



# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

## VICTORIA NATIONAL INSURANCE COMPANY

NAIC Group Code 0304 0304 NAIC Company Code 10778 Employer's ID Number 34-1842604  
(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 January 11, 1996 Commenced Business November 17, 1997

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

### VICE PRESIDENTS

<u>Howard Veail Dempster</u>	<u>Joseph William Metz</u>	<u>David Alan Nachman</u>
<u>Thomas Owen Ramsbacher</u>		

### DIRECTORS OR TRUSTEES

<u>James Thomas Byron</u>	<u>Howard Veail Dempster</u>	<u>Roger Louis Desjaddon</u>
<u>Sharon Leslie Helldorfer</u>	<u>Brendan Patrick Houlihan</u>	<u>Robert William Mueller</u>
<u>Joseph John Pecoraro</u>	<u>James Andrew Tignanelli</u>	

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.

<u>Robert William Mueller</u> President	<u>Assunta Rossi, Assistant Secretary</u> Secretary	<u>Raymond Karl Mueller, Assistant Treasurer</u> Treasurer
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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 National 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 Interest	
			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			1,598,224	1,560,000	114.9700	1,793,516	1,602,445	33,881	69,575	(3,408)				1	04/04/2002	5.350
912827-7F-3	UNITED STATES TREASURY		3.500	MN	11/15/2006			145,080	150,000	104.0600	156,095	143,883	682	5,250	1,140				1	12/10/2001	4.430
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
Total United States								2,242,461	2,210,000	XXX	2,463,516	2,241,997	45,422	103,575	(1,037)	0	0	XXX	XXX	XXX	
0199999 - Total Bonds - U.S. Government - Issuer Obligations								2,242,461	2,210,000	XXX	2,463,516	2,241,997	45,422	103,575	(1,037)				XXX	XXX	XXX
Single Class Mortgage (SC) United States																					
362106-YZ-1	GNMA1 SINGLE FAMILY POOL NO 492228		6.500	MTLY	01/15/2029			117,144	116,352	105.0000	122,170	117,171	630	7,563	(19)				1	12/31/1999	6.460
362258-EV-6	GNMA1 SF 30 YR PLATI 6.5000 06/15/2029 MBS/MBS		6.500	MTLY	06/15/2029			487,035	484,906	105.0000	509,151	487,027	2,627	31,519	(6)				1	07/20/2001	6.420
Total United States								604,179	601,258	XXX	631,321	604,198	3,257	39,082	(25)	0	0	XXX	XXX	XXX	
0299999 - Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities								604,179	601,258	XXX	631,321	604,198	3,257	39,082	(25)				XXX	XXX	XXX
0399996 - Bonds - U.S. Government								2,846,640	2,811,258	XXX	3,094,837	2,846,195	48,679	142,657	(1,062)				XXX	XXX	XXX
0399999 - Total - U.S. Government Bonds								2,846,640	2,811,258	XXX	3,094,837	2,846,195	48,679	142,657	(1,062)				XXX	XXX	XXX
5499999 - Total - Issuer Obligations								2,242,461	2,210,000	XXX	2,463,516	2,241,997	45,422	103,575	(1,037)				XXX	XXX	XXX
5599999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities								604,179	601,258	XXX	631,321	604,198	3,257	39,082	(25)				XXX	XXX	XXX
6099999 Totals								2,846,640	2,811,258	XXX	3,094,837	2,846,195	48,679	142,657	(1,062)				XXX	XXX	XXX

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Schedule D - Part 2 - Section 1

**NONE**

Schedule D - Part 2 - Section 2

**NONE**



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

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
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
BONDS															
US Governments															
United States															
36210G-YZ-1	GNMA1 SINGLE FAMILY 6.500% 01/15/29 POOL NO 492228	12/01/2002	Paydown		12,166	12,166	12,251	12,250	(85)				0	652	
36225B-EV-6	GNMA1 SF 30 YR PLAT 6.500% 06/15/29 6.5000 06/15/2029 MBS/MBS	12/01/2002	Paydown		232,586	232,586	233,604	233,610	(1,024)				0	9,227	
Total United States					244,752	244,752	245,855	245,860	(1,109)	0	0	0	0	9,879	XXX
0399996	- Bonds - U.S. Government				244,752	244,752	245,855	245,860	(1,109)				0	9,879	XXX
0399999	- Bonds - U.S. Governments				244,752	244,752	245,855	245,860	(1,109)				0	9,879	XXX
6099997	- Bonds - Part 4				244,752	244,752	245,855	245,860	(1,109)				0	9,879	XXX
6099998	- Bonds - Part 5				0	0	0	0	0	0	0	0	0	0	XXX
6099999	- Total - Bonds				244,752	244,752	245,855	245,860	(1,109)	0	0	0	0	9,879	XXX
6599998	- Preferred Stocks - Part 5				0	XXX	0	0	0	0	0	0	0	XXX	0
6599999	- Total - Preferred Stocks				0	XXX	0	0	0	0	0	0	0	XXX	0
7099998	- Common Stocks - Part 5				0	XXX	0	0	0	0	0	0	0	XXX	0
7099999	- Total - Common Stocks				0	XXX	0	0	0	0	0	0	0	XXX	0
7199999	- Total - Preferred and Common Stocks				0	XXX	0	0	0	0	0	0	0	XXX	0
7299999 Totals					244,752	XXX	245,855	245,860	(1,109)	0	0	0	0	9,879	0

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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 .....	2,846,640	3,094,837	248,197
2. Preferred Stocks .....	0		0
3. Totals	2,846,640	3,094,837	248,197

(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.....



