



ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2002
OF THE CONDITION AND AFFAIRS OF THE
COLONY SPECIALTY INSURANCE COMPANY

NAIC Group Code 0457 0457 NAIC Company Code 36927 Employer's ID Number 34-1266871
(Current Period) (Prior Period)

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

Country of Domicile US

Incorporated December 20, 1978 Commenced Business April 16, 1979

Statutory Home Office 52 East Gay Street, Columbus, Ohio 43215
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 9201 Forest Hill Avenue, Suite 200, Richmond, Virginia 23235-6865 804-327-1700
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 85122, Richmond, Virginia 23285-5122
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 9201 Forest Hill Avenue, Suite 200, Richmond, Virginia 23235-6865
(Street and Number, City or Town, State and Zip Code)
804-327-1700
(Area Code) (Telephone Number)

Internet Website Address www.colonyins.com

Statement Contact Scott Wilson 804-327-4478
(Name) (Area Code) (Telephone Number) (Extension)
swilson@colonyins.com 804-327-1799
(E-Mail Address) (Fax Number)

Policyowner Relations Contact 9201 Forest Hill Avenue, Suite 200, Richmond, Virginia 23235-6865 804-327-1700
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

President #DALE HENRY PILKINGTON
 Secretary #SCOTT ALLEN WILSON
 Treasurer MARK WILLIAM HAUSHILL
 Assistant Secretary BYRON LOUIS LEFLORE, JR.
 Assistant Secretary #MARK TED TOROK
 Assistant Secretary JOHN PAUL YEDINY

VICE PRESIDENTS

STEVEN PAUL EARHART
 #GAIL THERESA KIMPFLER
 #SCOTT ALLEN WILSON

DIRECTORS OR TRUSTEES

MARK WILLIAM HAUSHILL
 BYRON LOUIS LEFLORE, JR.
 #DALE HENRY PILKINGTON
 #JOHN WILLIAM POLAK
 MARK EDMUND WATSON, III
 JOHN PAUL YEDINY

State of Virginia }
 County of City of Richmond } 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.

 #DALE HENRY PILKINGTON President

 #SCOTT ALLEN WILSON Secretary

 STEVEN PAUL EARHART Vice President

- 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 _____

Subscribed and sworn to before me this
 15th day of February, 2003

Page E01

Schedule A, Pt. 1, Real Estate Owned
NONE

Page E02

Schedule A, Pt. 2, Real Estate Acquired
NONE

Page E03

Schedule A, Pt. 3, Real Estate Sold
NONE

Page E04

Schedule B, Pt. 1, Mortgage Loans Owned
NONE

Page E05

Schedule B, Pt. 2, Mortgage Loans Sold
NONE

Page E06

Schedule BA, Pt. 1, Other Long-Term Invested Assets Owned
NONE

Page E07

Schedule BA, Pt. 2, Other Long-Term Invested Assets Sold
NONE

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE COLONY 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 December 31 Current Year, on Bonds in Default as to Principal or Interest | 19 NAIC Design- ation | 20 Date Acquired | 21 Effective Rate of Interest |
|--|--|--------|--------------|---------------|-----------------------|---------------------|------------------------------|---|--------------------|---|---------------------|----------------------|---|---|---|--|--|--------------------------------|------------------------|--|
| | | | 4 Rate of | 5 How Paid | | | | | | | | | 14 Amount Due and Accrued December 31 of Current Year on Bonds not in Default | 15 Gross Amount Received During Year | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| U.S. Governments - Issuer Obligations | | | | | | | | | | | | | | | | | | | | |
| US GOVERNMENT OBLIGATIONS | | | | | | | | | | | | | | | | | | | | |
| ISSUER OBLIGATIONS | | | | | | | | | | | | | | | | | | | | |
| 912827-3X-8 | U.S. TREASURY NOTES | | 5.500 | FA | 02/15/2008 | | | 1,308,131 | 1,270,000 | 112.844 | 1,433,119 | 1,314,648 | 26,384 | 69,850 | (6,448) | | | 1 | 12/26/2001 | 4.831 |
| 912827-4D-1 | U.S. TREASURY NOTE | | 5.750 | AO | 04/30/2003 | | | 125,348 | 125,000 | 101.469 | 126,836 | 129,063 | 1,231 | 7,188 | (1,024) | | | 1 | 02/04/1999 | 4.889 |
| 912827-4V-1 | U.S. TREASURY NOTES | | 4.750 | MN | 11/15/2008 | | | 8,016,770 | 8,115,000 | 109.156 | 8,858,009 | 8,002,468 | 50,046 | 385,463 | 14,150 | | | 1 | 12/26/2001 | 4.990 |
| 912827-6N-7 | U.S. TREASURY NOTE | | 5.750 | MN | 11/15/2005 | | | 102,119 | 100,000 | 110.531 | 110,531 | 103,180 | 747 | 5,750 | (674) | | | 1 | 05/24/2001 | 4.949 |
| 912827-L8-3 | U.S. TREASURY NOTE | | 5.750 | FA | 08/15/2003 | | | 573,730 | 575,000 | 102.781 | 590,991 | 568,174 | 12,488 | 33,079 | 1,939 | | | 1 | 01/05/2000 | 6.117 |
| 912827-Q8-8 | U.S. TREASURY NOTE | | 7.250 | FA | 08/15/2004 | | | 404,513 | 400,000 | 109.375 | 437,500 | 417,875 | 10,954 | 29,000 | (2,559) | | | 1 | 11/16/1996 | 6.507 |
| 912827-S8-6 | U.S. TREASURY NOTE | | 7.500 | FA | 02/15/2005 | | | 1,646,303 | 1,600,000 | 112.125 | 1,794,000 | 1,747,375 | 45,326 | 120,000 | (19,909) | | | 1 | 10/09/1997 | 6.028 |
| 912827-V8-2 | U.S. TREASURY NOTES | | 5.875 | MN | 11/15/2005 | | | 4,520,830 | 4,340,000 | 110.906 | 4,813,320 | 4,579,717 | 33,104 | 254,975 | (58,257) | | | 1 | 12/26/2001 | 4.316 |
| 912827-W8-1 | U.S. TREASURY NOTE | | 5.625 | FA | 02/15/2006 | | | 153,049 | 150,000 | 110.750 | 166,125 | 154,477 | 3,187 | 8,438 | (888) | | | 1 | 05/11/2001 | 4.915 |
| 912827-Y5-5 | U.S. TREASURY NOTE | | 7.000 | JJ | 07/15/2006 | | | 240,084 | 225,000 | 115.938 | 260,861 | 254,061 | 7,276 | 15,750 | (3,836) | | | 1 | 09/26/2000 | 4.915 |
| 912828-AN-0 | US TREASURY NOTES | | 3.000 | MN | 11/15/2007 | | | 5,272,656 | 5,250,000 | 101.219 | 5,313,998 | 5,272,764 | 20,449 | | (107) | | | 1 | 12/23/2002 | 2.904 |
| | COUNTRY TOTAL - U.S. | | | | | | | 22,363,533 | 22,150,000 | | 23,905,290 | 22,543,802 | 211,192 | 929,493 | (77,613) | | | | | |
| 0199999 | U.S. Governments - Issuer Obligations | | | | | | | 22,363,533 | 22,150,000 | | 23,905,290 | 22,543,802 | 211,192 | 929,493 | (77,613) | | | | | |
| U.S. Governments - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | | | | | | | | | | | |
| SINGLE CLASS MORTGAGE-BACKED/ASSET-BACK | | | | | | | | | | | | | | | | | | | | |
| 36203P-CT-8 | GNMA Pass Thru #354782 | | 8.000 | MTLY | 03/15/2024 | 07/31/2007 | 100.000 | 56,821 | 56,773 | | 56,821 | 56,862 | 378 | 4,559 | (33) | | | 1PE | 04/21/1995 | 7.692 |
| 36205J-7F-6 | GNMA Pass Thru # 392494 | | 8.000 | MTLY | 08/15/2024 | 06/30/2007 | 100.000 | 4,585 | 4,579 | | 4,585 | 4,585 | 31 | 366 | (3) | | | 1PE | 04/21/1995 | 7.650 |
| 36206A-HZ-9 | GNMA POOL #405348 | | 8.000 | MTLY | 11/15/2024 | 06/30/2007 | 100.000 | 72,524 | 71,451 | | 72,524 | 72,880 | 476 | 5,798 | (199) | | | 1PE | 03/08/1996 | 6.587 |
| 36206D-SZ-6 | GNMA Pass Thru #408664 | | 8.000 | MTLY | 05/15/2025 | 06/30/2007 | 100.000 | 9,794 | 9,787 | | 9,794 | 9,799 | 65 | 783 | (6) | | | 1PE | 05/01/1995 | 7.701 |
| 36206F-QR-6 | GNMA POOL #410064 | | 8.000 | MTLY | 07/15/2025 | 06/30/2007 | 100.000 | 38,643 | 38,017 | | 38,643 | 38,778 | 253 | 3,042 | (114) | | | 1PE | 03/08/1996 | 6.476 |
| 36206F-RC-8 | GNMA Pool # 410083 | | 7.000 | MTLY | 08/15/2025 | 07/31/2008 | 100.000 | 58,766 | 60,170 | | 58,766 | 58,459 | 351 | 4,229 | 141 | | | 1PE | 09/01/1995 | 8.470 |
| 36206J-X5-8 | GNMA POOL #413000 | | 7.000 | MTLY | 08/15/2025 | 07/31/2008 | 100.000 | 122,003 | 124,773 | | 122,003 | 121,225 | 728 | 8,735 | 278 | | | 1PE | 08/17/1995 | 8.388 |
| 36206R-ET-9 | GNMA POOL #418746 | | 8.000 | MTLY | 08/15/2025 | 06/30/2007 | 100.000 | 38,425 | 37,820 | | 38,425 | 38,576 | 252 | 3,026 | (113) | | | 1PE | 03/08/1996 | 6.511 |
| 36207L-4B-1 | GNMA Pool #435618 | | 8.000 | MTLY | 07/15/2026 | 06/30/2007 | 100.000 | 48,610 | 48,627 | | 48,610 | 48,650 | 324 | 3,891 | (21) | | | 1PE | 07/01/1996 | 7.783 |
| 36207M-YA-8 | GNMA Pool #436405 | | 8.000 | MTLY | 07/15/2026 | 06/30/2007 | 100.000 | 67,853 | 67,873 | | 67,853 | 67,905 | 452 | 5,445 | (29) | | | 1PE | 07/01/1996 | 7.779 |
| 36219D-TG-7 | GNMA Pass Thru #246351 | | 8.000 | MTLY | 06/15/2023 | 07/31/2007 | 100.000 | 118,696 | 118,639 | | 118,696 | 118,788 | 791 | 9,491 | (63) | | | 1PE | 04/21/1995 | 7.720 |
| 36220W-Q2-6 | GNMA Pool 290373 | | 9.500 | MTLY | 09/15/2020 | 09/30/2006 | 100.000 | 38,168 | 38,301 | | 38,168 | 41,509 | 303 | 3,639 | (2) | | | 1PE | 02/08/1994 | 9.484 |
| 36223N-UD-4 | GNMA Pool 312980 | | 8.500 | MTLY | 12/15/2021 | 11/30/2006 | 100.000 | 107,142 | 106,211 | | 107,142 | 110,674 | 752 | 9,062 | (244) | | | 1PE | 11/15/1996 | 7.522 |
| | COUNTRY TOTAL - U.S. | | | | | | | 782,030 | 783,021 | | 782,030 | 788,690 | 5,156 | 62,066 | (408) | | | | | |
| 0299999 | U.S. Governments - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | 782,030 | 783,021 | | 782,030 | 788,690 | 5,156 | 62,066 | (408) | | | | | |
| 0399999 | Subtotal - U.S. Governments | | | | | | | 23,145,563 | 22,933,021 | | 24,687,320 | 23,332,493 | 216,348 | 991,559 | (78,021) | | | | | |
| Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations | | | | | | | | | | | | | | | | | | | | |
| SPECIAL REVENUE AND ASSESSMENTS | | | | | | | | | | | | | | | | | | | | |
| ISSUER OBLIGATIONS | | | | | | | | | | | | | | | | | | | | |
| U.S. GOVERNMENT | | | | | | | | | | | | | | | | | | | | |
| 3133MP-4B-9 | FEDERAL HOME LOAN BANK | | 3.375 | JD | 06/15/2004 | | | 2,038,383 | 2,000,000 | 102.656 | 2,053,120 | 2,040,980 | 3,000 | 36,000 | (2,597) | | | 1PE | 11/25/2002 | 2.030 |
| 31359M-EK-5 | FEDERAL NATL MTG ASSN NOTE | | 5.250 | JJ | 01/15/2009 | | | 2,465,524 | 2,500,000 | | 2,465,524 | 2,460,525 | 60,521 | 131,250 | 4,708 | | | 1PE | 12/07/2001 | 5.522 |
| | STATE TOTAL | | | | | | | 4,503,907 | 4,500,000 | | 4,518,644 | 4,501,505 | 63,521 | 167,250 | 2,111 | | | | | |
| | COUNTRY TOTAL - U.S. | | | | | | | 4,503,907 | 4,500,000 | | 4,518,644 | 4,501,505 | 63,521 | 167,250 | 2,111 | | | | | |
| 2599999 | Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations | | | | | | | 4,503,907 | 4,500,000 | | 4,518,644 | 4,501,505 | 63,521 | 167,250 | 2,111 | | | | | |

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P/C

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE COLONY 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 December 31 Current Year, on Bonds in Default as to Principal or Interest | 19 NAIC Design- ation | 20 Date Acquired | 21 Effective Rate of Interest | |
|--|------------------------|--------|-----------------|------------------|-----------------------|---------------------|------------------------------|---|--------------------|---|---------------------|----------------------|---|---|---|--|--|--------------------------------|------------------------|--|--|
| | | | 4 Rate of | 5 How Paid | | | | | | | | | 14 Amount Due and Accrued December 31 of Current Year on Bonds not in Default | 15 Gross Amount Received During Year | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | | | | | | | | | | | | |
| SINGLE CLASS MORTGAGE-BACKED/ASSET-BACK | | | | | | | | | | | | | | | | | | | | | |
| U. S. GOVERNMENT | | | | | | | | | | | | | | | | | | | | | |
| 31280F-4N-9 | FHLMC #E61729 | | 7.000 | MTLY | 11/01/2010 | 09/30/2009 | 100.000 | 22,336 | 22,266 | | 22,336 | 22,453 | 130 | 1,690 | (33) | | | 1PE | 11/22/1995 | 6.612 | |
| 31280G-L2-4 | FHLMC #E62145 | | 7.000 | MTLY | 12/01/2010 | | | 81,298 | 81,047 | | 81,298 | 81,731 | 473 | 5,933 | (120) | | | 1PE | 12/01/1995 | 6.623 | |
| 31280G-N4-8 | FHLMC #E62211 | | 7.000 | MTLY | 12/01/2010 | | | 77,872 | 77,620 | | 77,872 | 78,275 | 453 | 5,444 | (117) | | | 1PE | 11/22/1995 | 6.624 | |
| 31280G-NH-9 | FHLMC #E62192 | | 7.000 | MTLY | 12/01/2010 | | | 32,932 | 32,828 | | 32,932 | 33,105 | 191 | 2,303 | (49) | | | 1PE | 11/22/1995 | 6.624 | |
| 31280G-TD-2 | FHLMC #E62348 | | 7.000 | MTLY | 01/01/2011 | 10/31/2009 | 100.000 | 10,404 | 10,350 | | 10,404 | 10,437 | 60 | 726 | (23) | | | 1PE | 12/18/1995 | 6.473 | |
| 31283J-FS-5 | FHLMC Group #G10177 | | 7.000 | MTLY | 02/01/2009 | 06/30/2008 | 100.000 | 40,841 | 40,839 | | 40,841 | 42,307 | 238 | 2,881 | (36) | | | 1PE | 02/04/1994 | 6.803 | |
| 31283J-SM-4 | FHLMC #G10524 | | 7.000 | MTLY | 06/01/2011 | 07/31/2010 | 100.000 | 75,723 | 76,101 | | 75,723 | 75,602 | 444 | 5,379 | 41 | | | 1PE | 05/01/1996 | 7.145 | |
| 3128F4-SL-6 | FHLMC #D65023 | | 8.000 | MTLY | 07/01/2025 | 04/30/2020 | 100.000 | 98,691 | 96,269 | | 98,691 | 99,401 | 642 | 7,708 | (385) | | | 1PE | 11/16/1996 | 6.389 | |
| 3128GP-XU-2 | FHLMC E86991 | | 5.500 | MTLY | 12/01/2016 | | | 877,632 | 890,502 | | 877,632 | 875,614 | 4,081 | 49,125 | 1,972 | | | 1PE | 12/20/2001 | 5.984 | |
| 31292G-KB-1 | FHLMC Grp #C000290 | | 6.500 | MTLY | 01/01/2024 | 06/30/2022 | 100.000 | 113,560 | 113,679 | | 113,560 | 113,892 | 616 | 7,445 | (13) | | | 1PE | 01/19/1994 | 6.419 | |
| 31292G-WG-7 | FHLMC C00647 | | 6.500 | MTLY | 09/01/2028 | 08/31/2027 | 100.000 | 145,098 | 143,920 | | 145,098 | 145,292 | 780 | 9,480 | (118) | | | 1PE | 09/09/1998 | 5.833 | |
| 31292Y-G6-8 | FHLMC C13821 | | 7.000 | MTLY | 08/01/2028 | 02/28/2027 | 100.000 | 99,393 | 97,650 | | 99,393 | 99,725 | 570 | 6,883 | (229) | | | 1PE | 09/09/1998 | 5.546 | |
| 31293A-6F-0 | FHLMC C15370 | | 7.500 | MTLY | 09/01/2028 | 02/28/2027 | 100.000 | 25,231 | 24,644 | | 25,231 | 25,333 | 154 | 1,917 | (70) | | | 1PE | 09/09/1998 | 5.670 | |
| 313401-EY-3 | FHLMC GRP 160046d | | 8.750 | MTLY | 05/01/2008 | 07/31/2007 | 100.000 | 12,199 | 12,329 | | 12,199 | 12,355 | 90 | 1,098 | | | | 1PE | 11/16/1996 | 8.747 | |
| 31362W-2B-1 | FNMA 73670 | | 6.975 | MTLY | 10/01/2003 | | | 374,922 | 374,649 | | 374,922 | 388,406 | 2,178 | 26,137 | (3,707) | | | 1PE | 03/25/1998 | 5.839 | |
| 31362W-3U-8 | FNMA DUS 73711 | | 7.385 | MTLY | 11/01/2006 | | | 449,941 | 446,848 | | 449,941 | 455,488 | 2,750 | 33,003 | (3,717) | | | 1PE | 11/07/2000 | 6.727 | |
| 31362W-R4-0 | FNMA DUS 73407 | | 6.710 | MTLY | 05/01/2006 | | | 299,887 | 301,592 | | 299,887 | 299,519 | 1,686 | 20,240 | 242 | | | 1PE | 11/15/2000 | 6.786 | |
| 31362W-W6-9 | FNMA DUS 73569 | | 7.550 | MTLY | 08/01/2006 | | | 714,989 | 704,503 | | 714,989 | 726,849 | 4,433 | 53,200 | (10,641) | | | 1PE | 10/17/2000 | 6.385 | |
| 31362W-XD-3 | FNMA Multi-Fam 73576 | | 7.285 | MTLY | 07/01/2003 | | | 374,543 | 374,179 | | 374,543 | 391,514 | 2,272 | 27,264 | (4,256) | | | 1PE | 04/20/1998 | 5.423 | |
| 31368H-WH-2 | FNMA Pass Thru #190648 | | 9.000 | MTLY | 07/01/2007 | 02/28/2005 | 100.000 | 4,901 | 4,930 | | 4,901 | 5,243 | 37 | 449 | | | | 1PE | 01/26/1994 | 8.992 | |
| 31371K-LP-4 | FNMA POOL 254234 | | 5.500 | MTLY | 02/01/2017 | 11/30/2016 | 100.000 | 807,399 | 814,966 | | 807,399 | 806,561 | 3,735 | 37,480 | 838 | | | 1PE | 01/31/2002 | 5.722 | |
| 31377F-FX-9 | FNMA POOL #375582 | | 6.710 | MTLY | 01/01/2008 | 12/31/2007 | 100.000 | 830,856 | 848,624 | | 830,856 | 823,431 | 4,745 | 56,951 | 6,261 | | | 1PE | 12/22/1999 | 7.469 | |
| 31377L-J5-3 | FNMA POOL #380184 | | 6.395 | MTLY | 04/01/2008 | | | 728,129 | 754,142 | | 728,129 | 716,611 | 4,019 | 48,236 | 9,979 | | | 1PE | 12/20/1999 | 7.726 | |
| 31377N-NL-9 | FNMA POOL #382095 | | 6.680 | MTLY | 09/01/2009 | 04/30/2005 | 100.000 | 874,713 | 900,000 | | 874,713 | 866,320 | 5,010 | 60,951 | 10,364 | | | 1PE | 12/20/1999 | 8.358 | |
| 31385Q-6M-9 | FNMA 549976 | | 7.500 | MTLY | 10/01/2030 | | | 105,173 | 105,600 | | 105,173 | 105,187 | 660 | 8,084 | (12) | | | 1PE | 10/02/2000 | 7.426 | |
| 313976-LB-6 | FHLMC Group # D37522 | | 7.000 | MTLY | 06/01/2023 | | | 91,298 | 90,726 | | 91,298 | 91,463 | 529 | 6,351 | (90) | | | 1PE | 10/06/1997 | 6.413 | |
| STATE TOTAL | | | | | | | | 7,369,961 | 7,440,803 | | 7,369,961 | 7,392,114 | 40,976 | 486,358 | 6,081 | | | | | | |
| COUNTRY TOTAL - U. S. | | | | | | | | | | | | | | | | | | | | | |
| 2699999 - Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | 7,369,961 | 7,440,803 | | 7,369,961 | 7,392,114 | 40,976 | 486,358 | 6,081 | | | | | | |
| Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | | | | | | | | | | | | | | | | | |
| DEFINED MULTI-CLASS RESIDENTIAL MORTGAG | | | | | | | | | | | | | | | | | | | | | |
| U. S. GOVERNMENT | | | | | | | | | | | | | | | | | | | | | |
| 31339G-BT-7 | FHLMC 2369 VB | | 6.500 | MTLY | 11/15/2016 | 08/15/2006 | 100.000 | 997,497 | 1,000,000 | | 997,497 | 997,500 | 5,417 | 70,417 | (2) | | | 1PE | 11/27/2001 | 6.499 | |
| 31358M-RN-6 | FNMA REMIC | | 7.000 | MTLY | 04/25/2007 | | | 86,440 | 88,549 | | 86,440 | 82,060 | 413 | 6,314 | 299 | | | 1PE | 06/09/1992 | 8.463 | |
| 31392F-BV-8 | FANNIE MAE 2002-70 QT | | 3.655 | MTLY | 07/25/2015 | 07/25/2007 | 100.000 | 999,975 | 1,000,000 | | 999,975 | 1,000,820 | 2,031 | 6,092 | (846) | | | 1Z | 09/20/2002 | 3.583 | |
| STATE TOTAL | | | | | | | | 2,083,912 | 2,088,549 | | 2,083,912 | 2,080,380 | 7,861 | 82,823 | (549) | | | | | | |
| COUNTRY TOTAL - U. S. | | | | | | | | | | | | | | | | | | | | | |
| 2799999 - Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | | | | 2,083,912 | 2,088,549 | | 2,083,912 | 2,080,380 | 7,861 | 82,823 | (549) | | | | | | |
| 3199999 - Subtotal - Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | | | 13,957,780 | 14,029,353 | | 13,972,517 | 13,973,998 | 112,359 | 736,430 | 7,642 | | | | | | |

E08.1

P/C

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE COLONY 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 December 31 Current Year, on Bonds in Default as to Principal or Interest | 19 NAIC Design- ation | 20 Date Acquired | 21 Effective Rate of Interest |
|--|--|--------|-----------------|------------------|-----------------------|---------------------|------------------------------|---|--------------------|---|---------------------|----------------------|---|---|---|--|--|--------------------------------|------------------------|--|
| | | | 4 Rate of | 5 How Paid | | | | | | | | | 14 Amount Due and Accrued December 31 of Current Year on Bonds not in Default | 15 Gross Amount Received During Year | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| Public Utilities (Unaffiliated) - Issuer Obligations | | | | | | | | | | | | | | | | | | | | |
| PUBLIC UTILITIES | | | | | | | | | | | | | | | | | | | | |
| ISSUER OBLIGATIONS | | | | | | | | | | | | | | | | | | | | |
| 209111-DD-2 | CONSOLIDATED EDISON | | 7.150 | JD | 12/01/2009 | | | 572,605 | 500,000 | 117.827 | 589,135 | 573,095 | 2,979 | | (490) | | 1 | | 12/11/2002 | 4.669 |
| 250847-DS-6 | DETROIT EDISON | | 6.125 | AO | 10/01/2010 | | | 503,858 | 500,000 | 110.145 | 550,725 | 504,315 | 7,656 | | (382) | | 1 | | 10/16/2001 | 5.999 |
| 610202-BG-7 | MONONGAHELA POWER | | 5.000 | AO | 10/01/2006 | | | 499,644 | 500,000 | 96.556 | 482,780 | 499,540 | 6,250 | 24,931 | 83 | | 2PE | | 09/27/2001 | 5.021 |
| 693627-AH-4 | PSI ENERGY INC | | 8.000 | JJ | 07/15/2009 | | | 1,156,198 | 1,000,000 | 119.566 | 1,195,660 | 1,161,880 | 36,889 | | (5,682) | | 1PE | | 09/19/2002 | 5.156 |
| 842434-CA-8 | SOUTHERN CALIFORNIA GAS CO | | 4.800 | AO | 10/01/2012 | | | 501,074 | 500,000 | 100.708 | 503,540 | 501,095 | 6,000 | | (21) | | 1 | | 10/03/2002 | 4.772 |
| | COUNTRY TOTAL - U.S. | | | | | | | 3,233,379 | 3,000,000 | | 3,321,840 | 3,239,925 | 59,774 | 54,790 | (6,492) | | | | | |
| 3299999 | Public Utilities (Unaffiliated) - Issuer Obligations | | | | | | | 3,233,379 | 3,000,000 | | 3,321,840 | 3,239,925 | 59,774 | 54,790 | (6,492) | | | | | |
| 3899999 | Subtotal - Public Utilities (Unaffiliated) | | | | | | | 3,233,379 | 3,000,000 | | 3,321,840 | 3,239,925 | 59,774 | 54,790 | (6,492) | | | | | |
| Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | | | | | | | | | | | | | | | | |
| INDUSTRIAL & MISCELLANEOUS | | | | | | | | | | | | | | | | | | | | |
| ISSUER OBLIGATIONS | | | | | | | | | | | | | | | | | | | | |
| 013716-AP-0 | ALCAN INC | | 6.450 | MS | 03/15/2011 | | | 1,002,401 | 1,000,000 | 111.704 | 1,117,040 | 1,002,630 | 18,992 | 64,500 | (217) | | 1 | | 12/10/2001 | 6.412 |
| 03746W-AA-0 | APACHE FINANCE PTY LTD | | 6.500 | JD | 12/15/2007 | | | 621,061 | 550,000 | 113.326 | 623,293 | 623,244 | 1,589 | 17,875 | (2,183) | | 1PE | | 11/01/2002 | 3.628 |
| 14912L-XZ-9 | CATERPILLAR FINANCIAL SERV CORP | | 5.990 | AO | 02/03/2003 | | | 429,606 | 430,000 | | 429,606 | 420,987 | 6,439 | 25,757 | 4,227 | | 1PE | | 11/14/2000 | 7.029 |
| 268766-BF-8 | EQUITY OFFICE PROPERTIES | | 6.800 | JJ | 01/15/2009 | | | 423,704 | 425,000 | 108.458 | 460,947 | 423,105 | 13,326 | 28,900 | 168 | | 2 | | 01/21/1999 | 6.863 |
| 319356-AE-1 | FIRST BRANDS CORP | | 7.250 | MS | 03/01/2007 | | | 561,801 | 500,000 | 110.782 | 553,910 | 566,415 | 12,083 | | (4,614) | | 1PE | | 08/28/2002 | 4.001 |
| 345397-SH-7 | FORD MOTOR CREDIT CO SR NTS | | 5.750 | FA | 02/23/2004 | | | 148,789 | 150,000 | 101.577 | 152,366 | 146,948 | 3,067 | 8,625 | 988 | | 2 | | 01/29/2001 | 6.492 |
| 345402-K4-2 | FORD MOTOR CREDIT MTN | | 6.850 | MS | 03/29/2004 | | | 250,481 | 250,000 | | 250,481 | 252,275 | 5,042 | 17,125 | (358) | | 2PE | | 02/26/1997 | 6.687 |
| 36962G-UL-6 | GENERAL ELECTRIC CAP. CORP. MTN | | 7.375 | JJ | 01/19/2010 | | | 248,553 | 250,000 | | 248,553 | 248,138 | 8,297 | 18,438 | 151 | | 1 | | 01/13/2000 | 7.482 |
| 404280-AA-7 | HSBC HOLDINGS PLC | | 7.500 | JJ | 07/15/2009 | | | 579,969 | 500,000 | 118.418 | 592,090 | 581,720 | 17,292 | | (1,751) | | 1PE | | 11/01/2002 | 4.637 |
| 42307T-AA-6 | HEINZ (H.J.) COMPANY | | 6.625 | JJ | 07/15/2011 | | | 1,140,847 | 1,000,000 | 113.167 | 1,131,670 | 1,144,140 | 30,549 | | (3,293) | | 1 | | 10/03/2002 | 4.611 |
| 534187-AK-5 | LINCOLN NATL CORP IND NT | | 6.500 | MS | 03/15/2008 | | | 599,271 | 600,000 | 107.372 | 644,232 | 598,788 | 11,483 | 39,000 | 114 | | 1PE | | 03/24/1998 | 6.528 |
| 78387G-AD-5 | SBC COMMUNICATIONS | | 6.250 | MS | 03/15/2011 | | | 2,068,042 | 2,000,000 | 110.244 | 2,204,880 | 2,075,500 | 36,806 | 125,000 | (6,351) | | 1 | | 10/25/2001 | 5.725 |
| 79549B-GP-6 | SALOMON SMITH BARNEY HOLDINGS INC | | 6.500 | FA | 02/15/2008 | | | 770,660 | 700,000 | 111.858 | 783,006 | 773,731 | 17,189 | | (3,071) | | 1 | | 10/01/2002 | 4.285 |
| 803111-AK-9 | SARA LEE CORP | | 6.250 | MS | 09/15/2011 | | | 1,113,980 | 1,000,000 | 112.155 | 1,121,550 | 1,116,530 | 18,403 | | (2,550) | | 1 | | 10/04/2002 | 4.644 |
| 80927G-AG-1 | SCOTIA PACIFIC CO LLC | | 6.550 | JJ | 07/20/2028 | | | 298,181 | 321,039 | | 298,181 | 298,767 | 9,404 | 10,514 | (586) | | 1 | | 05/13/2002 | 7.161 |
| 81482E-AB-2 | SECURITY PACIFIC | | 8.375 | JD | 05/01/2003 | | | 453,148 | 450,000 | | 453,148 | 519,012 | 3,141 | 37,688 | (9,028) | | 1PE | | 10/06/1993 | 6.233 |
| 828807-AA-5 | SIMON PROPERTY GROUP INC LP NT | | 6.750 | FA | 02/09/2004 | | | 690,215 | 700,000 | 104.003 | 728,021 | 667,569 | 18,638 | 47,250 | 8,143 | | 2 | | 12/21/1999 | 8.095 |
| 871829-AE-7 | SYSCO CORP | | 7.125 | AO | 04/15/2007 | | | 1,240,149 | 1,100,000 | 114.891 | 1,263,801 | 1,250,315 | 16,836 | 39,875 | (10,166) | | 1PE | | 08/28/2002 | 3.989 |
| 904764-AG-2 | UNILEVER CAPITAL CORP | | 7.250 | MN | 11/01/2010 | | | 548,444 | 500,000 | 118.030 | 590,150 | 554,090 | 5,938 | 35,625 | (4,818) | | 1 | | 10/26/2001 | 5.581 |
| 912129-AF-0 | U.S. LEASING INTERNATIONAL | | 5.950 | AO | 10/15/2003 | | | 299,918 | 300,000 | 99.227 | 297,681 | 299,190 | 3,768 | 17,850 | 99 | | 2PE | | 10/12/1993 | 5.986 |
| 92344G-AL-0 | VERIZON GLOBAL FDG CORP | | 7.250 | JD | 12/01/2010 | | | 535,369 | 500,000 | 113.653 | 568,265 | 539,470 | 3,021 | 36,250 | (3,395) | | 1 | | 10/12/2001 | 6.110 |
| | COUNTRY TOTAL - U.S. | | | | | | | 14,024,589 | 13,226,039 | | 14,512,871 | 14,102,564 | 261,303 | 570,272 | (38,491) | | | | | |
| 3999999 | Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | | | 14,024,589 | 13,226,039 | | 14,512,871 | 14,102,564 | 261,303 | 570,272 | (38,491) | | | | | |
| Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | | | | | | | | | | | | | | | | |
| DEFINED MULTI-CLASS RESIDENTIAL MORTGAG | | | | | | | | | | | | | | | | | | | | |
| 66937R-TQ-2 | NORWEST ASSET SEC CORP SER 1999-12 | | 6.250 | MTLY | 05/25/2029 | | | 1,012,597 | 1,008,272 | | 1,012,597 | 1,013,116 | 5,251 | 68,281 | (3,340) | | 1PE | | 11/01/2001 | 5.798 |
| 86358R-DX-2 | STRUCTURED ASSET SEC CORP 2001-SB1 | | 3.375 | MTLY | 08/25/2031 | 04/25/2024 | 100.000 | 711,849 | 826,462 | | 711,849 | 710,758 | 2,324 | 16,280 | 1,092 | | 1PE | | 05/16/2002 | 7.765 |
| | COUNTRY TOTAL - U.S. | | | | | | | 1,724,446 | 1,834,734 | | 1,724,446 | 1,723,874 | 7,575 | 84,561 | (2,248) | | | | | |
| 4199999 | Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | | | 1,724,446 | 1,834,734 | | 1,724,446 | 1,723,874 | 7,575 | 84,561 | (2,248) | | | | | |

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P/C

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE COLONY 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 December 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 December 31 of Current Year on Bonds not in Default | 15 Gross Amount Received During Year | | | | | | |
| | | | Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Residential Mortgage-Backed Securities | | | | | | | | | | | | | | | | | |
| OTHER MULTI-CLASS RESIDENTIAL MORTGAGE-B | | | | | | | | | | | | | | | | | | | | |
| 294754-AD-8 | EQUITY ONE ABS, INC 2001-2 AF2 | | 5.417 | MTLY | 06/25/2032 | 11/25/2005 | 100.000 | 499,666 | 500,000 | | 499,666 | 499,995 | 2,257 | 27,085 | (283) | | | 1PE | 08/09/2001 | 5.240 |
| 294754-AW-6 | EQUITY ONE ABS INC 2002-2 AF2 | | 5.025 | MTLY | 10/25/2032 | 11/25/2005 | 100.000 | 599,557 | 600,000 | | 599,557 | 599,999 | 2,513 | 20,100 | (443) | | | 1PE | 04/18/2002 | 4.903 |
| 361856-BY-2 | GMAS MTG CORP LN TR ASSETS BKD | | 6.000 | MTLY | 06/25/2027 | 06/25/2008 | 100.000 | 999,351 | 1,000,000 | | 999,351 | 999,889 | 5,000 | 45,000 | (538) | | | 1PE | 03/15/2002 | 5.911 |
| 67087T-CD-1 | OAKWOOD MTG INVEST INC | | 6.535 | MTLY | 03/15/2023 | 08/15/2008 | 100.000 | 996,496 | 1,000,000 | | 996,496 | 996,094 | 5,446 | 65,350 | 254 | | | 1PE | 05/22/2001 | 6.565 |
| 760985-GM-7 | RESIDENTIAL ASSETS MTG PROD 2002 | | 4.680 | MTLY | 05/25/2026 | 11/25/2004 | 100.000 | 499,444 | 500,000 | | 499,444 | 499,958 | 1,950 | 21,422 | (515) | | | 1 | 01/25/2002 | 4.519 |
| 76110V-LB-2 | RESIDENTIAL FDG MTG SECS 2002-H14 | | 5.250 | MTLY | 10/25/2027 | 04/25/2018 | 100.000 | 549,040 | 550,000 | | 549,040 | 549,055 | 2,406 | 7,219 | (15) | | | 1 | 09/17/2002 | 5.218 |
| | COUNTRY TOTAL - U. S. | | | | | | | 4,143,554 | 4,150,000 | | 4,143,554 | 4,144,990 | 19,572 | 186,176 | (1,540) | | | | | |
| 4299999 | Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Residential Mortgage-Backed Securities | | | | | | | 4,143,554 | 4,150,000 | | 4,143,554 | 4,144,990 | 19,572 | 186,176 | (1,540) | | | | | |
| Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | | | | | | | | | | | |
| OTHER MULTI-CLASS COMMERCIAL MORTGAGE-B | | | | | | | | | | | | | | | | | | | | |
| 466157-AC-8 | J G WENTWORTH REC V LLC 2001-AA A2 | | 6.395 | MTLY | 08/15/2026 | 08/15/2017 | 100.000 | 1,213,939 | 1,213,939 | | 1,213,939 | 1,213,939 | 3,450 | 77,631 | 137 | | | 1 | 08/07/2001 | 6.395 |
| 89556W-AB-6 | TRENDWEST RESORTS 2001-1 A2 | | 5.860 | MTLY | 09/15/2012 | 11/15/2007 | 100.000 | 1,100,000 | 1,100,000 | | 1,100,000 | 1,100,000 | 2,865 | 64,460 | 1 | | | 1 | 08/24/2001 | 5.860 |
| | COUNTRY TOTAL - U. S. | | | | | | | 2,313,939 | 2,313,939 | | 2,313,939 | 2,313,939 | 6,315 | 142,091 | 138 | | | | | |
| 4499999 | Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities | | | | | | | 2,313,939 | 2,313,939 | | 2,313,939 | 2,313,939 | 6,315 | 142,091 | 138 | | | | | |
| 4599999 | Subtotal - Industrial and Miscellaneous (Unaffiliated) | | | | | | | 22,206,529 | 21,524,713 | | 22,694,810 | 22,285,368 | 294,765 | 983,100 | (42,141) | | | | | |
| 5499999 | Total Bonds - Subtotal - Issuer Obligations | | | | | | | 44,125,408 | 42,876,039 | | 46,258,644 | 44,387,797 | 595,790 | 1,721,805 | (120,485) | | | | | |
| 5599999 | Total Bonds - Subtotal - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | 8,151,991 | 8,223,824 | | 8,151,991 | 8,180,804 | 46,132 | 548,424 | 5,672 | | | | | |
| 5699999 | Total Bonds - Subtotal - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | | | 3,808,359 | 3,923,284 | | 3,808,359 | 3,804,254 | 15,436 | 167,384 | (2,797) | | | | | |
| 5799999 | Total Bonds - Subtotal - Other Multi-Class Residential Mortgage-Backed Securities | | | | | | | 4,143,554 | 4,150,000 | | 4,143,554 | 4,144,990 | 19,572 | 186,176 | (1,540) | | | | | |
| 5999999 | Total Bonds - Subtotal - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities | | | | | | | 2,313,939 | 2,313,939 | | 2,313,939 | 2,313,939 | 6,315 | 142,091 | 138 | | | | | |
| 6099999 | TOTALS | | | | | | | 62,543,251 | 61,487,087 | | 64,676,487 | 62,831,784 | 683,246 | 2,765,880 | (119,012) | | | | | |

E08.3

P/C

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 | | | | |
| Preferred Stocks - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | | | | | | |
| INDUSTRIAL & MISCELLANEOUS - U. S. | | | | | | | | | | | | | | |
| 42307T-20-7 | H.J. HEINZ FIN CO 144A Rdm Pfd | 6.000 | 100,000.00 | | 600,000 | 100,000.000 | 600,000 | 600,000 | | 37,356 | | | RP2 | 06/26/2001... |
| | COUNTRY TOTAL - U. S. | | | | 600,000 | | 600,000 | 600,000 | | 37,356 | | | | |
| 6399999 | Subtotal - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated) | | | | 600,000 | | 600,000 | 600,000 | | 37,356 | | | | |
| 6599999 | TOTAL - Preferred Stocks | | | | 600,000 | | 600,000 | 600,000 | | 37,356 | | | | |

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 | | | | |
| Common Stocks - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | | | | |
| INDUSTRIAL & MISCELLANEOUS - U.S. | | | | | | | | | | | | |
| 299908-79-8 | EVERGREEN SELECT FIXED INCOME TR | 167,376.340 | 1,513,082 | 9.040 | 1,513,082 | 1,664,364 | | 118,872 | (26,780) | | L | 03/31/2000 |
| 45806@-10-9 | INSURANCE SERVICES OFFICE | 11,387.000 | 370,647 | 32.550 | 370,647 | | | | 131,748 | | A | 01/01/1997 |
| | COUNTRY TOTAL - U.S. | | 1,883,729 | | 1,883,729 | 1,664,364 | | 118,872 | 104,968 | | | |
| 6899999 | Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated) | | 1,883,729 | | 1,883,729 | 1,664,364 | | 118,872 | 104,968 | | | |
| 7099999 | TOTAL - Common Stocks | | 1,883,729 | | 1,883,729 | 1,664,364 | | 118,872 | 104,968 | | | |
| 7199999 | TOTAL - Preferred and Common Stocks | | 2,483,729 | | 2,483,729 | 2,264,364 | | 156,228 | 104,968 | | | |

(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 \$

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE COLONY SPECIALTY INSURANCE 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 - U. S. Governments | | | | | | | |
| | US GOVERNMENT OBLIGATIONS - U. S. | | | | | | |
| 912828-AN-0 | US TREASURY NOTES | 12/23/2002 | PARIBAS CORP | | 5,272,764 | 5,250,000.00 | 16,968 |
| | COUNTRY TOTAL - U. S. | | | | 5,272,764 | 5,250,000.00 | 16,968 |
| 0399999 | Subtotal - Bonds - U. S. Governments | | | | 5,272,764 | 5,250,000.00 | 16,968 |
| Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | | |
| | SPECIAL REVENUE AND ASSESSMENTS - U. S. | | | | | | |
| | U. S. GOVERNMENT | | | | | | |
| 3133MP-4B-9 | FEDERAL HOME LOAN BANK | 11/25/2002 | Morgan Stanley | | 2,040,980 | 2,000,000.00 | 32,438 |
| 31371K-LP-4 | FNMA POOL 254234 | 01/31/2002 | SALOMON SMITH BARNEY | | 890,719 | 900,000.00 | 2,475 |
| 31392F-BV-8 | FANNIE MAE 2002-70 QT | 09/20/2002 | MERRILL LYNCH | | 1,000,820 | 1,000,000.00 | 2,944 |
| | STATE TOTAL | | | | 3,932,519 | 3,900,000.00 | 37,857 |
| | COUNTRY TOTAL - U. S. | | | | | | |
| 3199999 | Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | 3,932,519 | 3,900,000.00 | 37,857 |
| Bonds - Public Utilities (Unaffiliated) | | | | | | | |
| | PUBLIC UTILITIES - U. S. | | | | | | |
| 209111-DD-2 | CONSOLIDATED EDISON | 12/11/2002 | BLAYLOCK & PARTNERS | | 573,095 | 500,000.00 | 1,490 |
| 693627-AH-4 | PSI ENERGY INC | 09/19/2002 | Morgan Stanley | | 1,161,880 | 1,000,000.00 | 15,333 |
| 842434-CA-8 | SOUTHERN CALIFORNIA GAS CO | 10/03/2002 | PARIBAS CORP | | 501,095 | 500,000.00 | 467 |
| | COUNTRY TOTAL - U. S. | | | | 2,236,070 | 2,000,000.00 | 17,290 |
| 3899999 | Subtotal - Bonds - Public Utilities (Unaffiliated) | | | | 2,236,070 | 2,000,000.00 | 17,290 |
| Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | | |
| | INDUSTRIAL & MISCELLANEOUS - U. S. | | | | | | |
| 03746W-AA-0 | APACHE FINANCE PTY LTD | 11/01/2002 | LEHMAN BROTHERS | | 623,244 | 550,000.00 | 14,002 |
| 294754-AW-6 | EQUITY ONE ABS INC 2002-2 AF2 | 04/18/2002 | FIRST UNION CAPITAL MKTS | | 599,999 | 600,000.00 | 2,429 |
| 319356-AE-1 | FIRST BRANDS CORP | 08/28/2002 | CREDIT SUISSE FIRST BOSTO | | 566,415 | 500,000.00 | 201 |
| 361856-BY-2 | GMAS MTG CORP LN TR ASSETS BKD | 03/15/2002 | FIRST UNION CAPITAL MKTS | | 999,889 | 1,000,000.00 | 4,167 |
| 404280-AA-7 | HSBC HOLDINGS PLC | 11/01/2002 | J P MORGAN | | 581,720 | 500,000.00 | 11,563 |
| 42307T-AA-6 | HEINZ (H. J.) COMPANY | 10/03/2002 | MELLON INVESTOR SVCS | | 1,144,140 | 1,000,000.00 | 15,274 |
| 760985-GM-7 | RESIDENTIAL ASSETS MTG PROD 2002 | 01/25/2002 | DEUTSCHE BANC ALEX BROWN | | 499,958 | 500,000.00 | 1,820 |
| 76110V-LB-2 | RESIDENTIAL FDG MTG SECS 2002-H14 | 09/17/2002 | BEAR, STEARNS & CO | | 549,055 | 550,000.00 | 2,005 |
| 79549B-GP-6 | SALOMON SMITH BARNEY HOLDINGS INC | 10/01/2002 | MERRILL LYNCH | | 773,731 | 700,000.00 | 6,193 |
| 803111-AK-9 | SARA LEE CORP | 10/04/2002 | MELLON INVESTOR SVCS | | 1,116,530 | 1,000,000.00 | 4,167 |
| 80927G-AG-1 | SCOTIA PACIFIC CO LLC | 05/13/2002 | SALOMON SMITH BARNEY | | 309,461 | 332,531.00 | 7,018 |
| 86358R-DX-2 | STRUCTURED ASSET SEC CORP 2001-SB1 | 05/16/2002 | LEHMAN BROTHERS | | 773,614 | 899,552.00 | 1,687 |
| 871829-AE-7 | SYSCO CORP | 08/28/2002 | Spear, Leeds & Kellogg | | 1,250,315 | 1,100,000.00 | 30,571 |
| | COUNTRY TOTAL - U. S. | | | | 9,788,071 | 9,232,083.00 | 101,097 |
| 4599999 | Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | 9,788,071 | 9,232,083.00 | 101,097 |
| 6099997 | Subtotal - Bonds - Part 3 | | | | 21,229,424 | 20,382,083.00 | 173,212 |
| 6099999 | Subtotal - Bonds | | | | 21,229,424 | 20,382,083.00 | 173,212 |
| 7299999 | TOTALS | | | | 21,229,424 | | 173,212 |

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE COLONY SPECIALTY 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 - U. S. Governments | | | | | | | | | | | | | | | |
| US GOVERNMENT OBLIGATIONS - U. S. | | | | | | | | | | | | | | | |
| 36203P-CT-8 | GNMA Pass Thru #354782 | 12/15/2002 | PRINCIPAL RECEIPT | | 24,510 | 24,510.00 | 24,548 | 24,510 | (35) | | | | | | 1,123 |
| 36205J-7F-6 | GNMA Pass Thru #392494 | 12/15/2002 | PRINCIPAL RECEIPT | | 1,932 | 1,932.00 | 1,935 | 1,932 | (4) | | | | | | 88 |
| 36206A-HZ-9 | GNMA POOL #405348 | 12/15/2002 | PRINCIPAL RECEIPT | | 47,388 | 47,388.00 | 48,336 | 47,388 | (844) | | | | | | 2,219 |
| 36206D-5Z-6 | GNMA Pass Thru #408664 | 12/15/2002 | PRINCIPAL RECEIPT | | 18,186 | 18,186.00 | 18,209 | 18,186 | (23) | | | | | | 583 |
| 36206F-QR-6 | GNMA POOL #410064 | 12/15/2002 | PRINCIPAL RECEIPT | | 36,646 | 36,646.00 | 37,379 | 36,646 | (714) | | | | | | 1,140 |
| 36206F-RC-8 | GNMA Pool #410083 | 12/15/2002 | PRINCIPAL RECEIPT | | 32,914 | 32,914.00 | 31,978 | 32,914 | 845 | | | | | | 1,110 |
| 36206J-X5-8 | GNMA POOL #413000 | 12/15/2002 | PRINCIPAL RECEIPT | | 55,340 | 55,340.00 | 53,766 | 55,340 | 1,352 | | | | | | 2,693 |
| 36206R-ET-9 | GNMA POOL #418746 | 12/15/2002 | PRINCIPAL RECEIPT | | 25,031 | 25,031.00 | 25,531 | 25,031 | (476) | | | | | | 1,169 |
| 36207L-4B-1 | GNMA Pool #435618 | 12/15/2002 | PRINCIPAL RECEIPT | | 27,286 | 27,286.00 | 27,299 | 27,286 | (2) | | | | | | 624 |
| 36207M-YA-8 | GNMA Pool #436405 | 12/15/2002 | PRINCIPAL RECEIPT | | 49,759 | 49,759.00 | 49,782 | 49,759 | (7) | | | | | | 2,099 |
| 36219D-TG-7 | GNMA Pass Thru #246351 | 12/15/2002 | PRINCIPAL RECEIPT | | 60,946 | 60,946.00 | 61,023 | 60,946 | (61) | | | | | | 2,289 |
| 36220W-Q2-6 | GNMA Pool 290373 | 12/15/2002 | PRINCIPAL RECEIPT | | 10,943 | 10,943.00 | 11,860 | 10,943 | 38 | | | | | | 497 |
| 36223N-UD-4 | GNMA Pool 312980 | 12/15/2002 | PRINCIPAL RECEIPT | | 65,954 | 65,954.00 | 68,725 | 65,954 | (730) | | | | | | 2,823 |
| | COUNTRY TOTAL - U. S. | | | | 456,836 | 456,836.00 | 460,371 | 456,836 | (660) | | | | | | 18,458 |
| 0399999 | - Subtotal - Bonds - U. S. Governments | | | | 456,836 | 456,836.00 | 460,371 | 456,836 | (660) | | | | | | 18,458 |
| Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | | | | | | | | | | |
| SPECIAL REVENUE AND ASSESSMENTS - U. S. | | | | | | | | | | | | | | | |
| U. S. GOVERNMENT | | | | | | | | | | | | | | | |
| 31280F-4N-9 | FHLMC #E61729 | 12/15/2002 | PRINCIPAL RECEIPT | | 35,095 | 35,095.00 | 35,392 | 35,095 | (163) | | | | | | 1,512 |
| 31280G-L2-4 | FHLMC #E62145 | 12/15/2002 | PRINCIPAL RECEIPT | | 101,710 | 101,710.00 | 102,568 | 101,710 | (466) | | | | | | 3,976 |
| 31280G-N4-8 | FHLMC #E62211 | 12/15/2002 | PRINCIPAL RECEIPT | | 7,238 | 7,238.00 | 7,299 | 7,238 | (34) | | | | | | 268 |
| 31280G-NH-9 | FHLMC #E62192 | 12/15/2002 | PRINCIPAL RECEIPT | | 44,590 | 44,590.00 | 44,966 | 44,590 | (208) | | | | | | 1,221 |
| 31280G-TD-2 | FHLMC #E62348 | 12/15/2002 | PRINCIPAL RECEIPT | | 6,426 | 6,426.00 | 6,480 | 6,426 | (48) | | | | | | 353 |
| 31283J-FS-5 | FHLMC Group #G10177 | 12/15/2002 | PRINCIPAL RECEIPT | | 21,105 | 21,105.00 | 21,864 | 21,105 | (20) | | | | | | 726 |
| 31283J-SM-4 | FHLMC #G10524 | 12/15/2002 | PRINCIPAL RECEIPT | | 45,028 | 45,028.00 | 44,732 | 45,028 | 248 | | | | | | 1,670 |
| 3128F4-SL-6 | FHLMC #D65023 | 12/15/2002 | PRINCIPAL RECEIPT | | 52,424 | 52,424.00 | 54,130 | 52,424 | (1,528) | | | | | | 1,080 |
| 3128GP-XU-2 | FHLMC E86991 | 12/15/2002 | PRINCIPAL RECEIPT | | 109,498 | 109,498.00 | 107,668 | 109,498 | 1,825 | | | | | | 3,983 |
| 31292G-KB-1 | FHLMC Grp #C000290 | 12/15/2002 | PRINCIPAL RECEIPT | | 45,453 | 45,453.00 | 45,538 | 45,453 | 42 | | | | | | 1,739 |
| 31292G-WG-7 | FHLMC C00647 | 12/15/2002 | PRINCIPAL RECEIPT | | 91,786 | 91,786.00 | 92,661 | 91,786 | (827) | | | | | | 3,555 |
| 31292Y-G6-8 | FHLMC C13821 | 12/15/2002 | PRINCIPAL RECEIPT | | 99,924 | 99,924.00 | 102,047 | 99,924 | (2,018) | | | | | | 3,743 |
| 31293A-6F-0 | FHLMC C15370 | 12/15/2002 | PRINCIPAL RECEIPT | | 44,326 | 44,326.00 | 45,566 | 44,326 | (1,182) | | | | | | 1,799 |
| 31339G-BT-7 | FHLMC 2369 VB | 02/28/2002 | COUNTRYWIDE FUNDING CORP | 1,013,750 | 1,000,000.00 | | 997,500 | 997,499 | | | | 16,251 | 16,251 | | 11,556 |
| 313401-EY-3 | FHLMC GRP 160046d | 12/15/2002 | PRINCIPAL RECEIPT | | 6,351 | 6,351.00 | 6,365 | 6,351 | 67 | | | | | | 288 |
| 31358M-RN-6 | FNMA REMIC | 12/25/2002 | PRINCIPAL RECEIPT | | 61,025 | 61,025.00 | 56,553 | 61,025 | 1,660 | | | | | | 2,015 |
| 31362W-2B-1 | FNMA 73670 | 12/25/2002 | PRINCIPAL RECEIPT | | 5,008 | 5,008.00 | 5,192 | 5,008 | (53) | | | | | | 187 |
| 31362W-3U-8 | FNMA DUS 73711 | 12/25/2002 | PRINCIPAL RECEIPT | | 5,657 | 5,657.00 | 5,767 | 5,657 | (86) | | | | | | 225 |
| 31362W-R4-0 | FNMA DUS 73407 | 12/25/2002 | PRINCIPAL RECEIPT | | 4,369 | 4,369.00 | 4,339 | 4,369 | 28 | | | | | | 157 |
| 31362W-W6-9 | FNMA DUS 73569 | 12/25/2002 | PRINCIPAL RECEIPT | | 8,901 | 8,901.00 | 9,183 | 8,901 | (267) | | | | | | 359 |
| 31362W-XD-3 | FNMA Multi-Fam 73576 | 12/25/2002 | PRINCIPAL RECEIPT | | 4,970 | 4,970.00 | 5,200 | 4,970 | (61) | | | | | | 193 |
| 31368H-WH-2 | FNMA Pass Thru #190648 | 12/25/2002 | PRINCIPAL RECEIPT | | 6,081 | 6,081.00 | 6,467 | 6,081 | 35 | | | | | | 252 |
| 31371K-LP-4 | FNMA POOL 254234 | 12/25/2002 | PRINCIPAL RECEIPT | | 85,034 | 85,034.00 | 84,157 | 85,034 | 877 | | | | | | 2,554 |
| 31377F-FX-9 | FNMA POOL #375582 | 12/25/2002 | PRINCIPAL RECEIPT | | 17,842 | 17,842.00 | 17,312 | 17,842 | 505 | | | | | | 647 |
| 31377L-J5-3 | FNMA POOL #380184 | 12/25/2002 | PRINCIPAL RECEIPT | | 9,959 | 9,959.00 | 9,463 | 9,959 | 475 | | | | | | 340 |
| 31385Q-6M-9 | FNMA 549976 | 12/25/2002 | PRINCIPAL RECEIPT | | 306,024 | 306,024.00 | 304,829 | 306,024 | 1,204 | | | | | | 11,416 |
| 313976-LB-6 | FHLMC Group #D37522 | 12/15/2002 | PRINCIPAL RECEIPT | | 73,523 | 73,523.00 | 74,120 | 73,523 | (537) | | | | | | 1,556 |
| | STATE TOTAL | | | | 2,313,097 | 2,299,347.00 | 2,297,357 | 2,296,846 | (533) | | | 16,251 | 16,251 | | 57,369 |
| | COUNTRY TOTAL - U. S. | | | | 2,313,097 | 2,299,347.00 | 2,297,357 | 2,296,846 | (533) | | | 16,251 | 16,251 | | 57,369 |
| 3199999 | - Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | 2,313,097 | 2,299,347.00 | 2,297,357 | 2,296,846 | (533) | | | 16,251 | 16,251 | | 57,369 |

E/2

P/C

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE COLONY SPECIALTY 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 - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | | | | | | | |
| INDUSTRIAL & MISCELLANEOUS - U. S. | | | | | | | | | | | | | | | |
| 02378J-AG-3 | AMERICAN AIRLINES 144A | 01/25/2002 | Morgan Stanley | | 960,210 | 1,000,000.00 | 963,640 | 964,167 | 186 | | | (3,957) | (3,957) | | 12,687 |
| 02635P-QA-4 | AMERICAN GENERAL FINANCE MTN | 11/22/2002 | MATURITY | | 525,000 | 525,000.00 | 525,000 | 525,000 | | | | | | | 39,719 |
| 046003-HY-8 | ASSOCIATES CORP. NORTH AMER. SR NT | 07/15/2002 | MATURITY | | 655,000 | 655,000.00 | 650,736 | 655,000 | 872 | | | | | | 42,575 |
| 25475M-AQ-7 | DISTRIBUTION FINL SVCS RV TR | 05/15/2002 | PRINCIPAL RECEIPT | | 139,430 | 139,430.00 | 139,417 | 139,430 | 3 | | | | | | 2,263 |
| 441812-JV-7 | HOUSEHOLD FIN CO | 11/26/2002 | Morgan Stanley | | 1,006,080 | 1,000,000.00 | 1,032,070 | 1,029,218 | (2,311) | | | (23,138) | (23,138) | | 70,688 |
| 466157-AC-8 | J G WENTWORTH REC V LLC 2001-AA A2 | 12/15/2002 | PRINCIPAL RECEIPT | | 58,423 | 58,423.00 | 58,423 | 58,423 | 7 | | | | | | 2,169 |
| 66937R-TQ-2 | NORWEST ASSET SEC CORP SER 1999-12 | 12/25/2002 | PRINCIPAL RECEIPT | | 15,351 | 15,351.00 | 15,425 | 15,351 | (117) | | | | | | 551 |
| 80927G-AG-1 | SCOTIA PACIFIC CO LLC | 07/20/2002 | Sink PMT @ 100.00000000 | | 11,492 | 11,492.00 | 10,694 | 11,492 | 797 | | | | | | 376 |
| 86358R-DX-2 | STRUCTURED ASSET SEC CORP 2001-SB1 | 12/25/2002 | PRINCIPAL RECEIPT | | 73,089 | 73,089.00 | 62,857 | 73,089 | 10,232 | | | | | | 836 |
| | COUNTRY TOTAL - U. S. | | | | 3,444,075 | 3,477,785.00 | 3,458,262 | 3,471,170 | 9,670 | | | (27,095) | (27,095) | | 171,864 |
| 4599999 | Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | 3,444,075 | 3,477,785.00 | 3,458,262 | 3,471,170 | 9,670 | | | (27,095) | (27,095) | | 171,864 |
| 6099997 | Subtotal - Bonds - Part 4 | | | | 6,214,007 | 6,233,967.00 | 6,215,990 | 6,224,852 | 8,477 | | | (10,845) | (10,845) | | 247,692 |
| 6099999 | Subtotal - Bonds | | | | 6,214,007 | 6,233,967.00 | 6,215,990 | 6,224,852 | 8,477 | | | (10,845) | (10,845) | | 247,692 |
| 7299999 | TOTALS | | | | 6,214,007 | | 6,215,990 | 6,224,852 | 8,477 | | | (10,845) | (10,845) | | 247,692 |

Page E13

Sch. D, Pt. 5, Long-Term Bonds and Stocks Acquired and Disp. of
NONE

Page E14

Sch. D, Pt. 6, Sn. 1, Valuation of Shares
NONE

Sch. D, Pt. 6, Sn. 2, Valuation of Shares
NONE

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE COLONY SPECIALTY INSURANCE COMPANY

SCHEDULE DA - PART 1

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

| 1 CUSIP Identifi- cation | 2 Description | 3 Date Acquired | 4 Name of Vendor | Interest | | 7 Maturity Date | 8 Book/Adjusted Carrying Value | 9 Increase (Decrease) by Adjustment (a) | 10 Increase (Decrease) by Foreign Exchange Adjustment | 11 Par Value | 12 Actual Cost | Interest | | 15 Paid for Accrued Interest | 16 NAIC Desig- nation | 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 | | | |
| | | | | Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | | | |
| 31385H-UU-4 | FNMA POOL 545195 REPO | 12/31/2002 | WACHOVIA BANK | 0.300 | MATR | 01/02/2003 | 1,192,000 | | | 1,192,000 | 1,192,000 | | | | 1PE | 0.300 |
| 2699999 | - Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | 1,192,000 | | | 1,192,000 | 1,192,000 | | | | | |
| 3199999 | - Subtotal - Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | 1,192,000 | | | 1,192,000 | 1,192,000 | | | | | |
| Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | | | | | | | | | | | | |
| INDUSTRIAL & MISCELLANEOUS ISSUER OBLIGATIONS | | | | | | | | | | | | | | | | |
| 300250-50-3 | Evergreen Select Treasury Money Market | 12/31/2002 | EVERGREEN | 0.780 | MATR | 01/02/2003 | 1,269,798 | | | 1,269,798 | 1,269,798 | 3,034 | | | 1PE | 0.780 |
| | COUNTRY TOTAL - U.S. | | | | | | 1,269,798 | | | 1,269,798 | 1,269,798 | 3,034 | | | | |
| 3999999 | - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | | 1,269,798 | | | 1,269,798 | 1,269,798 | 3,034 | | | | |
| 4599999 | - Subtotal - Industrial and Miscellaneous (Unaffiliated) | | | | | | 1,269,798 | | | 1,269,798 | 1,269,798 | 3,034 | | | | |
| 5499999 | - Total Bonds - Subtotal - Issuer Obligations | | | | | | 1,269,798 | | | 1,269,798 | 1,269,798 | 3,034 | | | | |
| 5599999 | - Total Bonds - Subtotal - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | 1,192,000 | | | 1,192,000 | 1,192,000 | | | | | |
| 6099999 | - TOTAL - Bonds | | | | | | 2,461,798 | | | 2,461,798 | 2,461,798 | 3,034 | | | | |
| 8099999 | - TOTALS | | | | | | 2,461,798 | | | 2,461,798 | 2,461,798 | 3,034 | | | | |

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

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Sch. DB, Pt. A, Sn. 1, Financial Options Owned
NONE

Sch. DB, Pt. A, Sn. 2, Financial Options Acquired
NONE

Page E17

Sch. DB, Pt. A, Sn. 3, Financial Options Terminated
NONE

Sch. DB, Pt. B, Sn. 1, Written and In-Force
NONE

Page E18

Sch. DB, Pt. B, Sn. 2, Financial Options Written
NONE

Sch. DB, Pt. B, Sn. 3, Financial Options Terminated
NONE

Page E19

Sch. DB, Pt. C, Sn. 1, Collar, Swap and Forwards Open
NONE

Sch. DB, Pt. C, Sn. 2, Collar, Swap and Forwards Opened
NONE

Page E20

Sch. DB, Pt. C, Sn. 3, Collar, Swap and Forwards Terminated
NONE

Sch. DB, Pt. D, Sn. 1, Futures and Ins Futures Contracts Open
NONE

Page E21

Sch. DB, Pt. D, Sn. 2, Futures Contracts Opened Current Year
NONE

Sch. DB, Pt. D, Sn. 3, Futures Contracts Terminated Current Year
NONE

Page E22

Sch. DB, Pt. E, Sn. 1, Counterparty Exposure Derivative Instr.
NONE

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE COLONY SPECIALTY INSURANCE COMPANY

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 Statement (Admitted) Value | 2 Fair Value (a) | 3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
|---------------------------|------------------------------------|------------------------|--|
| 1. Bonds | 65,005,046 | 68,633,614 | 3,628,568 |
| 2. Preferred Stocks | 600,000 | 600,000 | |
| 3. Totals | 65,605,046 | 69,233,614 | 3,628,568 |

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

FT Interactive Data

Wachovia Bank

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SCHEDULE E - PART 1 - CASH

| 1 | | 2 | 3 | 4 | 5 | 6 |
|-------------------------------------|---------------------------------------|------------------|---|--|---------|---------|
| Depository | | Rate of Interest | Amount of Interest Received During Year | Amount of Interest Accrued December 31 of Current Year | Balance | * |
| Name | Location and Supplemental Information | | | | | |
| Open Depositories | | | | | | |
| Wachovia Bank | Richmond, VA | | | | | (7,339) |
| 0199999 - TOTAL - Open Depositories | | | | | | (7,339) |
| 0399999 - TOTAL Cash on Deposit | | | | | | (7,339) |
| 0599999 - TOTAL Cash | | | | | | (7,339) |

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

| | | | | | | | |
|-------------|---------|----------|-----|--------------|--------|--------------|---------|
| 1. January | 881,524 | 4. April | 924 | 7. July | 95,140 | 10. October | 622 |
| 2. February | 122,380 | 5. May | 143 | 8. August | 3,890 | 11. November | 373,060 |
| 3. March | 984 | 6. June | 431 | 9. September | 182 | 12. December | (7,339) |

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE COLONY SPECIALTY INSURANCE 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 |
|---|-----------|--|---|------------------------|--------------------------|-----------------|
| Arkansas | | | | | | |
| AR00001 | B | U.S. TREASURY NOTE 5.75% 11/15/05 | US BANK, LITTLE ROCK, AR - ARKANSAS INSURANCE DEPARTMENT 23-63-206 | 100,000 | 102,119 | 110,531 |
| AR99999 | | Arkansas | | 100,000 | 102,119 | 110,531 |
| Florida | | | | | | |
| FL00001 | B | U.S. TREASURY NOTE 5.75% 08/15/03 | WACHOVIA BANK, CHARLOTTE, NC - FLORIDA DEPT OF INSURANCE - RSD FLORIDA STATUTES 18.24 | 225,000 | 224,503 | 231,257 |
| FL99999 | | Florida | | 225,000 | 224,503 | 231,257 |
| Georgia | | | | | | |
| GA00001 | B | U.S. TREASURY NOTE 5.75% 08/15/03 | WACHOVIA BANK, ATLANTA, GA - GEORGIA DEPARTMENT OF INSURANCE - RSD 33.3-9 | 25,000 | 24,945 | 25,695 |
| GA00002 | B | U.S. TREASURY NOTE 7.00% 07/15/06 | WACHOVIA BANK, ATLANTA, GA - GEORGIA DEPARTMENT OF INSURANCE - RSD 33.3-9 | 25,000 | 26,676 | 28,985 |
| GA99999 | | Georgia | | 50,000 | 51,621 | 54,680 |
| Nevada | | | | | | |
| NV00001 | B | U.S. TREASURY NOTE 5.75% 08/15/03 | WACHOVIA BANK, CHARLOTTE, NC - NEVADA DIVISION OF INSURANCE 59A-5-19 | 225,000 | 224,503 | 231,257 |
| NV99999 | | Nevada | | 225,000 | 224,503 | 231,257 |
| North Carolina | | | | | | |
| NC00001 | B | U.S. TREASURY NOTE 5.75% 08/15/03 | WACHOVIA BANK, WINSTON-SALEM, NC - NORTH CAROLINA DEPT OF INSURANCE 58-5-5 & 58-5-10 | 100,000 | 99,779 | 102,781 |
| NC99999 | | North Carolina | | 100,000 | 99,779 | 102,781 |
| Oregon | | | | | | |
| OR00001 | B | U.S. TREASURY NOTE 5.75% 04/30/03 | US BANK, PORTLAND, OR - OREGON INSURANCE CODE - ORS 731.640 | 125,000 | 125,348 | 126,836 |
| OR99999 | | Oregon | | 125,000 | 125,348 | 126,836 |
| South Carolina | | | | | | |
| SC00001 | B | U.S. TREASURY NOTE 5.625% 02/15/06 | WACHOVIA BANK, CHARLOTTE, NC - SOUTH CAROLINA DEPT OF INSURANCE - RSD 38-9-80 | 150,000 | 153,049 | 166,125 |
| SC99999 | | South Carolina | | 150,000 | 153,049 | 166,125 |
| XX99999 | | Subtotal - Special Deposits NOT held for the benefit of all Policyholders, Claimants, and Creditors of the Company | | 975,000 | 980,922 | 1,023,467 |
| Special Deposits held for the benefit of all Policyholders, Claimants, and Creditors of the Company | | | | | | |
| ZZ00001 | B | U.S. TREASURY NOTE 7.00% 07/15/06 | OHIO DEPARTMENT OF INSURANCE - OH REV CODE 3929-10 | 200,000 | 213,408 | 231,876 |
| ZZ00002 | B | U.S. TREASURY NOTE 7.25% 08/15/04 | OHIO DEPARTMENT OF INSURANCE - OH REV CODE 3929-10 | 400,000 | 405,513 | 437,500 |
| ZZ00003 | B | U.S. TREASURY NOTE 7.50% 02/15/05 | OHIO DEPARTMENT OF INSURANCE - OH REV CODE 3929-10 | 1,600,000 | 1,646,303 | 1,794,000 |
| ZZ99999 | | Subtotal - Special Deposits held for the benefit of all Policyholders, Claimants, and Creditors of the Company | | 2,200,000 | 2,265,224 | 2,463,376 |
| 9999999 | | TOTALS | | 3,175,000 | 3,246,146 | 3,486,843 |

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