to the Plan, you will still be considered a Plan member.

If you are going from hourly to salaried employment without a break in service, your hourly service will count toward your year of qualifying service and your eligibility for joining the Plan.

Contributions to the Plan

You may direct the Company to invest 1 to 6 percent of your earnings before federal and state income taxes are withheld (pre-tax contributions).*

Instead of or in addition to a pre-tax contribution, you may invest 1 to 8 percent of your earnings after federal and state income taxes are withheld (after-tax contributions).

The reduction in your salary caused by a pre-tax contribution will have no impact on your other benefits such as the Group Life Insurance Plan, Pension Plan or Long Term Disability Plan. For example, if a pre-tax contribution gave you a $20,000 salary instead of $21,200, the latter figure ($21,200) would be used in calculating your pension benefit.

After you join the Plan, you may change the amount of your contribution. You may make a contribution change only once each quarter. The Benefits Administration Section must receive the Enrollment and Change form at least 30 days before the end of the quarter. Quarters end March 31, June 30, September 30 and December 31.

You may choose to temporarily suspend your contributions to the Plan for a period of not less than one month. You may resume contributions any time after the one month suspension period.

To suspend or resume contributions, you must make a written request to the Administrative Committee by completing an "Enrollment and Change" Form. Your request will be effective the first payroll period beginning with or immediately following the expiration of 10 days after your request is received by the Benefits Administration Section.

* Some states require that state income taxes must be withheld before Plan contributions are made. See your Personnel Representative for a list of these states.

Annual Lump Sum Contribution

In addition to your regular contributions by payroll deduction to the Plan, you may make a lump sum contribution on an after-tax basis once each calendar year. This lump sum contribution will permit you to put into the Plan the difference between any voluntary contributions you have made since participation in the Plan and 8 percent of your aggregate compensation for that period of time. For example, if you never exceeded the 2 percent after-tax contribution level, you could put in up to 6 percent of all prior eligible earnings. Or, if you have been putting in 6 percent contributions, your lump sum contributions could be as much as 2 percent (8 percent minus 6 percent).

Your contributions to the Profit Sharing Plan in any one calendar year, however, are limited by the maximum annual addition that the Internal Revenue Code allows to be considered as credited to your account. In general, the annual addition to your account cannot exceed the lesser of the following:

(a) $30,000, or
(b) 25 percent of your compensation

Your annual addition (the amount the IRS considers to be credited to your account, not necessarily the amount actually contributed) is composed of the sum of the following items in any year:

(a) 100 percent of employer contributions for the Employee Stock Ownership Plan, the Employee Stock Bonus Plan, the Profit Sharing Plan and any contributions made on a pre-tax basis to the Profit Sharing Plan
(b) 100 percent of forfeitures
(c) the lesser of 50 percent of your after-tax contributions or 100 percent of your after-tax contributions in excess of 6 percent of your compensation.

In some circumstances, up to $60,000 of annual additions may be made on a combined basis to your Employee Stock Ownership Plan, Employee Stock Bonus Plan and Profit Sharing Plan accounts. However, no more than $30,000 in annual additions may be made to your Profit Sharing Plan account.

If you wish to make a lump sum contribution, please contact your Employee Relations/Personnel Representative for a calculation.

Investment of your Contributions

As a Plan member, you can choose to invest the pre-tax and after-tax contributions to your account in several different funds. You may invest in:

- Fund A — A portfolio of common stocks, convertible preferred stocks, and other similar securities
- Fund B — An income fund
- Fund G — GEICO Corporation Common Stock
- Fund M — Government Securities Cash Fund
- A combination of the four funds.

You may invest:

- 100 percent in Fund A, B, G or M
- 50 percent in one fund and 50 percent in another
- 50 percent in one fund and 25 percent in two funds
- 75 percent in one fund and 25 percent in another
- 25 percent in each.

Because pre-tax and after-tax contributions receive different tax treatment, money invested on a pre-tax basis will be accounted for separately from your after-tax contributions. Company contributions are invested in Fund C (GEICO Corporation Common Stock).

If you contributed to the Plan before January 1, 1971, those contributions were credited to your individual account and incorporated into Fund C.

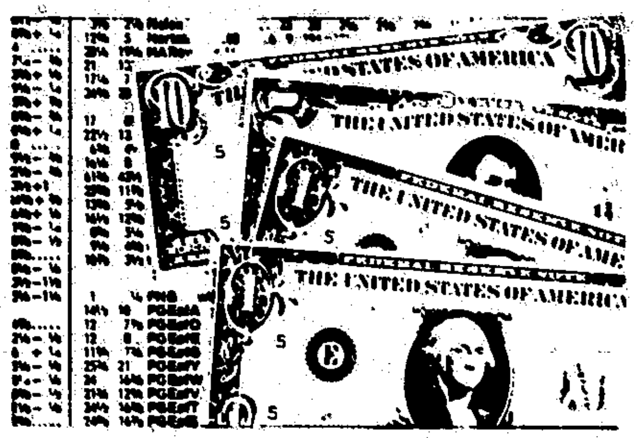
At the end of any quarter of the year, you can change the ratio of your investments in Funds A, B, G and M by filing a completed Enrollment and Change form with the Administrative Committee. Transfers of money from one fund to another are permitted only once every six months. Direct transfers of money from Fund B to Fund M and transfers between the pre-tax and after-tax funds are not permitted. The "Enrollment and Change" form must be received at least 30 days before the end of the quarter. Quarters end March 31, June 30, September 30 and December 31.

Your Service Calculation

Your years of service are taken into account in determining the portion of the Company contributions that you are entitled to receive under the Plan (except in the cases of retirement, total disability or death). Beginning with your date of hire, you will be credited with a year of service for every calendar year in which you complete at least six months of service.

A month of service will be credited for every month during which you complete at least one hour of compensated service for any of the Companies. Credit is not given for unpaid approved leaves of absence or the non-compensated portion of a furlough.

If you are an hourly employee, you are not eligible to become a Plan member. However, if you change your status from hourly to salaried employment you will automatically be enrolled at the next scheduled enrollment period. You will receive credit for all years of service beginning with the year you were hired.



Special Situations Affecting Service Calculations

Generally, after you become a Plan member, all of your years of service will be considered in determining your rights to benefits under the Plan. However, if you terminate your employment and later return to work, you may incur a break in service and lose credit for service performed prior to the break. You will incur a break in service in any calendar year in which you are not credited with at least three months of service.

Retaining Previous Service (Upon Reemployment)

If you are rehired without a break in service, you may resume participation in the Plan on your return to work. Your account will be reinstated without any change in service.

If you incur a break in service, you will retain credit for your previously earned service under the following conditions:

- If you have completed at least two years of service, or
- If you have not completed two years of service, but the continuous calendar years during your breaks in service are less than your previous years of service.

If you retain your previously earned service, you may resume participation in the Plan on your rehire date. Your years of service earned prior to your breaks in service are added to your years of service earned beginning on your rehire date.

Example

You are hired on January 3, 1983, and are 25 years old. You become a Plan member on July 1, 1984 then terminate your employment on September 1, 1985, having completed three years of service in the Company. You incur a break in service in the two consecutive calendar years of 1986 and 1987 before being reemployed by one of the Companies on February 2, 1988. You may begin participation on your rehire date (February 2, 1988) and will retain credit for your prior three years of service.

Losing Previous Service (Upon Reemployment)

If you incur a break in service, you will lose credit for your previously earned service under the following conditions:

- If you have not completed at least two years of service
- If the continuous calendar years during which you incur breaks in service are equal to or greater than your previous years of service.

Example

You are hired on December 24, 1983, and become a Plan member on January 1, 1985. You then terminate your employment on February 2, 1985, having completed one year of service. You incur a break in service in the three consecutive years of 1985, 1986, and 1987 before being reemployed by one of the Companies on February 2, 1988. Upon reemployment, you would be considered a new employee with no prior service.

Company Contributions

Following the end of each Plan year, the Board of Directors of GEICO Corporation will authorize a contribution to Fund C which will be based solely on the profitability of each Company. Each Company will then allocate a portion to the individual Planning Centers, again based on profitability. All Participants, whether contributing or not, may be eligible to receive a share of the allocation. Your share is based on the ratio of your base earnings to the base earnings of all Plan Participants in your Planning Center.

Vesting

Vesting is your right to a portion of the Company contributions and is based on your years of service with the Companies. In general, your years of service will be calculated from your date of hire.

The vesting schedule is:

Your Service	Amount Vested
Less than 2 years	none
2 years	20 percent
3 years	30 percent
4 years	40 percent
5 years	50 percent
6 years	60 percent
7 years	70 percent
8 years	80 percent
9 years	90 percent
10 years	100 percent

Withdrawals and Loans from your Account

Withdrawal of Pre-Tax Funds (During Employment)

The funds in your pre-tax account may not be withdrawn unless you terminate, retire or become totally disabled, except in circumstances of "hardship," under rules yet to be announced by the IRS. Your beneficiary will be entitled to your pre-tax account in the event of your death.

Withdrawal of After-Tax Funds and Company Contributions (During Employment)

You may withdraw money from your after-tax account or the vested portion of the Company's contributions at the end of a quarter, with 30 days written notice ("Withdrawal and Deposit" form). You cannot withdraw any Company contributions which are made to your account until you have a vested interest in Fund C and the contributions have been in the Plan for at least two years. After you have been in the Plan for five or more years, the last two years of Company contributions can also be withdrawn. Funds are withdrawn first from any after-tax employee funds and then, as necessary, from any vested portion of Fund C. You will receive your withdrawal check approximately three weeks after the end of the quarter. If you make a withdrawal, you must wait 12 months before withdrawing any additional funds from your account.

If you withdraw money before you retire, you will be taxed on:

- The portion that the Company has contributed
- Any pre-tax contributions withdrawn and any gains on those contributions
- Any earnings on your after-tax contributions.

Your own contributions on an after-tax basis will not be taxed again. Under some circumstances, a withdrawal taken in Company stock (in-kind) can result in a deferral of taxes on the unrealized appreciation in the stock.

Loans

As of January 1, 1985 you may take out a loan on part of your account value. You can borrow up to 90 percent of your vested account in minimum amounts of $1,000 and maximum amounts of $10,000, if your account is $20,000 or less. If your account is more than $20,000, you can borrow up to 50 percent of your vested account to a maximum of $50,000. Your vested account includes your after-tax contributions, pre-tax contributions, gains, forfeitures and your vested portion of the Company contributions.

A loan must be repaid with interest to your account. The interest rate will be the rate earned on Fund B. You must repay any outstanding loan before a new loan can be made. Funds borrowed from your account will not accrue any value in the account while borrowed. However, the principal and interest you repay will be invested in Fund B.

Transfer of Funds from Another Qualified Retirement Account

As a salaried employee, you may roll over into the Plan, with the consent of the Administrative Committee, a lump sum (cash) distribution which you have received from another qualified retirement account. Any rollover amount will be invested in Funds A, B, G and/or M.

For further details concerning the above, please contact the Benefits Administration Section.

Transferring your Funds to a Savings Account

At or After Age 60

At any time after your 60th birthday, you may choose to have the value of your account and all future contributions and forfeitures transferred to a federally insured savings account or accounts. Once you transfer your funds, you may not make any other changes in your investment options.

To make this transfer, you must complete a "Withdrawal and Deposit" form at least 30 days before the end of a quarter.

At Ages 50 through 59

At any time after your 50th birthday and before your 60th birthday, you may choose to transfer the value of your account and all future contributions and forfeitures to a federally insured savings account if you:

- Are eligible to retire under the Companies' Pension Plan
- Have 10 or more years of vesting service in the Profit Sharing Plan, and
- Are planning to retire within one year.

Your decision to retire is irrevocable. Once you transfer your funds, you may not make any other changes in your investment options.

To make this transfer, you must complete a " Withdrawal and Deposit" form at least 30 days before the end of a quarter. Your intention to retire within one year must be clearly stated on this form.

When You Leave the Plan

Retirement, Total Disability or Death

If you leave the Plan because of total disability or retirement under the Companies' Pension Plan, you are entitled to the full value of your account. If you are not covered under the Companies' Pension Plan, your account will become fully vested upon your retirement date. If you die, your account becomes fully vested for your named beneficiary.

You or your beneficiary, with the consent of the Administrative Committee, can take the value of your account:

- In a lump sum (cash) payment,
- In kind (a portfolio of stocks and bonds), or
- In the form of installments over a 5-, 10- or 15-year period.

For further details concerning the above forms of payment, contact the Benefits Administration Section, Employee Relations.

Termination

If you terminate your employment (for reasons other than the above) you will automatically receive a lump sum (cash) payment of the value of your vested account. If you have less than two years of service, you will receive:

- The pre-tax and after-tax contributions in your account, adjusted to reflect investment gains or losses.

If you have more than two years of service, you will receive:

- The pre-tax and after-tax contributions in your account, adjusted to reflect investment gains or losses
- Your vested portion of the Company contributions with allocated forfeitures, adjusted to reflect investment gains or losses.

In either event, if you incur a break in service (less than three months service in any calendar year), you will forfeit the non-vested portion of your account balance attributable to Company contributions. (See the discussion of forfeitures below.)

Forfeitures

If you terminate your employment with the Company before you are fully vested and incur a break in service, you forfeit the unvested portion of your account attributable to the Company contributions. This money is divided among the Plan participants of your Company in proportion to their earnings.

If you return to work prior to incurring a break in service but after receiving a distribution of your vested account balance, your remaining account balance will not be forfeited. It will be held and accounted for separately so that your vested interest in the account will equal your vested interest in the value of the account as if there had been no prior distribution, less the amount of the prior distributions.

Change of Your Status from Salaried to Hourly Employment

You are not considered terminated from the Plan if you change your status from salaried to hourly employment. However, you may not contribute to the Plan nor will you be eligible to receive a Company contribution. You will continue to accrue vesting service in the Plan and any money already in your account will continue to be subject to gains or losses.

EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)

As a participant in the Companies' Benefit Programs, you are guaranteed certain rights under ERISA. Basically, ERISA provides that all members of the Plans shall be entitled to:

- Examine, without charge, at the Plan Administrator's office, or in your office location, all Plan documents and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions
- Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. A reasonable charge may be made for the copies
- Receive a summary of the Plan's annual financial report. The Plan Administrator, as required by law, will furnish each participant with a copy of this Summary Annual Report.

In addition to creating rights for Plan members, ERISA imposes obligations upon the persons who are responsible for the operation of the Plan. These persons are referred to as "fiduciaries" in the law. Fiduciaries must act solely in the interest of the Plan members and they must exercise prudence in the performance of their Plan duties. Fiduciaries who violate ERISA may be removed and required to make good any losses they have caused the Plan.

Your employer may not fire you or discriminate against you to prevent you from obtaining a benefit under the Plan or exercising your rights under ERISA.

You have a right to access to a federal court or to request assistance fom the U.S. Department of Labor if:

- You are improperly denied a benefit under the Plan (in full or in part)
- Any materials requested and which must be provided (as described above) are not received within 30 days of request (unless the materials were not sent because of matters beyond the control of the Plan Administrator), or
- Plan fiduciaries are misusing the Plan's money.

The court may, if it so decides, require either party to pay legal costs, including attorney's fees, or require the Committee to pay up to $100 for each day's delay with respect to the provision of requested materials.

The Companies expect to continue the Plan indefinitely. But the Companies reserve the right to amend, modify, suspend or terminate it. No change in the Plan will be made unless it is for the exclusive benefit of members and their beneficiaries, and does not deprive the participant of any benefits.

In the event of a misstatement of any fact affecting your coverage in this Summary Description, the Plan document will be used to determine your benefits.

If you have any questions about this statement or your rights under ERISA, you should contact the Plan Administrator or the nearest area office of the U.S. Labor-Management Service Admnistration, Department of Labor.

Submitting Claims

Claims for benefits under the Profit Sharing Plan should be addressed to: Profit Sharing Admnistrative Committee, GEICO Plaza, Washington, D.C. 20076.

A participant or beneficiary whose claim is denied will receive a written statement explaining why. The explanation will specify which parts of the Plan were involved in denying the claim. It will also tell you of any material or information that must be used in pursuing the claims.

To appeal a claim you or your beneficiary should write to: Chairman, Profit Sharing Plan Administrative Committee, c/o Herbert L. DePrenger, GEICO Plaza, Washington, D.C. 20076. The Committee will review the appeal and give you a decision within a reasonable time.

Legal Process

The person designated for serving of legal process is Donald K. Smith, Senior Vice President and General Counsel, GEICO Corporation, GEICO Plaza, Washington, D.C. 20076. The Plan Administrator and the Trustee may also be served.

Plan Numbers

Profit Sharing Plan

Plan Number: 001
Department of Labor Number: 13845

Plan Administrator

The Plan Administrator is the Administrative Committee. The address of the Committee members is GEICO Plaza, Washington, D.C. 20076.

Company Employer Identification Numbers

GEICO:	53-0075853
GEFCO:	84-0534395
CRICO:	52-0794134
GEICO Corporation:	52-1135801
Resolute:	52-1207538
Garden State Life:	22-1700753

Profit Sharing Administrative Committee Members

Herbert L. DePrenger (Chairman), Vice President, GEICO, and President, Garden State
L. Gary Barnes, Associate Controller, GEICO Corporation
Terry L. Baxter, Vice President, GEICO and Criterion
Charles T. Connolly, Senior Vice President and Actuary, Criterion
Eberhard J. Gabriel, Senior Vice President, General Counsel and Assistant Secretary, GEFCO
Ronald E. Guzinski, Director of Human Resources, GEICO
Albert M. McKenney, Treasurer, GEICO, Criterion, GEICO Corporation and Garden State
Jay C. Planalp, Assistant Vice President and Internal Auditor, GEICO, Criterion and GEICO Corporation
John D. Ruff, Senior Counsel, GEICO Corporation

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