



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2002
OF THE CONDITION AND AFFAIRS OF THE
CONTINENTAL NATIONAL INDEMNITY COMPANY

NAIC Group Code 0218 (Current Period) 0218 (Prior Period) NAIC Company Code 28258 Employer's ID Number 31-1191023

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

Country of Domicile United States of America

Incorporated 12/09/1986 Commenced Business 12/29/1986

Statutory Home Office 10700 Montgomery Road Suite 210 (Street and Number) Cincinnati, OH 45242-3296 (City or Town, State and Zip Code)

Main Administrative Office CNA Plaza (Street and Number) Chicago, IL 60685 (City or Town, State and Zip Code) 312-822-5000 (Area Code) (Telephone Number)

Mail Address CNA Plaza (Street and Number or P.O. Box) Chicago, IL 60685 (City or Town, State and Zip Code)

Primary Location of Books and Records CNA Plaza (Street and Number) Chicago, IL 60685 (City or Town, State and Zip Code) 312-822-5000 (Area Code) (Telephone Number)

Internet Website Address www.cna.com

Statement Contact Mark J. Macak (Name) 312-822-1538 (Area Code) (Telephone Number) (Extension) Mark.Macak@cna.com (E-mail Address) 312-817-0040 (Fax Number)

Policyowner Relations Contact Consumer Services (Street and Number) Chicago, IL 60685 (City or Town, State and Zip Code) 800-262-2255 (Area Code) (Telephone Number) (Extension)

OFFICERS

PRESIDENT ARTHUR P COLEMAN VICE PRESIDENT & TREASURER PAMELA SYLVESTER DEMPSEY
ASSISTANT VICE PRESIDENT & SECRETARY MARY ALICE RIBIKAWSKIS THE CHAIRMAN OF THE BOARD MICHAEL FITZGERALD

VICE PRESIDENTS

LAWRENCE JOHN BOYSEN JOHN JOSEPH SULLIVAN JR RALPH RICHARD MUELLER
JEFFERY CHARLES ALTON STEVEN ANTHONY BETTER # ROBERT JAMES GROB #
JERRY FRANK SLIWA

DIRECTORS OR TRUSTEES

JOHN ARTHUR BECKMAN LAWRENCE JOHN BOYSEN ARTHUR P COLEMAN
MICHAEL FITZGERALD ROBERT MAURICE MANN RALPH RICHARD MUELLER

State of ILLINOIS
County of COOK } 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.

RALPH RICHARD MUELLER VICE PRESIDENT LAWRENCE JOHN BOYSEN GROUP VICE PRESIDENT JEFFERY CHARLES ALTON ASSISTANT VICE PRESIDENT

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 CONTINENTAL NATIONAL 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	
912827-7J-5	UNITED STATES TREASURY INFLATION INDEX		3.375	JJ	01/15/2012			4,998,693	4,680,000	111.5180	5,219,042	4,959,425	72,966	6,572	39,265					07/23/2002	2.650
0199999	- Total Bonds - U.S. Government - Issuer Obligations							4,998,693	4,680,000	XXX	5,219,042	4,959,425	72,966	6,572	39,265				XXX	XXX	XXX
0399999	- Total - U.S. Government Bonds							4,998,693	4,680,000	XXX	5,219,042	4,959,425	72,966	6,572	39,265				XXX	XXX	XXX
683234-HG-6	ONTARIO PROVINCE		7.375	JJ	01/27/2003			600,138	600,000	100.3530	602,118	602,005	18,929	44,250	(1,867)				1	08/03/2000	7.040
0499999	- Total Bonds - All Other Government - Issuer Obligations							600,138	600,000	XXX	602,118	602,005	18,929	44,250	(1,867)				XXX	XXX	XXX
1099999	- Total - All Other Government Bonds							600,138	600,000	XXX	602,118	602,005	18,929	44,250	(1,867)				XXX	XXX	XXX
060716-BQ-9	BANK OF BOSTON CORP		6.625	JD	12/01/2005			768,221	750,000	109.4750	821,063	772,395	4,141	49,688	(4,174)				1	04/01/2002	5.710
06423A-AF-0	BANK ONE CORP		7.625	FA	08/01/2005			1,272,272	1,200,000	112.6730	1,352,076	1,292,388	38,125	45,750	(20,116)				1PE	03/14/2002	5.110
066704-AA-5	BANPONCE CORP		6.750	JD	12/15/2005			502,487	500,000	110.9260	554,630	503,070	1,500	33,750	(583)				2PE	03/14/2002	6.560
22237L-CH-3	COUNTRYWIDE FNDG		6.690	JJ	07/14/2003			709,281	700,000	102.5570	717,899	721,714	21,594	23,415	(12,433)				1	04/01/2002	4.170
233835-AB-3	DAIMLERCHRYSLER NA		6.900	MS	09/01/2004			1,018,395	1,000,000	105.7160	1,057,160	1,026,620	23,000	34,500	(8,225)				2	03/11/2002	5.730
246688-AD-7	DELHAIZE AMERICA		7.375	AO	04/15/2006			1,075,272	1,100,000	97.7520	1,075,272	1,145,012	17,126	81,125	(69,739)				3	03/14/2002	6.220
345397-SQ-7	FORD MOTOR CREDIT		7.500	MS	03/15/2005			1,018,445	1,000,000	102.0260	1,020,260	1,024,510	22,083	75,000	(6,065)				2	03/11/2002	6.590
616880-BH-2	MORGAN JP & CO		6.250	JD	12/15/2005			761,866	750,000	107.0360	802,770	764,693	2,083	46,875	(2,827)				1	03/14/2002	5.660
637432-BH-7	NATL RURAL UTIL		6.650	AO	10/01/2005			1,013,641	1,000,000	104.3750	1,043,750	1,016,960	16,625	33,250	(3,319)				1PE	04/01/2002	6.100
79549B-CF-2	SALOMON SMITH BN		6.875	JD	06/15/2005			1,038,751	1,000,000	109.6260	1,096,260	1,050,310	3,056	68,750	(11,559)				1PE	03/11/2002	5.170
3999999	- Total Bonds - Industrial, Misc. - Issuer Obligations							9,178,631	9,000,000	XXX	9,541,140	9,317,672	149,333	492,103	(139,040)				XXX	XXX	XXX
17303C-BK-6	CITIBANK CREDIT CARD MASTER TRUST		5.500	FA	02/15/2006	02/15/2004	100.000	274,725	275,000	104.3510	286,965	274,495	5,714	15,125	230				1PE	02/20/2001	5.590
34527R-EL-3	FORD CREDIT AUTO OWNER TRUST		6.740	MTLY	06/15/2004	09/15/2003	100.000	117,086	116,510	101.4930	118,250	117,961	349	6,909	(875)				1PE	02/14/2001	5.250
43811T-AC-9	HONDA AUTO RECEIVABLES OWNER TRUST		5.360	MTLY	09/20/2004	11/18/2003	100.000	167,381	167,391	101.3210	169,603	167,365	1,161	8,772	17				1PE	02/28/2001	5.370
4199999	- Total Bonds - Industrial, Misc. - Defined Multi-Class Residential Mortgage-Backed Securities							559,192	558,901	XXX	574,818	559,821	7,224	30,806	(628)				XXX	XXX	XXX
4599999	- Total - Industrial and Miscellaneous Bonds							9,737,823	9,558,901	XXX	10,115,958	9,877,493	156,557	522,909	(139,668)				XXX	XXX	XXX
5499999	- Total - Issuer Obligations							14,777,462	14,280,000	XXX	15,362,300	14,879,102	241,228	542,925	(101,642)				XXX	XXX	XXX
5699999	- Total - Defined Multi-Class Residential Mortgage-Backed Securities							559,192	558,901	XXX	574,818	559,821	7,224	30,806	(628)				XXX	XXX	XXX
6099999	Totals							15,336,654	14,838,901	XXX	15,937,118	15,438,923	248,452	573,731	(102,270)				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 CONTINENTAL NATIONAL 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
.912827-7J-5	UNITED STATES TREASURY INFLATION INDEX	07/23/2002	BARCLAYS CAPITAL		6,310,964	5,980,000	30,398
0399999 - Total - Bonds - U.S. Government					6,310,964	5,980,000	30,398
.060716-BQ-9	BANK OF BOSTON CORP.	04/01/2002	BANC ONE CAPITAL MARKETS, INC.		772,394	750,000	16,977
.06423A-AF-0	BANK ONE CORP.	03/14/2002	BANC ONE CAPITAL MARKETS, INC.		1,292,388	1,200,000	12,200
.066704-AA-5	BANPONCE CORP.	03/14/2002	BNP PARIBAS		503,070	500,000	8,813
.22237L-CH-3	COUNTRYWIDE FNDG	04/01/2002	BEAR STEARNS & CO.		721,714	700,000	10,277
.233835-AB-3	DAIMLERCHRYSLER NA	03/11/2002	FIRST BOSTON CORP.		1,026,620	1,000,000	2,492
.246688-AD-7	DELHAIZE AMERICA	03/14/2002	HSBC SECURITIES		1,145,012	1,100,000	34,703
.345397-SQ-7	FORD MOTOR CREDIT	03/11/2002	FIRST BOSTON CORP.		1,024,510	1,000,000	37,292
.616880-BH-2	MORGAN JP & CO.	03/14/2002	BNP PARIBAS		764,693	750,000	12,240
.637432-BH-7	NATL RURAL UTIL.	04/01/2002	LEHMAN BROTHERS INC.		1,016,960	1,000,000	554
.79549B-CF-2	SALOMON SMITH BN	03/11/2002	FIRST BOSTON CORP.		1,050,310	1,000,000	16,997
4599999 - Total - Bonds - Industrial, Misc.					9,317,671	9,000,000	152,545
6099997 - Total - Bonds - Part 3					15,628,635	14,980,000	182,943
6099998 - Total - Bonds - Part 5					8,131,678	8,020,000	79,448
6099999 - Total - Bonds					23,760,313	23,000,000	262,391
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					23,760,313	XXX	262,391

E11

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE CONTINENTAL NATIONAL INDEMNITY 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	
912827-7J-5	US TREASURY INFLATION INDEX	.08/12/2002	BARCLAYS CAPITAL		1,416,431	1,300,000	1,351,539	1,351,179	(359)			65,251	65,251	27,897		
31359M-DT-7	FEDERAL NATIONAL MORTGAGE ASSOC.	.04/01/2002	BEAR STEARNS & CO.		205,625	200,000	198,593	198,857	264			6,768	6,768	5,335		
31359M-DW-0	FEDERAL NATIONAL MORTGAGE ASSOC.	.04/01/2002	MORGAN STANLEY & CO.		206,633	200,000	201,550	201,447	(103)			5,186	5,186	3,418		
31359M-EX-7	FEDERAL NATIONAL MORTGAGE ASSOC.	.04/01/2002	FIRST BOSTON CORP.		420,453	400,000	402,580	402,351	(229)			18,102	18,102	16,394		
3133MA-UN-7	FEDERAL HOME LOAN BANK	.04/01/2002	BEAR STEARNS & CO.		213,620	200,000	206,704	206,210	(494)			7,410	7,410	8,985		
3133M9-FE-7	FEDERAL HOME LOAN BANK	.04/01/2002	BEAR STEARNS & CO.		405,644	400,000	398,968	399,385	417			6,260	6,260	15,133		
912827-J7-8	UNITED STATES TREASURY	.05/17/2002	SALOMON SMITH BARNEY		927,070	900,000	902,941	901,985	(956)			25,085	25,085	42,265		
912827-L8-3	UNITED STATES TREASURY	.05/16/2002	FIRST BOSTON CORP.		1,348,953	1,300,000	1,313,964	1,310,858	(3,105)			38,094	38,094	52,817		
912827-T8-5	UNITED STATES TREASURY	.04/01/2002	GOLDMAN SACHS		106,199	100,000	102,412	102,249	(163)			3,950	3,950	2,478		
912827-W8-1	UNITED STATES TREASURY	.06/18/2002	MORGAN STANLEY & CO.		585,084	550,000	555,867	555,270	(597)			29,814	29,814	26,066		
912827-3V-2	UNITED STATES TREASURY	.06/26/2002	SALOMON SMITH BARNEY		214,668	210,000	209,678	209,821	143			4,847	4,847	10,465		
912827-4D-1	UNITED STATES TREASURY	.07/24/2002	VARIOUS		825,077	800,000	805,898	803,836	(2,062)			21,241	21,241	25,459		
912827-6D-9	UNITED STATES TREASURY	.04/01/2002	FIRST BOSTON CORP.		640,711	600,000	614,699	613,710	(989)			27,001	27,001	15,439		
912827-6N-7	UNITED STATES TREASURY	.04/01/2002	LEHMAN BROTHERS INC.		259,785	250,000	257,147	256,727	(420)			3,058	3,058	5,480		
912827-6S-5	UNITED STATES TREASURY	.06/28/2002	FIRST BOSTON CORP.		896,092	890,000	892,818	890,670	(2,148)			5,423	5,423	48,350		
0399999 - Bonds - U.S. Governments					8,672,045	8,300,000	8,415,358	8,404,555	(10,801)			267,490	267,490	305,981	XXX	
34527R-EL-3	FORD CREDIT AUTO OWNER TRUST	.12/15/2002	SCHEDULED REDEMPTION		183,490	183,490	185,774	183,490	(2,284)					8,721		
43811T-AC-9	HONDA AUTO RECEIVABLES OWNER TRUST	.12/18/2002	SCHEDULED REDEMPTION		107,609	107,609	107,591	107,609	17					5,020		
459200-AJ-0	IBM CORP.	.11/01/2002	MATURED		100,000	100,000	100,606	100,000	(606)					7,250		
892332-AG-2	TOYOTA MTR CREDIT	.05/06/2002	MORGAN STANLEY & CO.		284,534	275,000	275,464	275,380	(84)			9,154	9,154	7,563		
4599999 - Bonds - Industrial and Miscellaneous					675,633	666,099	669,435	666,479	(2,957)			9,154	9,154	28,554	XXX	
6099997 - Bonds - Part 4					9,347,678	8,966,099	9,084,793	9,071,034	(13,758)			276,644	276,644	334,535	XXX	
6099998 - Bonds - Part 5					8,608,544	8,020,000	8,131,678	8,130,392	(1,286)	0	0	478,152	478,152	151,422	XXX	
6099999 - Total - Bonds					17,956,222	16,986,099	17,216,471	17,201,426	(15,044)	0	0	754,796	754,796	485,957	XXX	
6599998 - Preferred Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	0	XXX	0
6599999 - Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	XXX	0
45806@-10-9	INSURANCE SERVICES OFFICE	.03/05/2002	DIRECT		13,570,000	879,336			(284,697)			879,336	879,336	XXX		
929901-83-3	WACHOVIA US TREASURY MONEY MARKET	.07/02/2002	DIRECT		25,000,000	25,000		25,000						XXX		
6899999 - Common Stocks - Industrial and Miscellaneous					904,336	XXX	25,000	25,000	(284,697)			879,336	879,336	XXX		
7099997 - Common Stocks - Part 4					904,336	XXX	25,000	25,000	(284,697)			879,336	879,336	XXX		
7099998 - Common Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	XXX	0	
7099999 - Total - Common Stocks					904,336	XXX	25,000	25,000	(284,697)	0	0	879,336	879,336	XXX	0	
7199999 - Total - Preferred and Common Stocks					904,336	XXX	25,000	25,000	(284,697)	0	0	879,336	879,336	XXX	0	
7299999 Totals					18,860,558	XXX	17,241,471	17,226,426	(299,741)	0	0	1,634,132	1,634,132	485,957	0	

E12

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE CONTINENTAL NATIONAL 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
912827-7J-5	US TREASURY INFLATION INDEX	06/28/2002	BARCLAYS CAPITAL	08/12/2002	BARCLAYS CAPITAL	7,020,000	7,086,658	7,551,784	7,087,248	590			464,536	464,536	127,672	67,156
0399999	- Bonds - U.S. Governments					7,020,000	7,086,658	7,551,784	7,087,248	590			464,536	464,536	127,672	67,156
370425-RS-1	GMAC	03/11/2002	FIRST BOSTON CORP	05/06/2002	LEHMAN BROTHERS INC.	1,000,000	1,045,020	1,056,760	1,043,144	(1,876)			13,616	13,616	23,750	12,292
4599999	- Bonds - Industrial and Miscellaneous					1,000,000	1,045,020	1,056,760	1,043,144	(1,876)			13,616	13,616	23,750	12,292
6099998	- Total - Bonds					8,020,000	8,131,678	8,608,544	8,130,392	(1,286)			478,152	478,152	151,422	79,448
7299999 Totals							8,131,678	8,608,544	8,130,392	(1,286)			478,152	478,152	151,422	79,448

E13

Schedule D - Part 6 - Section 1

NONE

Schedule D - Part 6 - Section 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE CONTINENTAL NATIONAL INDEMNITY COMPANY

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	Interest		7 Maturity Date	8 Book/Adjusted Carrying Value	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Par Value	12 Actual Cost	Interest		15 Paid for Accrued Interest	16 NAIC Designation	17 Effective Rate of Interest	
				5 Rate of	6 How Paid							13 Amount Due and Accrued Dec. 31 of Current Year on Bonds Not in Default	14 Gross Amount Received				
912795-LV-1	TREASURY BILL	12/30/2002	BANC ONE CAPITAL MARKETS, INC.	0.000	MATR	01/23/2003	1,299,142	78		1,300,000	1,299,064				1	1.083	
0199999 - U.S. Governments - Issuer Obligations							1,299,142	78		1,300,000	1,299,064					XXX	XXX
0399999 - Total - U.S. Government Bonds							1,299,142	78		1,300,000	1,299,064					XXX	XXX
27003L-NA-7	EAGLEFUNDING CAP CORP.	12/10/2002	FLEET SECURITIES	0.000	MATR	01/10/2003	520,818	446		521,000	520,372				1	0.000	
36960M-NM-1	GENERAL ELECTRIC CO.	12/18/2002	GENERAL ELECTRIC CAPITAL CORP.	0.000	MATR	01/21/2003	520,615	269		521,000	520,346				1	0.000	
43515M-NM-7	HOLLAND LTD SECURITIZAT.	12/19/2002	MORGAN STANLEY & CO.	0.000	MATR	01/21/2003	520,580	273		521,000	520,308				1	1.456	
77619F-ND-5	ROLMULUS FUNDING CORP.	12/19/2002	MORGAN STANLEY & CO.	0.000	MATR	01/13/2003	520,750	271		521,000	520,479				1	1.446	
89604M-NM-2	TRIBUNE COMPANY	12/30/2002	BANC ONE CAPITAL MARKETS, INC.	0.000	MATR	01/21/2003	520,589	41		521,000	520,548				1	0.000	
3999999 - Industrial and Miscellaneous - Issuer Obligations							2,603,352	1,300		2,605,000	2,602,053					XXX	XXX
4599999 - Total - Industrial and Miscellaneous Bonds							2,603,352	1,300		2,605,000	2,602,053					XXX	XXX
5499999 - Total - Issuer Obligations							3,902,494	1,378		3,905,000	3,901,117					XXX	XXX
6099999 - Total - Bonds							3,902,494	1,378		3,905,000	3,901,117					XXX	XXX
928989-46-6	JP MORGAN PRIME II	12/27/2002	PRINCIPAL PAYMENT	0.000	MTLY	01/01/2003	12,622			12,623	12,623	471			1	1.083	
7899999 - Class One Money Market Mutual Funds							12,622			XXX	12,623	471				XXX	XXX
8099999 Totals							3,915,116 ^(a)	1,378		XXX	3,913,740	471			XXX	XXX	

(a) Includes \$0 other than accrual of discount and amortization of premium.

E15

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	19,251,770	19,911,410	659,640
2. Preferred Stocks	0		0
3. Totals	19,251,770	19,911,410	659,640

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

Fair Market Values - Broker Market Prices Primarily from FT Interactive Data.....

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE CONTINENTAL NATIONAL 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	TSY INFL IX N/B 9128277J5 3.375% 1/15/2012	BANK OF AMERICA Title 23, Sec 63-206	300,000	320,429	334,554
AR99999 -				300,000	320,429	334,554
FL00001	B	TSY INFL IX N/B 9128277J5 3.375% 1/15/2012	FIRST UNION BANK OF FLORIDA IC 624.411	210,000	224,300	234,188
FL99999 -				210,000	224,300	234,188
GA00001	B	TSY INFL IX N/B 9128277J5 3.375% 1/15/2012	WACHOVIA BANK OF GEORGIA SEC 56-310	25,000	26,702	27,880
GA99999 -				25,000	26,702	27,880
LA00001	B	TSY INFL IX N/B 9128277J5 3.375% 1/15/2012	BANK ONE (LA) LRS 22:1021 & 1025	20,000	21,362	22,304
LA99999 -				20,000	21,362	22,304
MA00001	B	TSY INFL IX N/B 9128277J5 3.375% 1/15/2012	STATE STREET BANK & TRUST IC 175:151	255,000	272,365	284,371
MA99999 -				255,000	272,365	284,371
NV00001	B	TSY INFL IX N/B 9128277J5 3.375% 1/15/2012	CHASE MANHATTAN - NY	100,000	106,810	111,518
NV99999 -				100,000	106,810	111,518
NM00001	B	TSY INFL IX N/B 9128277J5 3.375% 1/15/2012	WELLS FARGO (NM) NMSA 59A-5-19	325,000	347,131	362,434
NM99999 -				325,000	347,131	362,434
NC00001	B	TSY INFL IX N/B 9128277J5 3.375% 1/15/2012	WACHOVIA BANK (FOR NO. CAROLINA) GS 58-5-55	85,000	90,788	94,790
NC99999 -				85,000	90,788	94,790
SC00001	B	TSY INFL IX N/B 9128277J5 3.375% 1/15/2012	BANK OF AMERICA (SC) INS CODE	800,000	854,477	892,144
SC99999 -				800,000	854,477	892,144
VA00001	B	TSY INFL IX N/B 9128277J5 3.375% 1/15/2012	SUN TRUST BANK IC CHAP 10, ART 7	210,000	224,300	234,188
VA99999 -				210,000	224,300	234,188
XX99999 - Total - Not All Policyholders				2,330,000	2,488,664	2,598,371
OH00001	C	TSY INFL IX N/B 9128277J5 3.375% 1/15/2012	CHASE MANHATTAN - NY OHIO INS DEPT	2,350,000	2,510,026	2,620,673
OH99999 -				2,350,000	2,510,026	2,620,673
ZZ99999 - Total - All Policyholders				2,350,000	2,510,026	2,620,673
9999999 Totals				4,680,000	4,998,690	5,219,044

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

E25