



ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

SCOTTSDALE INDEMNITY COMPANY

NAIC Group Code 0140 0140 NAIC Company Code 15580 Employer's ID Number 31-1117969
(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 November 14, 1984 Commenced Business August 1, 1985

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
Scottsdale, AZ 85258-2108 (Area Code) (Telephone Number)
(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
Scottsdale, AZ 85258-2108 (Area Code) (Telephone Number)
(City or Town, State and Zip Code)

Internet Website Address www.scottsdaleins.com

Statement Contact Marilyn S. Sheedy 480-365-2324
(Name) (Area Code) (Telephone Number) (Extension)
sheedym@scottsdaleins.com 480-368-5856
(E-mail Address) (Fax Number)

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

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>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>John David Zicarelli</u>		

ASSOCIATE VICE PRESIDENTS

<u>Thomas Edward Barnes</u>	<u>Carol Lynn Dove</u>	<u>David James Kauckeck</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>David Karl Hollingsworth</u>	<u>Judy Lee Howard</u>
<u>Michael Dean Miller</u>	<u>Roger Max Williamson</u>	

.....Arizona.....
State of ...
.....Maricopa.....
County of ... } 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 Randall Lee Orr Judy Lee Howard
President Assistant Secretary Treasurer

Subscribed and sworn to before me this
14th day of February, 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 _____

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE A - PART 1

Showing all Real Estate OWNED December 31 of Current Year

1 Description of Property	Location		4 Date Acquired	5 Date of Last Appraisal	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Fair Value Less Encumbrances	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Amounts Received During Year	13 Expended for Additions, Permanent Improvements and Changes in Encumbrances During Year	14 Gross Income Earned Less Interest Incurred on Encumbrances	15 Taxes, Repairs and Expenses Incurred
	2 City	3 State												
NONE														
9999999 Totals														

E01

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED During the Year

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								

E02

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE A - PART 3

Showing all Real Estate SOLD during the Year , 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															

E03

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE B - PART 1

Showing all Mortgage Loans OWNED December 31 of Current Year

1 Loan Number	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
2 City	3 State									
NONE										
9999999 Totals										XXX

General Interrogatory:

- | | | | | |
|---|----------|--------------------|----------|--------------------------|
| 1. Mortgages in good standing | \$ | unpaid taxes | \$ | interest due and unpaid. |
| 2. Restructured mortgages | \$ | unpaid taxes | \$ | interest due and unpaid. |
| 3. Mortgages with overdue interest over 90 days not in process of foreclosure | \$ | unpaid taxes | \$ | interest due and unpaid. |
| 4. Mortgages in process of foreclosure | \$ | unpaid taxes | \$ | interest due and unpaid. |

E04

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE B - PART 2

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

1 Loan Number	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
1	2 City	3 State	4	5	6	7	8	9	10	11	12	13
NONE												
9999999 Totals												

E05

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

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									
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">9999999 Totals</div>									

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE BA - PART 2

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

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												

E07

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE D - PART 1

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

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21		
			4	5									14	15								
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest		
US Governments																						
Issuer Obligations (10)																						
United States																						
742651-CG-5	Private Export Funding Corp Nt		6.490	JJ	07/15/2007			514,413	500,000	114.9060	574,530	518,675	14,963	32,450	(2,707)			1PE	05/15/2001	5.759		
912827-J7-8	U S Treasury Nt		6.250	FA	02/15/2003			998,880	1,000,000	100.5940	1,005,940	943,594	23,607	62,500	8,923			1	03/30/1995	7.199		
912827-Q8-8	U S Treasury Nt		7.250	FA	08/15/2004			3,042,869	3,000,000	109.3750	3,281,250	3,181,406	82,154	217,500	(24,374)			1	03/27/1996	6.309		
912827-Y5-5	U S Treasury Nt		7.000	JJ	07/15/2006			532,952	500,000	115.9380	579,690	545,078	16,168	35,000	(8,328)			1	07/10/2001	4.946		
Total United States								5,089,114	5,000,000	XXX	5,441,410	5,188,753	136,892	347,450	(26,486)	0	0	XXX	XXX	XXX		
0199999 - Total Bonds - U.S. Government - Issuer Obligations								5,089,114	5,000,000	XXX	5,441,410	5,188,753	136,892	347,450	(26,486)	0	0	XXX	XXX	XXX		
0399996 - Bonds - U.S. Government								5,089,114	5,000,000	XXX	5,441,410	5,188,753	136,892	347,450	(26,486)	0	0	XXX	XXX	XXX		
0399999 - Total - U.S. Government Bonds								5,089,114	5,000,000	XXX	5,441,410	5,188,753	136,892	347,450	(26,486)	0	0	XXX	XXX	XXX		
State, Territories and Possessions																						
Issuer Obligations (10)																						
United States																						
Illinois																						
452150-2W-4	Illinois St GO First Ser		5.375	MN	11/01/2016	11/01/2011	100.000	541,046	500,000		541,046	541,500	4,479		(454)			1PE	11/14/2002	4.250		
Total Illinois								541,046	500,000	XXX	541,046	541,500	4,479	0	(454)	0	0	XXX	XXX	XXX		
Total United States								541,046	500,000	XXX	541,046	541,500	4,479	0	(454)	0	0	XXX	XXX	XXX		
1199999 - Total Bonds - States, Territories and Possessions - Issuer Obligations								541,046	500,000	XXX	541,046	541,500	4,479	0	(454)	0	0	XXX	XXX	XXX		
1799996 - Bonds - States, Territory, Poss - United States								541,046	500,000	XXX	541,046	541,500	4,479	0	(454)	0	0	XXX	XXX	XXX		
1799997 - Bonds - States, Territory, Poss - Canada								0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
1799998 - Bonds - States, Territory, Poss - Other Countries								0	0	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX
1799999 - Total - States, Territories and Possessions								541,046	500,000	XXX	541,046	541,500	4,479	0	(454)	0	0	0	XXX	XXX	XXX	
Political Subdivisions of States																						
Issuer Obligations (10)																						
United States																						
Illinois																						
213183-XM-3	Cook Cnty IL GO Ser B		5.375	MN	11/15/2018			159,244	160,000		159,244	159,192	1,099	8,600	29			1PE	04/27/2001	5.420		
Total Illinois								159,244	160,000	XXX	159,244	159,192	1,099	8,600	29	0	0	XXX	XXX	XXX		
Total United States								159,244	160,000	XXX	159,244	159,192	1,099	8,600	29	0	0	XXX	XXX	XXX		
1899999 - Total Bonds - Political Subdivisions - Issuer Obligations								159,244	160,000	XXX	159,244	159,192	1,099	8,600	29	0	0	XXX	XXX	XXX		
2499996 - Bonds - Political Subdivision - United States								159,244	160,000	XXX	159,244	159,192	1,099	8,600	29	0	0	XXX	XXX	XXX		
2499997 - Bonds - Political Subdivision - Canada								0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
2499998 - Bonds - Political Subdivision - Other Countries								0	0	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX
2499999 - Total - Political Subdivisions Bonds								159,244	160,000	XXX	159,244	159,192	1,099	8,600	29	0	0	0	XXX	XXX	XXX	
Special Revenue & Assessment																						
Issuer Obligations (10)																						
United States																						
Washington																						
939828-ZV-4	Washington St PPS Nuc #2 Rev Ser A		5.750	JJ	07/01/2009			505,665	500,000		505,665	507,555	14,375	28,750	(706)			1PE	02/15/2000	5.540		
Total Washington								505,665	500,000	XXX	505,665	507,555	14,375	28,750	(706)	0	0	XXX	XXX	XXX		
Total United States								505,665	500,000	XXX	505,665	507,555	14,375	28,750	(706)	0	0	XXX	XXX	XXX		
2599999 - Total Bonds - Special Revenue - Issuer Obligations								505,665	500,000	XXX	505,665	507,555	14,375	28,750	(706)	0	0	XXX	XXX	XXX		
Defined Multi-Class Residential (DR)																						
United States																						
312913-ZE-9	FHLMC REMIC Ser 1437-HD		7.000	MTLY	12/15/2022	12/01/2022	100.000	1,094,160	1,065,120		1,094,160	1,093,184	6,213	71,807	1,614			1	12/01/2002	6.723		
313312-ZE-9	FHLMC REMIC Ser 1625-H		6.000	MTLY	12/15/2008	12/01/2008	100.000	1,134,523	1,140,970		1,134,523	1,123,677	5,705	68,458	1,549			1	12/06/1995	6.271		
31358L-WH-5	FNMA REMIC Ser 1992-15KZ		7.000	MTLY	02/25/2022	07/01/2007	100.000	413,800	426,003		413,800	411,755	2,485	28,720	(458)			1	12/01/2002	8.243		
Total United States								2,642,483	2,632,094	XXX	2,642,483	2,628,617	14,403	168,985	2,705	0	0	XXX	XXX	XXX		
2799999 - Total Bonds - Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities								2,642,483	2,632,094	XXX	2,642,483	2,628,617	14,403	168,985	2,705	0	0	XXX	XXX	XXX		
3199996 - Bonds - Special Revenue - United States								3,148,148	3,132,094	XXX	3,148,148	3,136,172	28,778	197,735	1,998	0	0	0	XXX	XXX	XXX	
3199997 - Bonds - Special Revenue - Canada								0	0	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY 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							
3199998	- Bonds - Special Revenue - Other Countries							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
3199999	- Total - Special Revenue Bonds							3,148,148	3,132,094	XXX	3,148,148	3,136,172	28,778	197,735	1,998	0	0	0	XXX	XXX	XXX
Industrial & Miscellaneous Issuer Obligations (10)																					
United States																					
149110-HW-4	Caterpillar Inc MT Nt Ser POWR.....		.5.150	JD	.06/15/2008			204,960	200,000		204,960	205,074	458	5,264	(114)				1PE	11/01/2002	4.630
313310-GB-7	Federal Farm Credit Bk Nt.....		.5.300	AO	10/25/2017			501,244	500,000		501,244	501,250	4,858		(6)				1	11/01/2002	5.275
5526EO-AD-5	MBNA America Bk NA Bk Nt.....		.6.875	JJ	07/15/2004			994,790	1,000,000		994,790	985,670	31,701	68,750	3,096				2	11/09/1999	7.239
Total United States								1,700,994	1,700,000	XXX	1,700,994	1,691,994	37,018	74,014	2,976	0	0	0	XXX	XXX	XXX
3999999	- Total Bonds - Industrial, Misc. - Issuer Obligations							1,700,994	1,700,000	XXX	1,700,994	1,691,994	37,018	74,014	2,976	0	0	0	XXX	XXX	XXX
4599996	- Bonds - Industrial and Misc - United States							1,700,994	1,700,000	XXX	1,700,994	1,691,994	37,018	74,014	2,976	0	0	0	XXX	XXX	XXX
4599997	- Bonds - Industrial and Misc - Canada							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
4599998	- Bonds - Industrial and Misc - Other Countries							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
4599999	- Total - Industrial and Miscellaneous Bonds							1,700,994	1,700,000	XXX	1,700,994	1,691,994	37,018	74,014	2,976	0	0	0	XXX	XXX	XXX
5499999	- Total - Issuer Obligations							7,996,063	7,860,000	XXX	8,348,359	8,088,994	193,863	458,814	(24,642)	0	0	0	XXX	XXX	XXX
5599999	- Total - Single Class Mortgage-Backed/Asset-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5699999	- Total - Defined Multi-Class Residential Mortgage-Backed Securities							2,642,483	2,632,094	XXX	2,642,483	2,628,617	14,403	168,985	2,705	0	0	0	XXX	XXX	XXX
5799999	- Total - Other Multi-Class Residential Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5899999	- Total - Defined Multi-Class Commercial Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5999999	- Total - Other Multi-Class Commercial Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
6099999	Totals							10,638,545	10,492,094	XXX	10,990,842	10,717,611	208,266	627,799	(21,937)	0	0	0	XXX	XXX	XXX

E08.1

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Number of Shares	4 Par Value Per Share	5 Rate Per Share	6 Book/Adjusted Carrying Value	7 Rate Per Share Used to Obtain Fair Value	8 Fair Value	9 Actual Cost	Dividends		12 Increase (Decrease) by Adjustment	13 Increase (Decrease) by Foreign Exchange Adjustment	14 NAIC Designation	15 Date Acquired
									10 Declared but Unpaid	11 Amount Received During Year				
NONE														
6599999 Total - Preferred Stocks														
													XXX	XXX

E09

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Number of Shares	4 Book/Adjusted Carrying Value	5 Rate Per Share Used to Obtain Fair Value	6 Fair Value	7 Actual Cost	Dividends		10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 NAIC Designation (a)	13 Date Acquired
							8 Declared but Unpaid	9 Amount Received During Year				
NONE												
7099999 Total - Common Stocks				XXX							XXX	XXX
7199999 Total - Preferred and Common Stocks				XXX							XXX	XXX

(a) For all common stocks bearing the NAIC designation "U" provide: the number of such issues, the total \$ value (included in Column 6) of all such issues \$

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

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
BONDS							
State, Territories and Possessions							
United States							
Illinois							
452150-2W-4	Illinois St GO First 5.375% 11/01/16 Ser	11/14/2002	First Albany Corporation		541,500	500,000	1,344
Total Illinois					541,500	500,000	1,344
Total United States					541,500	500,000	1,344
1799996	- Bonds - States, Territory, Poss - United States				541,500	500,000	1,344
1799997	- Bonds - States, Territory, Poss - Canada				0	0	0
1799998	- Bonds - States, Territory, Poss - Other Countries				0	0	0
1799999	- Total - Bonds - States, Territories and Possessions				541,500	500,000	1,344
Special Revenue & Assessment							
United States							
312913-ZE-9	FHLMC REMIC Ser 7.000% 12/15/22 1437-HD	12/01/2002	Interest Capitalization		71,807	71,807	
31358L-WH-5	FNMA REMIC Ser 7.000% 02/25/22 1992-15KZ	12/01/2002	Interest Capitalization		28,720	28,720	
Total United States					100,526	100,526	0
3199996	- Bonds - Special Revenues - United States				100,526	100,526	0
3199997	- Bonds - Special Revenues - Canada				0	0	0
3199998	- Bonds - Special Revenues - Other Countries				0	0	0
3199999	- Total - Bonds - Special Revenue				100,526	100,526	0
Industrial & Miscellaneous							
United States							
149110-HW-4	Caterpillar Inc MT Nt 5.150% 06/15/08 Ser POWR	11/01/2002	First Tennessee Bank NA		205,074	200,000	4,149
313310-GB-7	Federal Farm Credit Bk 5.300% 10/25/17 Nt	11/01/2002	Piper Jaffray Inc		501,250	500,000	663
Total United States					706,324	700,000	4,811
4599996	- Bonds - Industrial and Misc - United States				706,324	700,000	4,811
4599997	- Bonds - Industrial and Misc - Canada				0	0	0
4599998	- Bonds - Industrial and Misc - Other Countries				0	0	0
4599999	- Total - Bonds - Industrial, Misc.				706,324	700,000	4,811
6099997	- Total - Bonds - Part 3				1,348,350	1,300,526	6,155
6099998	- Total - Bonds - Part 5				0	0	0
6099999	- Total - Bonds				1,348,350	1,300,526	6,155
6599998	- Total - Preferred Stocks - Part 5				0	XXX	0
6599999	- Total - Preferred Stocks				0	XXX	0
7099998	- Total - Common Stocks - Part 5				0	XXX	0
7099999	- Total - Common Stocks				0	XXX	0
7199999	- Total - Preferred and Common Stocks				0	XXX	0
7299999 Totals					1,348,350	XXX	6,155

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	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 and Dividends Received During Year	Paid for Accrued Interest and Dividends
NONE																
7299999 Totals																

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SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 NAIC Company Code or Alien Insurer Identification Number	4 NAIC Valuation Method (See SVO Purposes and Procedures manual)	5 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	6 Total Amount of Such Intangible Assets	7 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
							8 Number of Shares	9 % of Outstanding
NONE								
1799999 Totals							XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$ 12,578,929
2. Total amount of intangible assets nonadmitted: \$

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 6, Section 1	Stock in Lower-tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
NONE					
0399999 Total				XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps and Floors and Insurance Futures Options Owned December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Acquisition	Exchange or Counterparty	Cost/Option Premium	Book Value	*	Statement Value	Fair Value	Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income
NONE													
2599999 - Subtotal - Hedging Transactions								XXX					
2799999 - Subtotal - Other Derivative Transactions								XXX					
9999999 - Totals								XXX					

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SCHEDULE DB - PART A- SECTION 2

Showing all Options, Caps and Floors and Insurance Futures Options Acquired During Current Year

1	2	3	4	5	6	7
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Acquisition	Exchange or Counterparty	Cost/Option Premium
NONE						
2599999 - Subtotal - Hedging Transactions						
2799999 - Subtotal - Other Derivative Transactions						
9999999 - Totals						

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE DB - PART A - SECTION 3

Showing all Owned Options, Caps, Floors and Insurance Futures Options Terminated During Current Year

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Acquisition	6 Exchange or Counterparty	7 Cost/Option Premium	8 Indicate Exercise, Expiration, Maturity or Sale	9 Termination Date	10 Book Value	11 *	12 Consideration Received on Terminations	13 Increase/ (Decrease) by Adjustment	Gain/Loss on Termination			17 Other Investment/ Miscellaneous Income	
													14 Recognized	15 Used to Adjust Basis of Hedged Item	16 Deferred		
NONE																	
2599999 - Subtotal - Hedging Transactions							XXX	XXX	XXX								
2799999 - Subtotal - Other Derivative Transactions							XXX	XXX	XXX								
9999999 - Totals							XXX	XXX	XXX								

SCHEDULE DB - PART B - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Written and In-Force December 31 of Current Year

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Issuance/ Purchase	6 Exchange or Counterparty	7 Consideration Received	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis	14 Other Investment/ Miscellaneous Income
NONE													
2599999 - Subtotal - Hedging Transactions								XXX					
2699999 - Subtotal - Income Generation Transactions								XXX					
2799999 - Subtotal - Other Derivative Transactions								XXX					
9999999 - Totals								XXX					

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE DB - PART B - SECTION 2

Showing all Options, Caps, Floors and Insurance Futures Options Written During Current Year

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Issuance/Purchase	6 Exchange or Counterparty	7 Consideration Received
NONE						
2599999 - Subtotal - Hedging Transactions						
2699999 - Subtotal - Income Generation Transactions						
2799999 - Subtotal - Other Derivative Transactions						
9999999 - Totals						

SCHEDULE DB - PART B - SECTION 3

Showing all Written Options, Caps, Floors and Insurance Futures Options Terminated During Current Year

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Issuance/Purchase	6 Exchange or Counterparty	7 Consideration Received	8 Indicate Exercise, Expiration, Maturity or Closing Purchase Transaction	9 Termination Date	10 Book Value	11 *	12 Consideration Paid on Terminations	13 Increase/(Decrease) by Adjustment	Gain/(Loss) on Termination			17 Other Investment/Miscellaneous Income
													14 Recognized	15 Used to Adjust Basis	16 Deferred	
NONE																
2599999 - Subtotal - Hedging Transactions							XXX	XXX	XXX							
2699999 - Subtotal - Income Generation Transactions							XXX	XXX	XXX							
2799999 - Subtotal - Other Derivative Transactions							XXX	XXX	XXX							
9999999 - Totals							XXX	XXX	XXX							

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE DB - PART C - SECTION 1

Showing all Collar, Swap and Forwards Open December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Description	Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index Rec (Pay)	Date of Opening Position or Agreement	Exchange or Counterparty	Cost or (Consideration Received)	Book Value	*	Statement Value	Fair Value	Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income	Potential Exposure	
NONE															
2599999 - Subtotal - Hedging Transactions								XXX							
2799999 - Subtotal - Other Derivative Transactions								XXX							
9999999 - Totals								XXX							

SCHEDULE DB - PART C- SECTION 2

Showing all Collar, Swap and Forwards Opened During Current Year

1	2	3	4	5	6	7
Description	Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index Rec (Pay)	Date of Opening Position or Agreement	Exchange or Counterparty	Cost or (Consideration Received)
NONE						
2599999 - Subtotal - Hedging Transactions						
2799999 - Subtotal - Other Derivative Transactions						
9999999 - Totals						

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE DB - PART C - SECTION 3

Showing all Collar, Swap and Forwards Terminated During Current Year

1 Description	2 Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index Rec (Pay)	5 Date of Opening Position or Agreement	6 Exchange or Counterparty	7 Cost or (Consideration Received)	8 Indicate Exercise, Expiration, Maturity or Sale	9 Termination Date	10 Book Value	11 *	12 Consideration Received or (Paid) on Terminations	13 Increase (Decrease) by Adjustment	Gain/(Loss) on Termination			17 Other Investment/Miscellaneous Income	
													14 Recognized	15 Used to Adjust Basis of Hedged Item	16 Deferred		
NONE																	
2599999 - Subtotal - Hedging Transactions						XXX	XXX	XXX									
2799999 - Subtotal - Other Derivative Transactions						XXX	XXX	XXX									
9999999 - Totals						XXX	XXX	XXX									

SCHEDULE DB - PART D - SECTION 1

Showing all Futures Contracts and Insurance Futures Contracts Open December 31 of Current Year

1 Description	2 Number of Contracts	3 Maturity Date	4 Original Value	5 Current Value	6 Variation Margin	7 Date of Opening Position	8 Exchange or Counterparty	9 Cash Deposit	Variation Margin Information			13 Potential Exposure
									10 Recognized	11 Used to Adjust Basis of Hedged Item	12 Deferred	
NONE												
2599999 - Subtotal - Hedging Transactions						XXX	XXX					
2799999 - Subtotal - Other Derivative Transactions						XXX	XXX					
9999999 - Totals						XXX	XXX					

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE DB - PART D - SECTION 2

Showing all Futures Contracts and Insurance Futures Contracts Opened During Current Year

1	2	3	4	5	6	7
Description	Number of Contracts	Maturity Date	Original Value	Date of Opening Position	Exchange or Counterparty	Net Additions to Cash Deposits
NONE						
2599999 - Subtotal - Hedging Transactions				XXX	XXX	
2799999 - Subtotal - Other Derivative Transactions				XXX	XXX	
9999999 - Totals				XXX	XXX	

SCHEDULE DB - PART D - SECTION 3

Showing all Futures Contracts and Insurance Futures Contracts Terminated During Current Year

1	2	3	4	5	6	7	8	9	10	Variation Margin Information		
Description	Number of Contracts	Maturity Date	Original Value	Termination Value	Variation Margin	Date of Opening Position	Exchange or Counterparty	Net Reduction to Cash Deposits	Termination Date	11 Gain/(Loss) Recognized	12 Gain/(Loss) Used to Adjust Basis of Hedged Item	13 Gain/(Loss) Deferred
NONE												
2599999 - Subtotal - Hedging Transactions						XXX	XXX		XXX			
2799999 - Subtotal - Other Derivative Transactions						XXX	XXX		XXX			
9999999 - Totals						XXX	XXX		XXX			

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE DB - PART E - SECTION 1

Showing Counterparty Exposure for Derivative Instruments Open December 31 of Current Year

1 Description Counterparty or Exchange Traded	2 Master Agreement (Y or N)	3 Fair Value of Acceptable Collateral	Statement Value			Fair Value			10 Potential Exposure	11 Off-Balance Sheet Exposure
			4 Contracts Statement Value > 0	5 Contracts Statement Value < 0	6 Exposure Net of Collateral	7 Contracts Fair Value > 0	8 Contracts Fair Value < 0	9 Exposure Net of Collateral		
NONE										
9999999 Totals										

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	12,343,504	13,025,659	682,155
2. Preferred Stocks	0		0
3. Totals	12,343,504	13,025,659	682,155

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

Securities traded on national exchanges are valued based on prices from independent services. Investments for which published quotations are not available are valued from an internally developed matrix or obtained from other independent sources.....

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INDEMNITY COMPANY

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
AR00001	B	Private Export Funding Corp Nt, 6.490%, 07/15/07	Little Rock, AR, Bank of America, FPARPH	200,000	205,765	229,812
AR00002						
AR00003						
AR00004						
AR99999 - Arkansas				200,000	205,765	229,812
GA00001	B	USTNTS, 6.250%, 02/15/03	Winston-Salem, NC, Wachovia Bank, FPGAPH	30,000	29,966	30,178
GA00002						
GA00003						
GA00004						
GA99999 - Georgia				30,000	29,966	30,178
LA00001	B	USTNTS, 7.000%, 07/15/06	Oklahoma City, OK, Bank One - OK, FPLAPH	70,000	74,613	81,157
LA00002						
LA00003						
LA00004						
LA99999 - Louisiana				70,000	74,613	81,157
NV00001	B	Private Export Funding Corp Nt, 6.490%, 07/15/07	New York, NY, Bank of New York, FPNVPH	200,000	205,765	229,812
NV00002						
NV00003						
NV00004						
NV99999 - Nevada				200,000	205,765	229,812
NM00001	B	USTNTS, 6.250%, 02/15/03	Santa Fe, NM, Wells Fargo Bank, FPNMPH	300,000	299,664	301,782
NM00002						
NM00003						
NM00004						
NM99999 - New Mexico				300,000	299,664	301,782
NC00001	B	USTNTS, 6.250%, 02/15/03	Winston-Salem, NC, Wachovia Bank, FPNCPH	175,000	174,804	176,040
NC00002						
NC00003						
NC00004						
NC99999 - North Carolina				175,000	174,804	176,040
OR00001	B	USTNTS, 6.250%, 02/15/03	Portland, OR, US Bancorp, WC	270,000	269,698	271,604
OR00002						
OR00003						
OR00004						
OR99999 - Oregon				270,000	269,698	271,604
SC00001	B	USTNTS, 6.250%, 02/15/03	Winston-Salem, NC, Wachovia Bank, Escrow	125,000	124,860	125,743
SC00002						
SC00003						
SC00004						
SC99999 - South Carolina				125,000	124,860	125,743
TX00001	B	USTNTS, 6.250%, 02/15/03	New York, NY, Bank of New York, FPTXPH	75,000	74,916	75,446
TX00002						
TX00003						
TX00004						
TX99999 - Texas				75,000	74,916	75,446
VA00001	B	USTNTS, 7.250%, 08/15/04	Richmond, VA, SunTrust, FPVAPH	500,000	507,145	546,875
VA00002						
VA00003						
VA00004						
VA99999 - Virginia				500,000	507,145	546,875
XX99999 - Total - Not All Policyholders				1,945,000	1,967,196	2,068,449
OH00001	B	USTNTS, 7.250%, 08/15/04	New York, NY, Bank of New York, FPALLPH	2,500,000	2,535,724	2,734,375
OH00002						
OH00003						
OH00004						
OH99999 - Ohio				2,500,000	2,535,724	2,734,375
ZZ99999 - Total - All Policyholders				2,500,000	2,535,724	2,734,375
9999999 Totals				4,445,000	4,502,920	4,802,824

(a) Including \$0 cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.

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