



# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

## VICTORIA SPECIALTY INSURANCE COMPANY

NAIC Group Code 0304 0304 NAIC Company Code 10777 Employer's ID Number 34-1842602  
(Current Period) (Prior Period)

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

Country of Domicile United States of America

Incorporated February 9, 1996 Commenced Business \_\_\_\_\_

Statutory Home Office 5915 Landerbrook Drive, Cleveland, OH 44124-4058  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 5915 Landerbrook Drive  
(Street and Number)  
Cleveland, OH 44124-4058 440-461-3461  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 5915 Landerbrook Drive, Cleveland, OH 44124-4058  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 5915 Landerbrook Drive  
(Street and Number)  
Cleveland, OH 44124-4058 440-461-3461-321  
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Website Address www.victoriainsurance.com

Statement Contact Raymond Karl Mueller 440-461-3461-321  
(Name) (Area Code) (Telephone Number) (Extension)  
ray.mueller@victoriainsurance.com 440-461-0492  
(E-mail Address) (Fax Number)

Policyowner Relations Contact 5915 Landerbrook Drive  
(Street and Number)  
Cleveland, OH 44124-4058 440-461-3461-441  
(City or Town, State and Zip Code) (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 Desjardon  
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  
Secretary

Raymond Karl Mueller, Assistant Treasurer  
Treasurer

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2003

a. Is this an original filing? Yes [ X ] No [ ]  
b. If no,  
1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_



Schedule A - Part 1

**NONE**

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**

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE Victoria Specialty Insurance Company**

**SCHEDULE D - PART 1**

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 *	Interest		6 Maturity Date	7 Option Date	8 Option Call Price	9 Book/Adjusted Carrying Value	10 Par Value	11 Rate Used to Obtain Fair Value	12 Fair Value	13 Actual Cost	Interest		16 Increase (Decrease) by Adjustment	17 Increase (Decrease) by Foreign Exchange Adjustment	18 Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	19 NAIC Designation	20 Date Acquired	21 Effective Rate of In- terest
			4 Rate of	5 How Paid									14 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	15 Gross Amount Received During Year						
US Governments Issuer Obligations (10) United States																				
912827-6J-6	UNITED STATES TREASURY 5.75000 08/15/2010 TSY/TSY		5.750	FA	08/15/2010			1,482,632	1,450,000	114.9700	1,667,051	1,486,691	31,492	71,875	(3,067)			1	04/04/2002	5.390
912827-L8-3	UNITED STATES TREASURY		5.750	FA	08/15/2003			499,157	500,000	102.7800	513,905	495,669	10,859	28,750	1,231			1	12/31/1999	6.020
0199999 - Total Bonds - U.S. Government - Issuer Obligations								1,981,789	1,950,000	XXX	2,180,956	1,982,360	42,351	100,625	(1,836)			XXX	XXX	XXX
Single Class Mortgage (SC) United States																				
362106-YZ-1	GNMA1 SINGLE FAMILY POOL NO 492228		6.500	MTLY	01/15/2029			195,239	193,920	105.0000	203,616	195,285	1,050	12,605	(31)			1	12/31/1999	6.460
36225B-EV-6	GNMA1 SF 30 YR PLATI 6.5000 06/15/2029 MBS/MBS		6.500	MTLY	06/15/2029			608,923	606,261	105.0000	636,574	608,914	3,284	39,407	(7)			1	07/20/2001	6.420
0299999 - Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities								804,162	800,181	XXX	840,190	804,199	4,334	52,012	(38)			XXX	XXX	XXX
0399996 - Bonds - U.S. Government								2,785,951	2,750,181	XXX	3,021,146	2,786,559	46,685	152,637	(1,874)			XXX	XXX	XXX
0399999 - Total - U.S. Government Bonds								2,785,951	2,750,181	XXX	3,021,146	2,786,559	46,685	152,637	(1,874)			XXX	XXX	XXX
5499999 - Total - Issuer Obligations								1,981,789	1,950,000	XXX	2,180,956	1,982,360	42,351	100,625	(1,836)			XXX	XXX	XXX
5599999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities								804,162	800,181	XXX	840,190	804,199	4,334	52,012	(38)			XXX	XXX	XXX
6099999 Totals								2,785,951	2,750,181	XXX	3,021,146	2,786,559	46,685	152,637	(1,874)			XXX	XXX	XXX

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Schedule D - Part 2 - Section 1

**NONE**

Schedule D - Part 2 - Section 2

**NONE**





Schedule D - Part 5

**NONE**

Schedule D - Part 6 - Section 1

**NONE**

Schedule D - Part 6 - Section 2

**NONE**

Schedule DA - Part 1

**NONE**

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part A - Section 2

**NONE**

Schedule DB - Part A - Section 3

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part B - Section 2

**NONE**

Schedule DB - Part B - Section 3

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Part C - Section 3

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DB - Part D - Section 3

**NONE**

Schedule DB - Part E - Section 1

**NONE**

## SCHEDULE DM

For bonds and preferred stocks owned as of December 31, state the aggregate statement (admitted) value, the aggregate fair value, and the aggregate difference, if any, between them.

	1	2	3
	Statement (Admitted) Value	Fair Value (a)	Excess of Statement over Fair Value(-), or Fair Value over Statement (+)
1. Bonds .....	2,785,951	3,021,146	235,195
2. Preferred Stocks .....	0		0
3. Totals	2,785,951	3,021,146	235,195

(a) Amortized or book values shall not be substituted for fair values. Describe the sources or methods utilized in determining the fair values.

The factors used to produce the bond portfolio market valuation calculation were prevailing market rates, average life, and bond quality and market characteristics .....

Public issue bond prices were derived from commercial bond pricing services. The value of public issues portfolios were combined with the direct placement market values to form a total market value for the Company as of December 31, 2002.....



**SCHEDULE E - PART 2 - SPECIAL DEPOSITS**

1 Line Number	2 Type	3 Description of Deposit	4 Where Deposited and Purpose of Deposit	5 Par or Book Value	6 Statement Value (a)	7 Fair Value
<b>NONE</b>						
9999999 Totals						

(a) Including \$ ..... cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.

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