



ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

SCOTTSDALE INSURANCE COMPANY

NAIC Group Code 0140 0140 NAIC Company Code 41297 Employer's ID Number 31-1024978
(Current Period) (Prior Period)

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

Country of Domicile United States of America

Incorporated January 4, 1982 Commenced Business July 1, 1982

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>Robert Allen Rosholt</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>Judy Lee Howard</u>	<u>William Gerald Jurgensen</u>
<u>Lydia Micheaux Marshall</u>	<u>David Owen Miller</u>	<u>Michael Dean Miller</u>
<u>Ralph McDaniel Paige</u>	<u>Roger Max Williamson</u>	

State of Arizona }
County of Maricopa } 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
President

Randall Lee Orr
Assistant Secretary

Judy Lee Howard
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 _____

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE 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								
00-1000944	Oakbrook	IL		04/10/2002	6.810	990,943			1,938,889	03/25/2002
00-1001080	Pittsburgh	PA		11/25/2002	5.620	500,000			554,568	10/23/2002
00-1001081	Pittsburgh	PA		11/25/2002	6.450	100,000			111,559	10/23/2002
00-1001118	San Diego	CA		09/18/2002	6.620	993,461			1,575,472	08/20/2002
00-1001121	Cincinnati	OH		11/26/2002	6.070	2,000,000			2,588,424	09/16/2002
00-1001233	Houston	TX		10/10/2002	6.470	1,230,560			1,825,000	11/01/2002
00-9000147	San Diego	CA		09/01/2002	7.375	224,607			808,500	08/07/2002
00-9000149	South Ogden	UT		10/01/2002	7.250	462,617			722,750	03/07/2002
0599999 - Mortgages in good standing - Commercial Mortgages - All Other						6,502,188			10,125,162	XXX
0799999 - Total - Mortgages in Good Standing						6,502,188			10,125,162	XXX
9999999 Totals						6,502,188			10,125,162	XXX

General Interrogatory:

- 1. Mortgages in good standing\$0 unpaid taxes\$0 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.

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Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE 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																				
3134A2-BP-2	FHLMC Deb		6.220	MS	03/18/2008			964,604	1,000,000	101.0000	1,010,000	948,438	17,796	62,200	5,454			1	11/01/1999	7.044
31359M-JH-7	FNMA Benchmark Nt	LS	6.000	MN	05/15/2011			15,116,635	15,000,000	113.0310	16,954,650	15,126,000	115,000	900,000	(9,345)			1	12/28/2001	5.881
912810-DG-0	U S Treasury Bd	LS	11.875	MN	11/15/2003			3,126,783	3,000,000	109.1250	3,273,750	3,803,906	46,253	356,250	(137,158)			1	03/27/1997	6.783
912827-J7-8	U S Treasury Nt	LS	6.250	FA	02/15/2003			8,536,553	8,500,000	100.5940	8,550,490	8,863,750	200,662	531,250	(296,563)			1	10/31/2001	2.694
912827-L8-3	U S Treasury Nt	LS	5.750	FA	08/15/2003			18,392,086	18,500,000	102.7810	19,014,485	17,440,625	401,797	1,063,750	164,752			1	06/10/1996	6.725
912827-P8-9	U S Treasury Nt	LS	7.250	MN	05/15/2004			3,030,463	3,000,000	108.0310	3,240,930	3,147,188	28,239	217,500	(20,640)			1	03/29/1996	6.463
912827-08-8	U S Treasury Nt	LS	7.250	FA	08/15/2004			25,430,978	25,000,000	109.3750	27,343,750	26,868,750	684,613	1,812,500	(246,160)			1	03/29/1996	6.116
Total United States								74,598,103	74,000,000	XXX	79,388,055	76,198,656	1,494,361	4,943,450	(539,660)	0	0	XXX	XXX	XXX
0199999 - Total Bonds - U.S. Government - Issuer Obligations								74,598,103	74,000,000	XXX	79,388,055	76,198,656	1,494,361	4,943,450	(539,660)	0	0	XXX	XXX	XXX
0399996 - Bonds - U.S. Government								74,598,103	74,000,000	XXX	79,388,055	76,198,656	1,494,361	4,943,450	(539,660)	0	0	XXX	XXX	XXX
0399999 - Total - U.S. Government Bonds								74,598,103	74,000,000	XXX	79,388,055	76,198,656	1,494,361	4,943,450	(539,660)	0	0	XXX	XXX	XXX
State, Territories and Possessions Issuer Obligations (10) United States Florida																				
341421-JF-3	Florida St Bd Ed G0 Cap Outlay C		5.400	JD	06/01/2007	06/01/2003	101.000	2,020,163	2,000,000	102.7430	2,054,860	2,022,220	9,000	108,000	(380)			1	03/21/1996	5.327
341422-BN-2	Florida St Bd Ed G0 Cap Outlay A		4.700	JJ	01/01/2009	01/01/2007	100.000	3,038,238	3,000,000	0.0000	3,038,238	3,068,490	70,500	141,000	(8,575)			1PE	03/26/1999	4.349
Total Florida								5,058,401	5,000,000	XXX	5,093,098	5,090,710	79,500	249,000	(8,954)	0	0	XXX	XXX	XXX
Georgia																				
373382-H5-2	Georgia St G0 Ser 1994-E		6.750	JD	12/01/2005			2,093,664	2,000,000	0.0000	2,093,664	2,282,780	11,250	135,000	(29,158)			1PE	05/22/1995	5.003
373382-K9-0	Georgia St G0 Ser 1995-B		7.200	MS	03/01/2006			1,364,173	1,300,000	0.0000	1,364,173	1,482,039	31,200	93,600	(18,119)			1PE	03/08/1995	5.478
373382-W2-2	Georgia St G0 Ser 1996-B		6.250	AO	04/01/2007			1,570,927	1,500,000	115.9900	1,739,850	1,657,065	23,438	93,750	(14,651)			1	03/13/1996	5.000
Total Georgia								5,028,764	4,800,000	XXX	5,197,687	5,421,884	65,888	322,350	(61,928)	0	0	XXX	XXX	XXX
Hawaii																				
419779-NV-1	Hawaii St G0 Ser CH		6.000	MN	11/01/2009			1,053,116	1,000,000	0.0000	1,053,116	1,073,090	10,000	60,000	(6,362)			1PE	08/26/1999	5.070
419780-PU-9	Hawaii St G0 Ser CT		5.750	MS	09/01/2010			1,034,353	1,000,000	0.0000	1,034,353	1,045,340	19,167	57,500	(3,567)			1PE	09/17/1999	5.201
Total Hawaii								2,087,469	2,000,000	XXX	2,087,469	2,118,430	29,167	117,500	(9,929)	0	0	XXX	XXX	XXX
Illinois																				
452149-TL-1	Illinois St G0 Ser March 94		5.625	AO	04/01/2009	04/01/2004	102.000	1,874,895	1,850,000	0.0000	1,874,895	1,824,174	26,016	104,063	41,682			1PE	06/25/1996	6.057
Total Illinois								1,874,895	1,850,000	XXX	1,874,895	1,824,174	26,016	104,063	41,682	0	0	XXX	XXX	XXX
Kentucky																				
49151E-FY-4	Kentucky St Pty & Bldgs Rev Ref Proj 72		5.375	AO	10/01/2016	10/01/2011	100.000	3,242,004	3,000,000	0.0000	3,242,004	3,244,230	40,313	0	(2,226)			1PE	11/21/2002	4.260
Total Kentucky								3,242,004	3,000,000	XXX	3,242,004	3,244,230	40,313	0	(2,226)	0	0	XXX	XXX	XXX
Louisiana																				
546415-JX-9	Louisiana St G0 Ser 1998A		5.250	AO	04/15/2009			1,568,042	1,500,000	0.0000	1,568,042	1,600,695	16,625	78,750	(9,207)			1PE	03/26/1999	4.416
546415-OK-9	Louisiana St G0 Ser 2002A		5.000	AO	04/01/2016	04/01/2012	100.000	2,046,225	2,000,000	0.0000	2,046,225	2,049,220	25,000	62,778	(2,995)			1PE	02/21/2002	4.689
Total Louisiana								3,614,268	3,500,000	XXX	3,614,268	3,649,915	41,625	141,528	(12,201)	0	0	XXX	XXX	XXX
Maryland																				
574192-BA-7	Maryland St G0 St & Loc Fac Loan 93		5.500	FA	02/01/2007	02/01/2003	101.500	1,827,374	1,800,000	0.0000	1,827,374	1,852,920	41,250	99,000	2,192			1PE	03/13/1996	5.170
574192-HP-8	Maryland St G0 St & Loc Fac Loan 96		5.250	JD	06/15/2009			1,474,112	1,500,000	0.0000	1,474,112	1,455,750	3,500	78,750	3,252			1PE	06/07/1996	5.572
Total Maryland								3,301,486	3,300,000	XXX	3,301,486	3,308,670	44,750	177,750	5,445	0	0	XXX	XXX	XXX
Massachusetts																				
575826-HM-7	Massachusetts St G0 Cons Loan Ser 1994-B		5.800	FA	08/01/2009	08/01/2004	102.000	3,553,369	3,500,000	108.9310	3,812,585	3,498,750	84,583	203,000	9,730			1	06/13/1996	5.999
Total Massachusetts								3,553,369	3,500,000	XXX	3,812,585	3,498,750	84,583	203,000	9,730	0	0	XXX	XXX	XXX
Minnesota																				
604128-T6-5	Minnesota St G0		5.500	JD	06/01/2014	06/01/2010	100.000	2,720,782	2,455,000	0.0000	2,720,782	2,724,436	11,252	67,513	(3,654)			1PE	11/14/2002	3.810
Total Minnesota								2,720,782	2,455,000	XXX	2,720,782	2,724,436	11,252	67,513	(3,654)	0	0	XXX	XXX	XXX
North Carolina																				
658255-2H-6	North Carolina St G0 Clean Wtr 95A		5.200	JD	06/01/2008	06/01/2005	101.500	1,036,216	1,000,000	0.0000	1,036,216	1,065,280	4,333	52,000	(8,183)			1PE	03/26/1999	4.204
Total North Carolina								1,036,216	1,000,000	XXX	1,036,216	1,065,280	4,333	52,000	(8,183)	0	0	XXX	XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE D - PART 1

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

1 CUSIP Identification	2 Description	3 *	Interest		6 Maturity Date	7 Option Date	8 Option Call Price	9 Book/Adjusted Carrying Value	10 Par Value	11 Rate Used to Obtain Fair Value	12 Fair Value	13 Actual Cost	Interest		16 Increase (Decrease) by Adjustment	17 Increase (Decrease) by Foreign Exchange Adjustment	18 Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	19 NAIC Designation	20 Date Acquired	21 Effective Rate of Interest		
			4 Rate of	5 How Paid									14 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	15 Gross Amount Received During Year								
Pennsylvania																						
709139-UK-3	Pennsylvania St GO 2nd Ser 1992		.6 000	JJ	07/01/2005			1,410,000	1,410,000	.0 0000	1,410,000	1,410,000	42,300	84,600					1PE	07/02/1992	6.000	
								1,410,000	1,410,000	XXX	1,410,000	1,410,000	42,300	84,600	0	0	0	XXX	XXX	XXX		
Tennessee																						
880540-G3-7	Tennessee St GO Ser 1995A		.5 500	MS	03/01/2009	03/01/2005	100.000	1,000,000	1,000,000	108.4510	1,084,510	1,000,000	18,333	55,000					1	06/26/1996	5.500	
								1,000,000	1,000,000	XXX	1,084,510	1,000,000	18,333	55,000	0	0	0	XXX	XXX	XXX		
Texas																						
882716-WL-3	Texas St GO Ref Pub Fin Auth Ser 1992A		.5 800	AO	10/01/2004			999,527	1,000,000	.0 0000	999,527	997,500	14,500	58,000	250				1PE	09/25/1992	5.829	
882718-CS-6	Texas St Pub Fin Auth GO Ref Ser 95A		.6 500	AO	10/01/2005	04/01/2005	100.000	1,021,579	1,000,000	.0 0000	1,021,579	1,078,180	16,250	65,000	(8,800)				1PE	05/01/1995	5.466	
								2,021,106	2,000,000	XXX	2,021,106	2,075,680	30,750	123,000	(8,550)	0	0	0	XXX	XXX	XXX	
Virginia																						
928108-M4-8	Virginia St GO Ref Trans Ser A		.5 200	JJ	07/01/2009	07/01/2005	100.000	3,958,243	3,865,000	.0 0000	3,958,243	4,081,401	100,490	200,980	(34,683)				1PE	03/26/1999	4.174	
								3,958,243	3,865,000	XXX	3,958,243	4,081,401	100,490	200,980	(34,683)	0	0	0	XXX	XXX	XXX	
Washington																						
939740-GK-7	Washington St GO Mot Veh Fuel Tax		.5 900	JD	06/01/2004			998,266	1,000,000	.0 0000	998,266	989,020	4,917	59,000	1,142				1PE	05/18/1992	6.030	
								998,266	1,000,000	XXX	998,266	989,020	4,917	59,000	1,142	0	0	0	XXX	XXX	XXX	
Wisconsin																						
977055-L6-7	Wisconsin St GO Ref Ser 1993-A		.5 200	MN	05/01/2012	05/01/2003	100.000	997,632	1,000,000	101.3310	1,013,310	957,890	8,667	52,000	6,905				1	03/26/1996	5.935	
977055-XX-5	Wisconsin St GO Ref Ser 1992-A		.6 100	MN	05/01/2004			5,042,349	5,000,000	.0 0000	5,042,349	5,263,960	50,833	305,000	(29,937)				1PE	05/24/1995	5.431	
								6,039,981	6,000,000	XXX	6,055,659	6,221,850	59,500	357,000	(23,032)	0	0	0	XXX	XXX	XXX	
								46,945,250	45,680,000	XXX	47,508,274	47,724,431	683,716	2,314,283	(115,343)	0	0	0	XXX	XXX	XXX	
								46,945,250	45,680,000	XXX	47,508,274	47,724,431	683,716	2,314,283	(115,343)	0	0	0	XXX	XXX	XXX	
								0	0	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX
								0	0	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX
								46,945,250	45,680,000	XXX	47,508,274	47,724,431	683,716	2,314,283	(115,343)	0	0	0	XXX	XXX	XXX	
Political Subdivisions of States																						
Issuer Obligations (10)																						
United States																						
Alabama																						
447024-U5-7	Huntsville AL GO Wrt Ser 95A		.5 000	FA	02/01/2004			1,250,000	1,250,000	.0 0000	1,250,000	1,250,000	26,042	62,500					1PE	05/01/1996	5.000	
								1,250,000	1,250,000	XXX	1,250,000	1,250,000	26,042	62,500	0	0	0	XXX	XXX	XXX		
Arizona																						
718814-FR-2	Phoenix AZ GO Var Purp		.5 400	JJ	07/01/2008	07/01/2004	102.000	4,108,152	3,950,000	108.0170	4,266,672	4,287,291	106,650	213,300	(50,256)				1	03/26/1999	3.933	
								4,108,152	3,950,000	XXX	4,266,672	4,287,291	106,650	213,300	(50,256)	0	0	0	XXX	XXX	XXX	
Georgia																						
403694-BS-0	Gwinnett Cnty GA GO		.6 000	JJ	01/01/2008	01/01/2005	100.000	1,009,346	1,000,000	.0 0000	1,009,346	1,033,670	30,000	60,000	(4,306)				1PE	06/12/1996	5.500	
								1,009,346	1,000,000	XXX	1,009,346	1,033,670	30,000	60,000	(4,306)	0	0	0	XXX	XXX	XXX	
Iowa																						
250092-HN-6	Des Moines IA GO Ser 96F		.5 000	JD	06/01/2009	06/01/2005	100.000	1,427,028	1,400,000	.0 0000	1,427,028	1,464,106	5,833	70,000	(10,434)				1PE	03/26/1999	4.151	
								1,427,028	1,400,000	XXX	1,427,028	1,464,106	5,833	70,000	(10,434)	0	0	0	XXX	XXX	XXX	
Maryland																						
059132-XJ-4	Baltimore Cnty MD GO Cons Pub Imp 96		.5 250	JD	06/01/2011	06/01/2006	101.000	1,843,877	1,850,000	.0 0000	1,843,877	1,807,765	8,094	97,125	24,200				1PE	05/23/1996	5.628	
613340-PK-8	Montgomery Cnty MD GO Cons Pub Imp 96		.5 100	AO	04/01/2007			998,888	1,000,000	.0 0000	998,888	997,480	12,750	51,000	229				1PE	03/20/1996	5.129	
								2,842,765	2,850,000	XXX	2,842,765	2,805,245	20,844	148,125	24,429	0	0	0	XXX	XXX	XXX	
Nevada																						
181054-M2-0	Clark Cnty NV Sch Dist GO		.5 250	JD	06/15/2010	06/15/2009	100.000	2,008,128	2,000,000	.0 0000	2,008,128	2,011,220	4,667	105,000	(1,037)				1PE	08/31/1999	5.175	
								2,008,128	2,000,000	XXX	2,008,128	2,011,220	4,667	105,000	(1,037)	0	0	0	XXX	XXX	XXX	
North Carolina																						
346622-YN-7	Forsyth Cnty NC GO		.5 000	MS	03/01/2009	03/01/2005	102.000	1,033,572	1,000,000	.0 0000	1,033,572	1,054,440	16,667	50,000	(5,872)				1PE	03/26/1999	4.251	
								1,033,572	1,000,000	XXX	1,033,572	1,054,440	16,667	50,000	(5,872)	0	0	0	XXX	XXX	XXX	
Ohio																						

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE 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			
199489-3J-2	Columbus OH GO Tax 1993-1		.5 250	MS	09/15/2011			1,478,730	1,500,000	.0 0000	1,478,730	1,466,250	23,188	78,750	2,159				1PE	03/14/1996	5.477		
199489-N6-8	Columbus OH GO Wtrwks #44		.5 300	MN	05/01/2003			2,271,049	2,275,000	.0 0000	2,271,049	2,179,770	20,096	120,575	11,527				1PE	10/28/1992	5.839		
199489-XB-6	Columbus OH GO Swr Impt #26-E-U		.6 000	MS	09/15/2008			1,002,080	1,000,000	100.3550	1,003,550	1,004,390	17,667	60,000	(298)				1	07/17/1992	5.956		
Total Ohio								4,751,860	4,775,000	XXX	4,753,329	4,650,410	60,950	259,325	13,388	0	0	XXX	XXX	XXX			
Tennessee																							
592013-ZB-5	Nashville & D Cnty TN GO		.5 600	MN	05/15/2008			1,616,241	1,610,000	.0 0000	1,616,241	1,621,753	11,520	90,160	(974)				1PE	06/19/1996	5.516		
821686-AP-7	Shelby Cnty TN GO Pub Imp Ser 96A		.5 700	JD	06/01/2011	06/01/2006	100.000	1,900,000	1,900,000	112.2640	2,133,016	1,900,000	9,025	108,300					1	06/26/1996	5.700		
821686-KJ-0	Shelby Cnty TN GO Ser 95A		.5 600	AO	04/01/2010	04/01/2005	101.000	316,855	315,000	109.9080	346,210	315,000	4,410	17,640	526				1	03/17/1999	5.740		
821686-KM-3	Shelby Cnty TN GO Ser 95A		.5 600	AO	04/01/2010			890,000	890,000	.0 0000	890,000	890,000	12,460	49,840					1PE	03/17/1999	5.600		
Total Tennessee								4,723,096	4,715,000	XXX	4,985,467	4,726,753	37,415	265,940	(448)	0	0	XXX	XXX	XXX			
Texas																							
107133-GD-6	Brehm ISD TX GO UT Sch Bldg Ser 94		.7 750	FA	02/15/2005	02/15/2004	100.000	1,067,372	1,035,000	.0 0000	1,067,372	1,230,367	30,303	80,213	(27,442)				1PE	03/11/1996	4.850		
235218-KG-8	Dallas TX GO		.5 900	FA	02/15/2003			2,003,108	2,000,000	.0 0000	2,003,108	2,156,500	44,578	118,000	(24,990)				1PE	12/20/1995	4.600		
447816-V6-3	Hurst-Eules-Bedford TX ISD GO PSF Ser A		.7 900	FA	08/15/2003			1,007,782	1,000,000	.0 0000	1,007,782	1,106,350	29,844	79,000	(11,894)				1PE	08/08/1991	6.600		
727193-2F-0	Plano TX ISD GO		.5 000	FA	02/15/2007	02/15/2006	100.000	1,329,924	1,340,000	.0 0000	1,329,924	1,312,584	25,311	67,000	4,525				1PE	04/25/1996	5.264		
796236-CU-9	San Antonio TX GO Ltd Tax Ser 1994		.6 300	FA	08/01/2008	08/01/2004	100.000	1,014,240	1,000,000	107.7400	1,077,400	1,067,630	26,250	63,000	(8,399)				1	06/23/1995	5.350		
796269-PJ-1	San Antonio TX ISD GO Bldg Ser A		.5 375	FA	08/15/2017	08/15/2011	100.000	2,042,937	1,900,000	.0 0000	2,042,937	2,044,362	38,581		(1,425)				1PE	11/19/2002	4.320		
Total Texas								8,465,363	8,275,000	XXX	8,528,523	8,917,792	194,866	407,213	(69,624)	0	0	XXX	XXX	XXX			
Washington																							
49474E-CM-3	King Cnty WA GO Ref Ser A		.5 250	JD	12/01/2011			1,788,812	1,790,000	.0 0000	1,788,812	1,788,246	7,831	93,975	102				1PE	09/01/1999	5.259		
812625-5M-9	Seattle WA Lt GO		.5 125	JJ	07/01/2012			1,389,306	1,420,000	.0 0000	1,389,306	1,374,659	36,388	72,775	2,414				1PE	12/18/1995	5.419		
Total Washington								3,178,118	3,210,000	XXX	3,178,118	3,162,905	44,219	166,750	2,517	0	0	XXX	XXX	XXX			
Total United States								34,797,426	34,425,000	XXX	35,282,947	35,363,832	548,153	1,808,153	(101,645)	0	0	XXX	XXX	XXX			
1899999 - Total Bonds - Political Subdivisions - Issuer Obligations								34,797,426	34,425,000	XXX	35,282,947	35,363,832	548,153	1,808,153	(101,645)	0	0	XXX	XXX	XXX			
2499996 - Bonds - Political Subdivision - United States								34,797,426	34,425,000	XXX	35,282,947	35,363,832	548,153	1,808,153	(101,645)	0	0	XXX	XXX	XXX			
2499997 - Bonds - Political Subdivision - Canada								0	0	XXX	0	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	0	XXX	XXX	XXX
2499999 - Total - Political Subdivisions Bonds								34,797,426	34,425,000	XXX	35,282,947	35,363,832	548,153	1,808,153	(101,645)	0	0	XXX	XXX	XXX			
Special Revenue & Assessment Issuer Obligations (10) United States																							
Colorado																							
196630-X5-1	Colorado Springs CO Util Rev Sys Sub Lien Ref & Impt Ser A		.5 375	MN	11/15/2015	11/15/2011	100.000	3,251,751	3,000,000	.0 0000	3,251,751	3,253,170	20,604		(1,419)				1PE	12/05/2002	4.230		
Total Colorado								3,251,751	3,000,000	XXX	3,251,751	3,253,170	20,604	0	(1,419)	0	0	XXX	XXX	XXX			
Georgia																							
190828-UN-1	Cobb Cnty GA Wtr & Swr Rev Ref 1996		.5 125	JJ	07/01/2008			1,469,168	1,500,000	.0 0000	1,469,168	1,442,655	38,438	76,875	4,673				1PE	06/11/1996	5.564		
Total Georgia								1,469,168	1,500,000	XXX	1,469,168	1,442,655	38,438	76,875	4,673	0	0	XXX	XXX	XXX			
Illinois																							
452245-AP-8	Illinois St Toll Hwy Pr Rev Auth 92A		.6 350	JJ	01/01/2010	01/01/2003	102.000	2,040,000	2,000,000	102.0000	2,040,000	2,216,160	63,500	127,000	(27,069)				1	05/24/1995	4.850		
592247-X6-2	Metropolitan P&E IL St Tax Rev Ser A 2002		.5 550	JD	12/15/2011	12/15/2009	101.000	513,271	505,000	.0 0000	513,271	513,341	1,246	14,014	(71)				1PE	09/11/2002	5.385		
592247-X7-0	Metropolitan P&E IL St Tax Rev Ser A 2002		.5 700	JD	12/15/2013	12/15/2009	101.000	376,280	370,000	.0 0000	376,280	376,337	937	10,545	(58)				1PE	09/11/2002	5.523		
592247-Y2-0	Metropolitan P&E IL St Tax Rev Ser A 2002		.5 550	JD	12/15/2011			1,011,094	995,000	.0 0000	1,011,094	1,011,435	2,454	27,611	(340)				1PE	09/11/2002	5.321		
592247-Y3-8	Metropolitan P&E IL St Tax Rev Ser A 2002		.5 700	JD	12/15/2013	12/15/2011	100.000	640,569	630,000	.0 0000	640,569	640,790	1,596	17,955	(221)				1PE	09/11/2002	5.461		
Total Illinois								4,581,214	4,500,000	XXX	4,581,214	4,758,063	69,733	197,125	(27,758)	0	0	XXX	XXX	XXX			
Indiana																							
454623-YR-4	Indiana Bd Bk Rev Ser B		.5 000	FA	02/01/2021	02/01/2013	100.000	2,192,532	2,150,000	.0 0000	2,192,532	2,192,635	2,389		(103)				1PE	12/18/2002	4.750		
Total Indiana								2,192,532	2,150,000	XXX	2,192,532	2,192,635	2,389	0	(103)	0	0	XXX	XXX	XXX			
Michigan																							
59465E-B7-7	Michigan St Hosp Fin Auth Rev Ascension Hlth Credit - Ser A		.5 500	MN	11/15/2010			1,504,752	1,500,000	.0 0000	1,504,752	1,506,120	10,542	82,500	(472)				1PE	10/18/1999	5.450		
Total Michigan								1,504,752	1,500,000	XXX	1,504,752	1,506,120	10,542	82,500	(472)	0	0	XXX	XXX	XXX			
Minnesota																							

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE 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
60415M-MC-5	Minnesota St Hsg Fin Agy Rev Rent-D		.5.450	FA	02/01/2007			1,340,000	1,340,000	.0.0000	1,340,000	1,340,000	30,429	73,030				1PE	05/13/1996	5.450
Total Minnesota								1,340,000	1,340,000	XXX	1,340,000	1,340,000	30,429	73,030	0	0	0	XXX	XXX	XXX
New York																				
649892-GD-2	New York St Pwr Auth Rev & GP Ser 1970-B		.5.625	JJ	01/01/2010			916,551	920,000	112.0030	1,030,428	913,330	25,875	51,750	391			1	07/21/1992	5.691
Total New York								916,551	920,000	XXX	1,030,428	913,330	25,875	51,750	391	0	0	XXX	XXX	XXX
Ohio																				
677553-3W-7	Ohio St Bldg Auth Rev Ref 1991-A		.5.900	AO	10/01/2007			1,029,106	1,000,000	.0.0000	1,029,106	1,060,160	14,750	59,000	(5,280)			1PE	03/12/1996	5.200
67755A-FW-8	Ohio St Bldg Auth Rev 1994-A		.6.000	AO	10/01/2009	10/01/2004	102.000	1,529,703	1,500,000	.0.0000	1,529,703	1,528,665	22,500	90,000	14,321			1PE	06/12/1996	5.894
67755C-DA-4	Ohio St Bldg Auth Rev Adult Correct Bldg FD-A		.5.000	AO	04/01/2019	04/01/2012	100.000	1,029,779	1,000,000	.0.0000	1,029,779	1,029,840	11,528		(61)			1PE	12/18/2002	4.593
Total Ohio								3,588,588	3,500,000	XXX	3,588,588	3,618,665	48,778	149,000	8,980	0	0	XXX	XXX	XXX
Oklahoma																				
386442-EH-6	Grand River Dam Auth OK Rev Ser 1977		.6.250	MN	11/01/2008			374,785	390,000	110.5230	431,040	355,715	4,063	24,375	2,045			1	10/28/1988	7.078
Total Oklahoma								374,785	390,000	XXX	431,040	355,715	4,063	24,375	2,045	0	0	XXX	XXX	XXX
South Carolina																				
837147-TM-9	Sth CarolinaStPubSvc Auth Rev Ser A		.5.625	JJ	01/01/2013	01/01/2011	100.000	1,213,821	1,200,000	.0.0000	1,213,821	1,217,340	33,750	67,500	(1,346)			1PE	09/16/1999	5.445
837147-WT-0	Sth CarolinaStPubSvc Auth Rev Ser B		.5.375	JJ	01/01/2018	01/01/2012	100.000	2,679,520	2,500,000	.0.0000	2,679,520	2,679,975	67,188		(455)			1PE	12/17/2002	4.400
Total South Carolina								3,893,340	3,700,000	XXX	3,893,340	3,897,315	100,938	67,500	(1,802)	0	0	XXX	XXX	XXX
Texas																				
882117-RY-2	Texas A & M Univ Perm Fd Rev Ser 1983A		.7.000	JJ	07/01/2003			1,273,535	1,260,000	102.8830	1,296,326	1,470,823	44,100	88,200	(26,125)			1	11/24/1993	4.800
882135-MS-2	Texas A & M Univ Revs Fin Sys 96		.5.250	MN	05/15/2009			1,492,177	1,500,000	.0.0000	1,492,177	1,485,945	10,063	78,750	1,007			1PE	03/14/1996	5.348
Total Texas								2,765,712	2,760,000	XXX	2,788,503	2,956,768	54,163	166,950	(25,119)	0	0	XXX	XXX	XXX
Virginia																				
92812R-4M-4	Virginia St Hsg Dev Cmwth Mtg Rev Ser C-3		.5.550	JJ	01/01/2008			997,990	1,000,000	.0.0000	997,990	996,250	27,750	55,500	340			1PE	09/24/1996	5.597
92812R-A9-6	Virginia St Hsg Dev Cmwth Mtg Rev Ser D-1		.5.450	JJ	07/01/2008			997,676	1,000,000	.0.0000	997,676	995,420	27,250	54,500	353			1PE	10/30/1995	5.500
92812R-B7-9	Virginia St Hsg Dev Cmwth Mtg Rev Ser D-1		.5.750	JJ	07/01/2011			1,019,252	1,020,000	.0.0000	1,019,252	1,018,725	29,325	58,650	67			1PE	11/06/1995	5.761
92812R-O9-9	Virginia St Hsg Dev Cmwth Mtg Rev Ser D Sub D-3		.5.800	JJ	01/01/2010			1,280,000	1,280,000	.0.0000	1,280,000	1,280,000	37,120	74,240				1PE	03/28/1996	5.800
92812R-R3-1	Virginia St Hsg Dev Cmwth Mtg Rev Ser D Sub D-3		.5.900	JJ	01/01/2011			1,350,000	1,350,000	.0.0000	1,350,000	1,350,000	39,825	79,650				1PE	03/28/1999	5.900
928184-JA-9	Virginia St Transn Brd Rev Rte 58 Ser B		.5.125	MN	05/15/2013			980,323	1,000,000	.0.0000	980,323	975,910	6,549	51,250	1,386			1PE	09/01/1999	5.375
Total Virginia								6,625,242	6,650,000	XXX	6,625,242	6,616,305	167,819	373,790	2,145	0	0	XXX	XXX	XXX
Wisconsin																				
977123-PS-1	Wisconsin St Trans Rev Ref Ser 1		.5.750	JJ	07/01/2015	07/01/2012	100.000	2,241,571	2,000,000	.0.0000	2,241,571	2,243,340	81,778		(1,769)			1PE	11/22/2002	4.195
Total Wisconsin								2,241,571	2,000,000	XXX	2,241,571	2,243,340	81,778	0	(1,769)	0	0	XXX	XXX	XXX
Total United States								34,745,207	33,910,000	XXX	34,938,129	35,094,081	655,546	1,262,895	(40,207)	0	0	XXX	XXX	XXX
2599999 - Total Bonds - Special Revenue - Issuer Obligations								34,745,207	33,910,000	XXX	34,938,129	35,094,081	655,546	1,262,895	(40,207)	0	0	XXX	XXX	XXX
Single Class Mortgage (SC)																				
United States																				
3128HJ-AH-9	FHLMC Gold PC FGW 30008		.7.645	MTLY	05/01/2025			2,075,485	1,928,547	.0.0000	2,075,485	2,079,214	12,286	135,151	(3,729)			1	01/29/2002	6.831
31381G-SY-5	FNMA Pool #460535		.6.500	MTLY	11/01/2013			1,503,052	1,496,601	.0.0000	1,503,052	1,504,084	8,107	97,279	(1,008)			1	12/05/2001	6.407
Total United States								3,578,537	3,425,148	XXX	3,578,537	3,583,299	20,393	232,430	(4,737)	0	0	XXX	XXX	XXX
2699999 - Total Bonds - Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities								3,578,537	3,425,148	XXX	3,578,537	3,583,299	20,393	232,430	(4,737)	0	0	XXX	XXX	XXX
Defined Multi-Class Residential (DR)																				
United States																				
312903-8G-5	FHLMC REMIC Ser 179-A		.9.300	MTLY	07/15/2021	05/15/2003	100.000	99,593	99,478	.0.0000	99,593	107,496	411	9,251	(1,960)			1	03/29/1993	6.151
312905-YJ-5	FHLMC REMIC Ser 1077-E		.9.000	MTLY	05/15/2021	05/01/2021	100.000	2,089,591	2,086,337	.0.0000	2,089,591	2,114,046	15,648	187,770	(2,239)			1	04/02/1991	8.869
312911-JP-6	FHLMC REMIC Ser 1340-G		.7.500	MTLY	05/15/2007	07/01/2003	100.000	288,572	290,292	.0.0000	288,572	271,604	1,814	21,772	1,507			1	12/01/1994	8.929
312915-2U-4	FHLMC REMIC Ser 1519-G		.6.750	MTLY	05/15/2008	10/01/2006	100.000	3,695,876	3,684,047	.0.0000	3,695,876	3,745,065	20,723	248,673	(6,916)			1	10/01/1997	6.477
312915-BW-0	FHLMC REMIC Ser 1489-1		.6.500	MTLY	04/15/2008	04/01/2008	100.000	4,893,401	5,000,000	.0.0000	4,893,401	4,678,906	27,083	325,000	61,248			1	06/19/1996	7.591
312915-PK-1	FHLMC REMIC Ser 1494-PZ		.7.500	MTLY	04/15/2023	01/01/2023	100.000	3,228,837	3,090,117	.0.0000	3,228,837	3,226,086	19,313	150,249	2,751			1	12/01/2002	6.998
312915-V4-0	FHLMC REMIC Ser 1503-VB		.7.000	MTLY	05/15/2003	05/01/2003	100.000	571,754	572,360	.0.0000	571,754	599,189	3,339	40,065	(2,329)			1	06/28/1993	6.250
313399-DM-6	FHLMC REMIC Ser 2348-JE		.6.500	MTLY	11/15/2014	04/01/2005	100.000	1,021,041	1,000,000	.0.0000	1,021,041	1,035,000	5,417	65,000	(12,538)			1	09/20/2001	5.288
313399-TB-3	FHLMC REMIC Ser 2345-PU		.6.500	MTLY	12/15/2014	04/01/2005	100.000	2,046,908	2,000,000	.0.0000	2,046,908	2,077,813	10,833	130,000	(27,701)			1	09/19/2001	5.157
31339G-PR-6	FHLMC REMIC Ser 2368-QE		.6.500	MTLY	05/15/2028	02/01/2005	100.000	3,070,585	3,000,000	.0.0000	3,070,585	3,115,781	16,250	195,000	(43,056)			1	10/17/2001	5.093
31339N-GU-4	FHLMC REMIC Ser 2410-PD		.6.500	MTLY	10/15/2030	04/01/2006	100.000	1,993,092	2,000,000	.0.0000	1,993,092	1,993,281	10,833	108,333	(189)			1	01/24/2002	6.629

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE 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
3133T2-QX-1	FHLMC REMIC Ser 1609-FA		.6 500	MTLY	02/15/2022	02/01/2009	100.000	1,363,392	1,350,500	.0 0000	1,363,392	1,384,643	7,315	87,782	4,951			1	09/20/1993	6.142
3133T3-Q2-7	FHLMC REMIC Ser 1674-Z		.6 750	MTLY	02/15/2024	05/01/2023	100.000	2,292,727	2,209,608	.0 0000	2,292,727	2,290,493	12,429	143,835	2,933			1	12/01/2002	6.346
3133T4-KH-8	FHLMC REMIC Ser 1688-U		.6 000	MTLY	03/15/2004	03/01/2004	100.000	2,507,020	2,531,784	.0 0000	2,507,020	2,298,781	12,659	151,907	18,835			1	05/12/1994	7.932
3133T6-UR-0	FHLMC REMIC Ser 1817-H		.6 500	MTLY	10/15/2006	04/01/2003	100.000	4,927,888	4,942,300	.0 0000	4,927,888	4,871,254	26,771	321,249	16,366			1	03/21/1996	6.818
3133T8-XB-8	FHLMC REMIC Ser 1931-W		.7 125	MTLY	11/15/2007	04/01/2003	100.000	4,208,698	4,220,853	.0 0000	4,208,698	4,195,792	25,061	300,736	3,149			1	03/19/1997	7.300
3133T9-UD-5	FHLMC CMO Ser 1956-D		.7 000	MTLY	03/20/2017	06/01/2004	100.000	1,958,199	1,946,752	.0 0000	1,958,199	1,986,904	11,356	136,273	(23,244)			1	05/15/2001	5.795
3133TA-TV-4	FHLMC REMIC Ser T-6 AT P7 Ctf		.6 860	MTLY	09/25/2028	07/01/2011	100.000	3,190,285	3,177,959	.0 0000	3,190,285	3,209,531	18,167	218,008	(2,753)			1	08/07/1997	6.736
3133TC-6P-8	FHLMC Structured Ser 2008 M		.7 000	MTLY	11/20/2027	10/01/2026	100.000	3,749,890	3,620,000	.0 0000	3,749,890	3,756,881	21,117	253,400	(6,063)			1	10/24/2001	6.659
3133TN-SK-1	FHLMC REMIC Ser 2230 PN		.7 000	MTLY	03/15/2029	10/01/2004	100.000	1,967,038	1,949,945	.0 0000	1,967,038	2,001,131	11,375	136,496	(29,319)			1	06/21/2001	5.795
3133TU-A6-5	FHLMC REMIC Ser 2325 VB		.7 000	MTLY	06/01/2031	10/01/2004	100.000	3,036,473	3,000,000	.0 0000	3,036,473	3,072,500	17,500	210,000	(33,145)			1	07/25/2001	6.135
3133TV-VB-1	FHLMC REMIC Ser 2357 OE		.6 500	MTLY	12/15/2027	11/01/2004	100.000	1,020,001	1,000,000	.0 0000	1,020,001	1,035,000	5,417	65,000	(5,140)			1	10/17/2001	5.140
31340Y-2E-8	FHLMC REMIC Ser 87-D		.8 250	MTLY	11/15/2020	12/15/2003	100.000	191,238	190,615	.0 0000	191,238	209,562	733	16,488	(2,906)			1	03/29/1993	6.397
31340Y-DB-2	FHLMC REMIC Ser 12-A		.9 250	MTLY	11/15/2019	04/15/2018	100.000	327,915	318,344	.0 0000	327,915	334,062	1,309	29,447	(1,588)			1	11/17/1992	7.360
31340Y-GR-4	FHLMC REMIC Ser 22-C		.9 500	MTLY	04/15/2020	06/15/2015	100.000	598,642	591,674	.0 0000	598,642	613,123	2,498	56,209	(2,090)			1	04/15/1991	8.548
31358E-XG-2	FNMA REMIC Ser 1990-83A		.9 250	MTLY	07/25/2020	07/01/2020	100.000	451,056	453,415	.0 0000	451,056	451,996	3,495	41,941	(99)			1	07/03/1990	9.372
31358G-X4-4	FNMA REMIC Ser 1991-56G		.6 000	MTLY	06/25/2021	02/01/2019	100.000	1,991,546	1,992,526	.0 0000	1,991,546	1,995,599	14,280	171,357	(2,083)			1	03/29/1993	8.459
31358L-U7-9	FNMA REMIC Ser 1992-25K		.7 500	MTLY	03/25/2007	03/01/2007	100.000	5,143,933	5,139,000	.0 0000	5,143,933	5,233,750	32,119	385,425	(22,371)			1	05/08/1997	7.186
31358L-VM-5	FNMA REMIC Ser 692-14Z		.7 000	MTLY	02/25/2022	08/01/2021	100.000	3,074,223	3,055,584	.0 0000	3,074,223	3,103,698	17,824	213,891	(3,713)			1	03/09/1998	6.644
31358N-5B-4	FNMA REMIC Ser 1992-124 PZ		.7 000	MTLY	07/25/2022	07/01/2022	100.000	3,191,400	3,103,447	.0 0000	3,191,400	3,196,671	18,103	209,224	(4,526)			1	12/01/2002	6.742
31358N-RT-1	FNMA REMIC Ser 6 1992-30Z		.7 000	MTLY	06/25/2022	02/01/2022	100.000	1,458,610	1,445,295	.0 0000	1,458,610	1,468,630	8,431	101,171	(2,628)			1	03/12/1998	6.381
31358Q-DD-4	FNMA REMIC Ser 1992-164PL		.7 000	MTLY	09/25/2007	09/01/2007	100.000	2,643,210	2,642,201	.0 0000	2,643,210	2,688,852	15,413	184,954	(8,967)			1	10/17/1997	6.644
31358R-G5-6	FNMA REMIC Ser 1992-214 Z		.6 850	MTLY	06/25/2022	12/01/2004	100.000	1,576,188	1,532,452	.0 0000	1,576,188	1,599,668	8,748	101,180	(21,325)			1	12/01/2002	3.645
31358R-LQ-4	FNMA REMIC Ser 1992-192K		.6 500	MTLY	11/25/2007	11/01/2007	100.000	3,001,089	3,000,000	.0 0000	3,001,089	3,021,563	16,250	195,000	(6,416)			1	03/04/1998	6.389
31359B-MT-1	FNMA REMIC Ser 1993-121PM		.7 000	MTLY	02/25/2004	05/01/2003	100.000	1,164,050	1,166,735	.0 0000	1,164,050	1,214,863	6,806	81,671	(6,423)			1	06/30/1993	6.338
31359N-G5-4	FNMA REMIC Ser 1997-13E		.7 000	MTLY	01/18/2015	03/01/2004	100.000	1,006,508	1,000,000	.0 0000	1,006,508	1,027,344	5,833	70,000	(17,919)			1	05/10/2001	5.669
31359R-ZB-1	FNMA REMIC Ser 1998-M1A2		.6 250	MTLY	01/25/2008	01/01/2008	100.000	1,901,773	1,951,959	.0 0000	1,901,773	1,861,070	1,861	121,998	16,863			1	10/29/1999	7.251
31359S-5W-6	FNMA Grantor Tr DUS Ser 2001-T6B		.6 088	MTLY	05/25/2011			1,996,682	2,000,000	.0 0000	1,996,682	1,997,353	10,147	121,760	(496)			1	06/12/2001	6.104
31359T-NX-2	FNMA REMIC Ser 1998-25 N		.6 500	MTLY	09/18/2013	10/01/2004	100.000	2,040,355	2,000,000	.0 0000	2,040,355	2,076,875	10,833	130,000	(34,180)			1	10/17/2001	4.857
31359V-BH-5	FNMA Ser 1998-73 CI MZ		.6 300	MTLY	10/17/2038	10/01/2038	100.000	3,299,648	3,199,686	.0 0000	3,299,648	3,299,664	16,798	49,870	(16)			12	12/01/2002	6.184
313602-EK-6	FNMA REMIC Ser 1988-18B		.9 400	MTLY	07/25/2003	02/25/2003	100.000	403	406	.0 0000	403	408	3	.38	(1)			1	10/24/1990	9.343
313603-GW-6	FNMA REMIC Ser 1989-86E		.8 750	MTLY	11/25/2019	06/01/2018	100.000	412,355	416,842	.0 0000	412,355	408,224	3,039	36,474	(40)			1	07/31/1990	9.200
313603-YL-0	FNMA REMIC Ser 1990-16E		.9 000	MTLY	03/25/2020	03/01/2020	100.000	1,889,481	1,833,411	.0 0000	1,889,481	1,995,467	13,751	165,007	(11,987)			1	03/29/1993	7.141
313920-ML-1	FNMA Ser 2001-36 CI PH		.7 000	MTLY	09/25/2024	10/01/2004	100.000	3,044,018	3,000,000	.0 0000	3,044,018	3,098,906	17,500	210,000	(51,000)			1	08/22/2001	5.542
313921-NM-6	FNMA Ser 2001-52 EC		.6 500	MTLY	07/25/2027	07/01/2004	100.000	2,019,141	2,000,000	.0 0000	2,019,141	2,043,125	10,833	130,000	(22,708)			1	09/21/2001	5.498
31392A-F5-2	FNMA Ser 2001-73 CI PG		.6 000	MTLY	09/25/2031	11/01/2017	100.000	2,815,822	2,750,000	.0 0000	2,815,822	2,817,031	13,750	41,250	(1,210)			1	09/25/2002	5.733
31392M-TS-1	FHLMC REMIC Ser 2463 VH		.6 500	MTLY	08/15/2019	06/01/2006	100.000	1,036,023	1,000,000	.0 0000	1,036,023	1,040,938	5,417	27,083	(4,915)			1	07/23/2002	5.200
31392P-6N-0	FHLMC REMIC Ser 2458 VL		.6 500	MTLY	04/15/2018	07/01/2006	100.000	2,620,076	2,550,502	.0 0000	2,620,076	2,629,408	13,815	69,076	(9,332)			1	07/17/2002	5.559
31392P-F6-7	FHLMC REMIC Ser 2456 VB		.6 500	MTLY	04/15/2018	06/01/2007	100.000	2,064,609	2,000,000	.0 0000	2,064,609	2,064,609	10,833	54,167				1	07/17/2002	6.297
31392P-T7-0	FHLMC REMIC Ser 2476 PD		.6 000	MTLY	07/15/2031	07/01/2009	100.000	2,017,168	2,000,000	.0 0000	2,017,168	2,018,750	10,000	50,000	(1,582)			1	07/25/2002	5.815
31392P-VF-9	FHLMC REMIC Ser 2473 VK		.6 500	MTLY	10/15/2018	03/01/2006	100.000	4,090,129	4,000,000	.0 0000	4,090,129	4,105,625	21,667	108,333	(15,496)			1	07/17/2002	5.489
31392R-4A-6	FHLMC REMIC Ser 2471 EH		.6 000	MTLY	02/15/2031	10/01/2008	100.000	5,045,174	5,000,000	.0 0000	5,045,174	5,049,609	25,000	125,000	(4,436)			1	07/25/2002	5.789
31392R-JJ-1	FHLMC REMIC Ser 2470 QE		.6 000	MTLY	10/15/2030	03/01/2008	100.000	1,183,960	1,174,000	.0 0000	1,183,960	1,185,006	5,870	29,350	(1,047)			1	07/25/2002	5.791
31392T-WT-0	FHLMC REMIC Ser 2478 OF		.6 000	MTLY	08/15/2022	04/01/2022	100.000	1,383,570	1,329,000	.0 0000	1,383,570	1,384,237	6,645	19,935	(667)			1	09/24/2002	5.629
31392T-XB-8	FHLMC REMIC Ser 2478 EH		.6 000	MTLY	03/15/2031	01/01/2009	100.000	3,054,477	3,000,000	.0 0000	3,054,477	3,058,125	15,000	60,000	(3,648)			1	08/20/2002	5.585
31392U-MQ-4	FHLMC REMIC Ser 2503 BH		.5 500	MTLY	09/15/2017	06/01/2017	100.000	1,031,156	1,000,000	.0 0000	1,031,156	1,031,719	4,583	13,750	(562)			1	09/24/2002	5.160
31392V-2F-8	FHLMC REMIC Ser 2494 J		.5 500	MTLY	09/15/2017	04/01/2017	100.000	2,057,110	2,057,000	.0 0000	2,057,110	2,057,803	9,254	693				1	09/20/2002	5.310
31392V-7G-1	FHLMC REMIC Ser 2498 BM		.5 500	MTLY	09/15/2017	09/01/2017	100.000	3,047,612	2,966,183	.0 0000	3,047,612	3,049,143	13,595	40,785	(1,531)			1	09/23/2002	5.197
31392V-SN-3	FHLMC REMIC Ser 2496 BK		.5 500	MTLY	09/15/2017	03/01/2017	100.000	1,310,686	1,271,667	.0 0000	1,310,686	1,310,407	5,828	17,485	(720)			1	09/24/2002	5.161
31392W-B4-1	FHLMC REMIC Ser 2512 PG		.5 500	MTLY	10/15/2022	08/01/2022	100.000	1,995,936	2,000,000	.0 0000	1,995,936	1,995,938	9,167	18,333	(1)			1	09/24/2002	5.562
31393F-4B-9	FHLMC Ser 2528 KM		.5 500	MTLY	10/15/2022	10/01/2022	10													

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE D - PART 1

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

1 CUSIP Identification	2 Description	3 *	Interest		6 Maturity Date	7 Option Date	8 Option Call Price	9 Book/Adjusted Carrying Value	10 Par Value	11 Rate Used to Obtain Fair Value	12 Fair Value	13 Actual Cost	Interest		16 Increase (Decrease) by Adjustment	17 Increase (Decrease) by Foreign Exchange Adjustment	18 Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	19 NAIC Designation	20 Date Acquired	21 Effective Rate of Interest			
			4 Rate of	5 How Paid									14 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	15 Gross Amount Received During Year									
Total United States								159,017,291	157,060,648	XXX	159,017,291	159,563,807	870,056	8,137,239	(463,207)	0	0	0	XXX	XXX	XXX		
2799999 - Total Bonds - Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities								159,017,291	157,060,648	XXX	159,017,291	159,563,807	870,056	8,137,239	(463,207)	0	0	0	XXX	XXX	XXX		
Other Multi-Class Residential (OR) United States																							
3133TC-AU-2	FHLMC Structured Ser FSPC T-9 A6		6.564	MTLY	03/25/2029	08/01/2012	100.000	2,942,231	3,033,239	0.0000	2,942,231	2,918,544	16,592	199,102	6,916	0	0	1	01/28/2000	7.266			
Total United States								2,942,231	3,033,239	XXX	2,942,231	2,918,544	16,592	199,102	6,916	0	0	0	XXX	XXX	XXX		
2899999 - Total Bonds - Special Revenue - Other Multi-Class Residential Mortgage-Backed Securities								2,942,231	3,033,239	XXX	2,942,231	2,918,544	16,592	199,102	6,916	0	0	0	XXX	XXX	XXX		
Defined Multi-Class Commercial (DC) United States																							
31359P-DH-6	FNMA FNA Ser 1997-M2 D		7.410	MTLY	08/17/2021			2,083,284	2,000,000	0.0000	2,083,284	2,088,438	12,351	147,844	(3,576)	0	0	1	06/26/2001	6.914			
Total United States								2,083,284	2,000,000	XXX	2,083,284	2,088,438	12,351	147,844	(3,576)	0	0	0	XXX	XXX	XXX		
2999999 - Total Bonds - Special Revenue - Defined Multi-Class Commercial Mortgage-Backed Securities								2,083,284	2,000,000	XXX	2,083,284	2,088,438	12,351	147,844	(3,576)	0	0	0	XXX	XXX	XXX		
3199996 - Bonds - Special Revenue - United States								202,366,549	199,429,035	XXX	202,559,472	203,248,169	1,574,938	9,979,511	(504,811)	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	
3199998 - Bonds - Special Revenue - Other Countries								0	0	XXX	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX
3199999 - Total - Special Revenue Bonds								202,366,549	199,429,035	XXX	202,559,472	203,248,169	1,574,938	9,979,511	(504,811)	0	0	0	XXX	XXX	XXX		
Public Utilities (unaffiliated) Issuer Obligations (IO) United States																							
010392-EA-2	Alabama Power Co Nt		4.700	JD	12/01/2010			1,994,354	2,000,000	0.0000	1,994,354	1,994,300	9,139	54	0	0	1	11/20/2002	4.743				
02003X-AA-8	Alltel OH Ltd Ptrship Sr Nt		8.000	FA	08/15/2010			1,089,584	1,000,000	120.1940	1,201,940	1,092,650	30,222	(3,066)	0	0	1	08/23/2002	6.491				
12561W-AA-3	Cleco Corp Nt		8.750	JD	06/01/2005			996,434	1,000,000	110.4890	1,104,890	993,310	7,292	87,500	1,271	0	2	05/18/2000	8.918				
25085J-AZ-6	Detroit Edison Co Secd MT Nt Tr #00024		7.400	JD	01/15/2003			3,001,457	3,000,000	0.0000	3,001,457	3,253,500	9,867	222,000	(34,924)	0	1	10/28/1993	6.181				
29266M-AA-7	Energy East Corp Nt		8.050	MN	11/15/2010			999,538	1,000,000	116.7470	1,167,470	999,450	10,286	80,500	41	0	2	11/08/2000	8.058				
302570-AH-9	FPL Group Capital Nt		6.875	JD	06/01/2004			1,003,281	1,000,000	105.8690	1,058,690	1,010,120	5,729	68,750	(2,145)	0	1	07/20/1999	6.628				
362335-AB-7	GTE Hawaiian Tel Inc 1st Mtg Bd Ser BB		6.750	FA	02/15/2005			1,981,976	2,000,000	107.6270	2,152,540	1,966,340	51,000	135,000	7,604	0	1	11/21/2000	7.216				
44949R-AD-4	IES Utilities Sr Nt		6.750	MS	03/15/2011			975,007	1,000,000	104.2090	1,042,090	971,270	19,875	67,500	2,176	0	2	05/25/2001	7.158				
45138L-AH-6	Idaho Power Corp MT Nt		7.380	AO	12/01/2007			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	18,450	73,800	0	0	1	11/28/2000	7.384				
57564E-B0-9	Massachusetts Elec Co 1st Mtg MT Nt Ser U		8.520	MS	11/30/2004			3,580,971	3,500,000	0.0000	3,580,971	3,694,215	99,400	298,200	(37,946)	0	1	10/05/1999	7.210				
594457-BL-6	Michigan Cons Gas Co Secd Remarketable Nt		6.450	JD	06/30/2038			999,718	1,000,000	109.1630	1,091,630	999,690	179	64,500	2	0	2	06/18/1998	6.452				
59562E-AG-0	MidAmerican Energy Co Nt		6.375	JD	06/15/2006			1,940,070	2,000,000	0.0000	1,940,070	1,909,740	5,667	127,500	14,739	0	1	11/10/2000	7.374				
63100R-AM-9	Narragansett Elec 1st Mtg MT Nt		6.350	FA	07/01/2003			998,090	1,000,000	0.0000	998,090	985,750	26,458	63,500	3,778	0	1	06/21/1999	6.760				
66765R-BK-1	Northwest Natural Gas Co MT Nt		7.450	JD	12/01/2010			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	6,208	74,500	0	0	1	11/28/2000	7.450				
837004-B0-2	South Carolina El & Gas Co Nt		6.700	FA	02/01/2011			1,015,624	1,000,000	113.4300	1,134,300	1,017,920	27,917	67,000	(1,433)	0	1	03/29/2001	6.449				
845437-AR-3	Southwestern Elec Power 1st Mtg Bd Ser X		7.000	MS	09/01/2007			1,002,354	1,000,000	112.2390	1,122,390	1,003,030	23,333	70,000	(415)	0	2	12/11/2000	6.940				
86765B-AB-5	Sunoco Logistics Ptnrs Op LP Nt		7.250	FA	02/15/2012			1,000,260	1,000,000	0.0000	1,000,260	1,000,260	27,389	37,660	0	0	2	08/12/2002	7.246				
882389-CA-5	Texas Eastern Transmission Nt		7.300	JD	12/01/2010			1,991,597	2,000,000	110.5120	2,210,240	1,990,100	12,167	146,000	759	0	2	11/28/2000	7.371				
882850-CM-0	Texas Utills Elec Co Sec Facility Bd		7.460	JJ	01/01/2015			869,368	896,217	109.4810	981,188	864,867	33,429	66,858	807	0	2	10/31/2000	8.112				
969490-AA-2	Williams Gas Pipeline Sr Nt		7.375	MN	11/15/2006			960,000	1,000,000	96.0000	960,000	997,250	9,424	73,750	(37,985)	0	4	11/10/1999	7.425				
Total United States								28,399,681	28,396,217	XXX	29,742,569	28,743,762	433,430	1,824,518	(86,684)	0	0	0	XXX	XXX	XXX		
Other Country																							
05257H-AB-7	Australian Gas Lt Co Nt		6.400	AO	04/15/2008			1,934,952	2,000,000	110.3840	2,207,680	1,902,900	27,022	128,000	9,819	0	0	1	06/17/1999	7.150			
Total Other Country								1,934,952	2,000,000	XXX	2,207,680	1,902,900	27,022	128,000	9,819	0	0	0	XXX	XXX	XXX		
3299999 - Total Bonds - Public Utilities - Issuer Obligations								30,334,633	30,396,217	XXX	31,950,249	30,646,662	460,453	1,952,518	(76,865)	0	0	0	XXX	XXX	XXX		
Other Multi-Class Commercial (OC) United States																							
69350E-AG-5	PP&L Transition Bond Co LLC 1999-1 A7		7.050	MJSD	06/25/2009	06/25/2007	100.000	2,000,054	2,000,000	0.0000	2,000,054	1,999,898	2,350	141,000	(16)	0	0	1	07/29/1999	7.111			
69350E-AH-3	PP&L Transition Bond Co LLC 1999-1 A8		7.150	MJSD	06/25/2009	12/25/2008	100.000	987,267	1,000,000	0.0000	987,267	981,250	1,192	71,500	1,882	0	0	1	08/11/1999	7.513			
Total United States								2,987,321	3,000,000	XXX	2,987,321	2,981,148	3,542	212,500	1,865	0	0	0	XXX	XXX	XXX		
3799999 - Total Bonds - Public Utilities - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities								2,987,321	3,000,000	XXX	2,987,321	2,981,148	3,542	212,500	1,865	0	0	0	XXX	XXX	XXX		
3899996 - Bonds - Public Utilities - United States								31,387,002	31,396,217	XXX	32,729,890	31,724,910	436,972	2,037,018	(84,818)	0	0	0	XXX	XXX	XXX		
3899997 - Bonds - Public Utilities - 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 INSURANCE 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	
3899998	- Bonds - Public Utilities - Other Countries							1,934,952	2,000,000	XXX	2,207,680	1,902,900	27,022	128,000	9,819	0	0	XXX	XXX	XXX	
3899999	- Total - Public Utilities Bonds							33,321,954	33,396,217	XXX	34,937,570	33,627,810	463,994	2,165,018	(75,000)	0	0	XXX	XXX	XXX	
Industrial & Miscellaneous Issuer Obligations (10)																					
United States																					
003723-AA-1	ABN Amro NA Holding Co Bd.....		.6 523	MN.	12/01/2049.			2,000,000	2,000,000	0.0000	2,000,000	2,000,000	35,152	15,945					1PE	.09/17/2002.	6.522
00786W-AG-4	Aeroquip-Vickers Inc MT Nt.....		.6 750	MN.	08/06/2007			1,493,338	1,500,000	0.0000	1,493,338	1,487,760	16,875	101,250	1,235				1PE	.08/01/1997.	6.867
013068-AC-5	Alberto Culver Co Deb.....		.6 375	JD.	06/15/2028			909,759	1,000,000	107.1490	1,071,490	906,830	2,833	63,750	1,230				2PE	.08/03/2000.	7.150
018803-AC-0	Alliant Energy Resources Inc Nt.....		.7 375	MN.	11/09/2009			1,003,982	1,000,000	99.1670	991,670	1,004,590	10,653	73,750	(434)				2PE	.05/25/2001.	7.300
025818-BU-8	American Express Cr Corp Sr Nt.....		.7 450	FA.	08/10/2005			2,014,985	2,000,000	100.6250	2,012,500	2,024,880	58,358	149,000	(5,059)				1PE	.11/21/2000.	7.130
030955-AB-4	Ameritech Capital Funding Corp Nt.....		.9 100	JD.	06/01/2016			1,192,355	1,000,000	123.5300	1,235,300	1,205,510	7,583	91,000	(13,155)				1PE	.02/26/2002.	6.244
039483-AG-7	Archer-Daniels-Midland Co Deb.....		.8 875	AO.	04/15/2011			1,522,113	1,300,000	127.6260	1,659,138	1,547,078	24,357	115,375	(19,979)				1PE	.09/25/2001.	6.206
042735-AJ-9	Arrow Electronics Inc Sr Nt.....		.7 000	JJ.	01/15/2007			951,880	1,000,000	100.0660	1,000,660	925,950	32,278	70,000	9,639				2	.02/07/2000.	8.431
05361H-CN-2	Avery Dennison Corp Mt Nt.....		.6 980	JJ.	06/01/2005			990,940	1,000,000	0.0000	990,940	980,860	32,186	69,800	3,353				1PE	.10/15/1999.	7.401
053807-AE-3	Avnet Inc Nt.....		.6 450	FA.	08/15/2003			991,237	1,000,000	99.4380	994,380	958,140	24,367	64,500	13,263				2	.05/10/2000.	7.925
075816-AA-6	Beckman Instruments Inc Nt.....		.7 050	JD.	06/01/2026			1,059,997	1,000,000	113.0030	1,130,030	1,060,720	5,875	70,500	(723)				2	.03/07/2002.	6.546
075887-AR-0	Becton Dickinson & Co Nt.....		.7 150	AO.	10/01/2009			1,998,520	2,000,000	114.3200	2,286,400	1,998,000	35,750	143,000	166				1PE	.09/23/1999.	7.164
081437-AB-1	Bemis Co Inc Nt.....		.6 700	JJ.	07/01/2005			1,986,683	2,000,000	109.9860	2,199,720	1,971,280	67,000	134,000	4,718				1PE	.06/15/1999.	6.995
093662-AB-0	Block Financial Corp Sr Nt.....		.8 500	AO.	04/15/2007			2,002,047	2,000,000	115.2370	2,304,740	2,002,940	35,889	170,000	(382)				2	.04/25/2000.	8.471
097023-AL-9	Boeing Co Nt.....		.6 350	JD.	06/15/2003			1,998,174	2,000,000	102.0900	2,041,800	1,985,500	5,644	127,000	3,849				1PE	.06/07/1999.	6.558
103043-B*-5	Bowne & Co Inc Sr Unsec Nt.....		.7 310	JJ.	01/30/2012			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	30,661	35,535					2	.02/05/2002.	7.310
121899-EB-0	Burlington Northern RR Co PTC Ser 1996-B.....		.6 960	MS.	03/22/2009			1,903,087	1,896,360	0.0000	1,903,087	1,908,288	36,296	131,987	(1,022)				1PE	.08/13/1997.	6.831
12201P-AA-4	Burlington Resources Finl Co Nt.....		.6 680	FA.	02/15/2011			1,017,958	1,000,000	111.7860	1,117,860	1,019,920	25,236	66,800	(1,613)				2	.09/20/2001.	6.393
144285-AE-3	Carpenter Technology Corp Nt Ser C.....		.7 625	FA.	08/15/2011			994,855	1,000,000	0.0000	994,855	994,391	28,806	76,674	464				2	.01/23/2002.	7.708
149123-BH-3	Caterpillar Inc Nt.....		.6 550	MN.	05/01/2011			1,075,359	1,000,000	113.8640	1,138,640	1,078,350	10,917	32,750	(2,991)				1PE	.07/22/2002.	5.414
151895-A*-0	CenterPoint Properties Tr Credit Tenant Lease.....		.7 530	MTLY.	10/31/2014	10/01/2014	100.000	870,918	870,918	0.0000	870,918	870,918	5,465	65,580					1	.11/24/1999.	7.649
189054-AC-3	Clorox Co Nt.....		.6 125	FA.	02/01/2011			1,091,086	1,000,000	109.9670	1,099,670	1,091,940	25,521		(854)				1PE	.11/21/2002.	4.754
191219-AP-9	Coca-Cola Enterprises Deb Nt.....		.8 500	FA.	02/01/2022			1,212,672	1,000,000	129.3840	1,293,840	1,215,170	35,417	42,500	(2,498)				1PE	.07/12/2002.	6.534
205363-AC-8	Computer Sciences Corp Nt.....		.7 500	FA.	08/08/2005			2,011,666	2,000,000	109.3790	2,187,580	2,019,220	59,583	150,000	(3,939)				1	.12/01/2000.	7.250
219350-AG-0	Corning Inc Nt.....		.6 300	MS.	03/01/2009			850,000	1,000,000	85.0000	850,000	976,300	21,000	63,000	(131,313)				3	.05/25/1999.	6.632
2254C1-AA-3	Credit Suisse First Boston MT Nt #SB 00001.....		.6 500	MN.	05/01/2008			1,239,373	1,300,000	0.0000	1,239,373	1,221,402	14,083	84,500	8,933				1PE	.11/29/2000.	7.580
235851-AB-8	Danaher Corp Nt.....		.6 000	AO.	10/15/2008			947,832	1,000,000	109.5910	1,095,910	927,210	12,667	60,000	7,069				1PE	.11/15/1999.	7.116
260003-AB-4	Dover Corp Nt.....		.6 250	JD.	06/01/2008			958,027	1,000,000	112.1220	1,121,220	939,580	5,208	62,500	6,144				1PE	.10/06/1999.	7.200
260543-AT-0	Dow Chemical Co Deb.....		.8 625	AO.	04/01/2006			2,066,479	2,000,000	112.2030	2,244,060	2,118,100	43,125	172,500	(17,503)				1	.10/18/1999.	7.453
26371G-GW-4	Dublin Oh City Sch Dist GO Sch Facs Constr & Impt.....		.5 375	JD.	12/01/2014	12/01/2012	100.000	1,754,953	1,580,000	0.0000	1,754,953	1,755,269	7,077		(316)				1PE	.12/19/2002.	4.010
278058-AG-7	Eaton Corp Deb (Put 8/15/96).....		.8 000	FA.	08/15/2006			1,027,560	1,000,000	115.6280	1,156,280	1,047,830	30,222	80,000	(6,459)				1PE	.07/27/1999.	7.123
291011-AM-6	Emerson Elec Co Nt.....		.7 125	FA.	08/15/2010			1,064,743	1,000,000	116.3220	1,163,220	1,070,550	26,917	71,250	(5,807)				1PE	.02/06/2002.	6.052
302569-AA-6	FPL Virginia Funding Corp Sr Nt.....		.7 520	JD.	06/30/2019			985,142	965,155	98.7310	952,907	985,404	202	36,290	(262)				2	.07/26/2002.	7.119
31331F-AW-1	Federal Express Corp PTC Ser 1997-1C.....		.7 650	JJ.	01/15/2014			847,005	0.0000	847,005	847,005	847,005	29,878	64,796					2PE	.05/22/1997.	7.652
31331L-OZ-4	Federal Farm Credit Bk Bd.....		.5 875	AO.	10/03/2016			1,079,477	1,000,000	111.9690	1,119,690	1,080,000	14,361		(523)				1	.11/12/2002.	5.065
313310-BK-2	Federal Farm Credit Bk Nt.....		4.970	MS.	09/16/2015			4,876,367	5,000,000	0.0000	4,876,367	4,875,000	72,479		1,367				1PE	.10/25/2002.	5.239
313310-GB-7	Federal Farm Credit Bk Nt.....		5.300	AO.	10/25/2017			4,972,443	5,000,000	0.0000	4,972,443	4,972,250	48,583		193				1	.11/21/2002.	5.354
31410H-AR-2	Federated Dept Stores Inc Sr Nt.....		.8 500	JD.	06/01/2010			1,011,078	1,000,000	120.6580	1,206,580	1,013,470	7,083	85,000	(1,046)				2	.06/27/2000.	8.297
345220-AB-3	Ford Cap B V Deb.....		9.500	JD.	01/01/2010			1,144,811	1,000,000	109.5820	1,095,820	1,165,190	7,917	95,000	(14,491)				2	.07/19/2001.	6.966
345397-TS-2	Ford Motor Cr Co Nt.....		.7 375	FA.	02/01/2011			1,013,394	1,000,000	97.2390	972,390	1,014,750	30,729	73,750	(1,156)				2	.09/18/2001.	7.154
382388-AN-6	Goodrich B F Co Nt.....		.7 500	AO.	04/15/2008			994,711	1,000,000	106.2220	1,062,220	994,107	15,833	37,500	604				2	.05/24/2002.	7.623
382550-AG-6	Goodyear Tire & Rubber Co Nt.....		.8 500	MS.	03/15/2007			1,274,565	1,500,000	84.9710	1,274,565	1,500,000	37,542	127,500	(225,435)				3	.03/14/2000.	8.500
40621P-AA-7	Halliburton Co Nt.....		.6 750	FA.	02/01/2027			972,064	1,000,000	0.0000	972,064	971,040	28,125	67,500	438				2	.11/20/2000.	6.991
441812-GK-4	Household Finance Corp Nt.....		.7 875	MS.	03/01/2007			1,961,374	2,000,000	111.7040	2,234,080	1,942,600	52,500	157,500	7,466				1	.05/12/2000.	8.435
44923N-AA-9	IBP Finl CDA Inc Nt.....		.7 450	JD.	06/01/2007			1,999,258	2,000,000	110.7250	2,214,500	1,998,620	12,417	149,000	137				2	.05/29/1997.	7.460
456866-AH-5	Ingersoll-Rand Co Nt.....		6.875	FA.	02/01/2003			999,189	1,000,000	100.3400	1,003,400	975,710	28,646	68,750	9,388				2PE	.05/19/2000.	7.876
460335-AC-6	International Speedway Corp Sr Nt.....		.7 875	AO.	10/15/2004			999,431	1,000,000	107.2950	1,07										

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE 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
50026-AA-3	Kohls Corp Cr Tenant Lease (Shelby MI)		.7 600	MTLY	12/15/2022			2,100,448	1,989,487	.0 0000	2,100,448	2,101,832	6,720	39,480	(1,384)			1Z	09/11/2002	6.990
524660-AR-8	Leggett & Platt Inc Nt		.7 650	FA	02/15/2005			2,013,142	2,000,000	109.1720	2,183,440	2,024,060	57,800	153,000	(5,536)			1PE	11/15/2000	7.310
548661-CA-3	Lowe's Cos Inc Nt		.8 250	JD	06/01/2010			1,013,725	1,000,000	123.6950	1,236,950	1,016,770	6,875	82,500	(1,313)			1	06/22/2000	8.001
549271-AC-8	Lubrizol Corp Nt		.5 875	JD	12/01/2008			1,970,843	2,000,000	104.9660	2,099,320	1,965,280	9,792	117,500	3,975			1PE	08/20/2001	6.173
55259P-AA-4	M&I Marshall & Ilsley Bank Nt		.7 875	MS	03/15/2010			994,336	1,000,000	.0 0000	994,336	992,900	23,188	78,750	563			1PE	03/17/2000	7.980
55263E-AY-1	MBNA Corp Sr Nt		.7 125	MS	09/15/2004			996,057	1,000,000	.0 0000	996,057	989,780	20,979	71,250	2,103			2PE	11/04/1999	7.376
56633#-AG-8	Marcus Corp Sr Nt		.7 660	AO	04/01/2009			1,000,000	1,000,000	.0 0000	1,000,000	1,000,000	19,150	38,087				2	04/02/2002	7.660
573284-AB-2	Martin Marietta Materials Inc Nt		.6 900	FA	08/15/2007			1,980,998	2,000,000	111.5100	2,230,200	1,969,800	52,133	138,000	3,362			1	06/10/1999	7.145
574599-AP-1	Masco Corp Nt		.6 125	MS	09/15/2003			1,709,134	1,710,000	102.2920	1,749,193	1,704,340	30,839	104,738	1,174			2PE	08/05/1998	6.200
60036N-AA-9	Millennium America Inc Sr Nt		.7 000	MN	11/15/2006			928,819	1,000,000	.0 0000	928,819	891,030	8,944	70,000	14,704			3	03/22/2000	9.230
61166W-AA-9	Monsanto Co Nt		.7 375	FA	08/15/2012			994,306	1,000,000	107.8090	1,078,090	994,150	28,066	156				2	08/09/2002	7.459
620076-AK-5	Motorola Inc Deb		.6 500	MS	09/01/2025			3,065,531	3,000,000	101.5000	3,045,000	3,070,410	65,000	195,000	(1,277)			2PE	07/28/1998	6.317
620076-AR-0	Motorola Inc Nt		.7 625	MN	11/15/2010			997,498	1,000,000	102.3750	1,023,750	997,030	9,743	76,250	225			2PE	11/08/2000	7.668
62402X-AH-4	Mountain Fuel Supply Co MT Nt		.7 580	AO	10/01/2007			1,377,727	1,425,000	.0 0000	1,377,727	1,357,441	27,004	108,015	7,809			1PE	03/16/2000	8.443
	New Haven Fed Ofc Bldg Lease Cr Tenant Lease Tr 2002		.5 900	JJ	01/15/2020			1,000,000	1,000,000	.0 0000	1,000,000	1,000,000	11,308					1Z	10/22/2002	5.901
64508Q-AA-3	Norfolk Southern Corp Nt		.7 350	MN	05/15/2007			999,629	1,000,000	114.8320	1,148,320	999,310	9,392	73,500	70			2	05/14/1997	7.360
655844-AH-1	Norfolk Southern Railway Co Eq Tr Ctf Ser H		.5 400	JJ	07/15/2006			1,870,008	2,000,000	107.3450	2,146,900	1,778,300	49,800	108,000	30,995			1PE	10/19/1999	7.527
669383-DK-4	Norwest Finl Inc Sr Nt		.6 850	JJ	07/15/2009			1,038,361	1,000,000	113.9240	1,139,240	1,044,080	31,586	68,500	(4,631)			1PE	09/20/2001	6.129
67019E-AA-5	NStar Nt		.8 000	FA	02/15/2010			1,043,910	1,000,000	121.3060	1,213,060	1,050,730	30,222	80,000	(4,579)			1	06/07/2001	7.201
67020B-AA-8	NRRC-D Facilities Corp CTL Lease Rental Rev Bonds		.6 500	MTLY	11/07/2023			2,000,000	2,000,000	.0 0000	2,000,000	2,000,000	8,667	28,167				1Z	09/19/2000	6.589
677730-AA-1	Ohio Valley Electric Corp Sr Nt		.5 940	FA	02/12/2006			1,000,000	1,000,000	108.8510	1,088,510	1,000,000	22,935	38,115				1PE	12/18/2001	5.940
679574-AF-0	Old Dominion Elec 1st Mtg Bd		.6 250	JD	06/01/2011			2,570,972	2,500,000	110.5800	2,764,500	2,573,710	13,021	125,000	(2,541)			1PE	08/09/2002	5.812
73765P-BZ-8	Potomac Cap Inv Corp MT Nt		.7 970	JJ	10/18/2004			1,000,000	1,000,000	.0 0000	1,000,000	1,000,000	36,751	79,700				2PE	10/13/1999	7.978
74005P-AF-1	Praxair Inc Nt		.6 625	AO	10/15/2007			3,000,007	3,000,000	112.6150	3,378,450	2,999,940	41,958	198,750	(1)			2	10/30/1997	6.625
742741-AA-9	Proctor & Gamble ESOP Deb Ser A		.9 360	JJ	01/01/2021			2,707,550	2,000,000	137.4880	2,749,760	2,719,820	93,600		(12,270)			2	09/10/2002	5.334
74438G-AE-1	Prudential Holdings Sr Nt		.8 695	JD	12/18/2023			2,190,621	2,000,000	115.7100	2,314,200	2,192,980	6,280	86,950	(2,359)			1	07/16/2002	7.677
749685-AF-0	RPM Inc Sr Nt		.7 000	JD	06/15/2005			2,017,621	2,000,000	105.6830	2,113,660	2,044,680	6,222	140,000	(6,417)			2PE	03/10/1998	6.605
76126C-GB-2	RACERS Tr Ser 1999-24-S-CCE		.6 625	MN	05/15/2018			850,668	907,685	.0 0000	850,668	842,703	7,684	60,134	2,715			1	12/14/1999	7.649
806528-AA-3	Scherer (R P) Corp Sr Nt		.6 750	FA	02/01/2004			2,791,472	2,775,000	104.7770	2,907,562	2,847,955	78,047	187,313	(14,273)			1PE	08/11/1998	6.175
80803@-AA-7	Schott Corp Sr Nt		.6 980	MS	03/20/2012			1,000,000	1,000,000	.0 0000	1,000,000	1,000,000	19,583	34,900				2Z	03/20/2002	6.980
816391-AD-8	Selkirk Cogen Funding Corp 1st Mtg Bd Ser A		.8 980	JD	06/26/2012			1,040,817	1,000,000	101.2400	1,012,400	1,052,500	1,247	89,800	(3,864)			2	08/17/1999	8.233
816851-AB-5	Sempra Energy Nt		.7 950	MS	03/01/2010			997,960	1,000,000	114.0270	1,140,270	997,380	26,500	79,500	204			2	02/17/2000	7.988
835415-AF-7	Sonat Inc Nt		.6 750	AO	10/01/2007			1,350,000	2,000,000	67.5000	1,350,000	1,994,960	33,750	135,000	(646,708)			3Z	09/25/1997	6.785
835495-AA-0	Sonoco Products Co Nt		.9 200	FA	08/01/2021			2,498,651	2,000,000	120.4160	2,408,320	2,502,980	76,667		(4,329)			1PE	08/27/2002	6.814
89615#-AE-6	Trident Seafoods Corp Sr Sec Nt		.7 220	MS	03/15/2010			1,000,000	1,000,000	.0 0000	1,000,000	1,000,000	21,259	34,897				2	03/21/2002	7.220
89677@-AW-3	Triton Container Inv LLC Sr Sec Nt Ser 20		.6 110	JD	12/31/2010			1,000,000	1,000,000	.0 0000	1,000,000	1,000,000	170					2Z	12/30/2002	6.110
91321*-AG-6	Unimin Corp Sr Nt		.5 440	JD	12/15/2012			1,000,000	1,000,000	.0 0000	1,000,000	1,000,000	1,662					1Z	12/20/2002	5.440
916906-AB-6	U S Freightways Corp Nt		.8 500	AO	04/15/2010			1,000,000	1,000,000	113.0000	1,128,700	1,000,000	17,944	85,000				1PE	04/19/2000	8.500
922122-AB-2	Varco International Inc Sr Nt		.7 250	MN	05/01/2011			979,764	1,000,000	105.8010	1,058,010	977,416	12,083	72,500	1,690			2	09/07/2001	7.582
925524-AQ-3	Viacom Inc Nt		.6 625	MN	05/15/2011			1,012,601	1,000,000	113.0240	1,130,240	1,012,716	8,465	66,250	(114)			1	11/08/2001	6.426
92931B-AB-2	WPS Resources Corp Sr Nt		.5 375	JD	12/01/2012			992,026	1,000,000	.0 0000	992,026	991,970	5,375		56			1PE	11/19/2002	5.480
949748-AF-4	Wells Fargo Bank NA Sub Nt		.6 450	FA	02/01/2011			1,013,805	1,000,000	112.2590	1,122,590	1,015,300	26,875	64,500	(1,254)			1	09/20/2001	6.230
94978#-AT-4	Wells Fargo Bank Northwest NA Cr Tenant Lease Ser 2002 Cl 20		.6 650	MTLY	08/01/2027			994,739	994,739	.0 0000	994,739	994,739	5,513	22,418				1Z	07/28/2002	6.743
94978#-AU-1	Wells Fargo Bank Northwest NA MWRA Lease Backed Loan		.7 380	MTLY	05/15/2032			2,085,036	1,992,197	.0 0000	2,085,036	2,085,815	6,534	61,260	(779)			1Z	07/30/2002	7.019
94978#-AX-5	Wells Fargo Bank Northwest NA Cr Tenant Lease (CVS Corp)		.6 640	MTLY	10/10/2024			1,993,258	1,993,258	.0 0000	1,993,258	1,993,258	7,721	22,426				1Z	10/09/2002	6.733
961815-A@-6	Westwood One Inc Sr Gtd Nt		.5 260	MN	11/30/2012			1,000,000	1,000,000	.0 0000	1,000,000	1,000,000	4,091					1Z	11/26/2002	5.260
96647K-AB-8	Whitman Corp Nt		.6 500	FA	02/01/2006			1,032,581	1,000,000	110.3150	1,103,150	1,042,340	27,083	65,000	(9,417)			2PE	12/12/2001	5.340
981811-AB-8	Worthington Inds Inc Nt		.7 125	MN	05/15/2006			2,556,041	2,500,000	98.6920	2,467,300	2,617,025	22,760	178,125	(14,480)			2PE	04/02/1998	6.375
Total United States								145,041,650	143,546,803	XXX	151,851,253	145,997,604	2,408,728	7,517,805	(1,026,921)	0	0	XXX	XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE 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
Canada																				
80310#-AB-9	Saputo US LP Sr Nt.....		.8.120	MN	11/10/2009			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	11,503	81,200				2	11/10/1999	8.120
87425E-AD-5	Talisman Energy Inc Deb.....		7.125	JD	06/01/2007			1,429,299	1,500,000	112.7800	1,691,700	1,397,805	8,906	106,875	12,746			2PE	05/10/2000	8.426
C4876U-AA-1	John Deere Credit Inc Nt.....		6.125	My	05/30/2007			2,000,706	2,000,000	101.7150	2,034,300	2,006,620	71,799	122,500	(1,689)			1	09/03/1998	5.945
Total Canada								4,430,005	4,500,000	XXX	4,726,000	4,404,425	92,208	310,575	11,057	0	0	XXX	XXX	XXX
Other Country																				
010201-AA-9	Akzo Nobel Inc Gtd Nt.....		6.000	MN	11/15/2003			1,063,463	1,070,000	103.2230	1,104,486	1,040,832	8,203	64,200	7,075			1	07/20/1999	6.736
049255-AC-6	Atlas Copco AB Nt.....		7.750	MS	09/01/2009			1,494,017	1,500,000	113.1530	1,697,295	1,491,990	38,750	116,250	662			1	08/26/1999	7.828
055654-AA-5	BSCH Issuance Ltd Sub Gtd Nt.....		7.625	MN	11/03/2009			1,988,692	2,000,000	113.0090	2,260,180	1,985,140	24,569	152,500	1,216			1PE	10/28/1999	7.733
111021-AD-3	British Telecom PLC Nt.....		8.375	JD	12/15/2010			1,182,769	1,000,000	119.8900	1,198,900	1,184,790	3,722	41,875	(2,021)			2	11/18/2002	5.506
24821C-AA-8	Den Norske Bank Perpetual Pref Nt.....		7.729	JD	06/29/2009	06/29/2011	100.000	1,044,195	1,000,000	113.3070	1,133,070	1,048,480	429	77,290	(3,697)			2	10/11/2001	7.029
638539-AH-9	National Westminster Bank PLC Sub Nt.....		7.375	AO	10/01/2009			1,994,031	2,000,000	114.3750	2,287,500	1,992,020	36,875	147,500	661			1	09/21/1999	7.432
D6574*-AA-7	Claas KGaA mbH Sr Nt.....		5.760	JD	12/27/2014			1,500,000	1,500,000	0.0000	1,500,000	1,500,000	1,200					2Z	12/26/2002	5.760
G2044@-AG-0	Compass Group PLC Sr Nt.....		6.530	AO	05/17/2010			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	16,325	24,306				2	05/17/2002	6.533
G9284#-AH-0	Vitol Finance Ltd Gtd Sr Nt.....		8.960	JD	12/13/2009			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	4,480	89,600				2	12/13/1999	8.960
Q2962#-AB-6	Crane Group Limited Sr Nt.....		7.070	JD	06/26/2012			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	982	35,350				3	06/26/2002	7.070
Q7397#-AG-9	Pratt Fin Prop Ltd Ind Aust Sr Nt.....		5.600	JD	12/17/2013			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	2,178					2Z	12/17/2002	5.600
Total Other Country								14,267,167	14,070,000	XXX	15,181,431	14,243,252	137,714	748,871	3,895	0	0	XXX	XXX	XXX
3999999 - Total Bonds - Industrial, Misc. - Issuer Obligations								163,738,822	162,116,803	XXX	171,758,684	164,645,281	2,638,651	8,577,251	(1,011,969)	0	0	XXX	XXX	XXX
Single Class Mortgage (SC)																				
United States																				
844741-AG-3	Southwest Airlines Co PTC Ser 1993-B.....		6.260	MS	09/24/2012			675,744	714,676	0.0000	675,744	666,149	12,055	44,739	3,920			1PE	08/02/1999	7.470
Total United States								675,744	714,676	XXX	675,744	666,149	12,055	44,739	3,920	0	0	XXX	XXX	XXX
4099999 - Total Bonds - Industrial, Misc. - Single Class Mortgage-Backed/Asset-Backed Securities								675,744	714,676	XXX	675,744	666,149	12,055	44,739	3,920	0	0	XXX	XXX	XXX
Defined Multi-Class Residential (DR)																				
United States																				
060506-3U-4	Bank of America Mtg Sec Ser 2001-10 CI 2A3.....		6.250	MTLY	10/25/2016	04/01/2006	100.000	1,983,051	2,000,000	0.0000	1,983,051	1,979,063	10,417	124,844	3,793			1PE	08/24/2001	6.530
060506-CZ-3	Bank of America Mtg Sec Ser 1999-4 CI A7.....		6.500	MTLY	05/25/2029	04/01/2029	100.000	1,000,000	1,000,000	0.0000	1,000,000	1,000,000	5,417	64,960				1PE	09/07/2001	6.546
060506-R2-0	Bank of America Mtg Sec Ser 2001-8 CI 1A17.....		6.750	MTLY	08/25/2031	10/01/2003	100.000	1,503,218	1,502,000	0.0000	1,503,218	1,519,602	8,449	101,239	(14,967)			1PE	07/13/2001	5.989
060506-W6-5	Bank of America Mtg Sec Ser 2001-9 CI IA5.....		6.750	MTLY	09/25/2031	04/01/2004	100.000	941,657	959,571	0.0000	941,657	947,646	5,285	63,307	(5,740)			1PE	07/18/2001	5.835
06050H-BL-1	Bank of America Mtg Sec Ser 2001-12 CI 1A3.....		6.500	MTLY	01/25/2032	08/01/2004	100.000	2,026,974	2,000,000	0.0000	2,026,974	2,045,000	10,833	97,500	(18,026)			1PE	03/01/2002	5.340
12669C-E4-8	CWABS Inc Ser 2002-8 CI A4.....		6.500	MTLY	07/25/2032	02/01/2017	100.000	2,070,786	2,000,000	0.0000	2,070,786	2,072,500	10,833	32,500	(1,714)			1PE	08/29/2002	6.076
172953-Q3-8	Citicorp Mtg Sec Corp Ser 2001-10 CI IA2.....		6.500	MTLY	09/25/2031	08/01/2003	100.000	2,706,610	2,701,035	0.0000	2,706,610	2,742,395	14,631	173,523	(33,555)			1PE	07/27/2001	4.751
172953-S7-7	Citicorp Mtg Sec Corp Ser 2001-12 CI N1.....		6.500	MTLY	08/25/2031	10/01/2009	100.000	1,987,375	2,000,000	0.0000	1,987,375	1,986,250	10,833	128,341	995			1PE	08/09/2001	6.647
32051D-FZ-0	First Horizon Asset Sec Inc Ser 2001-4 CI A3.....		6.750	MTLY	06/25/2031	11/01/2003	100.000	1,950,480	1,959,989	0.0000	1,950,480	1,948,658	11,025	132,110	1,689			1PE	06/01/2001	6.915
36157L-L7-1	GE Cap Mtg Serv Inc Ser 1994-6 CI M.....		6.500	MTLY	04/25/2024	02/01/2024	100.000	1,077,134	1,076,546	0.0000	1,077,134	1,077,387	5,831	68,012	(37)			1PE	08/15/2001	6.529
41161P-AD-5	Harborview Mtg Loan Tr Ser 2000-1 CI IIIA.....		7.147	MTLY	08/19/2030	02/01/2019	100.000	378,934	368,760	0.0000	378,934	379,822	2,196	26,905	(146)			1PE	05/17/2001	6.783
55265K-AE-9	Master Asset Sec Tr Ser 2001-1 CI A5.....		6.750	MTLY	11/25/2031	08/01/2005	100.000	2,032,972	2,000,000	0.0000	2,032,972	2,049,375	11,250	101,232	(16,403)			1PE	02/28/2002	5.677
69348L-VG-1	PNC Mtg Sec Corp Ser 1998-2 CI 5B1.....		6.625	MTLY	03/25/2028	02/01/2017	100.000	1,985,808	1,977,266	0.0000	1,985,808	1,987,152	10,916	130,994	(567)			1PE	08/22/2001	6.571
743947-AK-9	Prudential Home Mtg Secs Ser 1993-D CI 1B1.....		7.094	MTLY	06/28/2023	06/01/2022	100.000	279,943	293,375	0.0000	279,943	280,127	1,734	20,656	3,267			1PE	06/19/2000	9.766
761042-BF-6	Resecuritization Mtg Tr Ser 1999-B CI A3.....		6.750	MTLY	06/19/2028	07/01/2012	100.000	2,374,879	2,425,404	0.0000	2,374,879	2,363,253	13,643	163,707	3,926			1PE	11/09/1999	7.268
76110Y-BT-8	Residential Funding Mtg Sec I Ser 1999-S4 CI A3.....		6.500	MTLY	02/25/2029	02/01/2029	100.000	2,938,681	3,000,000	0.0000	2,938,681	2,932,031	16,250	192,771	1,564			1PE	07/11/2001	6.752
76110Y-N3-2	Residential Funding Mtg Sec I Ser 2001-S7 CI A7.....		6.750	MTLY	03/25/2016	11/01/2007	100.000	3,873,593	3,785,588	0.0000	3,873,593	3,899,156	21,294	255,391	(19,833)			1PE	09/21/2001	5.657
94977G-AG-1	Wells Fargo Mtg Backed Sec Tr Ser 2001-17 CI A7.....		6.750	MTLY	08/25/2031	10/01/2003	100.000	1,857,657	1,865,170	0.0000	1,857,657	1,859,500	10,492	125,899	(1,333)			1PE	07/02/2001	6.734
94977H-AF-1	Wells Fargo Mtg Backed Sec Tr Ser 2001-18 CI A6.....		6.750	MTLY	09/25/2031	12/01/2003	100.000	1,408,410	1,405,992	0.0000	1,408,410	1,419,393	7,909	94,904	(10,535)			1PE	07/24/2001	5.618
Total United States								34,378,162	34,300,697	XXX	34,378,162	34,487,860	189,238	2,098,796	(107,624)	0	0	XXX	XXX	XXX
4199999 - Total Bonds - Industrial, Misc. - Defined Multi-Class Residential Mortgage-Backed Securities								34,378,162	34,300,697	XXX	34,378,162	34,487,860	189,238	2,098,796	(107,624)	0	0	XXX	XXX	XXX
Other Multi-Class Residential (OR)																				
United States																				
00253C-CF-2	Aames Mtg Tr 1996-D A1G.....		7.320	MTLY	03/15/2029	06/01/2011	100.000	1,601,602	1,640,000	0.0000	1,601,602	1,585,419	10,004	121,415	7,935			1PE	10/21/1999	7.961
126671-GJ-9	CWABS Inc 1999-3 AF7.....		7.580	MTLY	10/25/2030	11/01/2013	100.000	2,736,962	2,741,373	0.0000	2,736,962	2,740,034	17,316	207,796	(1,084)			1PE	08/18/1999	7.626
24763L-ES-5	Delta Funding Home Eq Ln Tr Ser 1998-4 CI A4F.....		6.190	MTLY	02/15/2031	11/01/2012	100.000	2,448,266	2,460,788	0.0000	2,448,266	2,446,882	12,694	152,323	759			1PE	07/26/2001	6.329
36157R-3W-3	GE Cap Mtg Serv Inc Ser 1999-HE2 CI A6.....		7.295	MTLY	05/25/2014	07/01/2005	100.000	1,746,645	1,746,645	0.0000	1,746,645	1,746,645	10,618	127,418				1PE	06/21/1999	7.279
36157T-ZJ-3	GE Cap Mtg Serv Inc Ser 1996-HE2 CI A6.....		8.000	MTLY	06/25/2026	09/01/2025	100.000	3,075,447	3,000,000	0.0000	3,075,447	3,089,063	20,000	240,000	(5,199)			1PE	06/09/1999	7.744
393505-AV-9	Green Tree Finl Corp Mfg Hsg Ser 1997-7 A10.....		6.670	MTLY	06/15/2027	12/15/2010	100.000	4,161,913	4,162,629	0.0000	4,161,913	4,160,982	12,340	277,647	149			1PE	10/15/1997	6.771

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE 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						
456606-BJ-0...	Home Eq Mtg Ln Asset Bkd Tr Ser 2000-C CI MF1		.7.990	MTLY	12/25/2031	02/01/2010	100.000	1,297,912	1,300,000	0.0000	1,297,912	1,299,771	8,656	103,870	(1,883)			1PE	11/16/2000	8.018						
591739-BC-0...	Metropolitan Asset Funding Inc 1998-B CI A5		.7.730	MTLY	03/20/2028	10/01/2011	100.000	2,004,042	2,000,000	0.0000	2,004,042	2,010,234	12,883	154,600	(1,047)			1	07/16/1999	7.702						
674135-CT-3...	Oakwood Mtg Inv Inc Sr/Sub PT Ctf 1997-D A3		.6.500	MTLY	02/15/2028	02/15/2004	100.000	59,419	59,470	0.0000	59,419	59,925	322	3,610	.72			1PE	07/31/1998	6.288						
79548K-UH-9...	Salomon Bros Mtg Sec VII Inc Ser 1997-LB2 CI B2		.7.250	MTLY	04/25/2027	02/01/2027	100.000	788,756	847,346	0.0000	788,756	784,589	5,119	61,433	1,378			1PE	09/22/1999	8.138						
921796-HB-7...	Vanderbilt Mtg Fin Ser 1999-C CI 1A4		.7.560	MTLY	06/07/2026	10/01/2009	100.000	1,000,000	1,000,000	0.0000	1,000,000	1,000,000	6,300	75,600				1PE	08/18/1999	7.659						
Total United States								20,920,963	20,958,250	XXX	20,920,963	20,923,543	116,253	1,525,711	1,081	0	0	0	XXX	XXX	XXX					
4299999 - Total Bonds - Industrial, Misc. - Other Multi-Class Residential Mortgage-Backed Securities								20,920,963	20,958,250	XXX	20,920,963	20,923,543	116,253	1,525,711	1,081	0	0	0	0	XXX	XXX	XXX				
Other Multi-Class Commercial (0C)																										
United States																										
038777-AA-6...	Arby's Franchise Tr Ser 1A CI 1		.7.440	MTLY	12/20/2020	12/20/2011	100.000	2,635,603	2,635,895	0.0000	2,635,603	2,635,560	5,992	196,111	.27			1	11/10/2000	7.559						
056065-AE-5...	BYL Bank Group Ser 1999-1 CI A3		.7.950	MTLY	09/15/2025	09/01/2025	100.000	1,978,172	2,000,000	0.0000	1,978,172	1,976,875	13,250	159,000	428			1PE	10/21/1999	8.183						
130335-AH-5...	Calif Infr & Econ Dev Bk Ser 1997-1 CI A8		.6.480	MJSD	12/26/2009	12/25/2007	100.000	1,967,368	2,000,000	0.0000	1,967,368	1,947,188	2,160	129,600	6,195			1	06/10/1999	6.976						
14040K-AJ-7...	Capital One Master Tr Ser 1998-1 B		.6.356	MTLY	06/15/2011	06/15/2008	100.000	1,919,164	2,000,000	0.0000	1,919,164	1,883,750	5,650	127,120	11,657			1PE	09/10/1999	7.366						
31331F-AX-9...	Federal Express Corp PTC Ser 98-1A		.6.720	JJ	01/15/2022	07/01/2021	100.000	1,936,085	1,840,689	0.0000	1,936,085	1,938,153	57,037	61,840	(2,068)			1	06/27/2002	6.016						
31331F-AY-7...	Federal Express Corp EETC Ser 98-1 B		.6.845	JJ	01/15/2019			565,452	547,039	0.0000	565,452	566,175	17,266		(723)			1PE	07/11/2002	6.342						
55262T-EV-1...	MBNA Master Credit Card Tr Ser 1999-J CI B		.7.400	MTLY	02/15/2012	09/15/2009	100.000	999,894	1,000,000	0.0000	999,894	999,841	3,289	74,000	.11			1PE	09/14/1999	7.517						
575796-AD-9...	Massachusetts RRB Spl Purp Tr 1999-1 A4		.6.910	MS	09/15/2009	09/15/2007	100.000	2,499,482	2,500,000	0.0000	2,499,482	2,499,268	50,865	172,750	(27)			1	07/22/1999	6.912						
589929-UD-8...	Merrill Lynch Mtg Investors Ser 1999-C1 CI A2		.7.560	MTLY	11/15/2031	09/01/2009	100.000	2,005,264	2,000,000	0.0000	2,005,264	2,009,375	12,600	151,200	(1,397)			1	10/27/1999	7.562						
649085-AA-5...	New Valley Generation II Ser 2001		.5.572	MN	05/01/2020			2,442,685	2,337,109	0.0000	2,442,685	2,442,956	21,704		(271)			1PE	12/18/2002	5.020						
667294-AA-0...	Northwest Airlines Enhanced ETC Ser 1996-1 CI A		.7.670	JJ	01/02/2015			2,615,057	2,683,464	0.0000	2,615,057	2,600,142	102,339	205,822	4,564			2	10/21/1999	8.183						
Total United States								21,564,227	21,544,196	XXX	21,564,227	21,499,283	292,152	1,277,449	18,396	0	0	0	XXX	XXX	XXX					
4499999 - Total Bonds - Industrial, Misc. - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities								21,564,227	21,544,196	XXX	21,564,227	21,499,283	292,152	1,277,449	18,396	0	0	0	0	XXX	XXX	XXX				
4599996 - Bonds - Industrial and Misc - United States								222,580,744	221,064,620	XXX	229,390,348	223,574,439	3,018,426	12,464,500	(1,111,148)	0	0	0	0	0	XXX	XXX	XXX			
4599997 - Bonds - Industrial and Misc - Canada								4,430,005	4,500,000	XXX	4,726,000	4,404,425	92,208	310,575	11,057	0	0	0	0	0	XXX	XXX	XXX			
4599998 - Bonds - Industrial and Misc - Other Countries								14,267,167	14,070,000	XXX	15,181,431	14,243,252	137,714	748,871	3,895	0	0	0	0	0	0	XXX	XXX	XXX		
4599999 - Total - Industrial and Miscellaneous Bonds								241,277,916	239,634,620	XXX	249,297,779	242,222,116	3,248,348	13,523,946	(1,096,196)	0	0	0	0	0	0	XXX	XXX	XXX		
Credit Tenant Loans																										
Issuer Obligations (10)																										
United States																										
01082#-AA-3...	Alameda Cnty CA Cr Tenant Lease Ser 2002-A		.7.500	MTLY	06/15/2021			2,111,345	1,993,390	0.0000	2,111,345	2,112,993	6,645	49,835	(1,648)			1Z	08/15/2002	6.921						
05164#-AA-5...	Aurora Health Care (Badger RE) Cr Tenant Lease		.6.990	MTLY	12/15/2022			970,431	1,000,000	0.0000	970,431	970,414	777		.17			2Z	12/27/2002	7.490						
05549@-AA-3...	BJs Wholesale Club Inc Cr Ten Lease (HG Bowie Realty)		.6.950	MTLY	05/15/2022			1,406,589	1,393,258	0.0000	1,406,589	1,406,700	4,304	15,601	(111)			2Z	10/17/2002	6.930						
117017-AC-7...	Brunswick & Glynn Co Dev Auth Lease Rev Bd		.5.980	JJ	01/15/2024			2,000,000	2,000,000	0.0000	2,000,000	2,000,000	13,953					1Z	11/19/2002	5.981						
653240-AA-9...	Newtown Cr Tenant Lease Ser 2002-CTL		.6.082	MTLY	12/15/2023			2,996,020	2,996,140	0.0000	2,996,020	2,996,034	8,099	64,285	(14)			1	08/08/2002	6.160						
92851@-AA-3...	Vivendi SPC Tr Cr Tenant Lease		.6.630	MTLY	04/15/2022			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	2,947	3,683				2Z	11/25/2002	6.722						
98881@-AA-4...	ZC Specialty Ins Co Cr Tenant Lease Ser 2002-3f		.7.338	JJ	12/23/2022			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	2,242					2Z	12/20/2002	7.339						
Total Credit Tenant Loans - United States								11,484,384	11,382,788	XXX	11,484,384	11,486,142	38,966	133,404	(1,758)	0	0	0	0	XXX	XXX	XXX				
Total Credit Tenant Loans - Canada								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX		
Total Credit Tenant Loans - Other Countries								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
4699999 - Total Bonds - Credit Tenant Loans								11,484,384	11,382,788	XXX	11,484,384	11,486,142	38,966	133,404	(1,758)	0	0	0	0	0	0	XXX	XXX	XXX		
5499999 - Total - Issuer Obligations								396,643,825	391,910,808	XXX	412,310,722	401,159,085	6,519,845	20,991,952	(1,887,446)	0	0	0	0	0	0	0	XXX	XXX	XXX	
5599999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities								4,254,281	4,139,824	XXX	4,254,281	4,249,448	32,448	277,169	(817)	0	0	0	0	0	0	0	XXX	XXX	XXX	
5699999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities								193,395,452	191,361,344	XXX	193,395,452	194,051,667	1,059,294	10,236,035	(570,831)	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5799999 - Total - Other Multi-Class Residential Mortgage-Backed Securities								23,863,194	23,991,488	XXX	23,863,194	23,842,088	132,844	1,724,813	7,997	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5899999 - Total - Defined Multi-Class Commercial Mortgage-Backed Securities								2,083,284	2,000,000	XXX	2,083,284	2,088,438	12,351	147,844	(3,576)	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5999999 - Total - Other Multi-Class Commercial Mortgage-Backed Securities								24,551,548	24,544,196	XXX	24,551,548	24,480,431	295,694	1,489,949	20,261	0	0	0	0	0	0	0	0	XXX	XXX	XXX
6099999 Totals								644,791,583	637,947,660	XXX	660,458,480	649,871,156	8,052,475	34,867,763	(2,434,411)	0	0	0	0	0	0	0	XXX	XXX	XXX	

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE 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							
State, Territories and Possessions							
United States							
Kentucky							
49151E-FY-4	Kentucky St Ppty & 5.375% 10/01/16 Bldgs Rev Ref Proj 72	11/21/2002	Raymond James & Assoc Inc		3,244,230	3,000,000	24,635
Total Kentucky					3,244,230	3,000,000	24,635
Louisiana							
546415-QK-9	Louisiana St GO Ser 5.000% 04/01/16 2002A	02/21/2002	Salomon Smith Barney		2,049,220	2,000,000	5,833
Total Louisiana					2,049,220	2,000,000	5,833
Minnesota							
604128-T6-5	Minnesota St GO 5.500% 06/01/14	11/14/2002	Salomon Smith Barney		2,724,436	2,455,000	63,012
Total Minnesota					2,724,436	2,455,000	63,012
Total United States					8,017,886	7,455,000	93,480
1799996 - Bonds - States, Territory, Poss - United States					8,017,886	7,455,000	93,480
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					8,017,886	7,455,000	93,480
Political Subdivisions of States							
United States							
Texas							
796269-PJ-1	San Antonio TX ISD GO 5.375% 08/15/17 Bldg Ser A	11/19/2002	First Winston Securities		2,044,362	1,900,000	27,517
Total Texas					2,044,362	1,900,000	27,517
Total United States					2,044,362	1,900,000	27,517
2499996 - Bonds - Political Subdivision - United States					2,044,362	1,900,000	27,517
2499997 - Bonds - Political Subdivision - Canada					0	0	0
2499998 - Bonds - Political Subdivision - Other Countries					0	0	0
2499999 - Total - Bonds - Political Subdivisions					2,044,362	1,900,000	27,517
Special Revenue & Assessment							
United States							
Colorado							
196630-X5-1	Colorado Springs CO 5.375% 11/15/15 Util Rev Sys Sub Lien Ref & Impt Ser A	12/05/2002	Salomon Smith Barney		3,253,170	3,000,000	11,198
Total Colorado					3,253,170	3,000,000	11,198
Illinois							
592247-X6-2	Metropolitan P&E IL St 5.550% 12/15/11 Tax Rev Ser A 2002	09/11/2002	Tax Free Exchange		513,341	505,000	6,695
592247-X7-0	Metropolitan P&E IL St 5.700% 12/15/13 Tax Rev Ser A 2002	09/11/2002	Tax Free Exchange		376,337	370,000	5,038
592247-Y2-0	Metropolitan P&E IL St 5.550% 12/15/11 Tax Rev Ser A 2002	09/11/2002	Tax Free Exchange		1,011,435	995,000	13,192
592247-Y3-8	Metropolitan P&E IL St 5.700% 12/15/13 Tax Rev Ser A 2002	09/11/2002	Tax Free Exchange		640,790	630,000	8,579
Total Illinois					2,541,903	2,500,000	33,504
Indiana							
454623-YR-4	Indiana Bd Bk Rev Ser 5.000% 02/01/21 B	12/18/2002	Advest Inc		2,192,635	2,150,000	
Total Indiana					2,192,635	2,150,000	0
Ohio							
67755C-DA-4	Ohio St Bldg Auth Rev 5.000% 04/01/19 Adult Correct Bldg FD-A	12/18/2002	First Winston Securities		1,029,840	1,000,000	10,417
Total Ohio					1,029,840	1,000,000	10,417
South Carolina							
837147-WT-0	Sth CarolinaStPubSvc 5.375% 01/01/18 Auth Rev Ser B	12/17/2002	Raymond James & Assoc Inc		2,679,975	2,500,000	63,082
Total South Carolina					2,679,975	2,500,000	63,082
Wisconsin							
977123-PS-1	Wisconsin St Trans Rev 5.750% 07/01/15 Ref Ser 1	11/22/2002	First Winston Securities		2,243,340	2,000,000	70,917
Total Wisconsin					2,243,340	2,000,000	70,917
United States							
3128HJ-AH-9	FHLMC Gold PC FGW 7.645% 05/01/25 30008	01/29/2002	Direct		2,079,214	1,928,547	12,286
312915-PK-1	FHLMC REMIC Ser 7.500% 04/15/23 1494-PZ	03/28/2002	First Tennessee Bank NA		3,075,836	2,939,867	2,450
312915-PK-1	FHLMC REMIC Ser 7.500% 04/15/23 1494-PZ	12/01/2002	Interest Capitalization		150,249	150,249	
31339N-GU-4	FHLMC REMIC Ser 2410 6.500% 10/15/30 PD	01/24/2002	Salomon Smith Barney		1,993,281	2,000,000	9,750
3133T3-Q2-7	FHLMC REMIC Ser 1674-Z 6.750% 02/15/24	12/01/2002	Interest Capitalization		143,835	143,835	
31358N-5B-4	FNMA REMIC Ser 7.000% 07/25/22 1992-124 PZ	12/01/2002	Interest Capitalization		209,224	209,224	
31358R-G5-6	FNMA REMIC Ser 6.850% 06/25/22 1992-214 Z	12/01/2002	Interest Capitalization		101,180	101,180	
31359V-BH-5	FNMA Ser 1998-73 CI MZ 6.300% 10/17/38	09/25/2002	Greenwich Capital Markets Inc		3,249,793	3,149,815	14,060
31359V-BH-5	FNMA Ser 1998-73 CI MZ 6.300% 10/17/38	12/01/2002	Interest Capitalization		49,870	49,870	

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE 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
31392A-F5-2	FNMA Ser 2001-73 CI PG 6.000% 09/25/31	09/25/2002	Bank of America-CMO		2,817,031	2,750,000	13,292
31392M-TS-1	FHLMC REMIC Ser 2463 6.500% 08/15/19 VH	07/23/2002	Morgan/JP/Securities - Bonds		1,040,938	1,000,000	4,514
31392P-6N-0	FHLMC REMIC Ser 2458 6.500% 04/15/18 VL	07/17/2002	UBS Warburg-CMO		2,629,408	2,550,502	9,671
31392P-F6-7	FHLMC REMIC Ser 2456 6.500% 04/15/18 VB	07/17/2002	Bank of America-CMO		2,064,609	2,000,000	7,583
31392P-T7-0	FHLMC REMIC Ser 2476 6.000% 07/15/31 PD	07/25/2002	Morgan/JP/Securities - Bonds		2,018,750	2,000,000	9,667
31392P-VF-9	FHLMC REMIC Ser 2473 6.500% 10/15/18 VK	07/17/2002	Various		4,105,625	4,000,000	20,944
31392R-4A-6	FHLMC REMIC Ser 2471 6.000% 02/15/31 EH	07/25/2002	Bank of America-CMO		5,049,609	5,000,000	24,167
31392R-JJ-1	FHLMC REMIC Ser 2470 6.000% 10/15/30 QE	07/25/2002	UBS Warburg-CMO		1,185,006	1,174,000	5,674
31392T-WT-0	FHLMC REMIC Ser 2478 6.000% 08/15/22 JF	09/24/2002	Bank of America-CMO		1,384,237	1,329,000	5,759
31392T-XB-8	FHLMC REMIC Ser 2478 6.000% 03/15/31 EH	08/20/2002	Direct		3,058,125	3,000,000	14,500
31392U-MQ-4	FHLMC REMIC Ser 2503 5.500% 09/15/17 BH	09/24/2002	Bank of America-CMO		1,031,719	1,000,000	4,431
31392V-2F-8	FHLMC REMIC Ser 2494 J 5.500% 09/15/17	09/20/2002	Bank of America-CMO		2,057,803	2,019,000	8,945
31392V-7G-1	FHLMC REMIC Ser 2498 5.500% 09/15/17 BM	09/23/2002	CS First Boston Corporation		3,049,143	2,966,183	13,142
31392V-SN-3	FHLMC REMIC Ser 2496 5.500% 09/15/17 BK	09/24/2002	UBS, Warburg, Dillon Read		1,311,407	1,271,667	5,634
31392W-B4-1	FHLMC REMIC Ser 2512 5.500% 10/15/22 PG	09/24/2002	Greenwich Capital Markets Inc.		1,995,938	2,000,000	8,861
31393F-4B-9	FHLMC Ser 2528 KM 5.500% 10/15/22	12/05/2002	Morgan Stanley & Co Inc.		4,514,063	4,500,000	6,188
38373V-HZ-6	GNMA Ser 2002-60 CI PE 6.000% 07/20/31	08/29/2002	Salomon Smith Barney		7,128,125	7,000,000	16,500
38373X-VQ-6	GNMA Ser 2002-49 CI VB 6.500% 06/20/32	07/23/2002	Bear Stearns Securities Corp.		2,505,623	2,406,000	12,598
3837HO-NF-6	Government Natl Mtg 7.000% 05/16/26 Assn REMIC Ser1996-5 CI Z	02/19/2002	Greenwich Capital Markets Inc.		1,541,426	1,493,811	6,100
3837HO-NF-6	Government Natl Mtg 7.000% 05/16/26 Assn REMIC Ser1996-5 CI Z	12/01/2002	Interest Capitalization		89,462	89,462	
911760-GT-7	Vendee Mtg Tr REMIC 7.250% 09/15/25 Ser 1995-3 1Z	01/30/2002	Greenwich Capital Markets Inc.		3,282,387	3,171,388	1,916
911760-GT-7	Vendee Mtg Tr REMIC 7.250% 09/15/25 Ser 1995-3 1Z	12/01/2002	Interest Capitalization		196,899	196,899	
911760-HH-2	Vendee Mtg Tr REMIC 6.750% 06/15/26 Ser 1996-2 1Z	01/24/2002	Salomon Smith Barney		4,051,512	4,077,314	21,406
911760-HH-2	Vendee Mtg Tr REMIC 6.750% 06/15/26 Ser 1996-2 1Z	12/01/2002	Interest Capitalization		259,500	259,500	
Total United States					69,420,828	67,927,314	260,038
3199996 - Bonds - Special Revenues - United States					83,361,691	81,077,314	449,155
3199997 - Bonds - Special Revenues - Canada					0	0	0
3199998 - Bonds - Special Revenues - Other Countries					0	0	0
3199999 - Total - Bonds - Special Revenue					83,361,691	81,077,314	449,155
Public Utilities (unaffiliated)							
United States							
010392-EA-2	Alabama Power Co Nt 4.700% 12/01/10	11/20/2002	Goldman Sachs & Company		1,994,300	2,000,000	
02003X-AA-8	Alltel OH Ltd Ptrship 8.000% 08/15/10 Sr Nt	08/23/2002	Bank of America-CMO		1,092,650	1,000,000	2,889
86765B-AB-5	Sunoco Logistics Ptrns 7.250% 02/15/12 Op LP Nt	08/12/2002	Tax Free Exchange		1,000,260	1,000,000	37,056
Total United States					4,087,210	4,000,000	39,944
3899996 - Bonds - Public Utilities - United States					4,087,210	4,000,000	39,944
3899997 - Bonds - Public Utilities - Canada					0	0	0
3899998 - Bonds - Public Utilities - Other Countries					0	0	0
3899999 - Total - Bonds - Public Utilities					4,087,210	4,000,000	39,944
Industrial & Miscellaneous							
United States							
003723-AA-1	ABN Amro NA Holding Co 6.523% 12/01/49 Bd	09/17/2002	Lehman Brothers Inc.		2,000,000	2,000,000	
030955-AB-4	Ameritech Capital 9.100% 06/01/16 Funding Corp Nt	02/26/2002	Direct		1,205,510	1,000,000	22,750
06050H-BL-1	Bank of America Mtg 6.500% 01/25/32 Sec Ser 2001-12 CI 1A3	03/01/2002	Bank of America BISS Dealer		2,045,000	2,000,000	1,806
075816-AA-6	Beckman Instruments 7.050% 06/01/26 Inc Nt	03/07/2002	UBS, Warburg, Dillon Read		1,060,720	1,000,000	19,779
103043-B*-5	Bowne & Co Inc Sr 7.310% 01/30/12 Unsec Nt	02/05/2002	Nesbitt-Burns Securities Inc.		1,000,000	1,000,000	
12669C-E4-8	CWMBIS Inc Ser 2002-8 6.500% 07/25/32 CI A4	08/29/2002	Greenwich Capital Markets Inc.		2,072,500	2,000,000	1,083
144285-AE-3	Carpenter Technology 7.625% 08/15/11 Corp Nt Ser C	01/23/2002	Tax Free Exchange		994,391	1,000,000	33,889
149123-BH-3	Caterpillar Inc Nt 6.550% 05/01/11	07/22/2002	CS First Boston Corporation		1,078,350	1,000,000	15,283
189054-AC-3	Clorox Co Nt 6.125% 02/01/11	11/21/2002	Dain Rauschar Inc.		1,091,940	1,000,000	19,566
191219-AP-9	Coca-Cola Enterprises 8.500% 02/01/22 Deb Nt	07/12/2002	Nationwide Indemnity		1,215,170	1,000,000	39,194
26371G-GW-4	Dublin Oh City Sch 5.375% 12/01/14 Dist 60 Sch Facs Constr & Imp	12/19/2002	Piper Jaffray Inc.		1,755,269	1,580,000	5,426
291011-AM-6	Emerson Elec Co Nt 7.125% 08/15/10	02/06/2002	Morgan/JP/Securities - Bonds		1,070,550	1,000,000	34,833
302569-AA-6	FPL Virginia Funding 7.520% 06/30/19 Corp Sr Nt	07/26/2002	Lehman Brothers Inc.		985,155	965,404	6,048
31331F-AX-9	Federal Express Corp 6.720% 01/15/22 PTC Ser 98-1A	06/27/2002	Piper Jaffray Inc.		1,938,153	1,840,689	57,380
31331F-AY-7	Federal Express Corp 6.845% 01/15/19 EETC Ser 98-1 B	07/11/2002	Piper Jaffray Inc.		566,175	547,039	104
31331L-QZ-4	Federal Farm Credit Bk 5.875% 10/03/16 Bd	11/12/2002	Blaylock Partners		1,080,000	1,000,000	6,528
31331Q-BK-2	Federal Farm Credit Bk 4.970% 09/16/15 Nt	10/25/2002	Piper Jaffray Inc.		4,875,000	5,000,000	28,992
31331Q-GB-7	Federal Farm Credit Bk 5.300% 10/25/17 Nt	11/21/2002	Piper Jaffray Inc.		4,972,250	5,000,000	19,875
382388-AN-6	Goodrich B F Co Nt 7.500% 04/15/08	05/24/2002	Tax Free Exchange		994,107	1,000,000	8,125
494553-AB-6	Kinder Morgan Inc Sr 6.500% 09/01/12 Nt	11/22/2002	Tax Free Exchange		997,213	1,000,000	15,347
50026*-AA-3	Kohls Corp Cr Tenant 7.600% 12/15/22 Lease (Shelby MI)	09/11/2002	Blair William & Company		2,101,832	1,989,487	
55265K-AE-9	Master Asset Sec Tr 6.750% 11/25/31 Ser 2001-1 CI A5	02/28/2002	Merrill Lynch		2,049,375	2,000,000	1,500

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE 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
56633#-AG-8	Marous Corp Sr Nt 7.660% 04/01/09	04/02/2002	BA Securities		1,000,000	1,000,000	
61160#-AA-9	Monasanto Co Nt 7.375% 08/15/12	08/09/2002	Salomon Smith Barney		994,150	1,000,000	
645080-AA-3	New Haven Fed Ofc Bldg 5.900% 01/15/20 Lease Cr Tenant Lease Tr 2002	10/22/2002	Direct		1,000,000	1,000,000	
649085-AA-5	New Valley Generation 5.572% 05/01/20 II Ser 2001	12/18/2002	First Tennessee Bank NA		2,442,956	2,337,109	17,363
67020B-AA-8	NRRC-D Facilities Corp 6.500% 11/07/23 CTL Lease Rental Rev Bonds	09/19/2002	Direct		2,000,000	2,000,000	
679574-AF-0	Old Dominion Elec 1st 6.250% 06/01/11 Mtg Bd	08/09/2002	Morgan/JP Securities - Bonds		1,071,820	1,000,000	12,674
742741-AA-9	Proctor & Gamble ESP 9.360% 01/01/21 Deb Ser A	09/10/2002	McDonald & Co Sec Inc		2,719,820	2,000,000	37,440
744386-AE-1	Prudential Holdings Sr 8.695% 12/18/23 NT	07/16/2002	Lehman Brothers Inc		2,192,980	2,000,000	14,975
808030-AA-7	Schott Corp Sr Nt 6.980% 03/20/12	03/20/2002	Deutsche Bank Securities		1,000,000	1,000,000	
835495-AA-0	Sonoco Products Co Nt 9.200% 08/01/21	08/27/2002	Bank of America Bisd Dealer		2,502,980	2,000,000	14,822
89615#-AE-6	Tritent Seafoods Corp 7.220% 03/15/10 Sr Sec Nt	03/21/2002	BA Securities		1,000,000	1,000,000	
89970#-AM-3	Triton Container Inv 6.110% 12/31/10 LLC Sr Sec Nt Ser 20	12/30/2002	BA Securities		1,000,000	1,000,000	
91321*-AG-6	Unimin Corp Sr Nt 5.440% 12/15/12	12/20/2002	BA Securities		1,000,000	1,000,000	
92331B-AB-2	WFS Resources Corp Sr 5.375% 12/01/12 Nt	11/19/2002	Edwards AG & Sons Inc		991,970	1,000,000	
94978#-AT-4	Wells Fargo Bank 6.650% 08/01/27 Northwest MA Cr Tenant Lease Ser 2002 Cl 20	07/28/2002	Leop Mason Wood Walker Inc		994,739	1,992,197	6,126
94978#-AX-1	Wells Fargo Bank 7.390% 05/15/32 Northwest MA MIRA Lease Backed Loan	07/30/2002	Direct		2,085,815	1,992,197	
94978#-AX-5	Wells Fargo Bank 6.640% 10/10/24 Northwest MA Cr Tenant Lease (CVS Corp)	10/09/2002	CS First Boston Corporation		1,993,258	1,993,258	
961815-AQ-6	Westwood One Inc Sr 5.260% 11/30/12 6td Nt	11/26/2002	Fleet Securities		1,000,000	1,000,000	
	Total United States				64,139,398	61,239,673	440,909
Other Country							
111021-AD-3	British Telecom PLC Nt 8.375% 12/15/10	11/18/2002	Morgan/JP Securities - Bonds		1,784,790	1,000,000	36,292
D6574*-AA-7	Claas K&M mbH Sr Nt 5.760% 12/27/14	12/26/2002	Merrill Lynch		1,500,000	1,500,000	
G20440-AG-0	Compass Group PLC Sr 6.530% 05/17/10 Nt	05/17/2002	BA Securities		1,000,000	1,000,000	
G2962#-AB-6	Crane Group Limited Sr 7.070% 06/26/12 Nt	06/26/2002	BA Securities		1,000,000	1,000,000	
07397#-AG-9	Pratt Fin Prop Ltd Ind 5.600% 12/17/13 Aust Sr Nt	12/17/2002	BA Securities		1,000,000	1,000,000	
	Total Other Country				5,684,790	5,500,000	36,292
4599996 - Bonds - Industrial and Misc - United States					64,139,398	61,239,673	440,909
4599997 - Bonds - Industrial and Misc - Canada					0	0	0
4599998 - Bonds - Industrial and Misc - Other Countries					5,684,790	5,500,000	36,292
4599999 - Total - Bonds - Industrial, Misc					69,824,188	66,739,673	477,201
Credit Tenant Loans							
United States							
01082#-AA-3	Alameda Cnty CA Cr 7.500% 06/15/21 Tenant Lease Ser 2002-A	08/15/2002	Blair William & Company		2,112,993	1,993,390	
05164#-AA-5	Aurora Health Care 6.990% 12/15/22 (Badger RE) Cr Tenant Lease	12/27/2002	Blair William & Company		970,414	1,000,000	
055490-AA-3	Bis Wholesale Club Inc 6.950% 05/15/22 Cr Ten Lease (HG Bowie Realty)	10/17/2002	Blair William & Company		1,406,700	1,393,258	
117017-AG-7	Brunswick & Glynn Co 5.990% 01/15/24 Dev Auth Lease Rev Bd	11/19/2002	Direct		2,000,000	2,000,000	
653240-AA-9	Newtown Cr Tenant 6.082% 12/15/23 Lease Ser 2002-CTL	08/08/2002	Lehman Brothers Inc		2,996,034	2,996,140	
928510-AA-3	Vivendi SPC Tr Cr 6.630% 04/15/22 Tenant Lease	11/25/2002	Blair William & Company		1,000,000	1,000,000	
988810-AA-4	Zc Specialty Ins Co Cr 7.338% 12/23/22 Tenant Lease Ser 2002-31	12/20/2002	Direct		1,000,000	1,000,000	
	Total United States				11,486,142	11,382,788	0
4699999 - Total - Bonds - Credit Tenant Loans					11,486,142	11,382,788	0
6099997 - Total - Bonds - Part 3					178,821,478	172,554,775	1,087,297
6099998 - Total - Bonds - Part 5					2,132,081	2,129,342	1,028
6099999 - Total - Bonds					180,953,559	174,684,117	1,088,325
7299999 Totals					180,953,559	XXX	1,088,325

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
BONDS															
US Governments															
United States															
31359M-JH-7	FNMA Benchmark Nt 6.000% 05/15/11	04/29/2002	Nationwide Mutual		15,351,000	15,000,000	15,126,000	15,125,980	(2,319)			227,339	227,339	410,000	
912827-08-8	U S Treasury Nt 7.250% 08/15/04	03/08/2002	Nationwide Mutual		10,825,000	10,000,000	11,065,625	10,379,738	(24,300)			469,562	469,562	404,558	
Total United States					26,176,000	25,000,000	26,191,625	25,505,719	(26,619)			696,900	696,900	814,558	XXX
0399996 - Bonds - U.S. Government					26,176,000	25,000,000	26,191,625	25,505,719	(26,619)			696,900	696,900	814,558	XXX
0399999 - Bonds - U.S. Governments					26,176,000	25,000,000	26,191,625	25,505,719	(26,619)			696,900	696,900	814,558	XXX
State, Territories and Possessions															
United States															
Texas															
882716-YX-5	Texas St GO Ser 1993A 5.700% 10/01/07	10/01/2002	Call 100.0000		1,000,000	1,000,000	992,510	999,271	729					57,000	
Total Texas					1,000,000	1,000,000	992,510	999,271	729					57,000	XXX
Washington															
939740-5F-9	Washington St GO Ref 6.000% 09/01/04 Ser R-92C	09/01/2002	Call 101.0000		1,908,900	1,890,000	1,871,667	1,884,727	24,173					113,400	
939745-4S-1	Washington St GO Ser 5.700% 10/01/05 1993-A	10/01/2002	Call 102.0000		25,500	25,000	24,899	25,221	279					1,425	
939745-5B-7	Washington St GO Ser 5.700% 10/01/05 1993-A	11/01/2002	Call 102.0000		2,254,200	2,210,000	2,201,115	2,202,814	51,386					136,468	
Total Washington					4,188,600	4,125,000	4,097,682	4,112,762	75,838					251,293	XXX
Total United States					5,188,600	5,125,000	5,090,192	5,112,033	76,567					308,293	XXX
1799996 - Bonds - States, Territory, Poss - United States					5,188,600	5,125,000	5,090,192	5,112,033	76,567					308,293	XXX
1799997 - Bonds - States, Territory, Poss - Canada					0	0	0	0	0					0	XXX
1799998 - Bonds - States, Territory, Poss - Other Countries					0	0	0	0	0					0	XXX
1799999 - Bonds - States, Territories and Possessions					5,188,600	5,125,000	5,090,192	5,112,033	76,567					308,293	XXX
Political Subdivisions of States															
United States															
Maryland															
940155-4C-5	Washington Sub San 6.400% 01/01/14 Dist MD Gen Con Ser 1991	01/01/2002	Redemption 102.0000		2,646,900	2,595,000	2,864,828	2,646,900						83,040	
940155-6D-1	Washington Sub San 6.100% 06/01/07 Dist MD Ref Gen Const Ser 1992	06/01/2002	Call 102.0000		2,040,000	2,000,000	1,975,580	1,988,549	51,451					61,000	
940155-6J-8	Washington Sub San 6.100% 06/01/08 Dist MD Wtr Supply Ser 1992	06/01/2002	Redemption 102.0000		2,142,000	2,100,000	2,068,374	2,137,926	4,074					64,050	
Total Maryland					6,828,900	6,695,000	6,908,782	6,773,375	55,525					208,090	XXX
Minnesota															
751617-WW-7	Ramsey Cnty MN GO Ref 5.850% 12/01/08 Cap Impt Ser C	12/01/2002	Call 102.0000		3,243,600	3,180,000	3,412,235	3,287,975	(44,375)					186,030	
Total Minnesota					3,243,600	3,180,000	3,412,235	3,287,975	(44,375)					186,030	XXX
North Carolina															
346622-TZ-6	Forsyth Cnty NC GO Pub 5.700% 08/01/10 Imp Ser 93	08/01/2002	Call 102.0000		1,020,000	1,000,000	1,019,470	1,019,953	47					57,000	
Total North Carolina					1,020,000	1,000,000	1,019,470	1,019,953	47					57,000	XXX
Texas															
235218-GR-9	Dallas TX GO Cert of 6.200% 01/01/10 Oblig 92	01/01/2002	Redemption 100.0000		1,000,000	1,000,000	1,033,350	1,000,000						31,000	
442330-E7-7	Houston TX GO Pub Impt 6.000% 03/01/04 Ref Ser 1992C	03/01/2002	Redemption 100.0000		560,000	560,000	558,865	559,931	69					16,800	
442330-F2-7	Houston TX GO Pub Impt 6.000% 03/01/04 Ref Ser 1992C	03/01/2002	Redemption 100.0000		1,415,000	1,415,000	1,412,131	1,413,661	1,339					42,450	
442330-US-3	Houston TX GO Pub Impt 6.250% 03/01/12 Ref Ser 1992C	03/01/2002	Redemption 100.0000		1,000,000	1,000,000	1,050,220	1,000,000						31,250	
Total Texas					3,975,000	3,975,000	4,054,566	3,973,592	1,408					121,500	XXX
Total United States					15,067,500	14,850,000	15,395,054	15,054,895	12,605					572,620	XXX
2499996 - Bonds - Political Subdivisions - United States					15,067,500	14,850,000	15,395,054	15,054,895	12,605					572,620	XXX
2499997 - Bonds - Political Subdivisions - Canada					0	0	0	0	0					0	XXX

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE 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
2499998	- Bonds - Political Subdivisions - Other Countries				0	0	0	0	0	0	0	0	0	0	XXX
2499999	- Bonds - Political Subdivisions				15,067,500	14,850,000	15,395,054	15,054,895	12,605	0	0	0	0	572,620	XXX
Special Revenue & Assessment United States Illinois															
592247-XS-4	Metropolitan P&E IL St 5.550% 12/15/11 Tax Rev Ser A	09/11/2002	Tax Free Exchange		1,524,776	1,500,000	1,530,630	1,526,194	(1,418)				0	61,513	
592247-XT-2	Metropolitan P&E IL St 5.700% 12/15/13 Tax Rev Ser A	09/11/2002	Tax Free Exchange		1,017,127	1,000,000	1,021,140	1,018,100	(973)				0	42,117	
Total Illinois					2,541,903	2,500,000	2,551,770	2,544,294	(2,391)	0	0	0	0	103,629	XXX
Minnesota															
60415M-MC-5	Minnesota St Hsg Fin 5.450% 02/01/07 Agy Rev Rent-D	09/16/2002	Call 100.0000		105,000	105,000	105,000	105,000	0	0	0	0	0	4,844	
Total Minnesota					105,000	105,000	105,000	105,000	0	0	0	0	0	4,844	XXX
New York															
649892-GD-2	New York St Pwr Auth 5.625% 01/01/10 Rev & GP Ser 1970-B	01/01/2002	Call 100.0000		95,000	95,000	94,311	94,603	397				0	2,672	
Total New York					95,000	95,000	94,311	94,603	397	0	0	0	0	2,672	XXX
Oklahoma															
386442-EH-6	Grand River Dam Auth 6.250% 11/01/08 OK Rev Ser 1977	11/01/2002	Call 100.0000		125,000	125,000	114,011	119,468	5,532				0	7,813	
Total Oklahoma					125,000	125,000	114,011	119,468	5,532	0	0	0	0	7,813	XXX
South Carolina															
837147-FN-2	Sth CarolinaStPubSvc 6.500% 07/01/24 Auth Rev Aut EI 199D	07/01/2002	Call 102.0000		1,020,000	1,000,000	1,093,690	1,026,078	(6,078)				0	65,000	
Total South Carolina					1,020,000	1,000,000	1,093,690	1,026,078	(6,078)	0	0	0	0	65,000	XXX
United States															
312903-8G-5	FHLMC REMIC Ser 179-A 9.300% 07/15/21	11/15/2002	Paydown		162,737	162,737	175,854	166,131	(3,394)				0	7,942	
312905-YJ-5	FHLMC REMIC Ser 1077-E 9.000% 05/15/21	12/01/2002	Paydown		1,048,290	1,048,290	1,062,213	1,051,051	(2,760)				0	43,347	
312911-JP-6	FHLMC REMIC Ser 1340-G 7.500% 05/15/07	12/01/2002	Paydown		414,447	414,447	387,767	409,841	4,606				0	15,911	
312912-TU-2	FHLMC REMIC Ser 1381-J 6.750% 06/15/05	06/01/2002	Paydown		1,977,500	1,977,500	1,925,900	1,971,333	6,167				0	38,305	
312915-2U-4	FHLMC REMIC Ser 1519-G 6.750% 05/15/08	12/01/2002	Paydown		860,588	860,588	874,841	864,966	(4,379)				0	43,247	
312915-V4-0	FHLMC REMIC Ser 7.000% 05/15/03 1503-VB	12/01/2002	Paydown		1,334,887	1,334,887	1,397,460	1,338,906	(4,019)				0	51,154	
313372-OX-1	FHLMC REMIC Ser 6.500% 02/15/22 1609-FA	12/01/2002	Paydown		735,668	735,668	754,267	739,994	(4,326)				0	25,698	
313374-KH-8	FHLMC REMIC Ser 1688-U 6.000% 03/15/04	12/01/2002	Paydown		3,447,700	3,447,700	3,130,404	3,388,328	59,372				0	108,221	
313376-UR-0	FHLMC REMIC Ser 1817-H 6.500% 10/15/06	12/01/2002	Paydown		1,116,499	1,116,499	1,100,450	1,109,546	6,953				0	39,699	
313378-XB-8	FHLMC REMIC Ser 1931-W 7.125% 11/15/07	12/01/2002	Paydown		678,030	678,030	674,004	675,571	2,459				0	26,486	
313379-UD-5	FHLMC CMO Ser 1956-D 7.000% 03/20/17	12/01/2002	Paydown		53,248	53,248	54,346	54,197	(949)				0	2,617	
313379-UD-5	FHLMC REMIC Ser T-6 A7 6.860% 09/25/28 PT														
31337A-TV-4	Ctf	12/01/2002	Paydown		1,252,134	1,252,134	1,264,573	1,258,075	(5,941)				0	44,697	
31337C-AU-2	FHLMC Structured Ser 6.564% 03/25/29 FSPC T-9 A6	12/01/2002	Paydown		458,454	458,454	441,118	443,653	14,801				0	16,208	
31337N-SK-1	FHLMC REMIC Ser 2230 7.000% 03/15/29 PN	12/01/2002	Paydown		50,055	50,055	51,369	51,246	(1,191)				0	3,504	
31340Y-2E-8	FHLMC REMIC Ser 87-D 8.650% 11/15/20	11/15/2002	Paydown		164,597	164,597	180,958	167,645	(3,048)				0	6,810	
31340Y-DB-2	FHLMC REMIC Ser 12-A 9.250% 11/15/19	11/15/2002	Paydown		131,950	131,950	138,465	136,575	(4,625)				0	6,453	
31340Y-GR-4	FHLMC REMIC Ser 22-C 9.500% 04/15/20	11/15/2002	Paydown		289,809	289,809	300,315	294,245	(4,436)				0	13,094	
31358E-XG-2	FNMA REMIC Ser 9.250% 07/25/20 1990-83A	12/01/2002	Paydown		239,025	239,025	238,277	237,834	1,191				0	12,972	
31358G-X4-4	FNMA REMIC Ser 8.600% 06/25/21 1991-56G	12/01/2002	Paydown		1,137,839	1,137,839	1,139,594	1,138,469	(630)				0	46,183	
31358L-VM-5	FNMA REMIC Ser 692-14Z 7.000% 02/25/22	12/01/2002	Paydown		1,696,590	1,696,590	1,723,305	1,709,001	(12,411)				0	61,463	
31358L-VM-5	FNMA REMIC Ser G 7.000% 06/25/22 1992- 30Z														
31358N-RT-1	FNMA REMIC Ser 7.000% 09/25/07 1992- 164PL	12/01/2002	Paydown		671,972	671,972	682,821	679,384	(7,412)				0	22,661	
31358Q-DD-4	FNMA REMIC Ser 5.000% 11/25/21 1993-97M	12/01/2002	Paydown		257,799	257,799	262,351	258,773	(973)				0	17,253	
31359A-G2-9	FNMA REMIC Ser 7.000% 02/25/04 1993- 121PM	06/01/2002	Paydown		1,011,326	1,011,326	928,050	1,005,043	6,283				0	12,639	
31359B-MT-1	FNMA REMIC Ser 6.250% 01/25/08 1998-M1A2	12/01/2002	Paydown		962,105	962,105	1,001,792	965,187	(3,082)				0	36,869	
31359R-ZB-1	FNMA REMIC Ser 9.400% 07/25/03 1988-18B	12/01/2002	Paydown		48,041	48,041	45,805	46,391	1,650				0	2,766	
313602-EK-6	FNMA REMIC Ser 8.750% 11/25/19 1989-86E	12/01/2002	Paydown		27,761	27,761	27,917	27,635	126				0	1,053	
313603-GW-6	FNMA REMIC Ser 8.750% 11/25/19 1989-86E	12/01/2002	Paydown		351,217	351,217	343,956	347,100	4,117				0	15,099	

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE 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
313603-YL-0	FNMA REMIC Ser 9.000% 03/25/20 1990-16E	12/01/2002	Paydown		1,201,475	1,201,475	1,307,675	1,246,075	(44,599)				0	54,206	
31381G-SY-5	FNMA Pool #460535 6.500% 11/01/13	12/01/2002	Paydown		18,060	18,060	18,150	18,150	(90)				0	647	
Total United States					21,799,804	21,799,804	21,633,996	21,800,345	(541)	0	0	0	0	777,202	XXX
3199996 - Bonds - Special Revenues - United States					25,686,708	25,624,804	25,592,779	25,689,789	(3,081)	0	0	0	0	961,160	XXX
3199997 - Bonds - Special Revenues - Canada					0	0	0	0	0	0	0	0	0	0	XXX
3199998 - Bonds - Special Revenues - Other Countries					0	0	0	0	0	0	0	0	0	0	XXX
3199999 - Bonds - Special Revenues					25,686,708	25,624,804	25,592,779	25,689,789	(3,081)	0	0	0	0	961,160	XXX
Public Utilities (unaffiliated)															
United States															
882850-CM-0	Texas Utils Elec Co 7.460% 01/01/15 Sec Facility Bd	07/01/2002	Redemption	100.0000	90,657	90,657	87,486	87,859	2,798				0	5,170	
Total United States					90,657	90,657	87,486	87,859	2,798	0	0	0	0	5,170	XXX
3899996 - Bonds - Public Utilities - United States					90,657	90,657	87,486	87,859	2,798	0	0	0	0	5,170	XXX
3899997 - Bonds - Public Utilities - Canada					0	0	0	0	0	0	0	0	0	0	XXX
3899998 - Bonds - Public Utilities - Other Countries					0	0	0	0	0	0	0	0	0	0	XXX
3899999 - Bonds - Public Utilities					90,657	90,657	87,486	87,859	2,798	0	0	0	0	5,170	XXX
Industrial & Miscellaneous															
United States															
02635P-KW-2	American General Fin 6.630% 07/17/02 MT Nt Ser D	07/17/2002	Maturity		1,000,000	1,000,000	974,610	993,483	6,517				0	55,618	
038777-AA-6	Arby's Franchise Tr 7.440% 12/20/20 Ser 1A Cl 1	12/20/2002	Paydown		198,491	198,491	198,465	198,466	24				0	8,090	
060506-W6-5	Bank of America Mtg 6.750% 09/25/31 Ser 2001-9 Cl IA5	12/01/2002	Paydown		45,806	45,806	46,199	46,187	(382)				0	1,689	
121899-EB-0	Burlington Northern RR 6.960% 03/22/09 Co PTC Ser 1996-B	09/22/2002	Redemption	100.0000	232,708	232,708	234,172	233,659	(951)				0	12,217	
126671-GJ-9	CWABS Inc 1999-3 AF7 7.580% 10/25/30	12/01/2002	Paydown		258,627	258,627	258,501	258,314	314				0	17,178	
144285-AD-5	Carpenter Technology 7.625% 08/15/11 Corp MT Nt	01/23/2002	Tax Free Exchange		994,391	1,000,000	994,210	994,366	25				0	33,889	
151895-A*-0	CenterPoint Properties 7.530% 10/31/14 Tr Credit Tenant Lease	12/01/2002	Redemption	100.0000	44,015	44,015	44,015	44,015					0	1,816	
172953-03-8	Citicorp Mtg Sec Corp 6.500% 09/25/31 Ser 2001-10 Cl IA2	12/01/2002	Paydown		213,128	213,128	216,391	216,215	(3,088)				0	7,489	
196879-AF-7	Coltec Ind Nt 7.500% 04/15/08	05/24/2002	Tax Free Exchange		994,107	1,000,000	991,990	993,800	307				0	45,625	
24763L-ES-5	Delta Funding Home Eq 6.190% 02/15/31 Ln Tr Ser 1998-4 Cl A4F	12/01/2002	Paydown		539,212	539,212	536,165	536,302	2,910				0	16,849	
254067-AD-3	Dillard's Inc Nt 6.310% 08/01/12	08/01/2002	Call	100.0000	2,000,000	2,000,000	1,999,800	1,979,680	20,320				0	126,200	
31331F-AW-1	Federal Express Corp 7.650% 01/15/14 PTC Ser 1997-1C	01/15/2002	Redemption	100.0000	35,818	35,818	35,818	35,818					0	1,370	
32051D-FZ-0	First Horizon Asset 6.750% 06/25/31 Ser Inc Ser 2001-4 Cl A3	12/01/2002	Paydown		1,040,011	1,040,011	1,033,998	1,034,069	5,942				0	69,492	
36157L-L7-1	GE Cap Mtg Serv Inc 6.500% 04/25/24 Ser 1994-6 Cl M	12/01/2002	Paydown		776,176	776,176	776,782	776,626	(451)				0	30,100	
36157R-3W-3	GE Cap Mtg Serv Inc 7.295% 05/25/14 Ser 1999-HE2 Cl A6	12/01/2002	Paydown		253,355	253,355	253,355	253,355					0	14,666	
393505-XV-9	Green Tree Finl Corp 6.670% 06/15/27 Mfg Hsg Ser 1997-7 A10	12/15/2002	Paydown		424,234	424,234	424,066	424,146	88				0	16,279	
41161P-AD-5	Harborview Mtg Loan Tr 7.147% 08/19/30 Ser 2000-1 Cl IIIA	12/01/2002	Paydown		648,395	648,395	667,847	666,543	(18,148)				0	22,169	
667294-AA-0	Northwest Airlines 7.670% 01/02/15 Enhanced ETC Ser 1996-1 Cl A	07/02/2002	Paydown		61,354	61,354	59,449	59,686	1,668				0	3,059	
674135-CT-3	Oakwood Mtg Inv Inc 6.500% 02/15/28 Sr/Sub PT Ctf 1997-D A3	12/01/2002	Paydown		1,227,076	1,227,076	1,236,471	1,224,539	2,538				0	28,427	
680665-AC-0	Olin Corp Nt 8.000% 06/15/02	06/15/2002	Maturity		2,000,000	2,000,000	2,121,360	2,014,499	(14,499)				0	80,000	
69348L-VG-1	PNC Mtg Sec Corp Ser 6.625% 03/25/28 1998-2 Cl 5B1	12/01/2002	Paydown		30,442	30,442	30,594	30,582	(140)				0	1,093	
73763H-AH-9	Potlatch Corp Nt 9.350% 04/12/06	09/20/2002	Goldman Sachs & Company		1,154,230	1,000,000	1,127,200	1,071,350	(10,680)			93,561	93,561	76,358	

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE 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
74046R-FC-0	Premier Auto Tr Ser 5.780% 04/08/03 1998-4 Cl A4	09/08/2002	Paydown		1,807,615	1,807,615	1,807,201	1,807,569	46				0	42,687	
743947-AK-9	Prudential Home Mtg 7.094% 06/28/23 Secs Ser 1993-D Cl 1B1	12/01/2002	Paydown		941,684	941,684	899,161	888,082	53,602				0	47,139	
761042-BF-6	Resecuritization Mtg 6.750% 06/19/28 Tr Ser 1999-B Cl A3	12/01/2002	Paydown		160,931	160,931	156,807	157,318	3,613				0	5,944	
76110Y-N3-2	Residential Funding 6.750% 03/25/16 Mtg Sec 1 Ser 2001-S7 Cl A7	12/01/2002	Paydown		163,400	163,400	168,303	168,055	(4,655)				0	6,046	
76126C-GB-2	RACERS Tr Ser 6.625% 05/15/18 1999-24-S-CCE	11/15/2002	Redemption	100.0000	32,798	32,798	30,450	30,639	2,158				0	1,638	
76169P-BC-4	Reynolds & Reynolds 6.100% 03/20/02 Inc MT Nt	03/20/2002	Maturity		1,000,000	1,000,000	966,130	995,877	4,123				0	36,431	
79548K-UH-9	Salomon Bros Mtg Sec 7.250% 04/25/27 VII Inc Ser 1997-LB2 Cl B2	12/01/2002	Paydown		86,881	86,881	80,446	80,732	6,149				0	4,178	
844741-AG-3	Southwest Airlines Co 6.260% 09/24/12 PTC Ser 1993-B	09/24/2002	Redemption	100.0000	29,586	29,586	27,577	27,812	1,774				0	1,852	
912912-AM-4	U S West Cap Funding 6.125% 07/15/02 Inc Nt	07/15/2002	Maturity		1,000,000	1,000,000	967,780	991,592	8,408				0	61,250	
94977G-AG-1	Wells Fargo Mtg Backed 6.750% 08/25/31 Sec Tr Ser 2001-17 Cl A7	12/01/2002	Paydown		96,500	96,500	96,183	96,180	320				0	3,564	
94977H-AF-1	Wells Fargo Mtg Backed 6.750% 09/25/31 Sec Tr Ser 2001-18 Cl A6	12/01/2002	Paydown		71,291	71,291	71,971	71,948	(657)				0	2,633	
Total United States					19,562,261	19,419,532	19,533,467	19,401,504	67,196	0	0	93,561	93,561	883,035	XXX
4599996 - Bonds - Industrial and Misc - United States					19,562,261	19,419,532	19,533,467	19,401,504	67,196	0	0	93,561	93,561	883,035	XXX
4599997 - Bonds - Industrial and Misc - Canada					0	0	0	0	0	0	0	0	0	0	XXX
4599998 - Bonds - Industrial and Misc - Other Countries					0	0	0	0	0	0	0	0	0	0	XXX
4599999 - Bonds - Industrial and Miscellaneous					19,562,261	19,419,532	19,533,467	19,401,504	67,196	0	0	93,561	93,561	883,035	XXX
6099997 - Bonds - Part 4					91,771,725	90,109,994	91,890,602	90,851,799	129,464	0	0	790,461	790,461	3,544,834	XXX
6099998 - Bonds - Part 5					2,126,814	2,129,342	2,132,081	2,126,814	(5,267)	0	0	0	0	56,122	XXX
6099999 - Total - Bonds					93,898,539	92,239,336	94,022,683	92,978,613	124,197	0	0	790,461	790,461	3,600,956	XXX
6599998 - Preferred Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	XXX	0
6599999 - Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	XXX	0
COMMON STOCK															
Parents, Subsidiaries & Affiliates															
United States															
63719#-10-6	National Premium & Benefit Adm	01/01/2002	Direct		10,000.000			10,000	10,000			(10,000)	(10,000)		
Total United States					0	XXX	10,000	10,000	0	0	0	(10,000)	(10,000)	XXX	0
6999999 - Common Stocks - Parent, Subsidiaries and Affiliates					0	XXX	10,000	10,000	0	0	0	(10,000)	(10,000)	XXX	0
7099997 - Common Stocks - Part 4					0	XXX	10,000	10,000	0	0	0	(10,000)	(10,000)	XXX	0
7099998 - Common Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	XXX	0
7099999 - Total - Common Stocks					0	XXX	10,000	10,000	0	0	0	(10,000)	(10,000)	XXX	0
7199999 - Total - Preferred and Common Stocks					0	XXX	10,000	10,000	0	0	0	(10,000)	(10,000)	XXX	0
7299999 Totals					93,898,539	XXX	94,032,683	92,988,613	124,197	0	0	780,461	780,461	3,600,956	0

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE 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
BONDS																
Special Revenue & Assessment United States																
3128HJ-AH-9	FHLMC Gold PC FGW 7.645% 05/01/25 30008	01/29/2002	Direct	12/01/2002	Paydown	27,068	29,183	27,068	27,068	(2,115)				0	1,046	172
Total United States						27,068	29,183	27,068	27,068	(2,115)	0	0	0	0	1,046	172
3199996 - Bonds - Special Revenue - United States						27,068	29,183	27,068	27,068	(2,115)	0	0	0	0	1,046	172
3199997 - Bonds - Special Revenue - Canada						0	0	0	0	0	0	0	0	0	0	0
3199998 - Bonds - Special Revenue - Other Countries						0	0	0	0	0	0	0	0	0	0	0
3199999 - Bonds - Special Revenue						27,068	29,183	27,068	27,068	(2,115)	0	0	0	0	1,046	172
Public Utilities (unaffiliated) United States																
86765B-AA-7	Sunoco Logistics Ptnrs 7.250% 02/15/12 Op LP Nt	02/05/2002	CS First Boston Corporation	08/12/2002	Tax Free Exchange	1,000,000	1,000,260	1,000,260	1,000,260					0	37,056	
Total United States						1,000,000	1,000,260	1,000,260	1,000,260	0	0	0	0	0	37,056	0
3899996 - Bonds - Public Utilities - United States						1,000,000	1,000,260	1,000,260	1,000,260	0	0	0	0	0	37,056	0
3899997 - Bonds - Public Utilities - Canada						0	0	0	0	0	0	0	0	0	0	0
3899998 - Bonds - Public Utilities - Other Countries						0	0	0	0	0	0	0	0	0	0	0
3899999 - Bonds - Public Utilities						1,000,000	1,000,260	1,000,260	1,000,260	0	0	0	0	0	37,056	0
Industrial & Miscellaneous United States																
302569-AA-6	FPL Virginia Funding 7.520% 06/30/19 Corp Sr Nt	07/26/2002	Lehman Brothers Inc	12/31/2002	Redemption 100.0000	37,615	38,404	37,615	37,615	(789)				0	1,414	236
31331F-AX-9	Federal Express Corp 6.720% 01/15/22 PTC Ser 98-1A	06/27/2002	Piper Jaffray Inc	07/15/2002	Paydown	19,127	20,140	19,127	19,127	(1,013)				0	643	596
494553-AA-8	Kinder Morgan Inc Nt 6.500% 09/01/12	08/22/2002	Salomon Smith Barney	11/22/2002	Tax Free Exchange	1,000,000	997,160	997,213	997,213	53				0	15,347	
50026*-AA-3	Kohls Corp Cr Tenant 7.600% 12/15/22 Lease (Shelby MI)	09/11/2002	Blair William & Company	12/15/2002	Redemption 100.0000	10,513	11,107	10,513	10,513	(594)				0	142	
94978#-AT-4	Wells Fargo Bank 6.650% 08/01/27 Northwest NA Cr Tenant Lease Ser 2002 Cl 20	07/28/2002	Legg Mason Wood Walker Inc	12/01/2002	Redemption 100.0000	5,261	5,261	5,261	5,261					0	75	
94978#-AU-1	Wells Fargo Bank 7.380% 05/15/32 Northwest NA MWRA Lease Backed Loan	07/30/2002	Direct	12/15/2002	Redemption 100.0000	7,803	8,169	7,803	7,803	(367)				0	145	24
94978#-AX-5	Wells Fargo Bank 6.640% 10/10/24 Northwest NA Cr Tenant Lease (CVS Corp)	10/09/2002	CS First Boston Corporation	12/10/2002	Redemption 100.0000	6,742	6,742	6,742	6,742					0	57	
Total United States						1,087,061	1,086,984	1,084,274	1,084,274	(2,710)	0	0	0	0	17,823	856
4599996 - Bonds - Industrial and Miscellaneous - United States						1,087,061	1,086,984	1,084,274	1,084,274	(2,710)	0	0	0	0	17,823	856
4599997 - Bonds - Industrial and Miscellaneous - Canada						0	0	0	0	0	0	0	0	0	0	0
4599998 - Bonds - Industrial and Miscellaneous - Other Countries						0	0	0	0	0	0	0	0	0	0	0
4599999 - Bonds - Industrial and Miscellaneous						1,087,061	1,086,984	1,084,274	1,084,274	(2,710)	0	0	0	0	17,823	856
Credit Tenant Loans United States																
01082#-AA-3	Alameda Cnty CA Cr 7.500% 06/15/21 Tenant Lease Ser 2002-A	08/15/2002	Blair William & Company	12/15/2002	Redemption 100.0000	6,610	7,007	6,610	6,610	(397)				0	104	
05549@-AA-3	BJs Wholesale Club Inc 6.950% 05/15/22 Cr Ten Lease (HG Bowie Realty)	10/17/2002	Blair William & Company	12/15/2002	Redemption 100.0000	4,742	4,788	4,742	4,742	(46)				0	39	
653240-AA-9	Newtown Cr Tenant 6.082% 12/15/23 Lease Ser 2002-CTL	08/08/2002	Lehman Brothers Inc	12/15/2002	Redemption 100.0000	3,860	3,860	3,860	3,860					0	54	
Total United States						15,212	15,654	15,212	15,212	(442)	0	0	0	0	197	0
4699999 - Bonds - Credit Tenant Loans						15,212	15,654	15,212	15,212	(442)	0	0	0	0	197	0
6099998 - Total - Bonds						2,129,342	2,132,081	2,126,814	2,126,814	(5,267)	0	0	0	0	56,122	1,028
7299999 Totals							2,132,081	2,126,814	2,126,814	(5,267)	0	0	0	0	56,122	1,028

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE COMPANY

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	8 Stock of Such Company Owned by Insurer on Statement Date		
							Number of Shares	% of Outstanding	
92551#-11-4...	Veterinary Pet Services, Inc. Con. Pfd Ser B.....	00000.....	(iii).....	No.....	0	1,272,287	241,936.000	96.5	
92551#-12-2...	Veterinary Pet Services, Inc. Con. Pfd Ser A.....	00000.....	(iii).....	No.....	0	2,120,474	403,226.000	100.0	
0799999 - Preferred Stock - Other Affiliates							3,392,761	XXX	XXX
0899999 - Total Preferred Stocks							3,392,761	XXX	XXX
81052#-10-5...	Scottsdale Surplus Lines Ins. Co.....	10672.....	(ii).....	No.....	0	7,515,856	10,000.000	100.0	
95831#-10-1...	Western Heritage Ins. Company.....	37150.....	(ii).....	No.....	0	68,645,115	4,776,076.000	100.0	
1099999 - Common Stock - U.S. P&C Insurer							76,160,971	XXX	XXX
92551#-10-6...	Veterinary Pet Services, Inc.....	00000.....	(ii).....	No.....	0	114,760	87,290.000	5.1	
1599999 - Common Stock - Other Affiliates							114,760	XXX	XXX
1699999 - Total Common Stocks							76,275,731	XXX	XXX
1799999 Totals							79,668,492	XXX	XXX

- 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: \$ 262,160,496
- Total amount of intangible assets nonadmitted: \$ 0

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	5 Stock in Lower-tier Company Owned Indirectly by Insurer on Statement Date	
				Number of Shares	% of Outstanding
000000-00-0.....	Veterinary Pet Insurance Company.....	Veterinary Pet Services, Inc.....	0	4,000,000.000	100.0
000000-00-0.....	DVM Insurance Agency, Inc.....	Veterinary Pet Services, Inc.....	0	1.000	100.0
000000-00-0.....	VPI Services, Inc.....	Veterinary Pet Services, Inc.....	0	1,000,000.000	100.0
0299999 - Common Stock			0	XXX	XXX
0399999 Total			0	XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE 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 Design- 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			
BONDS																
Industrial & Miscellaneous																
Issuer Obligations (10)																
United States																
19483#-AJ-1	Collins & Aikman Products Co Term Loan Tr B Mat 12/31/2005	12/31/2002	Morgan/JP/Securities - Bonds	7.000	MATR	01/31/2003	642,142	(3,227)		645,369	645,369	125			3	7.000
19483#-AJ-1	Collins & Aikman Products Co Term Loan Tr B Mat 12/31/2005	12/27/2002	Morgan/JP/Securities - Bonds	5.438	MATR	02/28/2003	331,667	(1,667)		333,333	333,333	252			3	5.438
000000-00-0	Del Monte Corp Tm Ln Tr B 12/20/2010	12/30/2002	Bank of America BISD Dealer	5.170	MATR	01/24/2003	818,906	325		822,695	818,582	236			3	12.432
000000-00-0	Del Monte Corp Tm Ln Tr B 12/20/2010	12/30/2002	Bank of America BISD Dealer	7.000	MATR	03/31/2003	176,436	18		177,305	176,418	69			3	9.023
42210P-A*-3	Headwaters Inc Term B Facility 9/30/2007	10/03/2002	Morgan Stanley & Co Inc	5.910	MATR	04/03/2003	917,565	(18,726)		936,290	936,290	13,834			4Z	5.910
460043-A#-9	International Multifoods Term Loan Tranche B	12/27/2002	Direct	4.420	MATR	01/27/2003	63,794			63,794	63,794	39			3	4.420
460043-A#-9	International Multifoods Term Loan Tranche B	12/31/2002	Direct	4.420	MATR	01/31/2003	12,759			12,759	12,759	2			3	4.420
460043-A#-9	International Multifoods Term Loan Tranche B	11/20/2002	Direct	4.420	MATR	02/20/2003	127,587			127,587	127,587	658			3	4.420
460043-A#-9	International Multifoods Term Loan Tranche B	12/20/2002	Direct	4.410	MATR	03/20/2003	127,587			127,587	127,587	188			3	4.410
51467*-AL-3	Rayovac Corp US Term Loan B Fac 10/11/2008	12/18/2002	Morgan/JP/Securities - Bonds	4.920	MATR	01/13/2003	748,220	(69,507)		817,727	817,727	1,565			3	4.920
57389#-AC-1	Mary Kay Inc Term Loan B	12/24/2002	CS First Boston Corporation	5.169	MATR	01/24/2003	68,966			68,966	68,966	79			4	5.169
57389#-AC-1	Mary Kay Inc Term Loan B	12/24/2002	CS First Boston Corporation	5.160	MATR	02/24/2003	206,897			206,897	206,897	237			4	5.160
57389#-AC-1	Mary Kay Inc Term Loan B	12/24/2002	CS First Boston Corporation	5.150	MATR	03/24/2003	1,261,467			1,261,467	1,261,467	1,444			4	5.150
57389#-AC-1	Mary Kay Inc Term Loan B	12/31/2002	CS First Boston Corporation	7.000	MATR	03/31/2003	30,524			30,524	30,524	6			4	7.000
75509*-AF-5	Rayovac Corp US Term Loan B Fac 9/30/2009	11/15/2002	Bank of America BISD Dealer	5.160	MATR	01/13/2003	232,750	(583)		233,333	233,333	1,572			3	5.160
75509*-AF-5	Rayovac Corp US Term Loan B Fac 9/30/2009	12/16/2002	Bank of America BISD Dealer	5.170	MATR	01/16/2003	344,138	(863)		345,000	345,000	793			3	5.170
75509*-AF-5	Rayovac Corp US Term Loan B Fac 9/30/2009	11/15/2002	Bank of America BISD Dealer	5.150	MATR	02/18/2003	332,500	(833)		333,333	333,333	2,241			3	5.150
903236-A#-4	URS Corp Term Loan B 6/09/06	12/31/2002	CS First Boston Corporation	4.918	MATR	01/31/2003	930,000	(70,000)		1,000,000	1,000,000	137			4	4.918
91260#-AA-8	United States Shipping LLC Term Loan Maturity 9/12/2008	12/31/2002	Direct	5.007	MATR	03/31/2003	500,000			500,000	500,000	70			3Z	5.007
91260#-AA-8	United States Shipping LLC Term Loan Maturity 9/12/2008	12/31/2002	Direct	4.643	MATR	06/30/2003	459,615			459,615	459,615	59			3Z	4.643
25212#-AA-5	Dex Media East LLC Term Loan B 4/30/2009	12/03/2002	Morgan/JP/Securities - Bonds	5.560	MATR	05/08/2003	1,003,750			1,003,750	1,003,750	4,496			3Z	5.560
Total United States							9,337,268	(165,063)	0	9,507,331	9,502,331	28,100	0	0	XXX	XXX
Canada																
61580#-AC-0	Moore Corp Term Loan B 8/2/2008	11/12/2002	Salomon Smith Barney	4.390	MATR	02/12/2003	499,375	(625)		500,000	500,000	3,049			3	4.390
61580#-AC-0	Moore Corp Term Loan B 8/2/2008	12/12/2002	Salomon Smith Barney	4.410	MATR	03/12/2003	249,688	(313)		250,000	250,000	613			3	4.410
61580#-AC-0	Moore Corp Term Loan B 8/2/2008	12/31/2002	Salomon Smith Barney	4.390	MATR	03/31/2003	147,316	(184)		147,500	147,500	18			3	4.390
Total Canada							896,378	(1,122)	0	897,500	897,500	3,679	0	0	XXX	XXX
Other Country																
000000-00-0	Centerpulse Orthopedics Inc Term Loan Tranch B 11/01/2007	12/20/2002	UBS, Warburg, Dillon Read	4.920	MATR	01/21/2003	103,896			103,896	103,896	170			3Z	4.920
000000-00-0	Centerpulse Orthopedics Inc Term Loan Tranch B 11/01/2007	12/20/2002	UBS, Warburg, Dillon Read	4.910	MATR	03/20/2003	757,143			757,143	757,143	1,239			3Z	4.910
Total Other Country							861,039	0	0	861,039	861,039	1,410	0	0	XXX	XXX
3999999 - Industrial and Miscellaneous - Issuer Obligations							11,094,685	(166,185)	0	11,265,870	11,260,870	33,189	0	0	XXX	XXX
4599996 - Total - Industrial and Miscellaneous Bonds - United States							9,337,268	(165,063)	0	9,507,331	9,502,331	28,100	0	0	XXX	XXX
4599997 - Total - Industrial and Miscellaneous - Canada							896,378	(1,122)	0	897,500	897,500	3,679	0	0	XXX	XXX
4599998 - Total - Industrial and Miscellaneous - Other Countries							861,039	0	0	861,039	861,039	1,410	0	0	XXX	XXX
4599999 - Total - Industrial and Miscellaneous Bonds							11,094,685	(166,185)	0	11,265,870	11,260,870	33,189	0	0	XXX	XXX

ETS

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE SCOTTSDALE INSURANCE 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 Design- 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			
	5499999 - Total - Issuer Obligations						11,094,685	(166,185)	0	11,265,870	11,260,870	33,189	0	0	XXX	XXX
	5599999 - Total - Single Class Mortgaged-Backed/Asset-Backed Securities						0	0	0	0	0	0	0	0	XXX	XXX
	5699999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities						0	0	0	0	0	0	0	0	XXX	XXX
	5799999 - Total - Other Multi-Class Residential Mortgage-Backed Securities						0	0	0	0	0	0	0	0	XXX	XXX
	5899999 - Total - Defined Multi-Class Commercial Mortgage-Backed Securities						0	0	0	0	0	0	0	0	XXX	XXX
	5999999 - Other Multi-Class Commercial Mortgage Backed/Asset-Backed Securities						0	0	0	0	0	0	0	0	XXX	XXX
	6099999 - Total - Bonds						11,094,685	(166,185)	0	11,265,870	11,260,870	33,189	0	0	XXX	XXX
	Class One Money Market Mutual Funds															
990061-75-6...	Nationwide Cash Mgmt Partn.....	12/31/2002	Various.....	1.560	MTLY.....	12/31/2003	26,916,898	0	0	XXX	26,916,898	26,916,898	53,636	0	1	1.799
7899999	Class One Money Market Mutual Funds															
8099999	Totals															
							38,011,584	(a) (166,185)	0	XXX	38,177,769	33,189	53,636	0	XXX	XXX

(a) Includes \$(130,277) other than accrual of discount and amortization of premium.

E15.1

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	712,987,176	753,884,566	40,897,390
2. Preferred Stocks	3,392,761	3,392,761	0
3. Totals	716,379,937	757,277,327	40,897,390

(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 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
AR00001	B	Georgia St GO, 7.200%, 03/01/06	Little Rock, AR, Regions Bank, FPARPH	225,000	236,107	236,107
AR00002						
AR00003						
AR00004						
AR00005						
AR99999 - Arkansas				225,000	236,107	236,107
LA00001	B	USTNTS, 7.250%, 05/15/04	Oklahoma City, OK, Bank One - OK, FPLAPH	100,000	101,015	108,031
LA00002						
LA00003						
LA00004						
LA00005						
LA99999 - Louisiana				100,000	101,015	108,031
MA00001	B	USTNTS, 7.250%, 05/15/04	Boston, MA, State Street Bank, WC	100,000	101,015	108,031
MA00002						
MA00003						
MA00004						
MA00005						
MA99999 - Massachusetts				100,000	101,015	108,031
NH00001	B	USTNTS, 7.250%, 05/15/04	Concord, NH, Citizens Bank, FPNHPH	1,410,000	1,424,318	1,523,237
NH00002						
NH00003						
NH00004						
NH00005						
NH99999 - New Hampshire				1,410,000	1,424,318	1,523,237
NJ00001	B	USTNTS, 7.250%, 05/15/04	Hackensack, NJ, Commerce Bank and Trust, FPNJPH	100,000	101,015	108,031
NJ00002						
NJ00003						
NJ00004						
NJ00005						
NJ99999 - New Jersey				100,000	101,015	108,031
NM00001	B	USTNTS, 7.250%, 05/15/04	Santa Fe, NM, Wells Fargo Bank, FPNMPH	140,000	141,422	151,243
NM00002						
NM00003						
NM00004						
NM00005						
NM99999 - New Mexico				140,000	141,422	151,243
NY00001	B	Massachusetts St GO, Ser 1994-B, 5.800%, 08/01/09	New York, NY, Bank of New York, Reinsurance	2,500,000	2,538,121	2,723,275
NY00002						
NY00003						
NY00004						
NY00005						
NY99999 - New York				2,500,000	2,538,121	2,723,275
OK00001	B	USTNTS, 7.250%, 05/15/04	Oklahoma City, OK, Bank One - OK, FPOKPH	100,000	101,015	108,031
OK00002						
OK00003						
OK00004						
OK00005						
OK99999 - Oklahoma				100,000	101,015	108,031
SC00001	B	USTNTS, 6.250%, 02/15/03	Charlotte, NC, Bank of America, FPCSCH	320,000	321,833	321,901
SC00002						
SC00003						
SC00004						
SC00005						
SC99999 - South Carolina				320,000	321,833	321,901
XX99999 - Total - Not All Policyholders				4,995,000	5,065,861	5,387,887
OH00001	B	Georgia St GO, 7.200%, 03/01/06	New York, NY, Bank of New York, FPALLPH	1,000,000	1,049,364	1,049,364
OH00002	B	Georgia St GO, 6.250%, 04/01/07	New York, NY, Bank of New York, FPALLPH	1,500,000	1,570,927	1,739,850
OH00003						
OH00004						
OH00005						
OH99999 - Ohio				2,500,000	2,620,291	2,789,214
ZZ99999 - Total - All Policyholders				2,500,000	2,620,291	2,789,214
9999999 Totals				7,495,000	7,686,152	8,177,101

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

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