



QUARTERLY STATEMENT

AS OF JUNE 30, 2002
OF THE CONDITION AND AFFAIRS OF THE

SCOTTSDALE INSURANCE COMPANY

NAIC Group Code 0140 (Current Period) 0140 (Prior Period) NAIC Company Code 41297 Employer's ID Number 31-1024978

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

Country of Domicile United States of America

Incorporated January 4, 1982 Commenced Business July 1, 1982

Statutory Home Office One Nationwide Plaza, Columbus, OH 43215
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 8877 N. Gainey Center Drive
(Street and Number) 480-365-4000
(Area Code) (Telephone Number)
Scottsdale, AZ 85258-2108
(City or Town, State and Zip Code)

Mail Address P.O. Box 4110, Scottsdale, AZ 85261-4110
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 8877 N. Gainey Center Drive
(Street and Number) 480-365-4000
(Area Code) (Telephone Number)
Scottsdale, AZ 85258-2108
(City or Town, State and Zip Code)

Internet Website Address www.scottsdaleins.com

Statement Contact Arlan G. Oliva 480-365-2310
(Name) (Area Code) (Telephone Number) (Extension)
Arlano@Scottsdaleins.com 480-368-5856
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Policyowner Relations Contact Gary L. Tiepelman 8877 N. Gainey Center Drive
(Street and Number)
Scottsdale, AZ 85258-2108 480-365-4000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

OFFICERS

President Roger Max Williamson Secretary Glenn Warren Soden
Treasurer Judy Lee Howard

VICE PRESIDENTS

<u>James William Carney</u>	<u>John Roscoe Cook, Jr.</u>	<u>David Samuel Dale</u>
<u>Dennis Arthur Faggioni</u>	<u>Patricia Ruth Hatler</u>	<u>Michael Stevens Helfer</u>
<u>Terri Lynn Hill</u>	<u>Michael Lee Horsman</u>	<u>Donna Anita James</u>
<u>Edwin Pugh McCausland, Jr.</u>	<u>Robert Alan Oakley</u>	<u>Randall Lee Orr</u>
<u>Mark David Phelan</u>	<u>Doreen Katherine Reinke</u>	<u>Richard John Schmitzer</u>
<u>Harry George Surprenant</u>	<u>Gary Lynn Tiepelman</u>	<u>Alan Anthony Todryk</u>
<u>Susan Feola Wain</u>	<u>Robert Jay Woodward, Jr.</u>	<u>John David Zicarelli</u>

ASSOCIATE VICE PRESIDENTS

<u>Thomas Edward Barnes #</u>	<u>Carol Lynn Dove</u>	<u>David James Kauchek</u>
<u>Kenneth Ari Levine</u>	<u>Joseph Albert Lughes, Jr.</u>	<u>Jean Marie Nelson</u>
<u>Arlan Gene Oliva</u>	<u>Vijay Anand Ramachandran</u>	

DIRECTORS OR TRUSTEES

<u>Galen Ross Barnes</u>	<u>Judy Lee Howard</u>	<u>William Gerald Jurgensen</u>
<u>Lydia Micheaux Marshall</u>	<u>David Owen Miller</u>	<u>Michael Dean Miller</u>
<u>Ralph McDaniel Paige</u>	<u>Roger Max Williamson</u>	

State of Arizona }
County of Maricopa } ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Roger Max Williamson
President

Randall Lee Orr
Assistant Secretary

Judy Lee Howard
Treasurer

Subscribed and sworn to before me this
5th day of August, 2002

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	537,344,100		537,344,100	559,256,316
2. Stocks:				
2.1 Preferred stocks	2,349,680		2,349,680	1,794,583
2.2 Common stocks	74,565,434		74,565,434	72,541,182
3. Mortgage loans on real estate:				
3.1 First liens	998,728		998,728	
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$0 encumbrances)	237,203		237,203	241,609
4.2 Properties held for the production of income (less \$0 encumbrances)				
4.3 Properties held for sale (less \$0 encumbrances)				
5. Cash (\$4,061,381 and short-term investments \$56,885,563)	60,946,944		60,946,944	25,463,146
6. Other invested assets				
7. Receivable for securities				56,411
8. Aggregate write-ins for invested assets				
9. Subtotals, cash and invested assets (Lines 1 to 8)	676,442,089		676,442,089	659,353,247
10. Agents' balances or uncollected premiums				
10.1 Premiums and agents' balances in course of collection	16,901,292	1,385,085	15,516,207	12,512,606
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	64,144,884	325,788	63,819,096	57,189,612
10.3 Accrued retrospective premiums				
11. Funds held by or deposited with reinsured companies				
12. Bills receivable, taken for premiums				
13. Amounts billed and receivable under high deductible policies				
14. Reinsurance recoverables on loss and loss adjustment expense payments	71,311,985		71,311,985	60,685,912
15. Federal and foreign income tax recoverable and interest thereon (including \$15,508,127 net deferred tax asset)	17,266,410		17,266,410	23,885,096
16. Guaranty funds receivable or on deposit	916,265		916,265	901,118
17. Electronic data processing equipment and software	5,364,809		5,364,809	3,097,108
18. Interest, dividends and real estate income due and accrued	7,161,776		7,161,776	7,574,731
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Receivable from parent, subsidiaries and affiliates				
21. Amounts due from /to protected cells				
22. Equities and deposits in pools and associations				
23. Amounts receivable relating to uninsured accident and health plans				
24. Other assets nonadmitted	12,321,889	12,321,889		
25. Aggregate write-ins for other than invested assets	10,789,756	1,450,149	9,339,607	10,878,980
26. Total assets excluding protected cell assets (Lines 9 through 25)	882,621,155	15,482,911	867,138,244	836,078,410
27. Protected cell assets				
28. TOTALS (Lines 26 and 27)	882,621,155	15,482,911	867,138,244	836,078,410
DETAILS OF WRITE-INS				
0801.				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page				
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)				
2501. Fair Plan Receivable	387,750		387,750	477,104
2502. Deposits	231,741	231,741	0	0
2503. Premium Escrow Fund	8,235,318		8,235,318	7,483,142
2598. Summary of remaining write-ins for Line 25 from overflow page	1,934,947	1,218,408	716,539	2,918,734
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	10,789,756	1,450,149	9,339,607	10,878,980

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$67,453,033)	248,550,361	244,237,635
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	52,019,119	52,920,437
4. Commissions payable, contingent commissions and other similar charges	4,539,872	6,152,225
5. Other expenses (excluding taxes, licenses and fees)	4,995,267	4,736,809
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,294,308	4,602,892
7. Federal and foreign income taxes [including \$0 on realized capital gains (losses)] (including \$0 net deferred tax liability)		
8. Borrowed money \$0 and interest thereon \$0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$570,533,997 and including warranty reserves of \$470,451)	153,884,960	144,844,870
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	115,488	96,137
12. Ceded reinsurance premiums payable (net of ceding commissions)	64,005,468	43,663,779
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	958,453	6,768,160
15. Remittances and items not allocated		
16. Provision for reinsurance	5,840,921	5,840,921
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding	50,658,154	46,379,209
19. Payable to parent, subsidiaries and affiliates	466,677	10,891,239
20. Payable for securities	2,027,480	
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$0 and interest thereon \$0		
23. Aggregate write-ins for liabilities	7,304,946	7,709,252
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	597,661,474	578,843,565
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	597,661,474	578,843,565
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	6,027,200	6,027,200
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	143,973,300	143,973,300
33. Unassigned funds (surplus)	119,476,270	107,234,345
34. Less treasury stock, at cost		
34.10 shares common (value included in Line 28 \$0)		
34.20 shares preferred (value included in Line 29 \$0)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	269,476,770	257,234,845
36. TOTALS	867,138,244	836,078,410
DETAILS OF WRITE-INS		
2301. Loss Based Assessment	171,702	175,480
2302. Contingent Suits	6,533,931	6,580,152
2303. Premium Escrow Fund Reserve	599,313	953,620
2398. Summary of remaining write-ins for Line 23 from overflow page		0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	7,304,946	7,709,252
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)		

The Company is a party to various reinsurance agreements including a pooling agreement with several affiliated companies. Under this pooling agreement, the total pooled policyholder surplus is \$7.380 billion.

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 395,281,453)	351,278,229	285,978,608	594,850,749
1.2 Assumed (written \$ 539,118,137)	504,849,083	424,408,086	890,789,811
1.3 Ceded (written \$ 710,978,021)	641,745,832	510,822,310	1,078,546,400
1.4 Net (written \$ 223,421,569)	214,381,480	199,564,384	407,094,160
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 135,170,657):			
2.1 Direct	174,166,515	131,072,916	262,157,240
2.2 Assumed	307,771,630	317,000,696	638,093,202
2.3 Ceded	345,211,938	304,755,521	623,862,695
2.4 Net	136,726,207	143,318,091	276,387,747
3. Loss expenses incurred	24,064,548	23,652,873	48,253,302
4. Other underwriting expenses incurred	61,392,395	54,870,081	116,014,744
5. Aggregate write-ins for underwriting deductions	(3,778)	(522,632)	(527,279)
6. Total underwriting deductions (Lines 2.4 thru 5)	222,179,372	221,318,413	440,128,514
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(7,797,892)	(21,754,029)	(33,034,354)
INVESTMENT INCOME			
9. Net investment income earned	18,543,103	17,304,711	35,012,074
10. Net realized capital gains or (losses)	691,875	496,587	(9,568,728)
11. Net investment gain (loss) (Lines 9 + 10)	19,234,978	17,801,298	25,443,346
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 124,206 amount charged off \$ 176,702)	(52,496)	(56,442)	(137,855)
13. Finance and service charges not included in premiums	2,162,424	1,817,792	3,809,270
14. Aggregate write-ins for miscellaneous income	(1,043,406)	(112,379)	547,067
15. Total other income (Lines 12 through 14)	1,066,522	1,648,971	4,218,482
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	12,503,608	(2,303,760)	(3,372,526)
17. Dividends to policyholders	110,643	79,669	146,955
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	12,392,965	(2,383,429)	(3,519,481)
19. Federal and foreign income taxes incurred	2,674,300	(483,489)	(7,161,151)
20. Net income (Line 18 minus Line 19)(to Line 22)	9,718,665	(1,899,940)	3,641,670
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	257,234,845	231,265,554	231,265,554
GAINS AND (LOSSES) IN SURPLUS			
22. Net income (from Line 20)	9,718,665	(1,899,940)	3,641,670
23. Net unrealized capital gains or losses	2,611,735	1,993,999	5,029,964
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax	(1,911,737)	1,144,889	4,159,864
26. Change in nonadmitted assets	1,823,262	2,356,562	1,885,148
27. Change in provision for reinsurance			(1,346,264)
28. Change in surplus notes			
29. Surplus (contributed to) withdrawn from protected cells			
30. Cumulative effect of changes in accounting principles		13,458,995	13,458,995
31. Capital changes:			
31.1 Paid in			
31.2 Transferred from surplus (Stock Dividend)			
31.3 Transferred to surplus			
32. Surplus adjustments:			
32.1 Paid in			
32.2 Transferred to capital (Stock Dividend)			
32.3 Transferred from capital			
33. Net remittances from or (to) Home Office			
34. Dividends to stockholders			
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus		(33,336)	(860,086)
37. Change in surplus as regards policyholders (Lines 22 through 36)	12,241,925	17,021,169	25,969,291
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	269,476,770	248,286,723	257,234,845
DETAILS OF WRITE-INS			
0501. Loss Based Assessment	(3,778)	(522,632)	(527,279)
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	(3,778)	(522,632)	(527,279)
1401. Other Income	(1,043,406)	(112,379)	547,067
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(1,043,406)	(112,379)	547,067
3601. Contingent Suits		(33,336)	0
3602. Prior Period Adjustments		0	(860,086)
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page			
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)		(33,336)	(860,086)

The Company is a party to various reinsurance agreements including a pooling agreement with several affiliated companies. Under this pooling agreement, the total pooled policyholder surplus is \$7.380 billion.

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	234,642,768	352,857,400
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	163,726,478	331,865,978
3. Underwriting expenses paid	65,070,022	113,777,960
4. Other underwriting income (expenses)	0	
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	5,846,268	(92,786,538)
6. Net investment income	19,431,410	35,983,669
7. Other income (expenses):		
7.1 Agents' balances charged off	(52,496)	(137,855)
7.2 Net funds held under reinsurance treaties		43,663,779
7.3 Net amount withheld or retained for account of others	(5,809,707)	2,552,771
7.4 Aggregate write-ins for miscellaneous items	1,072,798	4,797,936
7.5 Total other income (Lines 7.1 to 7.4)	(4,789,405)	50,876,631
8. Dividends to policyholders on direct business, less \$0 dividends on reinsurance assumed or ceded (net)	91,292	161,960
9. Federal and foreign income taxes (paid) recovered	2,032,649	3,809,437
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	22,429,630	(2,278,761)
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	59,129,951	113,308,480
11.2 Stocks		
11.3 Mortgage loans	1,272	
11.4 Real estate		
11.5 Other invested assets		
11.6 Net gains or (losses) on cash and short-term investments	0	2,315
11.7 Miscellaneous proceeds	2,083,891	
11.8 Total investment proceeds (Lines 11.1 to 11.7)	61,215,114	113,310,795
12. Cost of investments acquired (long-term only):		
12.1 Bonds	36,968,823	144,047,066
12.2 Stocks		
12.3 Mortgage loans	1,000,000	
12.4 Real estate		
12.5 Other invested assets		
12.6 Miscellaneous applications	0	
12.7 Total investments acquired (Lines 12.1 to 12.6)	37,968,823	144,047,066
13. Net Cash from investments (Line 11.8 minus Line 12.7)	23,246,291	(30,736,271)
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in		
14.2 Capital notes \$0 less amounts repaid \$0		
14.3 Net transfers from affiliates		54,365,070
14.4 Borrowed funds received		
14.5 Other cash provided	3,913,964	23,900,290
14.6 Total (Lines 14.1 to 14.5)	3,913,964	78,265,360
15. Cash applied:		
15.1 Dividends to stockholders paid		
15.2 Net transfers to affiliates	10,424,562	
15.3 Borrowed funds repaid		
15.4 Other applications	3,681,525	31,691,351
15.5 Total (Lines 15.1 to 15.4)	14,106,087	31,691,351
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(10,192,123)	46,574,009
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	35,483,798	13,558,977
18. Cash and short-term investments:		
18.1 Beginning of year	25,463,146	11,904,169
18.2 End of year (Line 17 plus Line 18.1)	60,946,944	25,463,146
DETAILS OF WRITE-INS		
07.401 Finance And Service Charges Not Included In Premiums	2,162,424	3,809,270
07.402 Other	(1,089,626)	988,666
07.403		
07.498 Summary of remaining write-ins for Line 7.4 from overflow page		
07.499 Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above)	1,072,798	4,797,936

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying statutory financial statements of the Company have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the State of Ohio.

Throughout this statement, the failure of items to add to the totals shown is due to the dropping of amounts less than one dollar.

B. Use of Estimates In preparing the statutory financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the statutory financial statements and revenues and expenses for the reporting period. Actual results could differ from those estimates.

C. Basis of Valuation of Invested Assets

Invested asset values are valued in accordance with the law of the State of Ohio or the valuations prescribed by the Securities Valuation Office of the National Association of Insurance Commissioners. Bonds not backed by loans are stated at amortized cost using the modified scientific method; loan-backed bonds and structured securities at amortized cost using the scientific method; common and preferred stocks at market except for redeemable preferred stocks at cost; investments in stocks of subsidiaries and affiliates are carried at the pro rate share of underlying equity; investment in real estate or property acquired in satisfaction of debt at depreciated cost less any encumbrances; other investments on the equity basis; and mortgage loans on real estate are stated at the aggregate unpaid balance. The Company does not own any derivative instruments.

The Company uses straight-line depreciation for all real estate holdings with the lives varying based upon the type of building.

The Company has the following directly owned subsidiaries: Scottsdale Surplus Lines Insurance Company and Western Heritage Insurance Company; both 100% ownership by the Company; valuation method per NAIC VOS manual Part 8, Section C.

Investment income is considered as a factor in the premium deficiency calculation.

The liability for losses is provided based upon formula and case basis estimates for losses reported with respect to direct business, estimates of unreported losses based upon past experience, estimates based on information received relating to assumed reinsurance, and deduction for ceded reinsurance, including amounts placed with affiliates. The Company reflects its liability for losses net of anticipated salvage and subrogation recoverables. The liability for loss adjustment expenses is provided by estimating future expenses to be incurred in settlement of claims provided for in the liability for losses, and is stated after deduction for amounts to be recovered from reinsurers, including affiliates.

2. Accounting Changes and Corrections of Errors

A. Accounting Change or Correction of Error - None

B. Effect of Codification - The Company prepares its statutory financial statements in conformity with accounting practices prescribed by the Department. Effective January 1, 2001, the Department required that insurance companies domiciled in the State of Ohio prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual – Version effective January 1, 2001.

Accounting changes adopted to conform to the provisions are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a change of accounting principle, as an adjustment that increased (decreased) unassigned funds (surplus), of \$13,458,995 as of January 1, 2001.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes:

A. The components of the net deferred tax asset/(liability) at June 30 are as follows:

	<u>6/30/2002</u>	<u>12/31/2001</u>
(1) Total of all deferred tax assets (admitted and nonadmitted)	39,267,157	40,684,547
(2) Total of all deferred tax liabilities	(5,658,811)	(5,601,689)
(3) Total deferred tax assets nonadmitted	(18,100,219)	(17,662,994)
(4) Increase(decrease) in deferred tax assets non admitted	437,225	(9,954,006)

B. Deferred tax liabilities are not recognized for the following amounts:

N/A

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

	<u>6/30/2002</u>	<u>12/31/2001</u>
1. Current year expense	4,393,029	(7,109,166)
2. Tax credits	-	-
3. Prior year over/under accrual	(1,718,729)	(51,985)
4. Current income tax incurred	2,674,300	(7,161,151)

The main components of the 2002 deferred tax amounts are as follows:

<u>DTAs</u>	<u>Statutory</u>	<u>Tax</u>	<u>Difference</u>	<u>Tax Effect</u>
6. Reserves	300,569,000	261,335,718	39,233,282	13,731,649
7. Accts Payable&Other Liabilities	143,092,000	138,749,583	4,342,417	1,519,846
8. Unearned Premium	153,885,000	122,071,934	31,813,066	11,134,573
9. Total DTAs	509,614,000	397,422,124	112,191,876	39,267,157
10. DTAs nonadmitted	18,100,219	N/A	18,100,219	18,100,219
<u>DTLs</u>	<u>Statutory</u>	<u>Tax</u>	<u>Difference</u>	<u>Tax Effect</u>
11. Bonds	537,344,000	527,357,131	(9,986,869)	(3,495,404)
12. Other Invested Assets	-	(6,181,162)	(6,181,162)	(2,163,407)
13. Accts Payable&Other Liabilities	-	-	-	-
14. Accrued dividends	-	-	-	-
15. Total DTLs	537,344,000	521,175,969	(16,168,031)	(5,658,811)

The changes in main components of DTAs and DTLs are as follows:

<u>DTAs</u>	<u>6/30/2002</u>	<u>12/31/2001</u>	<u>Change</u>
16. Reserves	13,731,649	13,681,572	50,077
17. Accts Payable&Other Liabilities	1,519,846	3,394,082	(1,874,236)
18. Unearned Premium	11,134,573	10,402,930	731,643
19. Total DTAs	39,267,157	40,684,547	(1,417,390)
20. DTAs nonadmitted	18,100,219	17,662,994	437,225
<u>DTLs</u>	<u>6/30/2002</u>	<u>12/31/2001</u>	<u>Change</u>
21. Bonds	(3,495,404)	(3,487,569)	(7,835)
22. Other Invested Assets	(2,163,407)	(2,114,120)	(49,287)
23. Accts Payable&Other Liabilities	-	-	-
24. Accrued dividends	-	-	-
25. Total DTLs	(5,658,811)	(5,601,689)	(57,122)

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes (continued):

D. Among the more significant book to tax adjustments were the following:

	<u>Amount</u>	<u>Tax Effect</u>
1. Income before taxes	12,392,964	4,337,537
2. Tax-exempt interest, net	(2,504,630)	(876,621)
3. Dividends received deduction, net	-	-
4. Dividends received deduction, 100% owned subs	-	-
5. Loss reserve discounting	143,076	50,077
6. Unearned premium adjustment	2,090,410	731,644
7. Agents security compensation	-	-
8. Investment related transactions	271,147	94,901
9.	-	-
10. All other	158,544	55,490
11. Separate company taxable income	<u>12,551,511</u>	<u>4,393,029</u>
12. Consolidation		-
13. Reclass to deferred taxes		(1,718,729)
14. Prior year over/under accrual		-
15. Other		-
16. Tax		<u>2,674,300</u>

E.

	<u>Amount</u>	<u>Origination</u>	<u>Expiration</u>
(1) Amount of operating loss carryforwards	-		
Amount of AMT tax credits	-		
Business credits	-		

(2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

Current year	<u>4,393,029</u>
2001	<u>-</u>
2000	<u>-</u>

F.

(1) The company's federal income tax return is consolidated with the following entities:
No additions or deletions from the most recent annual statement to report.

(2) The method of allocation among the companies is subject to the resolution approved by the Board of Directors. Allocation is based upon separate return or sub-group aggregated separate return calculations with the company being reimbursed for the actual Federal income tax benefit of its net operating losses which are actually used to reduce the taxable income of other companies in the consolidated return.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities:C. Wash Sales: None

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [] No [X]
- 1.2 If yes, explain:
.....
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 2.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] No []
If yes, attach an organizational chart.
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....

- 6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] NA []
If yes, attach an explanation.
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2001
- 7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1996
- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 09/30/1998
- 7.4 By what department or departments?
State of Ohio Insurance Department.....
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]
- 8.2 If yes, give full information:
.....

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

INVESTMENT

9.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]

9.2 If yes, explain:
.....

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

10.2 If yes, give full and complete information relating thereto:
.....

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0

12. Amount of real estate and mortgages held in short-term investments: \$0

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No []

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds	\$	\$
13.22 Preferred Stock	\$1,794,583	\$2,349,680
13.23 Common Stock	\$72,541,182	\$74,565,434
13.24 Short-term Investments	\$	\$
13.25 Mortgages, Loans or Real Estate	\$	\$
13.26 All Other	\$	\$
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26).....	\$74,335,765	\$76,915,114
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	\$0	\$0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	\$0	\$0

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []

If no, attach a description with this statement.

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

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

1 Name of Custodian(s)	2 Custodian Address
Bank of New York.....	One Wall St., 14th Floor, New York, New York.....

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Collins & Aikman Corp.....	CS First Boston.....	Term Loan B.....
International Multifoods Corp.....	CIBC World Markets.....	Term Loan B.....
Land O Lakes.....	Chase Manhattan.....	Term Loan B.....
Mary Kay.....	BNY.....	Term Loan B.....

15.3 Have there been any changes, including name changes in the custodian(s) identified in 15.1 during the current year? Yes [] No [X]

15.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

15.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

GENERAL INTERROGATORIES

(continued)

**PART 2
PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [X] NA []

If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]

If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto.

.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation liabilities tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
.....
.....
.....
TOTAL		

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	241,609	239,406		250,422
2. Increase (decrease) by adjustment	(2,203)	(2,203)		(8,813)
3. Cost of acquired				
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales				
6. Increase (decrease) by foreign exchange adjustment				
7. Amount received on sales				
8. Book/adjusted carrying value at end of current period	239,406	237,203		241,609
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	239,406	237,203		241,609
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	239,406	237,203		241,609

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period				
2. Amount loaned during period:				
2.1. Actual cost at time of acquisitions		1,000,000		
2.2. Additional investment made after acquisitions				
3. Accrual of discount and mortgage interest points and commitment fees				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period		1,272		
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period		998,728		
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)		998,728		
12. Total nonadmitted amounts				
13. Statement value of mortgages owned at end of current period		998,728		

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period				
2. Cost of acquisitions during period:				
2.1. Actual cost at time of acquisitions				
2.2. Additional investment made after acquisitions				
3. Accrual of discount				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book/adjusted carrying value of long-term invested assets at end of current period				
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)				
12. Total nonadmitted amounts				
13. Statement value of long-term invested assets at end of current period				

NONE

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS								
1. Class 1	546,056,648	197,382,824	222,869,869	(1,214,431)	546,056,648	519,355,172		518,623,354
2. Class 2	63,275,252	3,994,107	2,994,107	5,171	63,275,252	64,280,423		58,871,728
3. Class 3	6,733,590	4,109,007	3,110,151	974,810	6,733,590	8,707,256		6,373,538
4. Class 4	1,995,000	1,891,552	1,999,741		1,995,000	1,886,811		1,980,000
5. Class 5								
6. Class 6								
7. Total Bonds	618,060,490	207,377,490	230,973,868	(234,450)	618,060,490	594,229,662		585,848,620
PREFERRED STOCK								
8. Class 1	1,794,583			(1,794,583)	1,794,583	0		1,794,583
9. Class 2				2,349,680		2,349,680		
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	1,794,583			555,097	1,794,583	2,349,680		1,794,583
15. Total Bonds and Preferred Stock	619,855,073	207,377,490	230,973,868	320,647	619,855,073	596,579,342		587,643,203

SCHEDULE DA - PART 1**Short-Term Investments Owned End of Current Quarter**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999 Totals	56,885,563	XXX	56,887,747	59,791	

SCHEDULE DA - PART 2- Verification**Short-Term Investments Owned**

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	26,592,304	56,521,628		2,434,712
2. Cost of short-term investments acquired	245,207,101	201,121,059		847,287,994
3. Increase (decrease) by adjustment	32,974	929		(40,857)
4. Increase (decrease) by foreign exchange adjustment				
5. Total profit (loss) on disposal of short-term investments	4,975			2,315
6. Consideration received on disposal of short-term investments	215,315,726	200,758,053		823,091,860
7. Book/adjusted carrying value, current period	56,521,628	56,885,563		26,592,304
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	56,521,628	56,885,563		26,592,304
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	56,521,628	56,885,563		26,592,304
12. Income collected during period	233,584	241,769		1,538,482
13. Income earned during period	193,377	248,820		1,597,778

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date	
1. Alabama	AL	No	6,256,432	5,971,273	4,028,493	7,562,450	18,622,212	18,291,162
2. Alaska	AK	No	1,334,954	543,226	51,771	122,686	1,632,782	1,533,439
3. Arizona	AZ	Yes	4,323,375	4,146,058	3,851,442	2,912,885	7,932,580	6,324,396
4. Arkansas	AR	No	2,657,484	1,820,458	466,018	1,838,590	3,080,609	4,702,660
5. California	CA	No	64,315,965	48,719,301	25,026,966	32,465,727	142,547,508	156,048,704
6. Colorado	CO	No	5,270,234	3,326,381	1,754,211	1,034,315	5,480,587	9,272,443
7. Connecticut	CT	No	3,417,850	2,370,806	871,277	970,225	7,240,442	6,892,689
8. Delaware	DE	Yes	180,874	37,327	11,899	5,508	136,644	122,423
9. District of Columbia	DC	No	1,134,483	642,871	235,661	528,055	4,551,345	2,585,943
10. Florida	FL	No	49,887,357	34,098,501	14,058,022	21,025,398	75,070,236	75,199,592
11. Georgia	GA	No	10,759,957	8,228,708	4,134,677	4,189,751	15,464,992	15,520,245
12. Hawaii	HI	No	3,073,171	1,751,014	211,858	951,144	4,689,783	4,015,320
13. Idaho	ID	No	1,390,800	1,064,434	124,182	506,498	1,375,610	1,893,371
14. Illinois	IL	No	12,538,903	8,305,792	8,304,314	5,334,984	25,361,539	25,461,748
15. Indiana	IN	No	8,103,290	3,055,670	1,327,147	1,759,508	7,157,863	6,522,466
16. Iowa	IA	No	2,515,374	1,643,099	356,638	1,495,527	2,609,164	3,041,904
17. Kansas	KS	No	2,896,418	2,450,588	748,278	1,262,180	3,941,272	4,479,729
18. Kentucky	KY	No	2,582,166	1,946,270	843,734	991,471	4,270,013	3,971,586
19. Louisiana	LA	No	19,246,245	13,482,304	7,660,863	9,995,333	48,059,223	47,516,060
20. Maine	ME	No	710,819	481,921	102,826	346,075	819,135	1,310,285
21. Maryland	MD	No	4,517,613	2,660,106	1,064,431	986,978	7,651,350	4,296,464
22. Massachusetts	MA	No	7,529,406	5,126,292	1,621,704	3,379,823	12,810,914	14,931,771
23. Michigan	MI	No	5,281,961	3,920,458	4,835,375	2,625,936	10,613,768	12,149,547
24. Minnesota	MN	No	4,823,178	2,858,654	1,366,906	5,817,812	5,487,254	5,770,867
25. Mississippi	MS	No	4,975,048	3,686,284	3,247,482	4,001,117	10,647,193	10,697,733
26. Missouri	MO	No	7,074,094	6,005,834	6,328,864	3,217,570	10,641,970	9,763,901
27. Montana	MT	No	1,318,399	817,669	528,801	593,389	1,563,727	1,909,381
28. Nebraska	NE	No	1,842,962	1,172,079	880,821	685,864	2,344,431	2,302,542
29. Nevada	NV	No	2,537,988	1,179,263	2,685,953	1,988,508	11,697,932	8,010,744
30. New Hampshire	NH	No	456,511	212,135	139,672	217,618	611,270	571,161
31. New Jersey	NJ	No	22,037,828	14,086,306	12,003,792	13,931,563	50,646,695	51,646,602
32. New Mexico	NM	No	2,338,100	1,142,655	1,856,453	995,108	3,773,957	4,271,155
33. New York	NY	No	18,669,555	10,695,613	4,596,238	7,589,270	26,987,995	27,807,128
34. North Carolina	NC	No	6,952,853	5,712,342	2,510,092	3,903,383	10,937,257	10,804,777
35. North Dakota	ND	No	525,840	343,648	11,051	34,775	434,317	559,834
36. Ohio	OH	Yes	4,050,197	3,455,499	1,466,229	3,223,372	9,705,524	12,391,334
37. Oklahoma	OK	No	4,465,722	3,502,970	3,436,444	2,704,933	8,713,380	8,362,494
38. Oregon	OR	No	4,199,522	2,764,021	1,084,834	501,724	5,315,475	5,481,041
39. Pennsylvania	PA	No	7,424,691	6,216,988	5,641,520	5,347,262	30,469,837	32,686,077
40. Rhode Island	RI	No	1,565,146	970,753	565,091	101,742	2,000,388	1,955,614
41. South Carolina	SC	No	5,183,458	4,669,344	1,990,350	4,717,626	8,468,760	8,968,187
42. South Dakota	SD	No	501,438	291,212	42,565	245,151	293,937	452,539
43. Tennessee	TN	No	3,816,822	4,152,434	1,946,982	2,024,399	8,508,977	9,445,474
44. Texas	TX	No	45,720,131	30,099,479	23,151,008	19,079,608	95,666,410	102,344,296
45. Utah	UT	No	1,887,608	1,133,545	746,020	243,514	2,543,369	2,991,629
46. Vermont	VT	No	305,261	239,397	6,034	70,857	2,125,031	2,499,373
47. Virginia	VA	No	4,865,862	4,499,479	993,322	3,626,911	7,952,598	8,375,830
48. Washington	WA	No	13,392,993	7,879,463	3,240,119	3,003,771	12,172,002	11,824,164
49. West Virginia	WV	No	1,728,895	1,467,418	835,200	1,125,120	3,498,653	7,192,809
50. Wisconsin	WI	No	2,440,157	1,460,921	408,786	(1,234,950)	2,275,588	2,591,993
51. Wyoming	WY	No	250,843	176,345	73,487	27,346	234,641	296,139
52. American Samoa	AS	No						
53. Guam	GU	No						
54. Puerto Rico	PR	No	5,220		0		712	(246)
55. U.S. Virgin Islands	VI	No						
56. Canada	CN	No						
57. Aggregate Other Aliens	OT	XXX						
58. Totals	(a) 3		395,281,453	276,684,608	163,475,903	184,775,410	746,838,851	778,058,519
DETAILS OF WRITE-INS								
5701.		XXX						
5702.		XXX						
5703.		XXX						
5798.		Summary of remaining write-ins for Line 57 from overflow page.	XXX					
5799.		Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)	XXX					

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

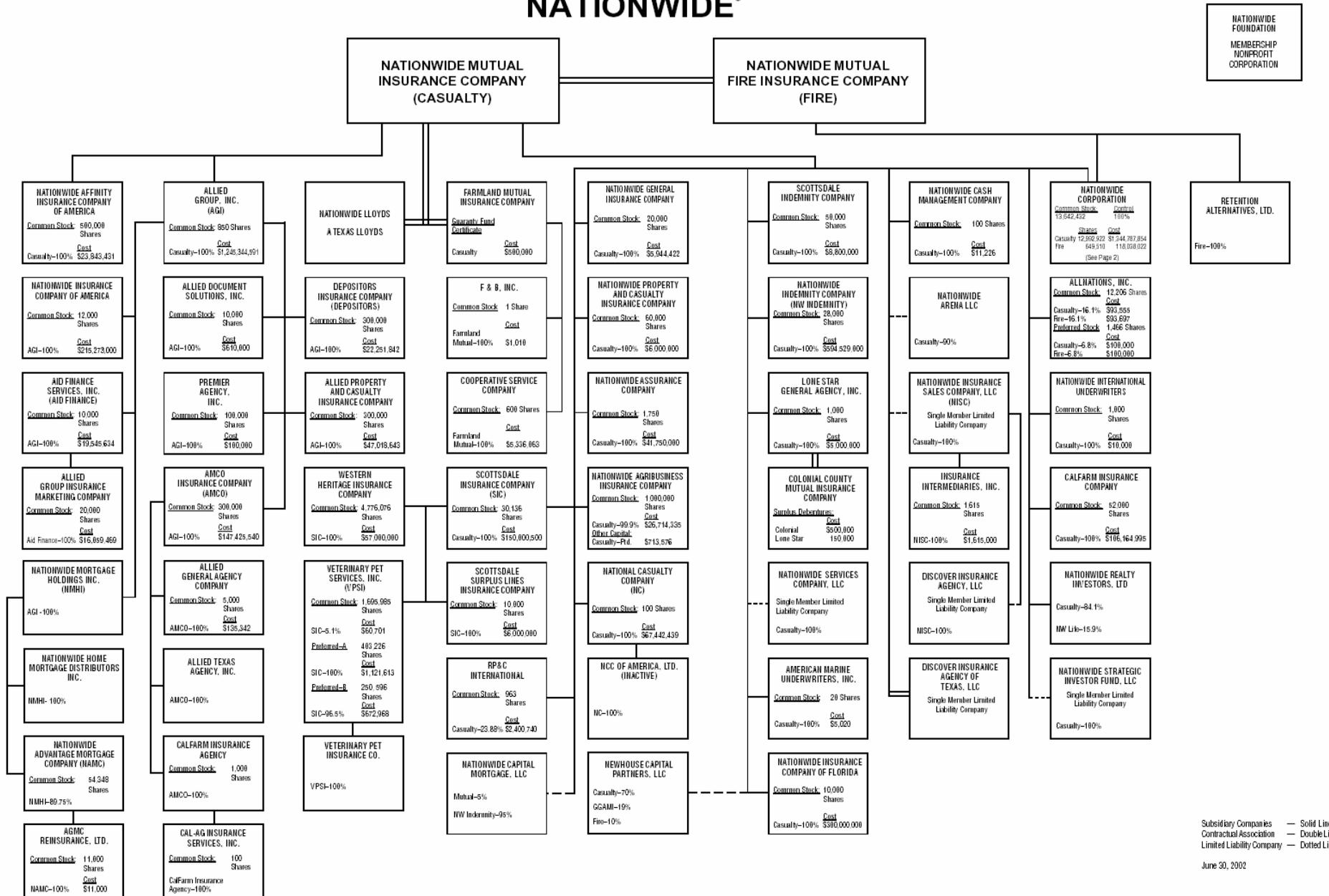
**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**

<u>Company</u>	<u>NAIC Number</u>	<u>State of Domicile</u>	<u>F.E.I.D. #</u>
Allied Property and Casualty Insurance Company	42579	IA	42-1201931
AMCO Insurance Company	19100	IA	42-6054959
CalFarm Insurance Company	18961	CA	68-0066866
Colonial County Mutual Insurance Company	29262	TX	74-1061659
Depositors Insurance Company	42587	IA	42-1207150
Farmland Mutual Insurance Company	13838	IA	42-0618271
National Casualty Company	11991	WI	38-0865250
Nationwide Affinity Insurance Company of America	26093	KS	48-0470690
Nationwide Agribusiness Insurance Company	28223	IA	42-1015537
Nationwide Assurance Company	10723	WI	95-0639970
Nationwide General Insurance Company	23760	OH	31-4425763
Nationwide Health Plans Inc	95194	OH	31-1125592
Nationwide Indemnity Company	10070	OH	31-1399201
Nationwide Insurance Company of America	25453	WI	95-2130882
Nationwide Insurance Company of Florida	10948	OH	31-1613686
Nationwide Life and Annuity Insurance Company	92657	OH	31-1000740
Nationwide Life Insurance Company	66869	OH	31-4156830
Nationwide Lloyds	42110	TX	75-1780981
Nationwide Mutual Fire Insurance Company	23779	OH	31-4177110
Nationwide Mutual Insurance Company	23787	OH	31-4177100
Nationwide Property & Casualty Insurance Company	37877	OH	31-0970750
Scottsdale Indemnity Company	15580	OH	31-1117969
Scottsdale Insurance Company	41297	OH	31-1024978
Scottsdale Surplus Lines Insurance Company	10672	AZ	86-0835870
Western Heritage Insurance Company	37150	AZ	86-0561941

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

NATIONWIDE®



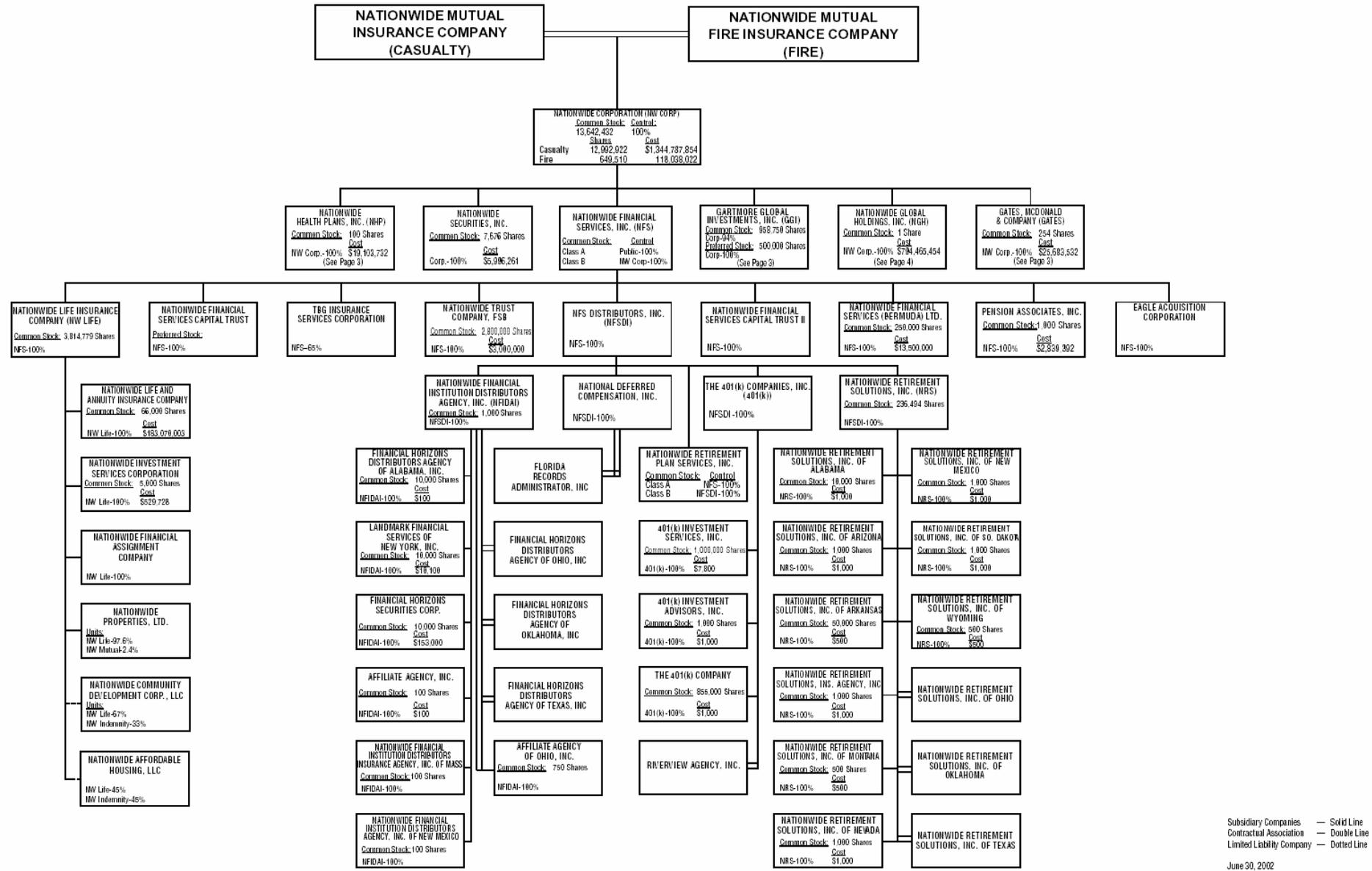
Subsidiary Companies — Solid Line
Contractual Association — Double Line
Limited Liability Company — Dotted Line
June 30, 2002

17.1

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

NATIONWIDE®



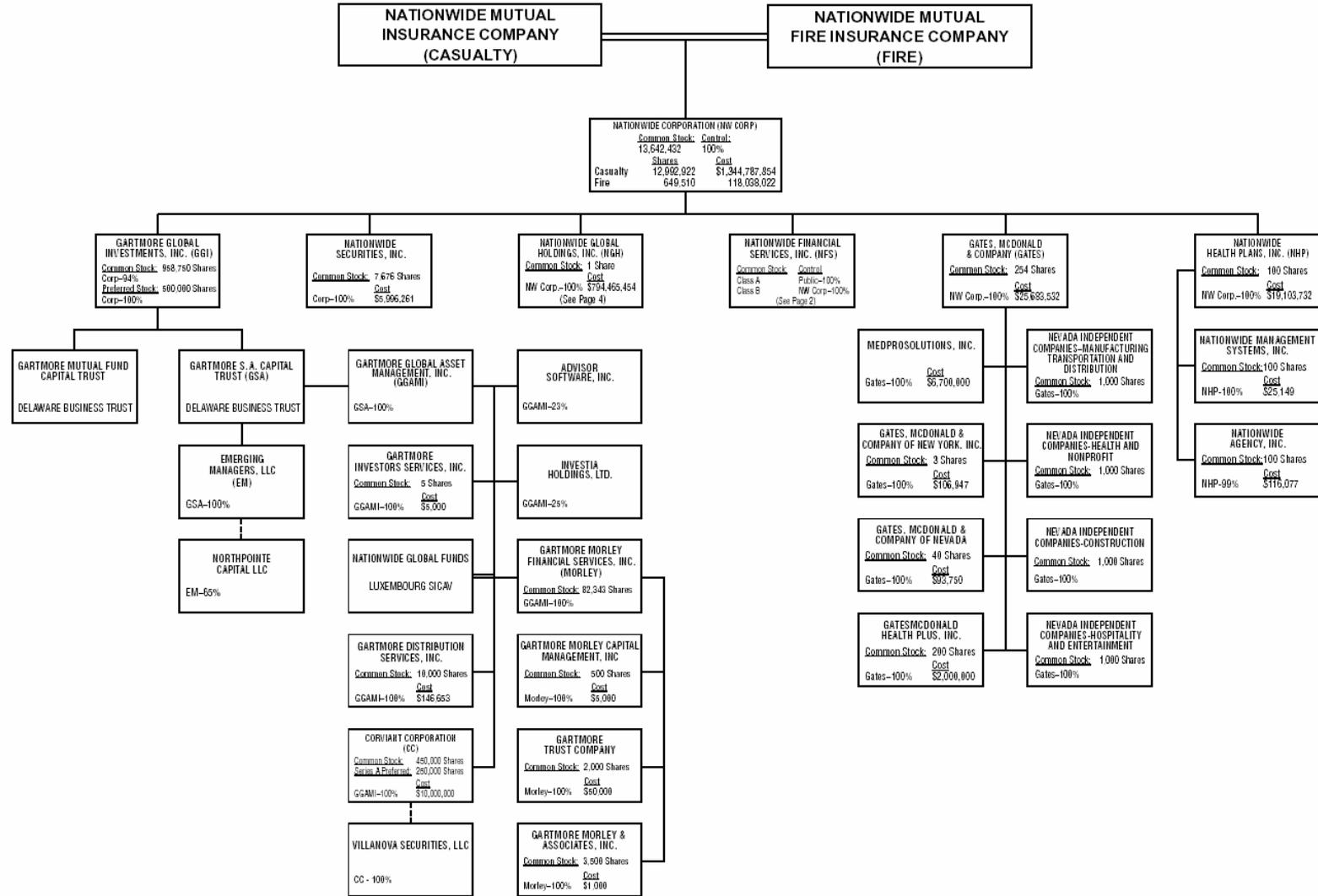
17.2

Subsidiary Companies — Solid Line
Contractual Association — Double Line
Limited Liability Company — Dotted Line
June 30, 2002

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

NATIONWIDE®

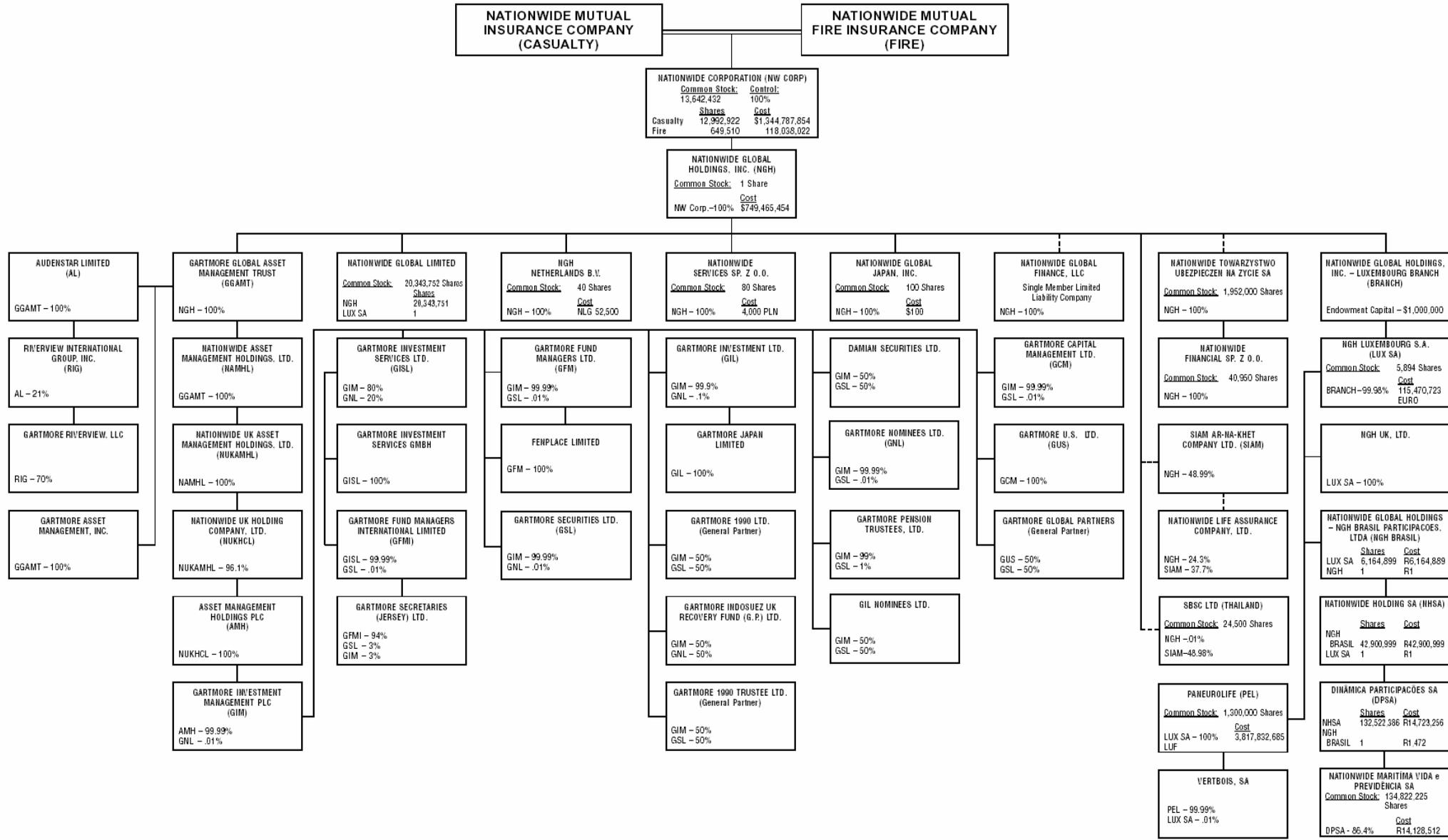


Subsidiary Companies — Solid Line
 Contractual Association — Double Line
 Limited Liability Company — Dotted Line

June 30, 2002

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**

NATIONWIDE®



17.4

Subsidiary Companies — Solid Line
 Contractual Association — Double Line
 Limited Liability Company — Dotted Line

June 30, 2002 Page 4

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	21,578,864	12,787,832	59.3	52.2
2. Allied Lines	18,799,037	6,331,747	33.7	89.2
3. Farmowners multiple peril	1,027,987	481,099	46.8	67.3
4. Homeowners multiple peril	9,282,257	18,071,901	194.7	90.7
5. Commercial multiple peril	82,769,796	36,548,155	44.2	59.0
6. Mortgage guaranty				
8. Ocean marine	533,547	(2,515,305)	(471.4)	477.4
9. Inland marine	8,879,812	(9,242,799)	(104.1)	(383.2)
10. Financial guaranty				
11.1 Medical malpractice - occurrence		2,802,858		154.2
11.2 Medical malpractice - claims-made	530,990	2,346,999	442.0	470.5
12. Earthquake	35,341	1,000	2.8	
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence	155,644,401	68,742,010	44.2	60.5
17.2 Other liability - claims-made	14,021,688	12,993,492	92.7	42.4
18.1 Products liability - occurrence	10,964,122	3,820,758	34.8	29.0
18.2 Products liability - claims-made				
19.1,19.2 Private passenger auto liability				
19.3,19.4 Commercial auto liability	20,211,706	14,277,879	70.6	45.3
21. Auto physical damage	4,917,717	3,006,921	61.1	89.5
22. Aircraft (all perils)				
23. Fidelity	3,107	9,606	309.2	(1,809.4)
24. Surety				
26. Burglary and theft	54,261	(76)	(0.1)	19.7
27. Boiler and machinery	185,895	55,273	29.7	12.8
28. Credit				
29. International				
30. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
31. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	1,837,701	3,647,165	198.5	130.9
34. Totals	351,278,229	174,166,515	49.6	45.8
DETAILS OF WRITE-INS				
3301. Auto Warranty	1,837,701	3,647,165	198.5	130.9
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page				
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	1,837,701	3,647,165	198.5	130.9

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	13,929,431	26,450,276	15,810,478
2. Allied Lines	12,347,301	22,993,874	13,222,446
3. Farmowners multiple peril	516,928	962,185	1,022,222
4. Homeowners multiple peril	5,151,931	8,972,714	10,217,655
5. Commercial multiple peril	47,264,510	87,674,745	72,250,424
6. Mortgage guaranty			
8. Ocean marine	685,064	884,214	62,398
9. Inland marine	5,269,708	8,645,424	9,703,549
10. Financial guaranty			
11.1 Medical malpractice - occurrence			11,707
11.2 Medical malpractice - claims-made	24,122	64,764	442,763
12. Earthquake	27,292	50,209	36,378
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability - occurrence	104,709,219	183,862,918	119,286,288
17.2 Other liability - claims-made	6,136,069	12,202,900	8,575,597
18.1 Products liability - occurrence	7,369,280	12,323,319	9,065,061
18.2 Products liability - claims-made			
19.1,19.2 Private passenger auto liability			
19.3,19.4 Commercial auto liability	12,073,810	22,786,214	12,185,856
21. Auto physical damage	2,730,912	4,762,707	3,375,554
22. Aircraft (all perils)			
23. Fidelity	1,508	1,957	4,220
24. Surety			
26. Burglary and theft	31,829	62,188	44,006
27. Boiler and machinery	80,845	149,473	150,670
28. Credit			
29. International			
30. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
31. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	1,167,378	2,431,372	1,217,336
34. Totals	219,517,137	395,281,453	276,684,608
DETAILS OF WRITE-INS			
3301. Auto Warranty	1,167,378	2,431,372	1,217,336
3302.			
3303.			
3398. Summary of remaining write-ins for Line 33 from overflow page			
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	1,167,378	2,431,372	1,217,336

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2002 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (b) (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior	62,140	41,658	103,798	16,886	1,883	18,769	48,497	2,681	33,931	85,109	3,243	(3,164)	.80
2. 2000	33,641	31,799	65,440	11,099	1,778	12,877	25,662	2,067	24,504	52,233	3,121	(3,451)	(.330)
3. Subtotals 2000 + Prior	95,781	73,458	169,238	27,986	3,660	31,646	74,159	4,748	58,435	137,342	6,364	(6,615)	(.250)
4. 2001	55,958	71,962	127,920	25,757	19,330	45,086	34,821	7,099	43,146	85,065	4,620	(2,388)	2,232
5. Subtotals 2001 + Prior	151,739	145,420	297,158	53,742	22,990	76,732	108,980	11,847	101,580	222,407	10,984	(9,003)	1,982
6. 2002	XXX	XXX	XXX	XXX	80,647	80,647	XXX	31,362	46,800	78,162	XXX	XXX	XXX
7. Totals	151,739	145,420	297,158	53,742	103,637	157,379	108,980	43,209	148,380	300,569	10,984	(9,003)	1,982
8. Prior Year-End's Surplus As Regards Policyholders	257,235										Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
											1. 7.2	2. (6.2)	3. 0.7
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. 0.8

(a) Should Equal Prior Year-End Annual Statement; Page 3, Col. 1, Lines 1 + 3

(b) Should Equal Q.S. Page 3, Col. 1, Lines 1 and 3.

(c) Should Also Equal Cols. 6 + 10 less Col. 3 for Lines 1 through 5 only.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

RESPONSES

- 1. Will the SVO Compliance Certification be filed with this statement?Yes.....
- 2. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?No.....
- 3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?Yes.....

Explanations:

Trusteed Surplus Statement is not applicable for this Company.

Bar Codes:

Trusteed Surplus Statement (Document Identifier 490) here:



OVERFLOW PAGE FOR WRITE-INS

PQ002 Additional Aggregate Lines for Page 02 Line 25.

*ASSETS

2504. Advances On Travel And Entertainment.....	3,240	3,240	0	0
2505. Prepaid 401K Funding.....	1,215,168	1,215,168	0	0
2506. Receivable From Non-Affiliate.....	30,601		30,601	30,601
2507. Refund On Reinsurers Contingent Suits.....	685,938		685,938	2,888,133
2597. Summary of remaining write-ins for Line 25 from Page 02	1,934,947	1,218,408	716,539	2,918,734

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Expended for Additions and Permanent Improvements
	2 City	3 State						
NONE								
9999999 - Totals								

SCHEDULE A - PART 3

Showing all Real Estate SOLD during the Current Quarter, including Payments during the Final Year on "Sales under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Expended for Additions, Permanent Improvements and Changes in Encumbrances	10 Book/Adjusted Carrying Value Less Encumbrances	11 Amounts Received	12 Foreign Exchange Profit (Loss) on Sale	13 Realized Profit (Loss) on Sale	14 Total Profit (Loss) on Sale	15 Gross Income Earned Less Interest Incurred on Encumbrances	16 Taxes, Repairs and Expenses Incurred
	2 City	3 State													
NONE															
9999999 Totals															

EO1

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE B - PART 1

Showing all Mortgage Loans ACQUIRED during the Current Quarter

1 Loan Number	2 Location		4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Book Value/Recorded Investment Excluding Accrued Interest	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Value of Land and Buildings	11 Date of Last Appraisal or Valuation
	City	State								
00-1000944	Oakbrook	IL		04/10/2002	6.810	1,000,000	0	0	1,938,889	03/25/2002
0599999 - Mortgages in good standing - Commercial Mortgages - All Other						1,000,000	0	0	1,938,889	XXX
0799999 - Total - Mortgages in Good Standing						1,000,000	0	0	1,938,889	XXX
9999999 Totals						1,000,000	0	0	1,938,889	XXX

SCHEDULE B - PART 2

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

1 Loan Number	2 Location		4 Loan Type	5 Date Acquired	6 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book Value/Recorded Investment Excluding Accrued Interest at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	City	State										
NONE												
9999999 Totals												

E02

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets ACQUIRED during the Current Quarter

1 Number of Units and Description	Location		4 Name of Vendor	5 Date Acquired	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment
	2 City	3 State							
NONE									
9999999 Totals									

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, transferred or paid in full during the Current Quarter

1 Number of Units and Description	Location		4 Name of Purchaser or Nature of Disposition	5 Date Acquired	6 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book/Adjusted Carrying Value Less Encumbrances at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	2 City	3 State										
NONE												
9999999 Totals												

EO3

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
BONDS								
Special Revenue & Assessment United States								
.312915-PK-1	FHLMC REMIC Ser 7.500% 04/15/23 1494-PZ	.06/01/2002	Interest Capitalization		36,863	36,863		1
.3133T3-Q2-7	FHLMC REMIC Ser 1674-Z 6.750% 02/15/24 FNMA REMIC Ser 7.000% 07/25/22	.06/01/2002	Interest Capitalization		35,651	35,651		1Z
.31358N-5B-4	1992-124 PZ FNMA REMIC Ser 6.850% 06/25/22	.06/01/2002	Interest Capitalization		51,842	51,842		1
.31358R-G5-6	1992-214 Z Government Natl Mtg 7.000% 05/16/26	.06/01/2002	Interest Capitalization		25,075	25,075		1
.3837H0-NF-6	Assn REMIC Ser1996-5 CI Z Vendee Mtg Tr REMIC 7.250% 09/15/25	.06/01/2002	Interest Capitalization		26,448	26,448		1
.911760-GT-7	Ser 1995-3 1Z Vendee Mtg Tr REMIC 6.750% 06/15/26	.06/01/2002	Interest Capitalization		58,179	58,179		1
.911760-HH-2	Ser 1996-2 1Z	.06/01/2002	Interest Capitalization		69,973	69,973		1
Total United States					304,031	304,031	0	XXX
3199999 - Total - Bonds - Special Revenue					304,031	304,031	0	XXX
Industrial & Miscellaneous United States								
.31331F-AX-9	Federal Express Corp 6.720% 01/15/22 PTC Ser 98-1A	.06/27/2002	Piper Jaffray Inc.		1,958,293	1,859,816	57,977	1PE
.382388-AN-6	Goodrich B F Co Nt 7.500% 04/15/08	.05/24/2002	Tax Free Exchange		994,107	1,000,000	8,125	2PE
.56633#-AG-8	Marcus Corp Sr Nt 7.660% 04/01/09	.04/02/2002	BA Securities		1,000,000	1,000,000		2Z
Total United States					3,952,401	3,859,816	66,102	XXX
Other Country								
.62044@-AG-0	Compass Group PLC Sr 6.530% 05/17/10 Nt	.05/17/2002	BA Securities		1,000,000	1,000,000		2Z
.02962#-AB-6	Crane Group Limited Sr 7.070% 06/26/12 Nt	.06/26/2002	BA Securities		1,000,000	1,000,000		2Z
Total Other Country					2,000,000	2,000,000	0	XXX
4599999 - Total - Bonds - Industrial, Misc.					5,952,401	5,859,816	66,102	XXX
6099997 - Total - Bonds - Part 3					6,256,432	6,163,847	66,102	XXX
6099999 - Total - Bonds					6,256,432	6,163,847	66,102	XXX
6599999 - Total - Preferred Stocks						XXX		XXX
7099999 - Total - Common Stocks						XXX		XXX
7199999 - Total - Preferred and Common Stocks						XXX		XXX
7299999 - Totals					6,256,432	XXX	66,102	XXX

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues0 .

E04

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
BONDS																
US Governments																
United States																
31359M-JH-7	FNMA Benchmark Nt 6.000% 05/15/11	04/29/2002	Nationwide Mutual		15,351,000	15,000,000	15,126,000	15,123,661	(550)			227,339	227,339	410,000		1
Total United States					15,351,000	15,000,000	15,126,000	15,123,661	(550)	0	0	227,339	227,339	410,000	XXX	XXX
0399999 - Bonds - U.S. Governments					15,351,000	15,000,000	15,126,000	15,123,661	(550)	0	0	227,339	227,339	410,000	XXX	XXX
Political Subdivisions of States																
United States																
Maryland																
940155-6D-1	Washington Sub San 6.100% 06/01/07 Dist MD Ref Gen Const Ser 1992	06/01/2002	Call 102.0000		2,040,000	2,000,000	1,975,580	2,040,000	51,005				0	61,000		1PE
940155-6J-8	Washington Sub San 6.100% 06/01/08 Dist MD Wtr Supply Ser 1992	06/01/2002	Redemption 102.0000		2,142,000	2,100,000	2,068,374	2,142,000	1,646				0	64,050		1
Total Maryland					4,182,000	4,100,000	4,043,954	4,182,000	52,651	0	0	0	0	125,050	XXX	XXX
Total United States					4,182,000	4,100,000	4,043,954	4,182,000	52,651	0	0	0	0	125,050	XXX	XXX
2499999 - Bonds - Political Subdivisions					4,182,000	4,100,000	4,043,954	4,182,000	52,651	0	0	0	0	125,050	XXX	XXX
Special Revenue & Assessment																
United States																
Minnesota																
60415M-MC-5	Minnesota St Hsg Fin 5.450% 02/01/07 Agy Rev Rent-D	06/06/2002	Call 100.0000		25,000	25,000	25,000	25,000					0	473		1PE
Total Minnesota					25,000	25,000	25,000	25,000	0	0	0	0	0	473	XXX	XXX
United States																
3128HJ-AH-9	FHLMC Gld PC FGW 7.645% 05/01/25 30008	06/01/2002	Paydown		7,283	7,283	7,852	7,283	(568)				0	93		1
312903-8G-5	FHLMC REMIC Ser 179-A 9.300% 07/15/21	05/15/2002	Paydown		39,590	39,590	42,781	39,590	(767)				0	544		1Z
312905-YJ-5	FHLMC REMIC Ser 1077-E 9.000% 05/15/21	06/01/2002	Paydown		318,058	318,058	322,282	318,058	(949)				0	5,049		1Z
312911-JP-6	FHLMC REMIC Ser 1340-G 7.500% 05/15/07	06/01/2002	Paydown		93,889	93,889	87,845	93,889	982				0	1,120		1
312912-TU-2	FHLMC REMIC Ser 1381-J 6.750% 06/15/05	06/01/2002	Paydown		952,687	952,687	927,828	952,687	2,644				0	10,019		1
312915-2U-4	FHLMC REMIC Ser 1519-G 6.750% 05/15/08	06/01/2002	Paydown		126,429	126,429	128,523	126,429	(545)				0	2,134		1
312915-V4-0	FHLMC REMIC Ser 7.000% 05/15/03 1503-VB	06/01/2002	Paydown		330,760	330,760	346,264	330,760	(661)				0	3,866		1
3133T2-QX-1	FHLMC REMIC Ser 1609-FA 1609-FA	06/01/2002	Paydown		185,082	185,082	189,761	185,082	(1,051)				0	2,002		1
3133T4-KH-8	FHLMC REMIC Ser 1688-U 6.000% 03/15/04	06/01/2002	Paydown		805,566	805,566	731,428	805,566	13,153				0	7,965		1
3133T6-UR-0	FHLMC REMIC Ser 1817-H 6.500% 10/15/06	06/01/2002	Paydown		276,826	276,826	272,847	276,826	1,645				0	3,004		1
3133T8-XB-8	FHLMC REMIC Ser 1931-W 7.125% 11/15/07	06/01/2002	Paydown		167,785	167,785	166,788	167,785	589				0	1,997		1
3133T9-UD-5	FHLMC CMO Ser 1956-D 7.000% 03/20/17	06/01/2002	Paydown		14,024	14,024	14,313	14,024	(234)				0	194		1
3133TA-TV-4	FHLMC REMIC Ser T-6 A7 6.860% 09/25/28	06/01/2002	Paydown		302,414	302,414	305,419	302,414	(1,370)				0	3,403		1
3133TC-AU-2	PT Cif FHLMC Structured Ser 6.564% 03/25/29 FSPC T-9 A6	06/01/2002	Paydown		119,858	119,858	115,326	119,858	3,802				0	1,390		1
31340Y-2E-8	FHLMC REMIC Ser 87-D 8.650% 11/15/20	05/15/2002	Paydown		59,735	59,735	65,673	59,735	(1,081)				0	871		1Z

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
31340Y-DB-2	FHLMC REMIC Ser 12-A 9.250% 11/15/19	05/15/2002	Paydown		35,104	35,104	36,837	35,104	(1,290)				.0	507		1
31340Y-GR-4	FHLMC REMIC Ser 22-C 9.500% 04/15/20	05/15/2002	Paydown		88,735	88,735	91,951	88,735	(1,458)				.0	1,404		1Z
31358E-XG-2	FNMA REMIC Ser 9.250% 07/25/20 1990-83A	06/01/2002	Paydown		45,030	45,030	44,890	45,030	.222				.0	677		1
31358G-X4-4	FNMA REMIC Ser 8.600% 06/25/21 1991-56G	06/01/2002	Paydown		250,832	250,832	251,219	250,832	(225)				.0	3,512		1
31358L-VM-5	FNMA REMIC Ser 7.000% 02/25/22 1992-30Z	06/01/2002	Paydown		566,792	566,792	575,717	566,792	(4,458)				.0	7,329		1
31358N-RT-1	FNMA REMIC Ser 5.000% 11/25/21 1993-97M	06/01/2002	Paydown		149,366	149,366	151,778	149,366	(1,760)				.0	1,619		1
31359A-G2-9	FNMA REMIC Ser 7.000% 02/25/04 1993-121PM	06/01/2002	Paydown		402,879	402,879	369,704	402,879	1,890				.0	2,540		1
31359B-MT-1	FNMA REMIC Ser 9.400% 07/25/03 1988-18B	06/01/2002	Paydown		238,392	238,392	248,225	238,392	(552)				.0	2,787		1
313602-EK-6	FNMA REMIC Ser 8.750% 11/25/19 1989-86E	06/01/2002	Paydown		8,831	8,831	8,881	8,831	44				.0	133		1
313603-GW-6	FNMA REMIC Ser 9.000% 03/25/20 1990-16E	06/01/2002	Paydown		79,215	79,215	77,578	79,215	952				.0	1,191		1
313603-YL-0	FNMA Pool #460535 6.500% 11/01/13	06/01/2002	Paydown		262,945	262,945	286,186	262,945	(10,356)				.0	3,899		1Z
313816-SY-5	FNMA Pool #460535 6.500% 11/01/13	06/01/2002	Paydown		4,440	4,440	4,462	4,440	(21)				.0	48		1
Total United States					5,957,546	5,957,546	5,897,359	5,957,546	(1,425)	0	0	0	0	69,770	XXX	XXX
3199999 - Bonds - Special Revenues					5,957,546	5,957,546	5,897,359	5,957,546	(1,425)	0	0	0	0	69,770	XXX	XXX
Industrial & Miscellaneous United States																
038777-AA-6	Arby's Franchise Tr 7.440% 12/20/20 Ser 1A Cl 1	05/20/2002	Paydown		32,668	32,668	32,664	32,668	.4				.0	304		1
060506-W6-5	Bank of America Mtg 6.750% 09/25/31 Sec Ser 2001-9 Cl IA5	06/01/2002	Paydown		11,375	11,375	11,472	11,375	(93)				.0	128		1PE
151895-A*-0	CenterPoint Properties 7.530% 10/31/14 Tr Credit Tenant Lease	06/01/2002	Redemption	100.0000	10,899	10,899	10,899	10,899					.0	137		1
172953-Q3-8	Citicorp Mtg Sec Corp 6.500% 09/25/31 Ser 2001-10 Cl IA2	06/01/2002	Paydown		53,486	53,486	54,305	53,486	(752)				.0	580		1PE
196879-AF-7	Coltec Ind Nt 7.500% 04/15/08	05/24/2002	Tax Free Exchange		994,107	1,000,000	991,990	994,107	116				.0	45,625		2
24763L-ES-5	Delta Funding Home Eq 6.190% 02/15/31 Ln Tr Ser 1998-4 Cl A4F	06/01/2002	Paydown		156,893	156,893	156,007	156,893	839				.0	1,620		1PE
36157L-L7-1	GE Cap Mtg Serv Inc 6.500% 04/25/24 Ser 1994-6 Cl M	06/01/2002	Paydown		119,118	119,118	119,211	119,118	(54)				.0	1,104		1PE
393505-XV-9	Green Tree Fintl Corp 6.670% 06/15/27 Mfg Hsg Ser 1997-7 A10	06/15/2002	Paydown		92,536	92,536	92,500	92,536	18				.0	1,013		1PE
41161P-AD-5	Harborview Mtg Loan Tr 7.353% 08/19/30 Ser 2000-1 Cl I11A	06/01/2002	Paydown		158,598	158,598	163,356	158,598	(8,367)				.0			1PE
674135-CT-3	Oakwood Mtg Inv Inc 6.500% 02/15/28 Sr/Sub PT Ctf 1997-D A3	06/01/2002	Paydown		451,206	451,206	454,661	451,206	1,080				.0	4,397		1PE
680665-AC-0	OlIn Corp Nt 8.000% 06/15/02	06/15/2002	Maturity		2,000,000	2,000,000	2,121,360	2,000,000	(6,591)				.0	80,000		2PE
69348L-VG-1	PNC Mtg Sec Corp Ser 6.625% 03/25/28 1998-2 Cl 5B1	06/01/2002	Paydown		7,279	7,279	7,316	7,279	(31)				.0	81		1PE
74046R-FC-0	Premier Auto Tr Ser 5.780% 04/08/03 1998-4 Cl A4	06/08/2002	Paydown		604,076	604,076	603,938	604,076	10				.0	5,747		1PE
743947-AK-9	Prudential Home Mtg 7.094% 06/28/23 Secs Ser 1993-D Cl 1B1	05/01/2002	Paydown		96,395	96,395	92,042	96,395	5,539				.0	883		1PE
761042-BF-6	Resecuritization Mtg 6.750% 06/19/28 Tr Ser 1999-B Cl A3	06/01/2002	Paydown		39,890	39,890	38,868	39,890	880				.0	450		1PE

E05.1

STATEMENT AS OF JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
76110Y-N3-2	Residential Funding 6.750% 03/25/16 Mtg Sec 1 Ser 2001-S7 C1 A7	06/01/2002	Paydown		41,482	41,482	42,727	41,482	(1,122)				0	469		1PE
76126C-GB-2	RACERS Tr Ser 6.625% 05/15/18 1999-24-S-CCE	05/15/2002	Redemption 100.0000		16,132	16,132	14,977	16,132	1,041				0	534		1
79548K-UH-9	Salomon Bros Mtg Sec 7.250% 04/25/27 VII Inc Ser 1997-LB2 C1 B2	06/01/2002	Paydown		27,479	27,479	25,444	27,479	1,934				0	399		1PE
94977G-AG-1	Wells Fargo Mtg Backed 6.750% 02/25/15 Sec Tr Ser 2001-17 C1 A7	06/01/2002	Paydown		23,919	23,919	23,840	23,919	80				0	270		1PE
94977H-AF-1	Wells Fargo Mtg Backed 6.750% 09/25/31 Sec Tr Ser 2001-18 C1 A6	06/01/2002	Paydown		17,670	17,670	17,839	17,670	(159)				0	199		1PE
Total United States					4,955,210	4,961,102	5,075,415	4,955,210	(5,627)	0	0	0	0	143,940	XXX	XXX
4599996 - Bonds - Industrial and Misc - United States														8,962	XXX	XXX
4599999 - Bonds - Industrial and Miscellaneous					4,955,210	4,961,102	5,075,415	4,955,210	(5,627)	0	0	0	0	143,940	XXX	XXX
6099997 - Bonds - Part 4					30,445,756	30,018,649	30,142,727	30,218,417	45,049	0	0	227,339	227,339	748,761	XXX	XXX
6099999 - Total - Bonds					30,445,756	30,018,649	30,142,727	30,218,417	45,049	0	0	227,339	227,339	748,761	XXX	XXX
6599999 - Total - Preferred Stocks							XXX							XXX		XXX
7099999 - Total - Common Stocks							XXX							XXX		XXX
7199999 - Total - Preferred and Common Stocks							XXX							XXX		XXX
7299999 Totals					30,445,756	XXX	30,142,727	30,218,417	45,049	0	0	227,339	227,339	748,761	0	XXX

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues

E05.2

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE



SUPPLEMENT FOR JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

Designate the type of health care providers reported on this page
Physicians

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL MALPRACTICE PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

1 States, Etc.	2 Direct Premiums Written	3 Direct Premiums Earned	Direct Losses Paid		6 Direct Losses Incurred	Direct Losses Unpaid		9 Direct Losses Incurred But Not Reported
			4 Amount	5 Number of Claims		7 Amount Reported	8 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ					(1,176)			4
4. Arkansas AR								
5. California CA	26,161	474,673	135,000	2	1,391,670	1,717,000	14	2,944,967
6. Colorado CO					304			644
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC					2,778,207	1,010,000	4	627,506
10. Florida FL	17,678	29,418	1,965,500	6	1,132,292	6,044,002	43	2,016,426
11. Georgia GA					76,973	200,000	2	122,919
12. Hawaii HI					201			305
13. Idaho ID								
14. Illinois IL					(93,886)			450,959
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY			125,000	1	116,378	55,000	2	28,543
19. Louisiana LA					53,054	115,000	2	5,499
20. Maine ME								
21. Maryland MD					(75,479)			28,926
22. Massachusetts MA								
23. Michigan MI			640,000	4	(263,047)	90,000	4	183,305
24. Minnesota MN								
25. Mississippi MS					(360)			
26. Missouri MO					(9,069)			4,333
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC					(69)			
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR					(4)			
39. Pennsylvania PA					53,326			7,434
40. Rhode Island RI								
41. South Carolina SC					(286)			
42. South Dakota SD								
43. Tennessee TN					(109)			
44. Texas TX		5,974			(22,125)			66,493
45. Utah UT								
46. Vermont VT								
47. Virginia VA					145,790	335,000	3	316,845
48. Washington WA								
49. West Virginia WV			30,000	1	(164,864)			407,392
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56. Canada CN								
57. Aggregate Other Aliens OT								
58. Totals	43,839	510,065	2,895,500	14	5,117,721	9,566,002	74	7,212,500
DETAILS OF WRITE-INS								
5701.								
5702.								
5703.								
5798. Summary of remaining write-ins for Line 57 from overflow page								
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)								



SUPPLEMENT FOR JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

Designate the type of health care providers reported on this page
Hospitals

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL MALPRACTICE PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

1 States, Etc.	2 Direct Premiums Written	3 Direct Premiums Earned	Direct Losses Paid		6 Direct Losses Incurred	Direct Losses Unpaid		9 Direct Losses Incurred But Not Reported
			4 Amount	5 Number of Claims		7 Amount Reported	8 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56. Canada CN								
57. Aggregate Other Aliens OT								
58. Totals								
DETAILS OF WRITE-INS								
5701.								
5702.								
5703.								
5798. Summary of remaining write-ins for Line 57 from overflow page								
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)								

NONE



SUPPLEMENT FOR JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

Designate the type of health care providers reported on this page
Other Health Care Professionals

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL MALPRACTICE PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

1 States, Etc.	2 Direct Premiums Written	3 Direct Premiums Earned	Direct Losses Paid		6 Direct Losses Incurred	Direct Losses Unpaid		9 Direct Losses Incurred But Not Reported
			4 Amount	5 Number of Claims		7 Amount Reported	8 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC					10,173			
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ	20,925	20,925			16,018	39,499	4	59,214
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH					7,636	53,000	3	46,829
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT					(1,690)			3,410
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56. Canada CN								
57. Aggregate Other Aliens OT								
58. Totals	20,925	20,925			32,137	92,499	7	109,453
DETAILS OF WRITE-INS								
5701.								
5702.								
5703.								
5798. Summary of remaining write-ins for Line 57 from overflow page								
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)								



SUPPLEMENT FOR JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

Designate the type of health care providers reported on this page
Other Health Care Facilities

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL MALPRACTICE PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

1 States, Etc.	2 Direct Premiums Written	3 Direct Premiums Earned	Direct Losses Paid		6 Direct Losses Incurred	Direct Losses Unpaid		9 Direct Losses Incurred But Not Reported
			4 Amount	5 Number of Claims		7 Amount Reported	8 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56. Canada CN								
57. Aggregate Other Aliens OT								
58. Totals								
DETAILS OF WRITE-INS								
5701.								
5702.								
5703.								
5798. Summary of remaining write-ins for Line 57 from overflow page								
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)								

NONE



SUPPLEMENT FOR JUNE 30, 2002 OF THE SCOTTSDALE INSURANCE COMPANY

Designate the type of health care providers reported on this page
 Medical Malpractice Policies

**SUPPLEMENT "A" TO SCHEDULE T
 EXHIBIT OF MEDICAL MALPRACTICE PREMIUMS WRITTEN
 ALLOCATED BY STATES AND TERRITORIES**

1 States, Etc.	2 Direct Premiums Written	3 Direct Premiums Earned	Direct Losses Paid		6 Direct Losses Incurred	Direct Losses Unpaid		9 Direct Losses Incurred But Not Reported
			4 Amount	5 Number of Claims		7 Amount Reported	8 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56. Canada CN								
57. Aggregate Other Aliens OT								
58. Totals								
NONE								
DETAILS OF WRITE-INS								
5701.								
5702.								
5703.								
5798. Summary of remaining write-ins for Line 57 from overflow page								
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)								