

**QUARTERLY STATEMENT**AS OF SEPTEMBER 30, 2002  
OF THE CONDITION AND AFFAIRS OF THE**VICTORIA FIRE & CASUALTY COMPANY**

NAIC Group Code	0304 (Current Period)	0304 (Prior Period)	NAIC Company Code	42889	Employer's ID Number	34-1394913
Organized under the Laws of		Ohio	State of Domicile or Port of Entry		Ohio	
Country of Domicile			United States of America			
Incorporated		July 11, 1983	Commenced Business		August 9, 1983	
Statutory Home Office		5915 Landerbrook Drive (Street and Number)			Cleveland, OH 44124-4058 (City or Town, State and Zip Code)	
Main Administrative Office		5915 Landerbrook Drive (Street and Number)	5915 Landerbrook Drive (Street and Number)			
		Cleveland, OH 44124-4058 (City or Town, State and Zip Code)	440-461-3461 (Area Code) (Telephone Number)			
Mail Address		5915 Landerbrook Drive (Street and Number or P.O. Box)	Cleveland, OH 44124-4058 (City or Town, State and Zip Code)			
Primary Location of Books and Records		5915 Landerbrook Drive (Street and Number)	5915 Landerbrook Drive (Street and Number)			
		Cleveland, OH 44124-4058 (City or Town, State and Zip Code)	440-461-3461-321 (Area Code) (Telephone Number) (Extension)			
Internet Website Address		www.victoriainsurance.com				
Statement Contact		Raymond Karl Mueller (Name)	440-461-3461-321 (Area Code) (Telephone Number) (Extension)			
		ray.mueller@victoriainsurance.com (E-mail Address)	440-461-0958 (FAX Number)			
Policyowner Relations Contact		5915 Landerbrook Drive (Street and Number)	5915 Landerbrook Drive (Street and Number)			
		Cleveland, OH 44124-4058 (City or Town, State and Zip Code)	440-461-3461-441 (Area Code) (Telephone Number) (Extension)			

**OFFICERS**

President	Robert William Mueller	Secretary	Carl Arthur Peterson
Chief Financial Officer	Joseph William Metz	Treasurer	Nicholas Adam Hencoski
Vice President	Howard Veail Dempster	Assistant Secretary	Assunta Rossi
Vice President	David Alan Nachman	Assistant Treasurer	Raymond Karl Mueller

**VICE PRESIDENTS**

Howard Veail Dempster	Joseph William Metz	David Alan Nachman
Thomas Owen Ramsbacher		

**DIRECTORS OR TRUSTEES**

James Thomas Byron	Howard Veail Dempster	Roger Louis Desjadon
Sharon Leslie Helldorfer	Brendan Patrick Houlihan	Robert William Mueller
Joseph John Pecoraro #	James Andrew Tignanelli #	

State of ..... Ohio ..... }  
County of ..... Cuyahoga ..... } 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.

Robert William Mueller  
President

Assunta Rossi  
Assistant Secretary

Raymond Karl Mueller  
Assistant Treasurer

Subscribed and sworn to before me this  
day of \_\_\_\_\_, 2002

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty 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 .....	72,499,013		72,499,013	80,327,059
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....	22,296,767		22,296,767	21,688,230
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... 10,435,406 and short-term investments \$ ..... ) .....	10,435,406		10,435,406	5,150,295
6. Other invested assets .....				
7. Receivable for securities .....				
8. Aggregate write-ins for invested assets .....				
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	105,231,186		105,231,186	107,165,584
10. Agents' balances or uncollected premiums				
10.1 Premiums and agents' balances in course of collection .....	204,510		204,510	286,975
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	24,166,209		24,166,209	22,655,711
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 .....	777,233		777,233	1,232,816
15. Federal and foreign income tax recoverable and interest thereon (including \$ ..... 2,946,859 net deferred tax asset) .....	3,563,272	.616,413	2,946,859	2,737,463
16. Guaranty funds receivable or on deposit .....	49,393		49,393	49,393
17. Electronic data processing equipment and software .....	446,800	110,365	336,435	373,265
18. Interest, dividends and real estate income due and accrued .....	895,384		895,384	1,008,222
19. Net adjustments in assets and liabilities due to foreign exchange rates .....				
20. Receivable from parent, subsidiaries and affiliates .....	187,172		187,172	
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 .....	489,956	489,956		
25. Aggregate write-ins for other than invested assets .....	475,541	475,541	0	
26. Total assets excluding protected cell assets (Lines 9 through 25) .....	136,486,656	1,692,275	134,794,381	135,509,429
27. Protected cell assets .....				
28. TOTALS (Lines 26 and 27) .....	136,486,656	1,692,275	134,794,381	135,509,429
<b>DETAILS OF WRITE-INS</b>				
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. Prepaid expenses .....	475,541	475,541	0	0
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) .....	475,541	475,541	0	

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty Company**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 20,071,952 )	34,773,150	32,929,695
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	8,520,764	8,347,931
4. Commissions payable, contingent commissions and other similar charges	3,150,230	2,941,815
5. Other expenses (excluding taxes, licenses and fees)	2,401,014	1,367,902
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,303,238	1,918,070
7. Federal and foreign income taxes [including \$ 258,506 on realized capital gains (losses)] (including \$ net deferred tax liability)	1,396,804	624,337
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$ )	36,627,541	34,275,174
10. Advance premium	226,357	226,357
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	658,489	406,070
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	243,642	259,142
15. Remittances and items not allocated		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding	4,792,957	4,774,643
19. Payable to parent, subsidiaries and affiliates	1,083,032	978,258
20. Payable for securities		
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$ and interest thereon \$		
23. Aggregate write-ins for liabilities		
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	95,177,218	89,049,394
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	95,177,218	89,049,394
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	2,500,000	2,500,000
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	24,620,739	24,620,739
33. Unassigned funds (surplus)	12,496,424	19,339,296
34. Less treasury stock, at cost		
34.1 shares common (value included in Line 28 \$ )		
34.2 shares preferred (value included in Line 29 \$ )		
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	39,617,163	46,460,035
36. TOTALS	134,794,381	135,509,429
<b>DETAILS OF WRITE-INS</b>		
2301.		
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)		
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)		

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty Company**

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 35,616,738 )	33,483,382	34,077,830	45,517,999
1.2 Assumed (written \$ 37,638,029 )	37,419,018	29,456,381	41,092,767
1.3 Ceded (written \$ 1,542,235 )	1,542,235	1,820,575	2,286,277
1.4 Net (written \$ 71,712,532 )	69,360,165	61,713,636	84,324,489
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ 42,525,506 ):			
2.1 Direct	23,082,846	22,384,968	30,053,331
2.2 Assumed	23,846,433	19,131,560	26,040,087
2.3 Ceded	3,329,934	1,942,272	2,409,217
2.4 Net	43,599,345	39,574,256	53,684,201
3. Loss expenses incurred	6,335,384	4,451,864	7,410,008
4. Other underwriting expenses incurred	23,033,036	21,461,500	27,808,796
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2.4 thru 5)	72,967,765	65,487,620	88,903,005
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(3,607,600)	(3,773,984)	(4,578,516)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	3,080,202	3,570,737	4,730,253
10. Net realized capital gains or (losses)	749,760	719,975	1,413,869
11. Net investment gain (loss) (Lines 9 + 10)	3,829,962	4,290,712	6,144,122
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 1,490,054 )	(1,490,054)	(317,712)	(650,789)
13. Finance and service charges not included in premiums	5,256,478	3,799,087	5,152,962
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)	3,766,424	3,481,375	4,502,173
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	3,988,786	3,998,103	6,067,779
17. Dividends to policyholders			
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	3,988,786	3,998,103	6,067,779
19. Federal and foreign income taxes incurred	1,396,804	906,213	2,384,528
20. Net income (Line 18 minus Line 19)(to Line 22)	2,591,982	3,091,890	3,683,251
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	46,460,036	43,188,397	43,188,396
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20)	2,591,982	3,091,890	3,683,251
23. Net unrealized capital gains or losses	608,538	955,878	806,542
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax	238,122	641,512	363,334
26. Change in nonadmitted assets	(281,515)	83,895	(243,302)
27. Change in provision for reinsurance			
28. Change in surplus notes			
29. Surplus (contributed to) withdrawn from protected cells			
30. Cumulative effect of changes in accounting principles		2,416,481	2,961,815
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	(10,000,000)	(4,300,000)	(4,300,000)
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus			
37. Change in surplus as regards policyholders (Lines 22 through 36)	(6,842,873)	2,889,656	3,271,640
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	39,617,163	46,078,053	46,460,036
<b>DETAILS OF WRITE-INS</b>			
0501.			
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)			
1401.			
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)			
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page			
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)			

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty Company**

**CASH FLOW**

	1 Current Year to Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	70,536,918	85,100,482
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....	47,444,544	59,003,229
3. Underwriting expenses paid .....	22,406,341	29,243,686
4. Other underwriting income (expenses) .....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	686,033	(3,146,433)
6. Net investment income .....	3,435,228	4,690,519
7. Other income (expenses):		
7.1 Agents' balances charged off .....	(1,490,054)	(650,789)
7.2 Net funds held under reinsurance treaties .....		
7.3 Net amount withheld or retained for account of others .....	(15,500)	144,982
7.4 Aggregate write-ins for miscellaneous items .....	5,256,478	5,152,962
7.5 Total other income (Lines 7.1 to 7.4) .....	3,750,924	4,647,155
8. Dividends to policyholders on direct business, less \$ dividends on reinsurance assumed or ceded (net) .....		
9. Federal and foreign income taxes (paid) recovered .....	(624,338)	(813,276)
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	7,247,847	5,377,965
<b>Cash from Investments</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....	40,901,943	32,944,678
11.2 Stocks .....		
11.3 Mortgage loans .....		
11.4 Real estate .....		
11.5 Other invested assets .....		
11.6 Net gains or (losses) on cash and short-term investments .....	176	6,733
11.7 Miscellaneous proceeds .....		
11.8 Total investment proceeds (Lines 11.1 to 11.7) .....	40,902,119	32,951,411
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....	32,566,501	41,236,633
12.2 Stocks .....		
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....		
12.6 Miscellaneous applications .....		
12.7 Total investments acquired (Lines 12.1 to 12.6) .....	32,566,501	41,236,633
13. Net Cash from investments (Line 11.8 minus Line 12.7) .....	8,335,618	(8,285,222)
<b>Cash from Financing and Miscellaneous Sources</b>		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in .....		
14.2 Capital notes \$ less amounts repaid \$ .....		4,674,817
14.3 Net transfers from affiliates .....		
14.4 Borrowed funds received .....		
14.5 Other cash provided .....	36,830	627,008
14.6 Total (Lines 14.1 to 14.5) .....	36,830	5,301,825
15. Cash applied:		
15.1 Dividends to stockholders paid .....	10,000,000	4,300,000
15.2 Net transfers to affiliates .....	82,398	
15.3 Borrowed funds repaid .....		
15.4 Other applications .....	252,786	259,555
15.5 Total (Lines 15.1 to 15.4) .....	10,335,184	4,559,555
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	(10,298,354)	742,270
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16) .....	5,285,111	(2,164,987)
18. Cash and short-term investments:		
18.1 Beginning of year .....	5,150,295	7,315,282
18.2 End of year (Line 17 plus Line 18.1) .....	10,435,406	5,150,295
<b>DETAILS OF WRITE-INS</b>		
07.401 Finance and service charges not included in premium .....	5,256,478	5,152,962
07.402 .....		
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) .....	5,256,478	5,152,962

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty Company**

**NOTES TO FINANCIAL STATEMENTS**

9. INCOME TAXES

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

	<u>September 30, 2002</u> (in \$ thousands)
(1) Total of all deferred tax assets (DTAs) (admitted and nonadmitted)	\$4,374
(2) Total of all deferred tax liabilities (DTLs)	(811)
(3) Total deferred tax assets nonadmitted in accordance with SSAP No. 10 Income Taxes	(616)
(4) Net DTA (L)	<u>\$2,947</u>

B. The Company has recognized all Deferred Tax Liabilities as required in SSAP 10, paragraph 6D.

C. Current income taxes incurred consists of the following major components:

	<u>September 30, 2002</u> (in \$ thousands)
Current Year Expense (Benefit)	\$1,397
Tax Credits	-
Current Federal Income Taxes Incurred	<u>\$1,397</u>

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

(in \$thousands)

<b>DTAs RESULTING FROM BOOK/TAX DIFFERENCES</b>	<b>A/o September 30, 2002</b>	<b>A/o YTD December 31, 2001</b>	<b>Change</b>
Insurance Reserves	\$3,997	\$3,766	\$231
Non-Admitted Assets	377	370	7
Other Deferred Tax Assets	0	0	0
<b>Total DTAs</b>	<b>\$4,374</b>	<b>\$4,136</b>	<b>\$238</b>
<b>DTAs RESULTING FROM BOOK/TAX DIFFERENCES</b>	<b>A/o September 30, 2002</b>	<b>A/o YTD December 31, 2001</b>	<b>Change</b>
Invested Assets	(\$811)	(\$811)	\$0
Depreciation	0	0	0
<b>Total DTAs</b>	<b>(\$811)</b>	<b>(\$811)</b>	<b>\$0</b>
<b>Total Change in DTA</b>	<b>3,563</b>	<b>\$3,325</b>	<b>\$238</b>

D. Analysis of Actual Income Tax Expense

	<u>September 30, 2002</u> (in \$ thousands)
Total Book Earnings	\$3,989
Net Tax Exempt Investments	(435)
Change in Reserves	661
Other Adjustments	(223)
Total Adjustments	3
Total Taxable Current Income	<u>\$3,992</u>
Total Current Tax	<u>\$1,397</u>

10 INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

B&C. The Company had a transaction with its parent company, Prudential Property and Casualty Insurance Company involving more than 1/2 of 1% of total admitted assets of the Company. Effective June 28, 2002, the Company paid a cash dividend of \$10,000,000 to Prudential Property and Casualty Insurance Company.

D. At September 30, 2002, the Company reported \$1,083,032 as amounts due to and \$187,172 as amounts due from various affiliated companies. The terms of the agreement require that these amounts are settled within 90 days.

17. C. The Company has not participated in wash sales during 2002.

21. EVENTS SUBSEQUENT

Type II

On October 3, 2002, the Company's ultimate parent, Prudential Financial, Inc. (Prudential) announced that it is circulating information about its personal lines property and casualty business to other companies to assess interest in its potential sale. Prudential had previously said it was exploring options concerning the future of this business. Prudential stressed that it is exploring several alternatives and that it has not made a final decision.

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty Company****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 [X] No [ ]

2.2 If yes, has the report been filed with the domiciliary state? ..... Yes [X] 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 [ ] No [X]

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). ..... 08/08/1997

7.4 By what department or departments?

Ohio Department of Insurance.....

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 SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty 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: ..... \$ .....

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

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 .....	\$ .....	\$ .....
13.23 Common Stock .....	\$ .....	\$ .....
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) .....	\$ .....	\$ .....
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....

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 [X] No [ ]

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
Prudential Savings Bank.....	Atlanta, Georgia.....

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)
.....	.....	.....

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
Company directs its own investments.....	.....	.....

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty Company****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:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT			DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
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 .....				
2. Increase (decrease) by adjustment .....				
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 .....				
9. Total valuation allowance .....				
10. Subtotal (Lines 8 plus 9) .....				
11. Total nonadmitted amounts .....				
12. Statement value, current period (Page 2, real estate lines, current period)				

**NONE****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 .....				
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 .....				
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 .....				
10. Total valuation allowance .....				
11. Subtotal (Lines 9 plus 10) .....				
12. Total nonadmitted amounts .....				
13. Statement value of mortgages owned at end of current period				

**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 SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty 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
<b>BONDS</b>								
1. Class 1	56,807,675	20,021,211	12,761,000	417,770	80,431,521	56,807,675	64,485,657	78,730,779
2. Class 2	998,910	8,038,334	508,340	(515,548)	1,597,282	998,910	8,013,356	1,596,280
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	57,806,585	28,059,546	13,269,340	(97,778)	82,028,804	57,806,585	72,499,013	80,327,059
<b>PREFERRED STOCK</b>								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	57,806,585	28,059,546	13,269,340	(97,778)	82,028,804	57,806,585	72,499,013	80,327,059

**SCHEDULE DA - PART 1**

Short-Term Investments Owned End of Current Quarter				
	1 Book/Adjusted Carrying Value	2 Statement Value	3 Actual Cost	4 Amount of Interest Received Current Quarter
80999999 Totals		<b>NONE</b> XXX		

**SCHEDULE DA - PART 2- 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 .....				4,694,936
2. Cost of short-term investments acquired .....				2,951,399
3. Increase (decrease) by adjustment .....				
4. Increase (decrease) by foreign exchange adjustment .....				
5. Total profit (loss) on disposal of short-term investments .....				4,079
6. Consideration received on disposal of short-term investments .....				7,650,414
7. Book/adjusted carrying value, current period .....				
8. Total valuation allowance .....				
9. Subtotal (Lines 7 plus 8) .....				
10. Total nonadmitted amounts .....				
11. Statement value (Lines 9 minus 10) .....				
12. Income collected during period .....				46,804
13. Income earned during period				36,184

Schedule DB - Part F - Section 1  
**NONE**

Schedule DB - Part F - Section 2  
**NONE**

Schedule F  
**NONE**

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty 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	Yes	8,333,141	10,451,510	4,950,566	3,836,764	4,572,410
2. Alaska	AK	No					
3. Arizona	AZ	Yes	1,043,695	575,954	533,391	489,120	314,408
4. Arkansas	AR	Yes					
5. California	CA	No					
6. Colorado	CO	Yes	5,780	9,343	2,872	513	18,942
7. Connecticut	CT	Yes	1,055,662	1,568,738	827,901	971,806	1,241,664
8. Delaware	DE	No					
9. District of Columbia	DC	Yes					
10. Florida	FL	Yes	1,208,085	4,133,152	1,540,684	2,729,103	689,263
11. Georgia	GA	Yes	5,558,639	6,626,290	4,368,282	2,984,051	4,333,823
12. Hawaii	HI	No					
13. Idaho	ID	Yes					
14. Illinois	IL	Yes	1,562,056	750,909	664,421	410,696	501,999
15. Indiana	IN	Yes	672,281	823,040	509,368	470,433	304,666
16. Iowa	IA	Yes	3,756,843	2,557,299	1,711,353	1,583,814	1,444,060
17. Kansas	KS	Yes					
18. Kentucky	KY	Yes					
19. Louisiana	LA	No					
20. Maine	ME	No					
21. Maryland	MD	Yes					
22. Massachusetts	MA	Yes					
23. Michigan	MI	No					
24. Minnesota	MN	Yes					
25. Mississippi	MS	Yes	487,515	806,628	322,377	280,725	349,371
26. Missouri	MO	Yes	376,355	299,229	139,047	495,540	143,310
27. Montana	MT	Yes					
28. Nebraska	NE	Yes					
29. Nevada	NV	Yes					
30. New Hampshire	NH	No					
31. New Jersey	NJ	No					
32. New Mexico	NM	Yes					
33. New York	NY	Yes	746,613	1,018,548	1,816,282	1,473,210	1,844,397
34. North Carolina	NC	No					
35. North Dakota	ND	Yes					
36. Ohio	OH	Yes	5,803,039	4,718,351	2,896,064	2,616,040	3,015,712
37. Oklahoma	OK	Yes					
38. Oregon	OR	Yes					
39. Pennsylvania	PA	Yes	59,075	121,547	162,612	104,275	74,559
40. Rhode Island	RI	No					
41. South Carolina	SC	Yes					
42. South Dakota	SD	Yes					
43. Tennessee	TN	Yes	1,744,513	649,076	648,920	542,865	616,716
44. Texas	TX	Yes					
45. Utah	UT	Yes					
46. Vermont	VT	No					
47. Virginia	VA	Yes	2,809,748	1,577,535	589,671	879,455	938,828
48. Washington	WA	Yes					
49. West Virginia	WV	Yes					
50. Wisconsin	WI	Yes	393,698	386,554	68,586	369,887	214,893
51. Wyoming	WY	Yes					
52. American Samoa	AS	No					
53. Guam	GU	No					
54. Puerto Rico	PR	No					
55. U.S. Virgin Islands	VI	No					
56. Canada	CN	No					
57. Aggregate Other Aliens	OT	XXX					
58. Totals	(a)	39	35,616,738	37,073,703	21,752,397	20,238,297	20,619,021
<b>DETAILS OF WRITE-INS</b>							
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**

**NONE**

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty 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				
2. Allied Lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical malpractice - occurrence				
11.2 Medical malpractice - claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims-made				
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1,19.2 Private passenger auto liability	21,808,309	15,048,623	69.0	66.5
19.3,19.4 Commercial auto liability	4,017,970	4,010,140	99.8	88.1
21. Auto physical damage	7,657,103	4,024,083	52.6	56.0
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
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				
34. Totals	33,483,382	23,082,846	68.9	65.7
<b>DETAILS OF WRITE-INS</b>				
3301.				
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)				

**PART 2 - DIRECT PREMIUMS WRITTEN**

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied Lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical malpractice - occurrence			
11.2 Medical malpractice - claims-made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability - occurrence			
17.2 Other liability - claims-made			
18.1 Products liability - occurrence			
18.2 Products liability - claims-made			
19.1,19.2 Private passenger auto liability	7,153,415	22,990,389	24,065,093
19.3,19.4 Commercial auto liability	1,631,124	4,595,599	4,038,678
21. Auto physical damage	2,631,987	8,030,749	8,969,931
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
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			
34. Totals	11,416,526	35,616,737	37,073,702
<b>DETAILS OF WRITE-INS</b>			
3301.			
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)			

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty Company**

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (a) (Cols. 1 + 2)	4 2002 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2002 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2002 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened and open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (b) (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (c) (Cols. 11 + 12)
1. 1999 + Prior	6,323	219	6,542	3,590	21	3,611	2,792	132	174	3,098	58	108	167
2. 2000	8,423	788	9,211	4,287	69	4,356	4,375	20	418	4,813	239	(281)	(42)
3. Subtotals 2000 + Prior	14,746	1,007	15,753	7,877	90	7,967	7,166	153	592	7,911	297	(172)	125
4. 2001	20,523	5,001	25,525	13,041	996	14,037	8,717	671	1,684	11,073	1,235	(1,650)	(415)
5. Subtotals 2001 + Prior	35,269	6,008	41,278	20,918	1,087	22,004	15,884	824	2,276	18,983	1,532	(1,822)	(200)
6. 2002	XXX	XXX	XXX	XXX	25,914	25,914	XXX	18,300	6,011	24,310	XXX	XXX	XXX
7. Totals	35,269	6,008	41,278	20,918	27,001	47,918	15,884	19,124	8,286	43,294	1,532	(1,822)	(200)
8. Prior Year-End's Surplus As Regards Policyholders											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.	4.3	2.
												(30.3)	3.
													(0.7)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4.
													(0.6)

(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

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### 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? ..... No .....

**Explanations:**

**Bar Codes:**

Trusted Surplus Statement (Document Identifier 490) here:



Supplement A to Schedule T (Document Identifier 450) here:



**OVERFLOW PAGE FOR WRITE-INS**

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Schedule A - Part 2  
**NONE**

Schedule A - Part 3  
**NONE**

Schedule B - Part 1  
**NONE**

Schedule B - Part 2  
**NONE**

Schedule BA - Part 1  
**NONE**

Schedule BA - Part 2  
**NONE**

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty 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)
.917542-HR-6	UTAH ST GEN OBLIG 5.000% 07/01/06 UNLTD 5.00000 07/01/2006 Aaa/AAA	07/03/2002	Internal Debt Reengineering		791,649	750,000		1PE
Total Utah					791,649	750,000	0	XXX
939741-MT-8	WA ST GEN OBLIG UNLTD 6.250% 09/01/07 6.25000 09/01/2007 Aa1/AA+	07/03/2002	Internal Debt Reengineering		450,749	400,000	8,333	1PE
Total Washington					450,749	400,000	8,333	XXX
Total United States					1,242,398	1,150,000	8,333	XXX
1799996 - Bonds - States, Territory, Poss - United States					1,242,398	1,150,000	8,333	XXX
1799999 - Total - Bonds - States, Territories and Possessions					1,242,398	1,150,000	8,333	XXX
795168-EU-3	SALINE KS UNI SCH SCH 5.500% 09/01/14 GEN OBLIG 5.50000 09/01/2014 Aaa/NR	07/03/2002	Internal Debt Reengineering		235,674	225,000	4,125	1PE
Total Kansas					235,674	225,000	4,125	XXX
.866050-3Y-1	SUMMIT CNTY OH GEN 5.500% 12/01/14 OBLIG 5.50000 12/01/2014 Aaa/AAA	07/03/2002	Internal Debt Reengineering		262,749	250,000	1,146	1PE
Total Ohio					262,749	250,000	1,146	XXX
.179162-DQ-2	CLACKAMAS CNTY OR SCH 6.000% 06/15/14 DIST BD 6.00000 06/15/2014 Aa2/AA	07/03/2002	Internal Debt Reengineering		216,534	200,000	533	1PE
Total Oregon					216,534	200,000	533	XXX
.763665-QV-1	RICHLAND CNTY SC SCH 5.750% 03/01/16 GEN OBLIG 5.75000 03/01/2016 Aa1/AA+	07/03/2002	Internal Debt Reengineering		210,740	200,000	3,833	1PE
Total South Carolina					210,740	200,000	3,833	XXX
.165321-Z3-7	CHESAPEAKE VA GEN 5.250% 12/01/06 OBLIG UNLTD 5.25000 12/01/2006 Aa2/AA	07/03/2002	Internal Debt Reengineering		478,543	450,000	1,969	1PE
Total Virginia					478,543	450,000	1,969	XXX
Total United States					1,404,240	1,325,000	11,606	XXX
2499996 - Bonds - Political Subdivision - United States					1,404,240	1,325,000	11,606	XXX
2499999 - Total - Bonds - Political Subdivisions					1,404,240	1,325,000	11,606	XXX
.010517-EH-9	AL ST DOCKS DEPT FACS 6.000% 10/01/07 REV BD 6.00000 10/01/2007 Aaa/AAA	07/03/2002	Internal Debt Reengineering		835,357	750,000	11,250	1PE
Total Alabama					835,357	750,000	11,250	XXX
.040588-SQ-9	AZ ST CTFS PARTN 5.000% 03/01/06 5.00000 03/01/2006 Aaa/AAA	07/03/2002	Internal Debt Reengineering		786,474	750,000	12,500	1PE
Total Arizona					786,474	750,000	12,500	XXX
207757-T6-2	CT ST SPL TAX OBLIG 5.000% 10/01/05 REV BD 5.00000 10/01/2005 Aaa/AAA	07/03/2002	Internal Debt Reengineering		796,576	750,000	9,375	1PE
Total Connecticut					796,576	750,000	9,375	XXX
.3133MD-JP-9	FEDERAL HOME LOAN BANK 5.125% 03/06/06 5.12500 03/06/2006 AGY/AGY	07/31/2002	Chase Securities Inc.		951,961	900,000	18,578	1PE
.3134A4-CX-0	FHLMC 5.36824 5.250% 01/15/06 01/15/2006 AGY/AGY	07/31/2002	Lehman Government Securities I		954,041	900,000	2,100	1
.31359M-JX-2	FNMA 5.25000 5.250% 06/15/06 06/15/2006 AGY/AGY	07/31/2002	Lehman Government Securities I		953,650	900,000	6,038	1
Total Dist. of Colum					2,859,652	2,700,000	26,716	XXX
.197493-LJ-6	COLUMBIA CNTY GA W&S 5.700% 06/01/15 REV BD 5.70000 06/01/2015 Aaa/AAA	07/03/2002	Internal Debt Reengineering		829,090	750,000	3,563	1PE
.373382-2X-7	GEORGIA STATE GENERAL 6.250% 04/01/08 OBLIGATION S	07/03/2002	Internal Debt Reengineering		205,051	195,000	3,047	1PE
.373383-DU-9	GEORGIA ST 5.75000 5.750% 09/01/09 09/01/2009 Aaa/AAA	07/03/2002	Internal Debt Reengineering		833,496	750,000	14,375	1PE
Total Georgia					1,867,637	1,695,000	20,985	XXX
167484-YB-4	CITY OF CHICAGO IL 5.500% 01/01/10 5.50000 01/01/2010 Aaa/AAA	07/03/2002	Internal Debt Reengineering		808,173	750,000		1PE
Total Illinois					808,173	750,000	0	XXX
.603827-EE-2	MINNEAPOLIS & ST PAUL 5.500% 01/01/18 APR REV 5.50000 01/01/2018 NR/AAA	07/03/2002	Internal Debt Reengineering		510,894	500,000		1PE
Total Minnesota					510,894	500,000	0	XXX
645910-AT-7	NJ ECONOMIC DEV AUTH 5.000% 07/01/05 FACS REV 5.00000 07/01/2005 Aaa/AAA	07/03/2002	Internal Debt Reengineering		796,237	750,000		1PE
Total New Jersey					796,237	750,000	0	XXX

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty 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)
647310-WD-9.....	NM ST SEVERANCE TAX BD 5.000% 07/01/08 5.00000 07/01/2008 Aa2/AA.....	07/03/2002.....	Internal Debt Reengineering.....		480,764	450,000		1PE
Total New Mexico					480,764	450,000	0	XXX
64983X-4C-5.....	NY ST DORM ST DORM 5.000% 07/01/07 AUTH REV BD 5.00000 08/01/2007 NR/AA-.....	07/03/2002.....	Internal Debt Reengineering.....		473,576	450,000		1PE
Total New York					473,576	450,000	0	XXX
.522786-BH-4.....	LEBANON OH ELEC REV BD 5.750% 12/01/16 5.75000 12/01/2016 Aaa/AAA.....	07/03/2002.....	Internal Debt Reengineering.....		248,117	235,000	1,126	1PE
Total Ohio					248,117	235,000	1,126	XXX
.165141-CY-6.....	CHESAPEAKE BAY BRDG & 5.000% 07/01/07 TUN REV 5.00000 07/01/2007 NR/AAA.....	07/03/2002.....	Internal Debt Reengineering.....		766,378	725,000		1PE
Total Virginia					766,378	725,000	0	XXX
.498080-KA-7.....	KITSAP CNTY WA SCH DST 5.500% 12/01/14 GEN OBL 5.50000 12/01/2014 Aa1/NR.....	07/03/2002.....	Internal Debt Reengineering.....		271,720	260,000	1,192	1PE
Total Washington					271,720	260,000	1,192	XXX
Total United States					11,501,555	10,765,000	83,144	XXX
319996 - Bonds - Special Revenues - United States					11,501,555	10,765,000	83,144	XXX
319999 - Total - Bonds - Special Revenue					11,501,555	10,765,000	83,144	XXX
.032511-AS-6.....	ANADARKO PETE CORP 5.375% 03/01/07 5.37500 03/01/2007 Baa1/BBB.....	07/24/2002.....	M.R. Beal & Co.....		465,858	450,000	10,548	2
12189T-AP-9.....	BURLINGTON NORTHERN 7.875% 04/15/07 SANTA FE 7.87500 04/15/2007 BAA2/BBB.....	07/25/2002.....	Chase Securities Inc.....		483,085	425,000	9,762	2PE
.126408-AD-5.....	C S X CORP CSX 9.000% 08/15/06 CORPORATION.....	07/31/2002.....	Chase Securities Inc.....		457,788	400,000	17,000	2PE
.134429-AQ-2.....	CAMPBELL SOUP CO 5.500% 03/15/07 5.50000 03/15/2007 A3/A.....	07/24/2002.....	First Tennessee Bank.....		578,628	550,000	10,924	1PE
.14911R-AD-1.....	CATERPILLAR FIN SERV 5.950% 05/01/06 CRP NT 5.95000 05/01/2006 A2/A+.....	07/24/2002.....	Goldman Sachs.....		582,120	550,000	7,999	1
.205887-AZ-5.....	CONAGRA 6.00000 6.000% 09/15/06 09/15/2006 Baa1/BBB.....	07/18/2002.....	Barclays Capital Inc.....		524,030	500,000	10,667	2
.22237L-MQ-2.....	COUNTRYWIDE FDC CORP 5.625% 05/15/07 5.62500 05/15/2007 A3/A.....	07/24/2002.....	Spear Leeds & Kellogg.....		621,504	600,000	6,750	1PE
.244217-BF-1.....	DEERE JOHN CAPITAL 5.125% 10/19/06 CORP 5.12500 10/19/2006 A2/A.....	07/24/2002.....	Goldman Sachs.....		613,098	600,000	8,542	1PE
.264414-AP-8.....	DUKE REALTY LTD PATS 7.375% 09/22/05 7.37500 09/22/2005 Baa1/BBB.....	07/30/2002.....	Warburgd.....		540,115	500,000	13,316	2PE
.370334-AR-5.....	GENERAL MILLS INC 5.125% 02/15/07 5.12500 02/15/2007 Baa1/A-.....	07/24/2002.....	Chase Securities Inc.....		512,210	500,000	11,247	2PE
.460146-BK-8.....	INTL PAPER CORP 8.125% 07/08/05 8.12500 07/08/2005 Baa1/BBB.....	07/24/2002.....	M.R. Beal & Co.....		501,638	450,000	2,133	2
.487836-AR-9.....	KELLOGG COMPANY 6.000% 04/01/06.....	07/24/2002.....	Morgan Stanley.....		479,016	450,000	8,850	2
.501044-BU-4.....	KROGER COMPANY 7.62500 7.625% 09/15/06 09/15/2006 Baa3/BBB.....	07/24/2002.....	Warburgd.....		498,222	450,000	12,772	2
.524908-DD-9.....	LEHMAN BROTHERS HLDG 6.250% 05/15/06 INC 6.25000 05/15/2006 A2/A.....	07/24/2002.....	First Tennessee Bank.....		583,226	550,000	7,066	1
.53117E-AA-6.....	LIBERTY PROPERTY LP 6.950% 12/01/06 6.9500 12/01/2006 BAA3/BBB.....	07/30/2002.....	Alex Brown & Sons.....		531,165	500,000	5,888	2
.534187-AN-9.....	LINCOLN NATL CORP IND 5.250% 06/15/07 5.25000 06/15/2007 A3/A-.....	07/24/2002.....	Morgan Stanley.....		619,752	600,000	4,900	1PE
.539830-AC-3.....	LOCKHEED MARTIN CORP 7.250% 05/15/06 DEB.....	07/24/2002.....	First Tennessee Bank.....		494,690	450,000	6,706	2PE
.571748-AD-4.....	MARSH & MCLENNAN COS 5.375% 03/15/07 INC.....	07/30/2002.....	Advest Inc.....		623,346	600,000	11,915	1Z
.59156R-AB-4.....	METLIFE INC 5.25000 5.250% 12/01/06 12/01/2006 A1/A.....	07/24/2002.....	Spear Leeds & Kellogg.....		621,156	600,000	5,075	1
.655844-AM-0.....	NORFOLK SOUTN CORP 8.375% 05/15/05 8.37500 05/15/2005 Baa1/BBB.....	07/12/2002.....	Chase Securities Inc.....		557,330	500,000	7,212	2PE
.693476-AR-4.....	P N C FUNDING CORP 5.750% 08/01/06 5.75000 08/01/2006 A2/A-.....	07/30/2002.....	Spear Leeds & Kellogg.....		514,600	500,000	80	1PE
.786514-BB-4.....	SAFeway STORES INC 6.150% 03/01/06 6.15000 03/01/2006 Baa2/BBB.....	07/24/2002.....	Barclays Capital Inc.....		475,920	450,000	11,378	2

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty 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)
.88033G-AR-1.....	TENET HEALTHCARE CORP 5.375% 11/15/06 5.37500 11/15/2006 Baa3/BBB.....	.07/24/2002.....	Salomon Brothers.....		.506,645.....	.500,000.....	.5,524.....	.2.....
.907818-AY-4.....	UNION PAC CORP NT 6.400% 02/01/06.....	.07/24/2002.....	Spear Leeds & Kellogg.....		.480,479.....	.450,000.....	.14,240.....	.2PE.....
.90807E-AF-2.....	UNION PLANTERS BK NT 5.125% 06/15/07 5.12500 06/15/2007 A1/BBB.....	.07/24/2002.....	Spear Leeds & Kellogg.....		.515,590.....	.500,000.....	.3,701.....	.1.....
.92839U-AA-5.....	VISTEON CORP 7.95000 7.9500% 08/01/05 08/01/2005 Baa2/BBB.....	.07/30/2002.....	Salomon Brothers.....		.530,145.....	.500,000.....	.110.....	.2.....
	Total United States				13,911,356	13,125,000	214,305	XXX
	4599996 - Bonds - Industrial and Misc - United States				13,911,356	13,125,000	214,305	XXX
	4599999 - Total - Bonds - Industrial, Misc.				13,911,356	13,125,000	214,305	XXX
	6099997 - Total - Bonds - Part 3				28,059,549	26,365,000	317,388	XXX
	6099999 - Total - Bonds				28,059,549	26,365,000	317,388	XXX
	6599999 - Total - Preferred Stocks					XXX		XXX
	7099999 - Total - Common Stocks					XXX		XXX
	7199999 - Total - Preferred and Common Stocks					XXX		XXX
	7299999 - Totals				28,059,549	XXX	317,388	XXX

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

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty 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 CUSIP Identifi- cation	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value at Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designa- tion (a)	
36203B-L8-5	GNMA POOL NO 344251 8.500% 03/15/23.	09/01/2002	Paydown.		.910	.910	.955	.910	(.46)					.0	.13	1	
36203D-EF-3	GNMA POOL NO 345834 7.000% 08/15/23.	09/01/2002	Paydown.		6,886	6,886	6,994	6,886	(107)					.0	.95	1	
36203K-K5-2	GNMA POOL NO 351416 7.000% 01/15/24.	09/01/2002	Paydown.		9,756	9,756	9,910	9,756	(151)					.0	.117	1	
36203K-S5-4	GNMA POOL NO 351640 7.000% 06/15/23.	09/01/2002	Paydown.		1,081	1,081	1,098	1,081	(17)					.0	.18	1	
36203Y-PZ-1	GNMA POOL NO 363240 8.000% 07/15/23.	09/01/2002	Paydown.		34,340	34,340	35,579	34,340	(1,256)					.0	.681	1	
36204C-TM-7	GNMA POOL NO 366400 7.000% 12/15/23.	09/01/2002	Paydown.		1,756	1,756	1,783	1,756	(27)					.0	.24	1	
36204M-B6-5	GNMA POOL NO 373661 7.000% 04/15/26.	09/01/2002	Paydown.		1,475	1,475	1,498	1,475	(24)					.0	.17	1	
36204Q-EH-9	GNMA POOL NO 376436 7.000% 03/15/24.	09/01/2002	Paydown.		10,893	10,893	11,065	10,893	(169)					.0	.174	1	
36204X-JJ-5	GNMA POOL NO 382865 7.000% 01/15/24.	09/01/2002	Paydown.		3,986	3,986	4,049	3,986	(61)					.0	.56	1	
36205B-LC-4	GNMA POOL NO 385623 7.000% 05/15/24.	09/01/2002	Paydown.		1,980	1,980	2,011	1,980	(31)					.0	.24	1	
36205R-WX-1	GNMA POOL NO 388562 7.000% 04/15/26.	09/01/2002	Paydown.		60,258	60,258	61,219	60,258	(953)					.0	.592	1	
36206B-QW-4	GNMA POOL NO 406469 7.000% 03/15/26.	09/01/2002	Paydown.		10,944	10,944	11,118	10,944	(174)					.0	.95	1	
36206P-Q5-2	GNMA POOL NO 417276 7.000% 02/15/26.	09/01/2002	Paydown.		4,220	4,220	4,287	4,220	(67)					.0	.54	1	
36207A-LQ-3	GNMA POOL NO 426135 7.000% 10/15/26.	09/01/2002	Paydown.		63,966	63,966	64,986	63,966	(993)					.0	.527	1	
36207A-U3-4	GNMA POOL NO 426402 7.000% 01/15/26.	09/01/2002	Paydown.		23,997	23,997	24,379	23,997	(380)					.0	.151	1	
36208C-F2-8	GNMA1 SINGLE FAMILY 7.000% 08/15/28	09/01/2002	Paydown.		62,432	62,432	63,417	62,432	(984)					.0	.820	1	
36208C-GN-1	POOL NO 446705	09/01/2002	Paydown.		2,905	2,905	2,951	2,905	(46)					.0	.34	1	
36208F-KL-3	GNMA1 SINGLE FAMILY 7.000% 01/15/28	09/01/2002	Paydown.		49,912	49,912	50,702	49,912	(788)					.0	.676	1	
36208Q-YX-8	POOL NO 458026	09/01/2002	Paydown.		322,392	322,392	325,998	322,392	(3,576)					.0	3,024	1	
36208Q-ZJ-8	GNMA1 SINGLE FAMILY 6.500% 02/15/29	09/01/2002	Paydown.		53,239	53,239	53,835	53,239	(599)					.0	.302	1	
36208V-NX-9	POOL NO 458045	09/01/2002	Paydown.		35,490	35,490	36,053	35,490	(578)					.0	.612	1	
36208X-2G-5	GNMA1 SINGLE FAMILY 6.500% 07/15/28	09/01/2002	Paydown.		24,030	24,030	24,342	24,030	(311)					.0	.232	1	
36208X-2G-5	GNMA1 30 YR POOL NO 6.500% 12/15/28	09/01/2002	Paydown.											.0			
36208X-4H-1	464424	09/01/2002	Paydown.		194,205	194,205	196,730	194,205	(2,470)					.0	2,350	1	
36209M-3R-3	POOL NO 476108	09/01/2002	Paydown.		10,725	10,725	10,887	10,725	(162)					.0	.156	1	
36209M-4C-5	GNMA1 SINGLE FAMILY 7.000% 07/15/28	09/01/2002	Paydown.		173,595	173,595	176,213	173,595	(2,624)					.0	2,048	1	
36210M-EN-7	POOL NO 496141	09/01/2002	Paydown.		243,272	243,272	245,251	243,272	(1,968)					.0	2,888	1	
36220E-UF-9	GNMA POOL NO 298582 8.000% 11/15/21	09/01/2002	Paydown.		7,617	7,617	8,004	7,617	(384)					.0	.123	1	
36222M-YM-2	GNMA POOL NO 312216 8.000% 11/15/21	09/01/2002	Paydown.		.781	.781	.820	.781	(39)					.0	.10	1	
36222T-FU-0	GNMA POOL NO 317079 7.000% 05/15/26	09/01/2002	Paydown.		12,348	12,348	12,545	12,348	(194)					.0	.172	1	
36224H-EP-7	GNMA POOL NO 328742 8.000% 06/15/22	09/01/2002	Paydown.		21,032	21,032	22,106	21,032	(1,055)					.0	.144	1	
36224S-C2-2	GNMA POOL NO 336917 7.000% 05/15/23	09/01/2002	Paydown.		2,858	2,858	2,903	2,858	(44)					.0	.31	1	
36225A-UL-2	GNMA POOL NO 780587 7.000% 06/15/27	09/01/2002	Paydown.		15,941	15,941	16,193	15,941	(253)					.0	.201	1	
Total United States					1,469,222	1,469,222	1,489,881	1,469,222	(20,531)	0	0	0	0	0	16,461	XXX	XXX
039996 - Bonds - U.S. Government					1,469,222	1,469,222	1,489,881	1,469,222	(20,531)	0	0	0	0	0	16,461	XXX	XXX
039999 - Bonds - U.S. Governments					1,469,222	1,469,222	1,489,881	1,469,222	(20,531)	0	0	0	0	0	16,461	XXX	XXX
917542-HR-6	UTAH ST GEN OBLIG 5.000% 07/01/06 UNLTD 5.00000 07/01/2006 Aaa/AAA	07/01/2002	Internal Debt Reengineering		791,649	.750,000	.797,258	791,649						.0	.18,750		1PE
Total Utah					791,649	.750,000	.797,258	791,649	0	0	0	0	0	0	18,750	XXX	XXX
939741-MT-8	WA ST GEN OBLIG UNLTD 6.250% 09/01/07 6.25000 09/01/2007 Aa1/AA+	07/01/2002	Internal Debt Reengineering		450,749	400,000	453,888	450,749						.0	8,333		1PE
Total Washington					450,749	400,000	453,888	450,749	0	0	0	0	0	0	8,333	XXX	XXX
Total United States					1,242,398	1,150,000	1,251,146	1,242,398	0	0	0	0	0	0	27,083	XXX	XXX
179996 - Bonds - States, Territory, Poss - United States					1,242,398	1,150,000	1,251,146	1,242,398	0	0	0	0	0	0	27,083	XXX	XXX

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty 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 CUSIP Identifi- cation	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value at Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Designa- tion (a)	
179999 - Bonds - States, Territories and Possessions					1,242,398	1,150,000	1,251,146	1,242,398	0	0	0	0	0	27,083	XXX	XXX	
	SALINE KS UNI SCH SCH 5.500% 09/01/14																
795168-EU-3...	GEN OBLI 5.50000 09/01/2014 Aaa/NR	07/01/2002	Internal Debt Reengineering		235,674	225,000	236,655	235,674		0	0	0	0	0	4,125	1PE	
Total Kansas					235,674	225,000	236,655	235,674	0	0	0	0	0	4,125	XXX	XXX	
866050-3Y-1...	SUMMIT CNTY OH GEN 5.500% 12/01/14 OBLIG 5.50000 12/01/2014 Aaa/AAA	07/01/2002	Internal Debt Reengineering		262,749	250,000	263,745	262,749						0	1,146	1PE	
Total Ohio					262,749	250,000	263,745	262,749	0	0	0	0	0	1,146	XXX	XXX	
179162-DQ-2...	CLACKAMAS CNTY OR SCH 6.000% 06/15/14																
	DIST BD 6.00000 06/15/2014 Aa2/AA	07/01/2002	Internal Debt Reengineering		216,534	200,000	218,334	216,534						0	533	1PE	
Total Oregon					216,534	200,000	218,334	216,534	0	0	0	0	0	533	XXX	XXX	
763665-QV-1...	RICHLAND CNTY SC SCH 5.750% 03/01/16 GEN OBLIG 5.75000 03/01/2016 Aa1/AA+	07/01/2002	Internal Debt Reengineering		210,740	200,000	211,952	210,740						0	3,833	1PE	
Total South Carolina					210,740	200,000	211,952	210,740	0	0	0	0	0	3,833	XXX	XXX	
165321-Z3-7...	CHESAPEAKE VA GEN 5.250% 12/01/06 OBLIG UNLTD 5.25000 12/01/2006 Aa2/AA	07/01/2002	Internal Debt Reengineering		478,543	450,000	481,662	478,543						0	1,969	1PE	
Total Virginia					478,543	450,000	481,662	478,543	0	0	0	0	0	1,969	XXX	XXX	
Total United States					1,404,240	1,325,000	1,412,348	1,404,240		0	0	0	0	0	11,606	XXX	XXX
2499996 - Bonds - Political Subdivisions - United States					1,404,240	1,325,000	1,412,348	1,404,240	0	0	0	0	0	11,606	XXX	XXX	
2499999 - Bonds - Political Subdivisions					1,404,240	1,325,000	1,412,348	1,404,240	0	0	0	0	0	11,606	XXX	XXX	
010517-EH-9...	AL ST DOCKS DEPT FACS 6.000% 10/01/07				835,357	750,000	840,720	835,357						0	11,250	1PE	
	REV BD 6.00000 10/01/2007 Aaa/AAA	07/01/2002	Internal Debt Reengineering		835,357	750,000	840,720	835,357	0	0	0	0	0	11,250	XXX	XXX	
Total Alabama					835,357	750,000	840,720	835,357	0	0	0	0	0	11,250	XXX	XXX	
040588-SQ-9...	AZ ST CTIFS PARTN 5.000% 03/01/06 5.00000 03/01/2006 Aaa/AAA	07/01/2002	Internal Debt Reengineering		786,474	750,000	791,468	786,474						0	12,500	1PE	
Total Arizona					786,474	750,000	791,468	786,474	0	0	0	0	0	12,500	XXX	XXX	
207757-T6-2...	CT ST SPL TAX OBLIG 5.000% 10/01/05 REV BD 5.00000 10/01/2005 Aaa/AAA	07/01/2002	Internal Debt Reengineering		796,576	750,000	804,653	796,576						0	9,375	1PE	
Total Connecticut					796,576	750,000	804,653	796,576	0	0	0	0	0	9,375	XXX	XXX	
197493-LJ-6...	COLUMBIA CNTY GA W&S 5.700% 06/01/15 REV BD 5.70000 06/01/2015 Aaa/AAA	07/01/2002	Internal Debt Reengineering		829,090	750,000	838,185	829,090						0	3,563	1PE	
	GEORGIA STATE GENERAL 6.250% 04/01/08																
373382-2X-7...	OBLIGATION S.	07/01/2002	Internal Debt Reengineering		205,051	195,000	208,588	205,051						0	3,047	1PE	
373383-DU-9...	GEORGIA ST 5.75000 5.750% 09/01/09 09/01/2009 Aaa/AAA	07/01/2002	Internal Debt Reengineering		833,496	750,000	839,453	833,496						0	14,375	1PE	
Total Georgia					1,867,637	1,695,000	1,886,226	1,867,637	0	0	0	0	0	20,985	XXX	XXX	
167484-YB-4...	CITY OF CHICAGO IL 5.500% 01/01/10 5.50000 01/01/2010 Aaa/AAA	07/01/2002	Internal Debt Reengineering		808,173	750,000	811,838	808,173						0	20,625	1PE	
Total Illinois					808,173	750,000	811,838	808,173	0	0	0	0	0	20,625	XXX	XXX	
603827-EE-2...	MINNEAPOLIS & ST PAUL 5.500% 01/01/18 ARPT REV 5.50000 01/01/2018 NR/AAA	07/01/2002	Internal Debt Reengineering		510,894	500,000	511,940	510,894						0	13,750	1PE	
Total Minnesota					510,894	500,000	511,940	510,894	0	0	0	0	0	13,750	XXX	XXX	
645910-AT-7...	NJ ECONOMIC DEV AUTH 5.000% 07/01/05 FACS REV 5.00000 07/01/2005 Aaa/AAA	07/01/2002	Internal Debt Reengineering		796,237	750,000	804,923	796,237						0	18,750	1PE	
Total New Jersey					796,237	750,000	804,923	796,237	0	0	0	0	0	18,750	XXX	XXX	
647310-WD-9...	NM ST SEVERANCE TAX BD 5.000% 07/01/08 5.00000 07/01/2008 Aa2/AA	07/01/2002	Internal Debt Reengineering		480,764	450,000	483,665	480,764						0	15,000	1PE	

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty 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 CUSIP Identifi- cation	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value at Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year	17 NAIC Desig- nation (a)		
	Total New Mexico				480,764	450,000	483,665	480,764	0	0	0	0	0	0	15,000	XXX	XXX	
64983X-4C-5	NY ST DORM ST DORM 5.000% 07/01/07 AUTH REV BD 5.00000 08/01/2007 NR/AA- 07/01/2002 Internal Debt Reengineering				473,576	450,000	475,871	473,576					0	0	14,125		1PE	
	Total New York				473,576	450,000	475,871	473,576	0	0	0	0	0	0	0	14,125	XXX	XXX
522786-BH-4	LEBANON OH ELEC REV BD 5.750% 12/01/16 5.75000 12/01/2016 Aaa/AAA	07/01/2002	Internal Debt Reengineering		248,117	235,000	249,279	248,117						0	0	1,126	1PE	
	Total Ohio				248,117	235,000	249,279	248,117	0	0	0	0	0	0	0	1,126	XXX	XXX
165141-CY-6	CHESAPEAKE BAY BRDG & 5.000% 07/01/07 TUN REV 5.00000 07/01/2007 NR/AA- 07/01/2002 Internal Debt Reengineering				766,378	725,000	770,545	766,378					0	0	24,167	1PE		
	Total Virginia				766,378	725,000	770,545	766,378	0	0	0	0	0	0	0	24,167	XXX	XXX
498080-KA-7	KITSAP CNTY WA SCH DST 5.500% 12/01/14 GEN OBL 5.50000 12/01/2014 Aa1/NR- 07/01/2002 Internal Debt Reengineering				271,720	260,000	272,844	271,720					0	0	1,192	1PE		
	Total Washington				271,720	260,000	272,844	271,720	0	0	0	0	0	0	0	1,192	XXX	XXX
	Total United States				8,641,903	8,065,000	8,703,972	8,641,903	0	0	0	0	0	0	0	162,845	XXX	XXX
	319999 - Bonds - Special Revenues - United States				8,641,903	8,065,000	8,703,972	8,641,903	0	0	0	0	0	0	0	162,845	XXX	XXX
	319999 - Bonds - Special Revenues				8,641,903	8,065,000	8,703,972	8,641,903	0	0	0	0	0	0	0	162,845	XXX	XXX
130209-M8-9	CALIFORNIA FED BANK 5.212% 08/25/30 SER 90-BN1- 09/01/2002 Paydown				3,237	3,237	3,237	3,237						0	0	24	1PE	
872287-AB-3	TCI COMMUNICATIONS INC 8.000% 08/01/05 SR NT- 07/15/2002 Morgan Stanley				458,980	500,000	512,765	508,340	(90)				(49,360)	(49,360)	18,556	2		
	Total United States				462,217	503,237	516,002	511,577	(90)	0	0	(49,360)	(49,360)	18,580	XXX	XXX		
	4599996 - Bonds - Industrial and Misc - United States				462,217	503,237	516,002	511,577	(90)	0	0	(49,360)	(49,360)	18,580	XXX	XXX		
	4599999 - Bonds - Industrial and Miscellaneous				462,217	503,237	516,002	511,577	(90)	0	0	(49,360)	(49,360)	18,580	XXX	XXX		
	6099997 - Bonds - Part 4				13,219,980	12,512,459	13,373,349	13,269,340	(20,621)	0	0	(49,360)	(49,360)	236,575	XXX	XXX		
	6099999 - Total - Bonds				13,219,980	12,512,459	13,373,349	13,269,340	(20,621)			(49,360)	(49,360)	236,575	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				13,219,980	XXX	13,373,349	13,269,340	(20,621)			(49,360)	(49,360)	236,575		XXX		

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

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**

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE Victoria Fire & Casualty Company**

## **SCHEDULE E - PART 1 - CASH**

Month End Depository Balances							8	
1	2	3	4	Book Balance at End of Each Month During Current Quarter				
				5	6	7		
Depository	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*	
Prudential Savings Bank F.S.B.....Atlanta, GA.....	1.685	.40,742		.10,175,247	4,892,399	.6,218,740		
National City Bank.....Cleveland, OH.....				2,984,609	2,735,159	.2,704,378		
Bank One.....Cleveland, OH.....				1,815,445	1,815,445	1,806,847		
US Bank.....Cleveland, OH.....				(311,229)	(10,177)	(297,027)		
Bank of New York.....New York, NY.....				.31,342	2,738	1,868		
0199998 Deposits in ..... depositories which do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX							
0199999 Totals - Open Depositories	XXX	40,742	0	14,695,414	9,435,564	10,434,806	XXX	
0399999 Total Cash on Deposit	XXX	40,742	0	14,695,414	9,435,564	10,434,806	XXX	
0499999 Cash in Company's Office	XXX	XXX	XXX	600	600	600	XXX	
0599999 Total Cash	XXX	40,742	0	14,696,014	9,436,164	10,435,406	XXX	