

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 1) (1)

Citation Insurance Group
(Name of Issuer)

Common Stock
(Title of Class of Securities)

001728991
(CUSIP Number)

Philo Smith, 2950 Summer Street
Stamford, Connecticut 06905 (203) 348-7365
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

April 3, 1996
(Date of Event which Requires
Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [].

Check the following box if a fee is being paid with the statement []. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7.)

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

(Continued on following pages)
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(1) The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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- 1 Name Of Reporting Person
S.S. Or I.R.S. Identification No. Of Above Person
Philo Smith
- 2 Check The Appropriate Box If A Member Of A Group

(a) []
(b) [X]

3 SEC USE ONLY

4 Source Of Funds
AF

5 Check Box If Disclosure Of Legal Proceedings Is Required Pursuant
To Items 2(d) Or 2(e)
[]

6 Citizenship Or Place Of Organization
United States citizen

7 Number Of Shares Beneficially Owned By Each Reporting Person With
Sole Voting Power
None

8 Number Of Shares Beneficially Owned By Each Reporting Person With
Shared Voting Power
384,157

9 Number Of Shares Beneficially Owned By Each Reporting Person With
Sole Dispositive Power
None

10 Number Of Shares Beneficially Owned By Each Reporting Person With
Shared Dispositive Power
384,157

11 Aggregate Amount Beneficially Owned By Each Reporting Person
578,457

12 Check Box If The Aggregate Amount In Row (11) Excludes Certain
Shares
[]

13 Percent Of Class Represented By Amount In Row (11)
9.1%

14 Type Of Reporting Person
IN

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1 Name Of Reporting Person
S.S. Or I.R.S. Identification No. Of Above Person
Philo Smith & Co., Inc.

2 Check The Appropriate Box If A Member Of A Group
(a) []
(b) [X]

3 SEC USE ONLY

4 Source Of Funds
AF

5 Check Box If Disclosure Of Legal Proceedings Is Required Pursuant
To Items 2(d) Or 2(e)
[]

6 Citizenship Or Place Of Organization
Connecticut

7 Number Of Shares Beneficially Owned By Each Reporting Person With
Sole Voting Power
None

8 Number Of Shares Beneficially Owned By Each Reporting Person With
Shared Voting Power
143,778

9 Number Of Shares Beneficially Owned By Each Reporting Person With
Sole Dispositive Power
None

10 Number Of Shares Beneficially Owned By Each Reporting Person With
Shared Dispositive Power
143,778

11 Aggregate Amount Beneficially Owned By Each Reporting Person
143,778

12 Check Box If The Aggregate Amount In Row (11) Excludes Certain
Shares
[]

13 Percent Of Class Represented By Amount In Row (11)
2.3%

14 Type Of Reporting Person
CO

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1 Name Of Reporting Person
S.S. Or I.R.S. Identification No. Of Above Person
PSCO Partners Limited Partnership - 06-0921598

2 Check The Appropriate Box If A Member Of A Group
(a) []
(b) [X]

3 SEC USE ONLY

4 Source Of Funds
WC

5 Check Box If Disclosure Of Legal Proceedings Is Required Pursuant
To Items 2(d) Or 2(e)
[]

6 Citizenship Or Place Of Organization
Connecticut

7 Number Of Shares Beneficially Owned By Each Reporting Person With
Sole Voting Power

None

- 8 Number Of Shares Beneficially Owned By Each Reporting Person With Shared Voting Power
143,778
- 9 Number Of Shares Beneficially Owned By Each Reporting Person With Sole Dispositive Power
None
- 10 Number Of Shares Beneficially Owned By Each Reporting Person With Shared Dispositive Power
143,778
- 11 Aggregate Amount Beneficially Owned By Each Reporting Person
143,778
- 12 Check Box If The Aggregate Amount In Row (11) Excludes Certain Shares
[]
- 13 Percent Of Class Represented By Amount In Row (11)
2.3%
- 14 Type Of Reporting Person
PN

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- 1 Name Of Reporting Person
S.S. Or I.R.S. Identification No. Of Above Person
PSCO Partners Limited Partnership Two
- 2 Check The Appropriate Box If A Member Of A Group
(a) []
(b) [X]
-
- 3 SEC USE ONLY
-
- 4 Source Of Funds
WC
- 5 Check Box If Disclosure Of Legal Proceedings Is Required Pursuant To Items 2(d) Or 2(e)
[]
- 6 Citizenship Or Place Of Organization
Connecticut
- 7 Number Of Shares Beneficially Owned By Each Reporting Person With Sole Voting Power
194,300
- 8 Number Of Shares Beneficially Owned By Each Reporting Person With Shared Voting Power
None
- 9 Number Of Shares Beneficially Owned By Each Reporting Person With Sole Dispositive Power
194,300

10 Number Of Shares Beneficially Owned By Each Reporting Person With
Shared Dispositive Power
None

11 Aggregate Amount Beneficially Owned By Each Reporting Person
194,300

12 Check Box If The Aggregate Amount In Row (11) Excludes Certain
Shares
[]

13 Percent Of Class Represented By Amount In Row (11)
3%

14 Type Of Reporting Person
PN

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1 Name Of Reporting Person
S.S. Or I.R.S. Identification No. Of Above Person
PSCO Fund Limited

2 Check The Appropriate Box If A Member Of A Group
(a) []
(b) [X]

3 SEC USE ONLY

4 Source Of Funds
WC

5 Check Box If Disclosure Of Legal Proceedings Is Required Pursuant
To Items 2(d) Or 2(e)
[]

6 Citizenship Or Place Of Organization
Bermuda

7 Number Of Shares Beneficially Owned By Each Reporting Person With
Sole Voting Power
None

8 Number Of Shares Beneficially Owned By Each Reporting Person With
Shared Voting Power
240,379

9 Number Of Shares Beneficially Owned By Each Reporting Person With
Sole Dispositive Power
None

10 Number Of Shares Beneficially Owned By Each Reporting Person With
Shared Dispositive Power
240,379

11 Aggregate Amount Beneficially Owned By Each Reporting Person
240,379

12 Check Box If The Aggregate Amount In Row (11) Excludes Certain
Shares
[]

13 Percent Of Class Represented By Amount In Row (11)
3.8%

14 Type Of Reporting Person
IV

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1 Name Of Reporting Person
S.S. Or I.R.S. Identification No. Of Above Person
Philo Smith Capital Corporation

2 Check The Appropriate Box If A Member Of A Group
(a)
(b)

3 SEC USE ONLY

4 Source Of Funds
AF

5 Check Box If Disclosure Of Legal Proceedings Is Required Pursuant
To Items 2(d) Or 2(e)

6 Citizenship Or Place Of Organization
Connecticut

7 Number Of Shares Beneficially Owned By Each Reporting Person With
Sole Voting Power
194,300

8 Number Of Shares Beneficially Owned By Each Reporting Person With
Shared Voting Power
240,379

9 Number Of Shares Beneficially Owned By Each Reporting Person With
Sole Dispositive Power
194,300

10 Number Of Shares Beneficially Owned By Each Reporting Person With
Shared Dispositive Power
240,379

11 Aggregate Amount Beneficially Owned By Each Reporting Person
434,679

12 Check Box If The Aggregate Amount In Row (11) Excludes Certain
Shares

13 Percent Of Class Represented By Amount In Row (11)
6.8%

14 Type Of Reporting Person
CO

Item 1. Security and Issuer.

This Amendment No. 1 to Schedule 13D is filed with respect to the common stock of Citation Insurance Group ("Citation"), One Almaden Boulevard, Suite 300, San Jose, California 95113.

Item 2. Identity and Background.

This Amendment No. 1 to Schedule 13D is filed by Philo Smith, Philo Smith & Co., Inc., PSCO Partners Limited Partnership, PSCO Partners Limited Partnership Two, PSCO Fund Limited and Philo Smith Capital Corporation.

PSCO Partners Limited Partnership ("PSCO Partners") is a Connecticut limited partnership located at 2950 Summer Street, Stamford, Connecticut 06905. It is an investment partnership. Its General Partners are Philo Smith, an individual, and Philo Smith & Co., Inc., a Connecticut corporation (the "Company"), both located at 2950 Summer Street, Stamford, Connecticut 06905. The principal occupation of Philo Smith is to provide financial advisory services. The principal business of the Company is to engage in corporate finance activities, to act as General Partner of PSCO Partners, and to publish a monthly journal concerning the insurance industry.

The directors of the Company are Philo Smith, James E. Inglis, 2950 Summer Street, Stamford, Connecticut 06905, whose principal occupation is acting as Vice President, Treasurer and Secretary of the Company, James A. Amen, 2950 Summer Street, Stamford, Connecticut 06905, whose principal occupation is acting as Vice President of the Company, and George M. Whitmore, Jr., 4 Cedarwood Drive, Greenwich, Connecticut 06830, a self-employed management consultant. The officers are Philo Smith, President, James E. Inglis, Vice President, Treasurer and Secretary, and James A. Amen, Vice President.

PSCO Partners Limited Partnership Two ("PSCO Partners Two") is a Connecticut limited partnership located at 2950 Summer Street, Stamford, Connecticut 06905. It is an investment partnership. Its General Partner is Philo Smith Capital Corporation, a Connecticut corporation ("Capital"), located at 2950 Summer Street, Stamford, Connecticut, 06905. The principal business of Capital is investment management and corporate finance. Capital's directors are Philo Smith, James E. Inglis, James A. Amen, and George M. Whitmore, Jr. The officers of Capital are Philo Smith, President, James E. Inglis, Vice President, Treasurer and Secretary, and James A. Amen, Vice President.

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PSCO Fund Limited is an open-end investment company incorporated in Bermuda and located at 6 Front Street, Hamilton 11, Bermuda. The principal business of PSCO Fund Limited is investment management. The directors of PSCO Fund Limited are Philo Smith, Dr. Ernst Baumgartner, employed by DUNA INVEST, 1010 Wien, Salztorgasse 512, Austria, Frank N.C. Lochan, Senior Vice President, Trilon Financial Corporation, BCE Place, 181 Bay Street, P. O. Box 171, Suite 4420, Toronto, Ontario, Canada, M5J 2T3, John C.R. Collis, partner, Conyers, Dill & Pearman, Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, and David T. Smith, Senior Manager, Corporate Trust, The Bank of Bermuda Limited, Bank of Bermuda Building, 6 Front Street, Hamilton HM 11, Bermuda. The officers of PSCO Fund Limited are Frank N.C. Lochan, Chairman and President and David T. Smith, Vice President and Secretary. The investment advisor for PSCO Fund Limited is Capital.

None of the reporting persons nor any of the other persons identified in this item has been convicted, during the past five years, in a criminal proceeding (excluding traffic violations or similar misdemeanors). None, during the past five years, has been a party to a civil proceeding resulting in a judgment, decree or final order relating to securities laws. Each natural person identified above is a U.S. citizen except for Frank N.C. Lochan, a Canadian citizen, Dr. Ernst Baumgartner, an Austrian citizen and John C.R. Collis and David T. Smith, both of whom are British citizens.

Item 3. Source and Amount of Funds or Other Consideration.

The amount of funds expended for the shares of common stock of Citation held by PSCO Partners was approximately \$513,137 (including commissions). PSCO Partners used cash available to it for such purchases, and no borrowed funds were involved.

The amount of funds expended for the shares of common stock of Citation held by PSCO Partners Two was approximately \$713,257 (including commissions). PSCO Partners Two used cash available to it for such purchases, and no borrowed funds were involved.

The amount of funds expended for the shares of common stock of Citation held by PSCO Fund Limited was approximately \$966,206 (including commissions). PSCO Fund Limited used cash available to it for such purchases, and no borrowed funds were involved.

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Item 4. Purpose of Transaction.

The purpose of the purchases by the reporting persons has been to acquire shares for investment. Philo Smith, the Company, PSCO Partners, PSCO Partners Two, PSCO Fund Limited and Capital may purchase additional shares of Citation, from time to time, depending upon price, market conditions, availability of funds, evaluation of alternative investments and other factors. Although none of these persons has a present intention to sell the shares anticipated to be acquired, one or all of them might determine to sell some or all of such shares based upon need for funds, price, and similar factors.

Item 5. Interest in Securities of the Issuer.

PSCO Partners owns 143,778 shares of Citation common stock, or approximately 2.3% of the outstanding shares of that class. PSCO Partners Two owns 194,300 shares of Citation common stock, or approximately 3% of the outstanding shares of that class. PSCO Fund Limited owns 240,379 shares of Citation common stock, or approximately 3.8% of the outstanding shares of that class.

Philo Smith and the Company share voting and investment power with respect to shares held by PSCO Partners. Capital has sole voting and investment power with respect to shares held by PSCO Partners Two. Philo Smith and Capital share voting and investment power with respect to shares held by PSCO Fund Limited.

With respect to shares held by PSCO Partners, PSCO Partners Two, and PSCO Fund Limited, no person other than the holder has the right or power to receive dividends from, or proceeds from the sale of, shares of Citation.

By virtue of the investment and voting arrangement described above, Philo Smith and the Company beneficially own 143,778 shares of the common stock of Citation, or approximately 2.3% of the outstanding, held by PSCO Partners, Capital beneficially owns 194,300 shares of the common stock of Citation, or approximately 3% of the outstanding, held by PSCO Partners Two, and Philo Smith and Capital beneficially own 240,379 shares of the common stock of Citation, or approximately 3.8% of the outstanding, held by PSCO Fund Limited.

In the past sixty days, neither PSCO Partners nor PSCO Partners Two has effected any transactions in the common stock of Citation.

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In the past sixty days, PSCO Fund Limited has effected the following transactions in the common stock of Citation, each a purchase through a normal brokerage transaction in the over-the-counter market:

Trade Date	Number of Shares	Price
3/19/96	22,000	4 5/16
3/28/96	5,100	4 1/2
3/29/96	2,100	4 1/2
4/03/96	3,100	4 1/2
4/03/96	65,000	4.395

Each filing party disclaims membership with any other filing party in a "group", as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934 and the rules promulgated thereunder. PSCO Partners owns its shares of Citation separately from PSCO Partners Two and PSCO Fund Limited, and PSCO Partners Two and PSCO Fund Limited own their respective shares of Citation separately from each other. Although they have a common investment advisor, from whom each takes its name, and common investment goals, PSCO Partners, PSCO Partners Two and PSCO Fund Limited have no agreement or understanding for concerted action in acquiring, holding or disposing of shares of the common stock of Citation.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Apart from the agreements and relationship described above in this Schedule and the agreements between (a) the Company and PSCO Partners, (b) Capital and PSCO Partners Two, and (c) Capital and PSCO Fund Limited, there is no contract, arrangement, understanding or relationship among Philo Smith, the Company, PSCO Partners, PSCO Partners Two, PSCO Fund Limited and Capital, nor between those parties collectively and any other person, with respect to the common stock of Citation.

Item 7. Material to be Filed as Exhibits.

An agreement regarding the filing of joint statements on Schedule 13D has been filed previously.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief,
I certify that the information set forth in this statement is true, complete
and correct.

Dated this 13th day of May, 1996.

/s/ Philo Smith
Philo Smith

PHILO SMITH & CO., INC.

By: /s/ Philo Smith
Philo Smith, President

PSCO PARTNERS LIMITED PARTNERSHIP

By: /s/ Philo Smith
Philo Smith, General Partner

PSCO PARTNERS LIMITED PARTNERSHIP TWO

By: /s/ Philo Smith
Philo Smith, President of
Philo Smith Capital
Corporation, General Partner

PSCO FUND LIMITED

By: /s/ Philo Smith
Philo Smith, General Manager

PHILO SMITH CAPITAL CORPORATION

By: /s/ Philo Smith
Philo Smith, President