



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2002
OF THE CONDITION AND AFFAIRS OF THE
Stonewall Insurance Company

NAIC Group Code 1343 (Current Period) 1343 (Prior Period) NAIC Company Code 22276 Employer's ID Number 63-0202590
Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio
Country of Domicile United States of America
Incorporated 02/10/1866 Commenced Business 02/10/1866
Statutory Home Office c/o CT Corporate System 441 Vine Street, Cincinnati, OH 45202
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OFFICERS

President Robert Lynam Barclay Secretary Robert Avery Whitney #
Treasurer Pamela Susan Sellers-Hoelsken

VICE PRESIDENTS

Robert Bouvet Burns Robert Alan Hamwee David Ian Wallis

DIRECTORS OR TRUSTEES

Robert Lynam Barclay Robert Alan Hamwee Mayur Piyush Patel #
Sanjay Hiralal Patel # Kenneth Edward Randall

State of Massachusetts }
County of Middlesex } 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.

Robert Lynam Barclay President Robert Avery Whitney # Secretary Pamela Susan Sellers-Hoelsken Treasurer

Subscribed and sworn to before me this 11th day of February, 2003
a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE STONEWALL INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds	60,794,328		60,794,328	54,905,122
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1)	0		0	0
2.2 Common stocks (Schedule D, Part 2, Section 2)	436,870		436,870	280,450
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ (63,769) Schedule E, Part 1) and short-term investments(\$ 5,909,071 Schedule DA, Part 2)	5,845,302		5,845,302	9,552,108
6. Other invested assets (Schedule BA)	3,918,933	3,918,933	0	0
7. Receivable for securities			0	0
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8)	70,995,433	3,918,933	67,076,500	64,737,680
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection			0	(947)
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (Including \$ earned but unbilled premiums)			0	0
10.3 Accrued retrospective premiums			0	0
11. Funds held by or deposited with reinsured companies			0	0
12. Bills receivable, taken for premiums			0	0
13. Amounts receivable under high deductible policies			0	0
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Cols. 7 and 8)	14,988,892		14,988,892	13,473,806
15. Federal and foreign income tax recoverable and interest thereon (including \$ net deferred tax asset)			0	0
16. Guaranty funds receivable or on deposit			0	0
17. Electronic data processing equipment and software			0	0
18. Interest, dividends and real estate income due and accrued	885,940		885,940	1,214,990
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Receivable from parent, subsidiaries and affiliates			0	0
21. Amount due from/to protected cells			0	0
22. Equities and deposits in pools and associations			0	0
23. Amounts receivable relating to uninsured accident and health plans			0	0
24. Other assets nonadmitted (Exhibit 1)			0	0
25. Aggregate write-ins for other than invested assets	59,163	0	59,163	0
26. Total assets excluding protected cell assets (Lines 9 through 25)	86,929,428	3,918,933	83,010,495	79,425,529
27. Protected cell assets			0	
28. TOTALS (Lines 26 and 27)	86,929,428	3,918,933	83,010,495	79,425,529
DETAILS OF WRITE-INS				
0801.				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0
2501. Suspense Account	59,163		59,163	0
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	59,163	0	59,163	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE STONEWALL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)	94,450,927	83,492,874
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6)	552,823	794,861
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	23,090,931	23,490,931
4. Commissions payable, contingent commissions and other similar charges		0
5. Other expenses (excluding taxes, licenses and fees)		0
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		0
7. Federal and foreign income taxes (including \$ on realized capital gains (losses)) (including \$ net deferred tax liability)		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$)	0	0
10. Advance premiums		
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	669,349	669,347
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	1,116,558	1,116,558
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated	67,913	9,809
16. Provision for reinsurance (Schedule F, Part 7)	3,564,977	3,387,355
17. Net adjustments in assets and liabilities due to foreign exchange rates	2,601	(9,003)
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates		0
20. Payable for securities		0
21. Liability for amounts held under uninsured accident and health plans		0
22. Capital Notes \$ and interest thereon \$		0
23. Aggregate write-ins for liabilities	(104,698,288)	(96,220,856)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	18,817,791	16,731,876
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	18,817,791	16,731,876
27. Aggregate write-ins for special surplus funds	(4,496,097)	(15,374,399)
28. Common capital stock	2,000,000	2,000,000
29. Preferred capital stock		0
30. Aggregate write-ins for other than special surplus funds	0	0
31. Surplus notes		0
32. Gross paid in and contributed surplus	73,966,820	73,966,820
33. Unassigned funds (surplus)	(7,278,019)	2,101,228
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)		0
34.2 shares preferred (value included in Line 29 \$)		0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 38)	64,192,704	62,693,649
36. TOTALS (Page 2, Line 28, Col. 3)	83,010,495	79,425,525
DETAILS OF WRITE-INS		
2301. Retroactive Reinsurance.....	(104,698,288)	(96,220,856)
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	(104,698,288)	(96,220,856)
2701. Special Surplus from Retroactive Reinsurance.....	(4,496,097)	(15,374,399)
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	(4,496,097)	(15,374,399)
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE STONEWALL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 34, Column 4)	0	0
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	(416,057)	0
3. Loss expenses incurred (Part 3, Line 25, Column 1)	3,824,583	1,846,335
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	0	385,317
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	3,408,526	2,231,652
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(3,408,526)	(2,231,652)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	3,670,395	4,630,406
10. Net realized capital gains or (losses) (Exhibit of Capital Gains (Losses))	(9,907,864)	(1,731,443)
11. Net investment gain or (loss) (Lines 9 + 10)	(6,237,469)	2,898,963
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		0
13. Finance and service charges not included in premiums		0
14. Aggregate write-ins for miscellaneous income	9,946,016	5,161,054
15. Total other income (Lines 12 through 14)	9,946,016	5,161,054
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15)	300,021	5,828,365
17. Dividends to policyholders		0
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	300,021	5,828,365
19. Federal and foreign income taxes incurred		0
20. Net income (Line 18 minus Line 19) (to Line 22)	300,021	5,828,365
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2)	62,693,649	61,194,050
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	300,021	5,828,365
23. Net unrealized capital gains or (losses)	8,704,910	(4,005,577)
24. Change in net unrealized foreign exchange capital gain (loss)	(11,600)	2,418
25. Change in net deferred income tax		0
26. Change in nonadmitted assets (Exhibit 1, Line 5, Col. 3)	0	0
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(177,622)	(325,607)
28. Change in surplus notes		0
29. Surplus (contributed to) withdrawn from protected cells		0
30. Cumulative effect of changes in accounting principles		0
31. Capital changes:		
31.1. Paid in		0
31.2. Transferred from surplus (Stock Dividend)		0
31.3. Transferred to surplus		0
32. Surplus adjustments:		
32.1. Paid in		0
32.2. Transferred to capital (Stock Dividend)		0
32.3. Transferred from capital		0
33. Net remittances from or (to) Home Office		0
34. Dividends to stockholders (cash)		0
35. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)	0	0
36. Aggregate write-ins for gains and losses in surplus	(7,316,654)	0
37. Change in surplus as regards policyholders for the year (Lines 22 through 36)	1,499,055	1,499,599
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35)	64,192,704	62,693,649
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0
1401. Miscellaneous Income or Expense (-).....	(280,872)	4,660,419
1402. Reinsurance Recoverables on Loss and Loss Adjustment Expense Payments Charged Off.....	(651,414)	(454,789)
1403. Retroactive Reinsurance.....	10,878,302	955,424
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	9,946,016	5,161,054
3601. Prior Period Adjustment. Reclass of surplus drafts unrealized loss.....	(7,316,654)	0
3602.		
3603.		
3698. Summary of remaining write-ins for Line 36 from overflow page	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)	(7,316,654)	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE STONEWALL INSURANCE COMPANY

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	(945)	(669,349)
2. Loss and loss adjustment expenses paid (net of salvage and subrogation)	(5,450,507)	11,071,605
3. Underwriting expenses paid	0	408,726
4. Other underwriting income (expenses)	0	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	5,449,562	(12,149,680)
6. Net investment income	3,954,332	4,499,625
7. Other income (expenses):		
7.1 Agents' balances charged off	0	0
7.2 Net funds held under reinsurance treaties	0	(15,904)
7.3 Net amount withheld or retained for account of others	0	0
7.4 Aggregate write-ins for miscellaneous items	1,861,155	9,966,543
7.5 Total other income (Lines 7.1 to 7.4)	1,861,155	9,950,639
8. Dividends to policyholders on direct business, less \$ dividends on reinsurance assumed or ceded (net)	0	0
9. Federal and foreign income taxes (paid) recovered	0	0
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9)	11,265,049	2,300,584
Cash from Investments		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds	24,168,646	34,355,062
11.2 Stocks	0	2,584,188
11.3 Mortgage loans	0	0
11.4 Real estate	0	0
11.5 Other invested assets	0	0
11.6 Net gains or (losses) on cash and short-term investments	0	0
11.7 Miscellaneous proceeds	0	0
11.8 Total investment proceeds (Lines 11.1 to 11.7)	24,168,646	36,939,250
12. Cost of investments acquired (long-term only):		
12.1 Bonds	32,039,524	39,718,643
12.2 Stocks	12,939	1,200,010
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	7,028,875	211,038
12.6 Miscellaneous applications	0	0
12.7 Total investments acquired (Lines 12.1 to 12.6)	39,081,338	41,129,691
13. Net Cash from investments (Line 11.8 minus Line 12.7)	(14,912,692)	(4,190,441)
Cash from Financing and Miscellaneous Sources		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in	0	0
14.2 Capital notes \$ less amounts repaid \$	0	0
14.3 Net transfers from affiliates	0	17,372
14.4 Borrowed funds received	0	0
14.5 Other cash provided	0	4,742,897
14.6 Total (Lines 14.1 to 14.5)	0	4,760,269
15. Cash applied:		
15.1 Dividends to stockholders paid	0	0
15.2 Net transfers to affiliates	0	0
15.3 Borrowed funds repaid	0	0
15.4 Other applications	59,163	0
15.5 Total (Lines 15.1 to 15.4)	59,163	0
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5)	(59,163)	4,760,269
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16)	(3,706,806)	2,870,412
18. Cash and short-term investments:		
18.1 Beginning of year	9,552,108	6,681,696
18.2 End of year (Line 17 plus Line 18.1)	5,845,302	9,552,108
DETAILS OF WRITE-INS		
07.401 Miscellaneous Expense	(539,715)	9,508,873
07.402 Retroactive Reinsurance	2,400,870	457,670
07.403		
07.498 Summary of remaining write-ins for Line 7.4 from overflow page	0	0
07.499 Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above)	1,861,155	9,966,543

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Lines of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 2	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire				
2.	Allied lines				
3.	Farmowners multiple peril				
4.	Homeowners multiple peril				
5.	Commercial multiple peril				
6.	Mortgage guaranty				
8.	Ocean marine				
9.	Inland marine				
10.	Financial guaranty				
11.1	Medical malpractice - occurrence				
11.2	Medical malpractice - claims-made				
12.	Earthquake				
13.	Group accident and health				
14.	Credit accident and health (group and individual)				
15.	Other accident and health				
16.	Workers' compensation				
17.1	Other liability - occurrence				
17.2	Other liability - claims-made				
18.1	Products liability - occurrence				
18.2	Products liability - claims-made				
19.1,19.2	Private passenger auto liability				
19.3,19.4	Commercial auto liability				
21.	Auto physical damage				
22.	Aircraft (all perils)				
23.	Fidelity				
24.	Surety				
26.	Burglary and theft				
27.	Boiler and machinery				
28.	Credit				
29.	International				
30.	Reinsurance - Nonproportional Assumed Property				
31.	Reinsurance - Nonproportional Assumed Liability				
32.	Reinsurance - Nonproportional Assumed Financial Lines				
33.	Aggregate write-ins for other lines of business				
34.	TOTALS				
DETAILS OF WRITE-INS					
3301.				
3302.				
3303.				
3398.	Summary of remaining write-ins for Line 33 from overflow page				
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)				

NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

(a) Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience, viz:

	1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running More Than One Year from Date of Policy) (b)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols: 1 + 2 + 3 + 4
Line of Business					
1. Fire					
2. Allied lines					
3. Farmowners multiple peril					
4. Homeowners multiple peril					
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine					
10. Financial guaranty					
11.1 Medical malpractice - occurrence					
11.2 Medical malpractice - claims-made					
12. Earthquake					
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability - occurrence					
17.2 Other liability - claims-made					
18.1 Products liability - occurrence					
18.2 Products liability - claims-made					
19.1,19.2 Private passenger auto liability					
19.3,19.4 Commercial auto liability					
21. Auto physical damage					
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30. Reinsurance - Nonproportional Assumed Property					
31. Reinsurance - Nonproportional Assumed Liability					
32. Reinsurance - Nonproportional Assumed Financial Lines					
33. Aggregate write-ins for other lines of business					
34. TOTALS					
35. Accrued retrospective premiums based on experience					
36. Earned but unbilled premiums					
37. Balance (Sum of Line 34 through 36)					
DETAILS OF WRITE-INS					
3301.					
3302.					
3303.					
3398. Summary of remaining write-ins for Line 33 from overflow page					
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)					

NONE

(a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force.

Are they so returned in this statement? Yes [] No []

(b) State here basis of computation used in each case .

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1B - PREMIUMS WRITTEN

Gross Premiums (Less Return Premiums), Including Policy and Membership Fees Written and Renewed During Year

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire						
2. Allied lines						
3. Farmowners multiple peril						
4. Homeowners multiple peril						
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine						
10. Financial guaranty						
11.1 Medical malpractice - occurrence						
11.2 Medical malpractice - claims-made						
12. Earthquake						
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence						
17.2 Other liability - claims-made						
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1,19.2 Private passenger auto liability						
19.3,19.4 Commercial auto liability						
21. Auto physical damage						
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30. Reinsurance - Nonproportional Assumed Property	XXX					
31. Reinsurance - Nonproportional Assumed Liability	XXX					
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX					
33. Aggregate write-ins for other lines of business						
34. TOTALS						
DETAILS OF WRITE-INS						
3301.						
3302.						
3303.						
3398. Summary of remaining write- ins for Line 33 from overflow page						
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)						

NONE

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No []

If yes: 1. The amount of such installment premiums \$

2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE STONEWALL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Previous Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire					0	0	0	0.0
2. Allied lines					0	0	0	0.0
3. Farmowners multiple peril					0	0	0	0.0
4. Homeowners multiple peril					0	0	0	0.0
5. Commercial multiple peril					0	0	0	0.0
6. Mortgage guaranty					0	0	0	0.0
8. Ocean marine					0	0	0	0.0
9. Inland marine					0	0	0	0.0
10. Financial guaranty					0	0	0	0.0
11.1 Medical malpractice - occurrence					0	0	0	0.0
11.2 Medical malpractice - claims-made					0	0	0	0.0
12. Earthquake					0	0	0	0.0
13. Group accident and health					0	0	0	0.0
14. Credit accident and health (group and individual)					0	0	0	0.0
15. Other accident and health					0	0	0	0.0
16. Workers' compensation					0	0	0	0.0
17.1 Other liability - occurrence	5,040,506	901,499	17,864,891	(11,922,886)	59,194,626	48,728,842	(1,457,102)	0.0
17.2 Other liability - claims-made					0	0	0	0.0
18.1 Products liability - occurrence	1,436,897		942,707	494,190	25,117,639	24,779,568	832,271	0.0
18.2 Products liability - claims-made					0	0	0	0.0
19.1,19.2 Private passenger auto liability					0	0	0	0.0
19.3,19.4 Commercial auto liability					0	0	0	0.0
21. Auto physical damage					0	0	0	0.0
22. Aircraft (all perils)					0	0	0	0.0
23. Fidelity					0	0	0	0.0
24. Surety					0	0	0	0.0
26. Burglary and theft					0	0	0	0.0
27. Boiler and machinery					0	0	0	0.0
28. Credit					0	0	0	0.0
29. International		142,082	40,603	101,479	7,949,045	7,939,190	111,334	0.0
30. Reinsurance - Nonproportional Assumed Property	XXX				0	0	0	0.0
31. Reinsurance - Nonproportional Assumed Liability	XXX	102,255	149,148	(46,893)	2,189,617	2,045,284	97,440	0.0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX				0	0	0	0.0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
34. TOTALS	6,477,403	1,145,836	18,997,349	(11,374,110)	94,450,927	83,492,874	(416,057)	0.0
DETAILS OF WRITE-INS								
3301.								
3302.								
3303.								
3398.	0	0	0	0	0	0	0	0.0
3399.	0	0	0	0	0	0	0	0.0

Summary of remaining write-ins for Line 33 from overflow page
Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE STONEWALL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses			Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed		
1. Fire								
2. Allied lines								
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine								
10. Financial guaranty								
11.1 Medical malpractice - occurrence								
11.2 Medical malpractice - claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health							(a)	
16. Workers' compensation							(a)	
17.1 Other liability - occurrence	83,644,865	3,813,931	59,022,658	28,436,138	42,113,107	8,663,481	20,018,100	13,309,983
17.2 Other liability - claims-made								
18.1 Products liability - occurrence	65,320,384	390,321	53,343,894	12,366,811	29,095,590	2,066,863	18,411,625	6,971,791
18.2 Products liability - claims-made								
19.3,19.4 Private passenger auto liability								
21. Commercial auto liability								
22. Auto physical damage								
23. Aircraft (all perils)								
24. Fidelity								
25. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit	0							
29. International		1,733,986	404,597	1,329,389	0	6,658,245	38,589	2,233,711
30. Reinsurance - Nonproportional Assumed Property	XXX				XXX			
31. Reinsurance - Nonproportional Assumed Liability	XXX	2,274,624	233,333	2,041,291	XXX	228,616	80,290	575,446
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX				XXX			
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0
34. TOTALS	148,965,249	8,212,862	113,004,482	44,173,629	71,208,697	17,617,205	38,548,604	23,090,931
DETAILS OF WRITE-INS								
3301.								
3302.								
3303.								
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0

(a) Including \$ for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	5,844,370			5,844,370
1.2 Reinsurance assumed	375			375
1.3 Reinsurance ceded	2,020,162			2,020,162
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	3,824,583	0	0	3,824,583
2. Commission and brokerage:				
2.1 Direct excluding contingent				0
2.2 Reinsurance assumed excluding contingent				0
2.3 Reinsurance ceded excluding contingent				0
2.4 Contingent-direct				0
2.5 Contingent-reinsurance assumed				0
2.6 Contingent-reinsurance ceded				0
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	0	0	0
3. Allowances to managers and agents				0
4. Advertising				0
5. Boards, bureaus and associations				0
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries				0
8.2 Payroll taxes				0
9. Employee relations and welfare				0
10. Insurance				0
11. Directors' fees				0
12. Travel and travel items				0
13. Rent and rent items				0
14. Equipment				0
15. Cost or depreciation of EDP equipment and software				0
16. Printing and stationery				0
17. Postage, telephone and telegraph, exchange and express				0
18. Legal and auditing			131,235	131,235
19. Totals (Lines 3 to 18)	0	0	131,235	131,235
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$				0
20.2 Insurance department licenses and fees				0
20.3 Gross guaranty association assessments				0
20.4 All other (excluding federal and foreign income and real estate)				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	0	0	0
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured accident and health plans				0
24. Aggregate write-ins for miscellaneous expenses	0	0	133,126	133,126
25. Total expenses incurred	3,824,583	0	264,361	(a) 4,088,944
26. Less unpaid expenses - current year	23,090,931			23,090,931
27. Add unpaid expenses - prior year	23,490,931			23,490,931
28. Amounts receivable relating to uninsured accident and health plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured accident and health plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	4,224,583	0	264,361	4,488,944
DETAILS OF WRITE-INS				
2401. Miscellaneous Investment Expenses			133,126	133,126
2402. Other expenses				0
2403. State Income tax Accrual Release				0
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	0	0	133,126	133,126

(a) Includes management fees of \$ 1,925,000 paid to affiliates and \$ paid to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 379,937	244,807
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 3,608,973	3,415,054
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e) 94,954	94,954
7. Derivative instruments	(f)	
8. Other invested assets	48,706	48,706
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	4,132,570	3,803,521
11. Investment expenses		(g) 133,126
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		133,126
17. Net Investment Income - (Line 10 minus Line 16)		3,670,395
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 76,313 accrual of discount less \$ 423,769 amortization of premium and less \$ 297,220 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
 (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. Government bonds	136,350		0		136,350
1.1 Bonds exempt from U.S. tax					0
1.2 Other bonds (unaffiliated)	(4,661,214)		2,890,649		(1,770,565)
1.3 Bonds of affiliates					0
2.1 Preferred stocks (unaffiliated)	(6,470)				(6,470)
2.11 Preferred stocks of affiliates					0
2.2 Common stocks (unaffiliated)	(6,470)		156,422		149,952
2.21 Common stocks of affiliates					0
3. Mortgage loans					0
4. Real estate					0
5. Contract loans					0
6. Cash/Short-term investments					0
7. Derivative instruments					0
8. Other invested assets	(5,370,060)		5,657,839		287,779
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	(9,907,864)	0	8,704,910	0	(1,202,954)
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Lines 10 to 17 and 19 to 23, Column 2			
2. Other Nonadmitted Assets:			
2.1 Bills receivable			
2.2 Furniture, equipment and supplies			
2.3 Leasehold improvements			
2.4 Loans on personal security, endorsed or not			
3. Total (Lines 2.1 to 2.4)			
4. Aggregate write-ins for other assets			
5. Total (Line 1 plus Lines 3 and 4)			
0401.			
0402.			
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page			
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)			

NONE

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. The accompanying financial statements of the Company have been prepared in conformity with accounting practices prescribed or permitted by the NAIC *Accounting Practices and Procedures* manual and the State of Ohio.

B. The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. The Company uses the following accounting policies:

1. Short-term investments are stated at cost,
2. Bonds, including issuer obligations, mortgage-backed securities and asset-backed securities rated 1 and 2 are stated at amortized cost using the interest method; all others are stated at the lower of amortized cost or market.
3. Common Stocks are stated at market.
4. Preferred Stocks – Not applicable
5. Mortgage Loans – Not applicable
6. Loan- Backed Securities – Not applicable
7. Investments in subsidiaries, controlled and affiliated companies – Not applicable
8. Investments in joint ventures, partnerships and limited liability companies – Not applicable
9. Derivatives – Not applicable
10. Premium Deficiency – Not applicable
11. Loss/Claim Adjustment Expenses – Asbestos, Environmental and Other Latent Injury Type Claims
Direct Losses – An exposure analysis on an account by account basis is performed and the appropriate reserves are established whether it be case reserves or a bulk IBNR reserve. IBNR reserves are established for the unknown or unreported cases, adverse development on known cases and allocated adjustment expenses.

2. Accounting Changes and Corrections of Errors

A. A prior period adjustment was recorded in 2002 to reflect a correction in the method of accounting for surplus drafts. \$7,316,654, representing the excess of the face value of the drafts received prior to 2002 over SVO valuation, is shown as a write in item in the surplus section of page four. This amount was previously reported as a change in non-admitted assets rather than a realized loss. There was no change in the surplus of the company as a result of the adjustment.

B. Disclosure for Insurers Upon Initial Implementation of Codification

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the State of Ohio prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures* manual, Version effective January 1, 2001, subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner.

Accounting changes adopted to conform to the provisions of the NAIC *Accounting Practices and Procedures* manual – Version effective January 1, 2001 are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company has a zero adjustment as of January 1, 2001 and subsequent through December 31, 2002.

3. Business Combinations and Goodwill

- A. Statutory Purchase Method
Not Applicable
- B. Statutory Mergers
Not Applicable
- C. Impairment Loss
Not Applicable

4. Discontinued Operations

Not Applicable

5. Investments

- A. Mortgage Loans
Not Applicable
- B. Debt Restructuring
Not Applicable
- C. Reverse Mortgages
Not Applicable
- D. Loan-Backed Securities
Not Applicable
- E. Repurchase Agreements
Not Applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. Detail for Those Greater than 10% of Admitted Assets
Not Applicable
- B. Writedowns for Impairments
Not Applicable

7. Investment Income

- A. Accrued Investment Income
The Company nonadmits investment income due and accrued if amounts are over 90 days past due (180 days for mortgage loans or amounts on mortgage loans in default).
- B. Amounts Non-Admitted
Not Applicable

8. Derivative Instruments

Not applicable

9. Income Taxes

- A. Components of Deferred Tax Assets (DTA's) and Deferred Tax Liabilities (DTL's)
Not Applicable

NOTES TO FINANCIAL STATEMENTS

- B. Unrecognized DTL's
Not Applicable
- C. Current Tax and Change in Deferred Tax
The Company has applied for and received federal tax exempt status under section 501(a) of the Internal Revenue Code.
- D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate
Not Applicable
- E. Operating Loss and Tax Credit Carryforwards
Not Applicable
- F. The Company's federal income tax return is not consolidated.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. Nature of Relationships
The Parent company is Dukes Place Holdings L.P. domiciled in Bermuda.
- B. Detail of Transactions Greater than 1/2% of Admitted Assets
Pursuant to the Management Agreement with Ken Randall America, Inc. ("KRA"), the Company incurred \$2,129,075 in fees and miscellaneous expenses. The management fee paid during the 2002 year is \$1,925,000.
- C. Change in terms of Intercompany Arrangements
Not Applicable
- D. Amounts Due to or from Related Parties
There are no amounts due to or from Related Parties at 12/31/2002.
- E. Guarantees or Contingencies for Related Parties
Not Applicable
- F. Management, Service Contracts, Cost Sharing Arrangements
The Company has a management agreement with Ken Randall America, Inc. a related party, to provide run-off services for a fixed annual fee. Any items not specifically covered within the fees are reimbursed by the Company to Ken Randall America, Inc.
- G. Nature of Relationships that Could Affect Operations
All outstanding shares of the Company are owned by the Parent
- H. Amount Deducted for Investment in Upstream Company
Not Applicable
- I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets
Not Applicable
- J. Writedown for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies
Not Applicable

11. Debt

- A. Capital Notes
Not Applicable
- B. All Other Debts
Not Applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans.

- A. Defined Benefit Plans
The Company no longer has any employees.
- B. Defined Contribution Plans
The Company no longer has any employees.
- C. Multi-employer Plans
Not Applicable
- D. Consolidated/Holding Company Plans
Not applicable
- E. Postemployment Benefits and Compensated Absences
The Company no longer has any employees

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations.

- A. Outstanding Shares
The Company does not have any preferred stock authorized or issued. The Company has one hundred thousand (100,000) shares of twenty dollars (\$20) par value common stock and one hundred thousand (100,000) shares issued and outstanding.
- B. Dividend Rate of Preferred Stock
Dividends on common stock are not cumulative and are payable when and as declared by the Board of Directors.
- C, D & E - Dividend Restrictions
The maximum amount of dividends or distributions which may be made to stockholders by property/casualty insurance companies domiciled in the State of Ohio without (i) prior approval or (ii) expiration of a 30-day waiting period without the disapproval of the Director of Insurance is the greater of net income or 10% of policyholders' surplus as the preceding December 31, but only to the extent of earned surplus as of the preceding December 31. The maximum amount of ordinary dividends or distributions which may be paid in 2002 based on earned surplus is \$2,101,228.
- F. Mutual Surplus Advances
Not Applicable
- G. Company Stock Held for Special Purposes
Not Applicable
- H. Changes in Special Surplus Funds
Changes in balances of special surplus funds from the prior year are due to the changes in the Retroactive Reinsurance that is disclosed as a separate write-in.
- I. Changes in Unassigned Funds
The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

a) Unrealized gains or losses	8,704,910
b) Non-Admitted Asset Values	-0-
c) Separate Account Business	-0-
d) Asset Valuation Reserves	-0-
e) Provision for Reinsurance	(177,622)
- J. Surplus Notes
Not Applicable
- K & L - Quasi Reorganizations
Not Applicable

NOTES TO FINANCIAL STATEMENTS

14. Contingencies

- A. Contingent Commitments
Not Applicable
- B. Assessments
Not Applicable
- C. Gain Contingencies
Not Applicable
- D. All Other Contingencies
Not Applicable

15. Leases

- A. Lessee Leasing Arrangements
Not Applicable
- B. Lessor Leasing Arrangements
Not Applicable

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

- A. Financial Instruments With Off-Balance Sheet Risk
Not Applicable
- B. Financial Instruments With Concentrations of Credit Risk
Not Applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales
Not Applicable
- B. Transfer and Servicing of Financial Assets
Not Applicable
- C. Wash Sales
Not Applicable

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

- A. ASO Plans
Not Applicable
- B. ASC Plans
Not Applicable
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts
Not Applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable

20. Other Items

- A. Extraordinary Items
Not Applicable. The Company has been in run-off for numerous years and does not anticipate any exposure to the events of 9/11/2001.
- B. Troubled Debt Restructuring
Not Applicable
- C. Other Disclosures
Not Applicable
- D. Other Disclosures
Not Applicable
- E. Reinsurance Accounted for as a Deposit
Not Applicable
- F. Multiple Peril Crop Insurance
Not Applicable
- G. Mezzanine Real Estate Loans
Not Applicable
- H. Health Care Receivables
Not Applicable
- I. September 11 Events
No losses were incurred as a result of the terrorist attacks of September 11, 2001.
- J. Real Estate Impairments and Retail Land Sales.
Not Applicable
- K. Participating Accident and Health Contracts
Not Applicable
- L. Premium Deficiency Reserves
Not Applicable
- M. NonCash Transaction
Not Applicable
- N. New Disclosure Requirements
Not Applicable

21. Events Subsequent

No events have occurred subsequent to the close of the books or accounts for this statement that would have a material effect on the financial condition of the Company.

NOTES TO FINANCIAL STATEMENTS

22. Reinsurance

A. Unsecured Reinsurance Recoverables

Non-affiliated unsecured aggregate recoverables as shown in Schedule F, Part 3, for paid and unpaid losses, including IBNR, unpaid adjustment expenses, and unearned premiums that exceed 3% of the Company's policyholders surplus are as follows (000 Omitted):

NAIC #	FEDERAL ID #	COMPANY	AMOUNT (000 Omitted)
20699	06-0237820	Ace Prop & Cas (Cal Union)	4,203
19232	36-0719665	Allstate Insurance Company	4,038
10227	13-4924125	American Re-Insurance Company	5,946
10227	13-4924125	American Re-Insurance Company (Munich)	3,700
19801	94-1390273	Argonaut Insurance Company	3,573
21032	13-5009848	Constitution Reinsurance Corporation	12,733
22039	13-2673100	General Reinsurance Corporation	6,202
11266	13-6107326	Gerling Global Reinsurance Corporation	11,571
00000	AA-1122000	K.F. Alder Esq.	2,332
34835	13-1988169	National Reinsurance Corporation	6,810
22047	13-2930109	North Star Reinsurance Company	4,094
23914	39-0509630	Northwestern National (Bellefonte)	4,276
25070	13-2781282	Odyssey Reinsurance Corporation	7,916
12319	23-1620930	Philadelphia Reinsurance Corporation	9,346
30058	75-1444207	Scor Reinsurance Corporation	5,959
25364	13-1675535	Swiss Reinsurance America Corporation	13,360
12858	62-0381170	Tennessee Insurance Company	2,802
19453	13-5616275	Transatlantic Reinsurance Company	1,939
33014	75-0784127	Transport Ins Company	3,689
22314	16-0366830	Underwriters Reinsurance Company	2,917
20583	13-1290712	XL Reinsurance America, Inc.	19,605
		Total	137,011

B. Reinsurance Recoverables in Dispute

The Company has no disputed reinsurance to disclose since no one disputed item exceeds 5% of the Company's policyholders surplus, nor do all the Company's disputed items in the aggregate exceed 10% of surplus.

C. Reinsurance Assumed and Ceded

There is no amount of return commission due reinsurers if the agreements were canceled as of December 31, 2001. The Company had no additional or return commissions predicated on loss experience or any other form of profit sharing arrangements included in this annual statement as a result of existing contractual arrangements. All contracts of reinsurance covering losses that have occurred prior to the inception of the contract (i.e. retroactive reinsurance) have been accounted for in conformity with NAIC guidelines.

D. Uncollectible Reinsurance

The Company has written off certain Reinsurance Recoverables on loss and loss adjustment expense payments in the amount of \$651,437 which is included in "Miscellaneous Income and Expense, Page 4, Line 13.03". These write-offs are related to 19 reinsurers most of whom are in liquidation.

E. Commutation of Ceded Reinsurance

The Company commuted two reinsurers during 2002. Amreco, the largest of the two, has been in rehabilitation and their settlement included Net Cash for Recoverable less payable (\$6,821,125) and a Surplus Note (\$7,028,875) to be paid at a future date on a discounted basis. It should be noted that on a Statutory basis we have taken zero credit for their notes and have realized the losses on the non-SVO rated portion (77%) and non-admitted the SVO rated portion (23%).

Reinsurer	
Amreco Ceded	\$13,850,000
Taisei Reinsurance Co. Ltd.	41,925
Total	\$13,891,925

F. Retroactive Reinsurance

The Company purchased one aggregate retrocessional agreement effective 5/1/2000 which provides reinsurance for the Company's run-off business.

	Assumed	Ceded
1. Reserves Transferred:		
1. Initial Reserves	\$ -0-	\$ 109,604,084
2. Adjustments – Prior Year(s)	-0-	1,021,517
3. Adjustments – Current Year	-0-	10,878,302
4. Current Total	\$ -0-	\$ <u>121,503,903</u>
2. Consideration Paid or Received:		
1. Initial Consideration	\$ -0-	\$ 126,000,000
2. Adjustments – Prior Year(s)	-0-	0
3. Adjustments – Current Year	-0-	0
4. Current Total	\$ -0-	\$ <u>126,000,000</u>
3. Paid Losses Reimbursed or Recovered:		
1. Prior Year(s)	\$ -0-	14,404,744
2. Current Year	-0-	2,400,870
3. Current Total	\$ -0-	\$ <u>16,805,614</u>
4. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain / Loss	\$ -0-	\$ 16,395,916
2. Adjustments – Prior Year(s)	-0-	(1,021,516)
3. Adjustments- Current Year	-0-	<u>(10,878,302)</u>
4. Current Year Restricted Surplus	\$ -0-	\$ 4,496,098
5. Cumulative Total Transferred to Unassigned Funds	\$ -0-	\$ <u>-0-</u>

NOTES TO FINANCIAL STATEMENTS

5. Cedents and Reinsurers Involved in Transactions Included in Section A, Above

<u>Company</u>	<u>Assumed</u>	<u>Amount</u>	<u>Company</u>	<u>Ceded</u>	<u>Amount</u>
			NAIC 20087 National Indemnity Company		\$ <u>121,503,903</u>

6. List total Paid Loss/LAE amounts recoverable and amounts more than 90 days overdue, and collateral held as respects amounts recoverable from unauthorized reinsurers:

Authorized Reinsurers

<u>Company</u>	<u>Total Paid Loss/LAE</u> <u>Payable To:</u>	<u>Amounts Over 90 Days</u> <u>Overdue</u>
National Indemnity Company NAIC 20087	(\$9,743,570)	\$ <u>-0-</u>

Unauthorized Reinsurers

<u>Company</u>	<u>Total Paid Loss/LAE</u> <u>Recoverable</u>	<u>Amounts Over 90 Days</u> <u>Overdue</u>	<u>Collateral Held</u>
----------------	--	---	------------------------

NONE

23. Retrospectively Rated Contracts

- A. Method Used to Estimate
Not Applicable
- B. Amount and Percent of Net Retrospective Premiums
Not Applicable
- C. Calculation of Nonadmitted Accrued Retrospective Premiums
Not Applicable

24. Change in Incurred Losses and Loss Adjustment Expenses

Due to the run-off status of the Company, all incurred changes are attributable to insured events of prior years. All loss activity is 100% reinsured either through standard reinsurance programs or through retroactive reinsurance placed in 2000.

25. Intercompany Pooling Arrangements

Not applicable

26. Structured Settlements

- A. Reserves Released due to Purchase of Annuities
The Company purchased one (1) annuity during 1990, under which the Company is owner and payee, to fund future payments that are fixed or determinable by settlement provisions or by workings of statutes. The aggregate amount of this annuity is -0-. The total value of all annuities due from one life insurer does not equal or exceed 1% of the Company's policyholders' surplus.
- B. Annuity Insurers with Balances due Greater than 1% of Policyholders' Surplus
Present value amounts due from one life insurer equaling or exceeding 1% of the Company's policyholders' surplus are:

Name & Location	Loss Reserves Eliminated by Annuities	Present Value Amount of Annuities
First Colony Life Insurance Company Lynchburg, Virginia	1,581,073	1,487,712
Life Insurance Company of North America Hartford, Connecticut	1,479,323	1,630,227
Manufacturers Lie Insurance Company Boston, Massachusetts	2,976,028	3,053,164
SAFECO Life Insurance Company Seattle, Washington	1,333,000	1,704,720
Western National Life Insurance Company Amarillo, Texas	1,278,606	5,993,918

27. High Deductibles

Not Applicable

28. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

- A. Tabular Discounts
Not Applicable
- B. Non-Tabular Discounts
Not Applicable
- C. Changes in Discount Assumptions
Not Applicable

NOTES TO FINANCIAL STATEMENTS

29. Asbestos/Environmental Reserves

Yes the Company has exposure to both asbestos and environmental (000 Omitted) claims.

ASBESTOS:

The Stonewall asbestos-related losses for each of the five most recent calendar years are as follows:

Gross of Reinsurance	(000's) omitted				
	1998	1999	2000	2001	2002
Beginning Reserves	122,468	141,439	114,720	113,425	107,855
Incurred Loss and LAE	22,092	(329)	(228)	(3,597)	30,357
Calendar Year Pymts for Loss and LAE	(3,121)	(26,390)	(1,067)	(1,973)	(3,274)
Ending Reserves	141,439	114,720	113,425	107,855	134,938

The 2002 ending reserve above includes a gross bulk reserve of \$36,425 thousand. The bulk reserve is a contingency for adverse development on known cases, unreported cases, and allocated loss adjustment expenses (including coverage dispute). Case reserves are established by setting full case basis reserves on reported claims. The bulk reserves are derived by independent actuarial studies. The incurred development is due primarily to two policyholders.

Net of Reinsurance	(000's) omitted				
	1998	1999	2000	2001	2002
Beginning Reserves	37,943	47,289	41,234	40,629	38,289
Incurred Loss and LAE	10,036	856	(141)	(1,593)	16,843
Calendar Year Pymts for Loss and LAE	(690)	(6,911)	(464)	(747)	(1,213)
Ending Reserves	47,289	41,234	40,629	38,289	53,919

The 2002 ending reserve above includes a gross bulk reserve of \$29,919 thousand. The bulk reserve is a contingency for adverse development on known cases, unreported cases, and allocated loss adjustment expenses (including coverage dispute). Case reserves are established by setting full case basis reserves on reported claims. The bulk reserves are derived by independent actuarial studies. The net reserves do not reflect the 2000 purchase of retroactive reinsurance which is reflected in the balance sheet and income statement.

ENVIRONMENTAL:

The Stonewall environmental-related (pollution) losses for each of the five most recent calendar years are as follows:

Gross of Reinsurance	(000's) omitted				
	1998	1999	2000	2001	2002
Beginning Reserves	78,811	146,263	142,586	138,195	131,531
Incurred Loss and LAE	70,215	2,983	359	2,524	(18,308)
Calendar Year Pymts for Loss and LAE	(2,763)	(6,660)	(4,750)	(9,188)	(7,570)
Ending Reserves	146,263	142,586	138,195	131,531	105,653

The 2002 ending reserve above includes a gross bulk reserve of \$62,805 thousand. The bulk reserve is a contingency for adverse development on known cases, unreported cases, and allocated loss adjustment expenses (including coverage dispute). Case reserves are established by setting full case basis reserves on reported claims. The bulk reserves are derived by independent actuarial studies.

NOTES TO FINANCIAL STATEMENTS

Net of Reinsurance

(000's) omitted

	1998	1999	2000	2001	2002
Beginning Reserves	33,950	55,293	54,286	53,597	50,707
Incurred Loss and LAE	22,321	491	218	1,183	(396)
Calendar Year Pymts for Loss and LAE	(978)	(1,498)	(907)	(4,073)	(2,517)
Ending Reserves	55,293	54,286	53,597	50,707	47,794

The 2002 ending reserve above includes a gross bulk reserve of \$30,102 thousand. The bulk reserve is a contingency for adverse development on known cases, unreported cases, and allocated loss adjustment expenses (including coverage dispute). Case reserves are established by setting full case basis reserves on reported claims. The bulk reserves are derived by independent actuarial studies. The net reserves do not reflect the 2000 purchase of retroactive reinsurance which is reflected in the balance sheet and income statement.

30. Subscriber Savings Accounts

Not applicable

31. Financial Guaranty Insurance Exposures

Not applicable

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. Treasury securities	5,893,528	8.301	5,893,528	8.786
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.000		0.000
1.22 Issued by U.S. government sponsored agencies		0.000		0.000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations		0.000		0.000
1.44 Industrial development and similar obligations	53,400,801	75.217	53,400,801	79.612
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA		0.000		0.000
1.512 Issued by FNMA and FHLMC		0.000		0.000
1.513 Privately issued		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC		0.000		0.000
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC		0.000		0.000
1.523 All other privately issued	1,500,000	2.113	1,500,000	2.236
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)		0.000		0.000
2.2 Unaffiliated foreign securities		0.000		0.000
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated	436,870	0.615	436,870	0.651
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (includes \$ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (\$ including property acquired in satisfaction of debt)		0.000	0	0.000
6. Policy loans		0.000		0.000
7. Receivables for securities		0.000	0	0.000
8. Cash and short-term investments	5,845,302	8.233	5,845,302	8.714
9. Other invested assets	3,918,933	5.520		0.000
10. Total invested assets	70,995,434	100.000	67,076,501	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] NA []
- 1.3 State Regulating? Ohio.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No []
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/1998
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/1998
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).01/07/2000
- 3.4 By what department or departments? Alabama
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No []
- 4.12 renewals? Yes [] No []
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No []
- 4.22 renewals? Yes [] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No []
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No []
- 7.2 If yes,
- 7.21 State the percentage of foreign control;100.0
- 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity
Bermuda.....	Limited Partnership.....
.....

GENERAL INTERROGATORIES

(continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 200 Clarendon Street, Boston, MA 02116-5072.....
9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Ernst & Young LLP, Mr. John Dawson, 200 Clarendon Street, Boston, MA 02116-5072.....
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA []

BOARD OF DIRECTORS

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []
12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
13. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or likely to conflict with the official duties of such person?. Yes [X] No []

FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|--|---|-----------|
| | 14.11 To directors or other officers .. | \$0 |
| | 14.12 To stockholders not officers ... | \$0 |
| | 14.13 Trustees, supreme or grand (Fraternal only) | \$0 |
- 14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|--|---|-----------|
| | 14.21 To directors or other officers ... | \$0 |
| | 14.22 To stockholders not officers | \$0 |
| | 14.23 Trustees, supreme or grand (Fraternal only) | \$0 |
- 15.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? Yes [] No [X]
- 15.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|--|----------------------------------|-----------|
| | 15.21 Rented from others | \$0 |
| | 15.22 Borrowed from others | \$0 |
| | 15.23 Leased from others | \$0 |
| | 15.24 Other | \$0 |
- Disclose in Notes to Financial Statements the nature of each of these obligations.
- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 16.2 If answer is yes,
- | | | |
|--|--|-----------|
| | 16.21 Amount paid as losses or risk adjustment | \$0 |
| | 16.22 Amount paid as expenses | \$0 |
| | 16.23 Other amounts paid | \$0 |

GENERAL INTERROGATORIES

(continued)
INVESTMENT

17. List the following capital stock information for the reporting entity:

Class	1	2	3	4	5		6	
	Number of Shares Authorized	Number of Shares Outstanding	Par Value Per Share	Redemption Price if Callable	Is Dividend Rate Limited?		Are Dividends Cumulative?	
					Yes	No	Yes	No
Preferred	0	0	0.000	0	[]	[]	[]	[]
Common	100,000	100,000	20.000	XXX	XXX	XXX	XXX	XXX

18.1. Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 2 - Special Deposits? Yes [X] No []

18.2. If no, give full and complete information relating thereto:

19.1. Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 2 - Special Deposits; or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1) Yes [] No [X]

19.2. If yes, state the amount thereof at December 31 of the current year:

- 19.21 Loaned to others \$
- 19.22 Subject to repurchase agreements \$
- 19.23 Subject to reverse repurchase agreements \$
- 19.24 Subject to dollar repurchase agreements \$
- 19.25 Subject to reverse dollar repurchase agreements \$
- 19.26 Pledged as collateral \$
- 19.27 Placed under option agreements \$
- 19.28 Letter stock or other securities restricted as to sale ... \$
- 19.29 Other \$

19.3. For each category above, if any of these assets are held by others, identify by whom held:

19.31	19.35
19.32	19.36
19.33	19.37
19.34	19.38
	19.39

For categories (19.21) and (19.23) above, and for any other securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4. For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

20.1. Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

20.2. If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA [X]
If no, attach a description with this statement.

21.1. Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

21.2. If yes, state the amount thereof at December 31 of the current year. \$

22. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

22.01. For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Wachovia Bank N.A.	1525 West W.T. Harris Boulevard, Charlotte, NC 28288-1151.....
.....

GENERAL INTERROGATORIES

(continued) INVESTMENT

22.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year?..... Yes [] No []

22.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

22.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
114949.....	Madison Scottsdale, L.C.....	8777 N. Gainey Center Drive, Suite 220, Scottsdale, AZ 85228.....

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?..... \$.....0

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$

24.1 Amount of payments for legal expenses, if any?..... \$.....0

24.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0

25.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$
	\$
	\$

GENERAL INTERROGATORIES

(continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U. S. business only \$0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$0
- 1.31 Reason for excluding

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$0
- 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$0
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$0
- 1.62 Total incurred claims \$0
- 1.63 Number of covered lives \$0
- All years prior to most current three years:
- 1.64 Total premium earned \$0
- 1.65 Total incurred claims \$0
- 1.66 Number of covered lives \$0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$0
- 1.72 Total incurred claims \$0
- 1.73 Number of covered lives \$0
- All years prior to most current three years:
- 1.74 Total premium earned \$0
- 1.75 Total incurred claims \$0
- 1.76 Number of covered lives \$0
- 2.1 Does the reporting entity issue both participating and non-participating policies? Yes [] No [X]
- 2.2 If yes, state the amount of calendar year net premiums written on:
- 2.21 Participating policies \$0
- 2.22 Non-participating policies \$0
3. For Mutual Reporting Entities and Reciprocal Exchanges Only:
- 3.1 Does the reporting entity issue assessable policies? Yes [] No []
- 3.2 Does the reporting entity issue non-assessable policies? Yes [] No []
- 3.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? 0.0 %
- 3.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums? \$0
4. For Reciprocal Exchanges Only:
- 4.1 Does the Exchange appoint local agents? Yes [] No []
- 4.2 If yes, is the commission paid:
- 4.21 Out of Attorney/s-in-fact compensation Yes [] No [] NA [X]
- 4.22 As a direct expense of the Exchange Yes [] No [] NA [X]
- 4.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

- 4.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No []
- 4.5 If yes, give full information

- 5.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
 The Company is in run-off and they no longer purchase new catastrophe reinsurance covers.....
- 5.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
 N/A.....
- 5.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....
 N/A.....
- 5.4 Does the reporting entity carry catastrophe reinsurance protection, with provision for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [] No [X]
- 5.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.
 The Company is in run-off and they no longer purchase new reinsurance covers.....
- 6.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract which includes a provision which would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provision)? Yes [] No [X]
- 6.2 If yes, indicate the number of reinsurance contracts containing such provisions:

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES (continued)

- 7.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?..... Yes [] No [X]
- 7.2 If yes, give full information
8. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?..... Yes [] No [X] NA []
- 9.1 Has this reporting entity guaranteed policies issued by any other entity and now in force?..... Yes [] No [X]
- 9.2 If yes, give full information
- 10.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 10.11 Unpaid losses..... \$0
- 10.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$0
- 10.2 Of the amount on Line 10.3 of the assets schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds..... \$0
- 10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] NA [X]
- 10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 10.41 From..... 0.0 %
- 10.42 To..... 0.0 %
- 10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?..... Yes [] No [X]
- 10.6 If yes, state the amount thereof at December 31 of the current year:
- 10.61 Letters of credit..... \$0
- 10.62 Collateral and other funds..... \$0
- 11.1 What amount of installment notes is owned and now held by the reporting entity?..... \$0
- 11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year?..... Yes [] No [X]
- 11.3 If yes, what amount?..... \$0
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$0
- 12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?..... Yes [] No [X]
- 12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of this amount..... 0
- 13.1 Has this reporting entity guaranteed any financed premium accounts?..... Yes [] No [X]
- 13.2 If yes, give full information
- 14.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 14.11 Name of real estate holding company
- 14.12 Number of parcels involved..... 0
- 14.13 Total book/adjusted carrying value \$0
- 14.2 If yes, provide explanation:
- 15.1 Does the reporting entity write any warranty business? Yes [] No [X]
- If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
15.11 Home	\$	\$	\$	\$	\$
15.12 Products	\$	\$	\$	\$	\$
15.13 Automobile	\$	\$	\$	\$	\$
15.14 Other*	\$	\$	\$	\$	\$

* Disclose type of coverage:

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE STONEWALL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2002	2 2001	3 2000	4 1999	5 1998
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
2. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	2,268
5. Non-proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	(28,280)	0
6. Total (Line 34)	0	0	0	(28,280)	2,268
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	(1,875,890)	0
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	2,155
11. Non-proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	(28,280)	0
12. Total (Line 34)	0	0	0	(1,904,170)	2,155
Statement of Income (Page 4)					
13. Net Underwriting Gain (Loss) (Line 8)	(3,408,526)	(2,231,652)	14,276,444	(9,025,047)	(40,656,108)
14. Net Investment Gain (Loss) (Line 11)	(6,237,469)	2,898,963	6,169,945	1,942,788	10,632,674
15. Total Other Income (Line 15)	9,946,016	5,161,054	(21,390,456)	(1,268,705)	(99,271)
16. Dividends to Policyholders (Line 17)	0	0	0	0	0
17. Federal and Foreign Income Taxes Incurred (Line 19)	0	0	0	0	(5,153,472)
18. Net Income (Line 20)	300,021	5,828,365	(944,067)	(8,350,964)	(24,969,233)
Balance Sheet Lines (Pages 2 and 3)					
19. Total Admitted Assets excluding Protected Cell (Page 2, Line 26, Col. 3)	83,010,495	79,425,529	77,620,103	223,798,207	231,189,329
20. Agents' Balances or Uncollected Premiums (Page 2, Col. 3)					
20.1 In Course of Collection (Line 10.1)	0	(947)	(670,296)	(800,213)	30,500
20.2 Deferred and not yet due (Line 10.2)	0	0	0	0	0
20.3 Accrued Retrospective Premiums (Line 10.3)	0	0	0	0	0
21. Total Liabilities excluding Protected Cell (Page 3, Line 24)	18,817,791	16,731,876	16,426,053	180,667,637	189,348,370
22. Losses (Page 3, Lines 1 and 2)	95,003,750	84,287,735	87,220,270	88,331,960	97,060,489
23. Loss Adjustment Expenses (Page 3, Line 3)	23,090,931	23,490,931	25,351,655	43,349,829	41,057,087
24. Unearned premiums (Page 3, Line 9)	0	0	0	0	0
25. Capital Paid Up (Page 3, Lines 28 & 29)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
26. Surplus as Regards Policyholders (Page 3, Line 35)	64,192,704	62,693,649	61,194,050	43,130,570	41,840,959
Risk-Based Capital Analysis					
27. Total Adjusted Capital	64,192,704	62,693,649	61,194,050	43,130,570	41,840,959
28. Authorized Control Level Risk-Based Capital	18,165,718	16,977,828	17,486,518	18,713,533	19,909,926
Percentage Distribution of Cash and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 9, Col. 3) x 100.0					
29. Bonds (Line 1)	90.6	84.8	85.2	78.1	79.3
30. Stocks (Lines 2.1 & 2.2)	0.7	0.4	4.3	10.8	15.7
31. Mortgage Loans on Real Estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
32. Real Estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
33. Cash and Short-Term Investments (Line 5)	8.7	14.8	10.5	9.4	5.0
34. Other Invested Assets (Line 6)	0.0	0.0	0.0	0.0	0.0
35. Receivable for Securities (Line 7)	0.0	0.0	0.0	1.7	0.0
36. Aggregate Write-Ins for Invested Assets (Line 8)	0.0	0.0	0.0	0.0	0.0
37. Cash and Invested Assets (Line 9)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
38. Affiliated Bonds (Schedule D, Summary, Line 25, Col. 1)	0	0	0	0	0
39. Affiliated Preferred Stocks (Schedule D, Summary, Line 39, Col. 1)	0	0	0	0	0
40. Affiliated Common Stocks (Schedule D, Summary, Line 53, Col. 2)	0	0	0	15,622,187	31,609,893
41. Affiliated Short-Term Investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)	0	0	0	0	0
42. Affiliated Mortgage Loans on Real Estate	0	0	0	0	0
43. All Other Affiliated	0	0	0	0	0
44. Total of above Lines 38 to 43	0	0	0	15,622,187	31,609,893
45. Percentage of Investments in Parent, Subsidiaries and Affiliates to Surplus as Regards Policyholders (Line 44 above divided by Page 3, Col. 1, Line 35 x 100.0)	0.0	0.0	0.0	36.2	75.5

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Capital and Surplus Accounts (Page 4)					
46. Net Unrealized Capital Gains (Losses) (Line 23)	8,704,910	(4,005,577)	536,841	(3,450,452)	(12,650,933)
47. Dividends to Stockholders (Line 34)	0	0	0	0	0
48. Change in surplus as regards policyholders for the year (Line 37)	1,499,055	1,499,599	18,063,480	1,289,611	(12,518,493)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
49. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	7,378,902	7,780,392	3,468,483	28,052,461	5,530,882
50. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	(133)	0	(158)
51. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	1,502	(753)
52. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	142,082	214,308	85,957	120,863	4,295,803
53. Non-Proportional Reinsurance Lines (Lines 30, 31 & 32)	102,255	76,249	37,497	270,206	124,235
54. Total (Line 34)	7,623,239	8,070,949	3,591,804	28,445,032	9,950,009
Net Losses Paid (Page 9, Part 2, Col. 4)					
55. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	(11,428,696)	2,965,392	530,274	7,627,954	531,081
56. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
57. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	1,502	(753)
58. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	101,479	178,254	85,957	96,292	3,850,863
59. Non-Proportional Reinsurance Lines (Lines 30, 31 & 32)	(46,893)	76,249	(463,931)	270,206	124,235
60. Total (Line 34)	(11,374,110)	3,219,895	152,300	7,995,954	4,505,426
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
61. Premiums Earned (Line 1)	100.0	100.0	100.0	100.0	100.0
62. Losses Incurred (Line 2)	0.0	0.0	0.0	(51.1)	1,371,383.2
63. Loss Expenses Incurred (Line 3)	0.0	0.0	0.0	(290.6)	498,025.8
64. Other Underwriting Expenses Incurred (Line 4)	0.0	0.0	0.0	(32.2)	17,285.4
65. Net Underwriting gain (loss) (Line 8)	0.0	0.0	0.0	474.0	(1,886,594.4)
Other Percentages					
66. Other Underwriting Expenses to Net Premiums Written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0)	0.0	0.0	0.0	(98.8)	21,892.0
67. Losses and Loss Expenses Incurred to Premiums Earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	0.0	0.0	0.0	(341.8)	1,869,408.9
68. Net Premiums Written to Policyholders' Surplus (Page 8, Part 1B, Col. 6, Line 34 divided by Page 3, Line 35, Col. 1 x 100.0)	0.0	0.0	0.0	(4.4)	0.0
One Year Loss Development (000 omitted)					
69. Development in Estimated Losses and Loss Expenses Incurred Prior to Current Year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	1,679	0	0	1,088	35,075
70. Percent of Development of Loss and Loss Expenses Incurred to Policyholders' Surplus of Previous Year End (Line 69 above divided by Page 4, Line 21, Col. 1 x 100.0)	2.7	0.0	2.8	2.6	64.5
Two Year Loss Development (000 omitted)					
71. Development in Estimated Losses and Loss Expenses Incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	1,679	0	1,087	36,163	41,109
72. Percent of Development of Loss and Loss Expenses Incurred to Reported Policyholders' Surplus of Second Previous Year End (Line 71 above divided by Page 4, Line 21, Col. 2 x 100.0)	2.7	0.0	2.6	66.5	98.1

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description	1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS				
Governments (Including all obligations guaranteed by governments)	1. United States 5,893,528 2. Canada 0 3. Other Countries 0 4. Totals 5,893,528	6,002,140 0 0 6,002,140	6,011,084 0 0 6,011,084	5,770,000 0 0 5,770,000
States, Territories and Possessions (Direct and guaranteed)	5. United States 0 6. Canada 0 7. Other Countries 0 8. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States 0 10. Canada 0 11. Other Countries 0 12. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States 9,172,291 14. Canada 0 15. Other Countries 0 16. Totals 9,172,291	9,172,291 0 0 9,172,291	9,174,236 0 0 9,174,236	9,057,633 0 0 9,057,633
Public Utilities (unaffiliated)	17. United States 3,502,133 18. Canada 0 19. Other Countries 0 20. Totals 3,502,133	3,557,821 0 0 3,557,821	3,506,220 0 0 3,506,220	3,500,000 0 0 3,500,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States 42,226,375 22. Canada 0 23. Other Countries 0 24. Totals 42,226,375	42,680,666 0 0 42,680,666	49,256,153 0 0 49,256,153	50,592,121 0 0 50,592,121
Parent, Subsidiaries and Affiliates	25. Totals 0 26. Total Bonds 60,794,328	0 61,412,918	0 67,947,693	0 68,919,754
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States 0 28. Canada 0 29. Other Countries 0 30. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States 0 32. Canada 0 33. Other Countries 0 34. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	35. United States 0 36. Canada 0 37. Other Countries 0 38. Totals 0	0 0 0 0	6,470 0 0 6,470	0 0 0 0
Parent, Subsidiaries and Affiliates	39. Totals 0 40. Total Preferred Stocks 0	0 0	0 6,470	0 0
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States 0 42. Canada 0 43. Other Countries 0 44. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States 0 46. Canada 0 47. Other Countries 0 48. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	49. United States 436,870 50. Canada 0 51. Other Countries 0 52. Totals 436,870	436,870 0 0 436,870	973,825 0 0 973,825	0 0 0 0
Parent, Subsidiaries and Affiliates	53. Totals 0 54. Total Common Stocks 436,870	0 436,870	0 973,825	0 0
	55. Total Stocks 436,870 56. Total Bonds and Stocks 61,231,198	436,870 61,849,788	980,294 68,927,987	0 0

(a) The aggregate value of bonds which are valued at other than actual fair value is \$32,891,336 .

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year 55,185,572	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3 32,052,463	6.1 Column 17, Part 1 0
3. Increase (decrease) by adjustment:	6.2 Column 13, Part 2, Sec. 1 0
3.1 Column 16, Part 1 (3,264,267)	6.3 Column 11, Part 2, Sec. 2 0
3.2 Column 12, Part 2, Sec. 1 (6,470)	6.4 Column 11, Part 4 0
3.3 Column 10, Part 2, Sec. 2 149,950	7. Book/adjusted carrying value at end of current period 61,231,198
3.4 Column 10, Part 4 943,735	8. Total valuation allowance 0
4. Total gain (loss), Col. 14, Part 4 338,860	9. Subtotal (Lines 7 plus 8) 61,231,198
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 24,168,646	10. Total nonadmitted amounts 0
	11. Statement value of bonds and stocks, current period 61,231,198

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	7,624	18,998	4,115	2,020	2,129	0	0	(7,150)	XXX
2. 1993	57,967	52,020	5,947	29,252	26,539	1,861	1,685	335	0	194	3,224	XXX
3. 1994	72,322	65,256	7,066	44,326	40,095	2,931	2,641	490	0	209	5,011	XXX
4. 1995	565	479	86	297	297	5	5	0	0	0	0	XXX
5. 1996	214	0	214	0	0	0	0	0	0	0	0	XXX
6. 1997	2	0	2	0	0	0	0	0	0	0	0	XXX
7. 1998	2	0	2	0	0	0	0	0	0	0	0	XXX
8. 1999	(28)	1,876	(1,904)	0	0	0	0	0	0	0	0	XXX
9. 2000	0	0	0	0	0	0	0	0	0	0	0	XXX
10. 2001	0	0	0	0	0	0	0	0	0	0	0	XXX
11. 2002	0	0	0	0	0	0	0	0	0	0	0	XXX
12. Totals	XXX	XXX	XXX	81,499	85,929	8,912	6,351	2,954	0	403	1,085	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	157,178	113,004	88,826	38,549	0	0	30,352	10,361	3,100	0	0	117,542	XXX
2.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
3.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
4.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
5.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
7.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
10.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
11.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
12. Totals	157,178	113,004	88,826	38,549	0	0	30,352	10,361	3,100	0	0	117,542	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	94,451	23,091
2.	31,448	28,224	3,224	54.3	54.3	54.2	0	0		0	0
3.	47,747	42,736	5,011	66.0	65.5	70.9	0	0		0	0
4.	302	302	0	53.5	63.0	0.0	0	0		0	0
5.	0	0	0	0.0	0.0	0.0	0	0		0	0
6.	0	0	0	0.0	0.0	0.0	0	0		0	0
7.	0	0	0	0.0	0.0	0.0	0	0		0	0
8.	0	0	0	0.0	0.0	0.0	0	0		0	0
9.	0	0	0	0.0	0.0	0.0	0	0		0	0
10.	0	0	0	0.0	0.0	0.0	0	0		0	0
11.	0	0	0	0.0	0.0	0.0	0	0		0	0
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	94,451	23,091

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE STONEWALL INSURANCE COMPANY

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	One Year	Two Year
1. Prior	89,425	92,802	97,232	105,404	107,190	142,243	143,330	143,330	143,330	145,009	1,679	1,679
2. 1993	3,207	2,889	2,889	2,889	2,889	2,889	2,889	2,889	2,889	2,889	0	0
3. 1994	XXX	4,521	4,521	4,521	4,521	4,521	4,521	4,521	4,521	4,521	0	0
4. 1995	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 1996	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 1997	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 1998	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											1,679	1,679

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
1. Prior	000	5,098	8,416	14,315	18,810	24,780	34,147	35,165	39,846	30,567	XXX	XXX
2. 1993	1,752	2,889	2,889	2,889	2,889	2,889	2,889	2,889	2,889	2,889	XXX	XXX
3. 1994	XXX	4,521	4,521	4,521	4,521	4,521	4,521	4,521	4,521	4,521	XXX	XXX
4. 1995	XXX	XXX	0	0	0	0	0	0	0	0	XXX	XXX
5. 1996	XXX	XXX	XXX	0	0	0	0	0	0	0	XXX	XXX
6. 1997	XXX	XXX	XXX	XXX	0	0	0	0	0	0	XXX	XXX
7. 1998	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	XXX	XXX
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	XXX	XXX
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX	XXX
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Prior	66,248	63,559	65,568	66,088	66,658	93,644	74,091	91,797	67,230	70,268
2. 1993	457	0	0	0	0	0	0	0	0	0
3. 1994	XXX	0	0	0	0	0	0	0	0	0
4. 1995	XXX	XXX	0	0	0	0	0	0	0	0
5. 1996	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 1997	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 1998	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 1999	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2001	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2002	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE STONEWALL INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	Yes	0	0	0	(300,000)	585,739	0	0
2. Alaska	AK	Yes	0	0	50,000	50,000	0	0	0
3. Arizona	AZ	Yes	0	0	(55,265)	(55,265)	2,561,877	0	0
4. Arkansas	AR	Yes	0	0	0	0	3,552,962	0	0
5. California	CA	Yes	0	0	2,933,416	(104,666)	8,295,985	0	0
6. Colorado	CO	Yes	0	0	0	0	118,432	0	0
7. Connecticut	CT	No	0	0	0	0	10,000,000	0	0
8. Delaware	DE	Yes	0	0	0	0	710,592	0	0
9. District of Columbia	DC	No	0	0	0	0	0	0	0
10. Florida	FL	Yes	0	0	0	0	1,671,814	0	0
11. Georgia	GA	Yes	0	0	0	0	834,824	0	0
12. Hawaii	HI	No	0	0	0	0	0	0	0
13. Idaho	ID	Yes	0	0	0	0	104,205	0	0
14. Illinois	IL	Yes	0	0	96,092	(8,008)	38,203,635	0	0
15. Indiana	IN	Yes	0	0	0	0	62,523	0	0
16. Iowa	IA	Yes	0	0	0	0	1,208,007	0	0
17. Kansas	KS	Yes	0	0	0	0	6,067,014	0	0
18. Kentucky	KY	Yes	0	0	0	0	0	0	0
19. Louisiana	LA	Yes	0	0	1,000,000	0	5,646,983	0	0
20. Maine	ME	No	0	0	0	0	41,682	0	0
21. Maryland	MD	Yes	0	0	0	0	23,686	0	0
22. Massachusetts	MA	Yes	0	0	0	0	0	0	0
23. Michigan	MI	Yes	0	0	61,345	(7,488)	5,431,883	0	0
24. Minnesota	MN	Yes	0	0	0	0	312,614	0	0
25. Mississippi	MS	Yes	0	0	0	(272,368)	46,110	0	0
26. Missouri	MO	Yes	0	0	0	0	566,499	0	0
27. Montana	MT	Yes	0	0	0	0	0	0	0
28. Nebraska	NE	Yes	0	0	0	0	4,196,879	0	0
29. Nevada	NV	Yes	0	0	0	0	52,102	0	0
30. New Hampshire	NH	No	0	0	0	0	0	0	0
31. New Jersey	NJ	No	0	0	0	0	583,212	0	0
32. New Mexico	NM	Yes	0	0	0	0	0	0	0
33. New York	NY	No	0	0	0	0	15,521,080	0	0
34. North Carolina	NC	Yes	0	0	0	0	0	0	0
35. North Dakota	ND	Yes	0	0	0	0	0	0	0
36. Ohio	OH	Yes	0	0	1,386,897	(3,156,948)	6,852,344	0	0
37. Oklahoma	OK	Yes	0	0	0	136,787	3,461,797	0	0
38. Oregon	OR	Yes	0	0	0	25,000	2,330,766	0	0
39. Pennsylvania	PA	No	0	0	536,416	100,594	15,580,884	0	0
40. Rhode Island	RI	No	0	0	0	0	0	0	0
41. South Carolina	SC	Yes	0	0	0	0	0	0	0
42. South Dakota	SD	Yes	0	0	0	0	0	0	0
43. Tennessee	TN	Yes	0	0	18,500	0	1,539,126	0	0
44. Texas	TX	Yes	0	0	0	0	45,864,405	0	0
45. Utah	UT	Yes	0	0	0	0	0	0	0
46. Vermont	VT	No	0	0	0	0	0	0	0
47. Virginia	VA	Yes	0	0	0	23,344,000	25,619,525	0	0
48. Washington	WA	Yes	0	0	450,000	76,786	6,931,375	0	0
49. West Virginia	WV	No	0	0	0	0	0	0	0
50. Wisconsin	WI	Yes	0	0	0	0	5,593,386	0	0
51. Wyoming	WY	Yes	0	0	0	0	0	0	0
52. American Samoa	AS	No	0	0	0	0	0	0	0
53. Guam	GU	No	0	0	0	0	0	0	0
54. Puerto Rico	PR	No	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	No	0	0	0	0	0	0	0
56. Canada	CN	No	0	0	0	0	0	0	0
57. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0
58. Totals	(a) 40	0	0	0	6,477,401	19,828,424	220,173,947	0	0
DETAILS OF WRITE-INS									
5701.	XXX								
5702.	XXX								
5703.	XXX								
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX	0	0	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX	0	0	0	0	0	0	0	0

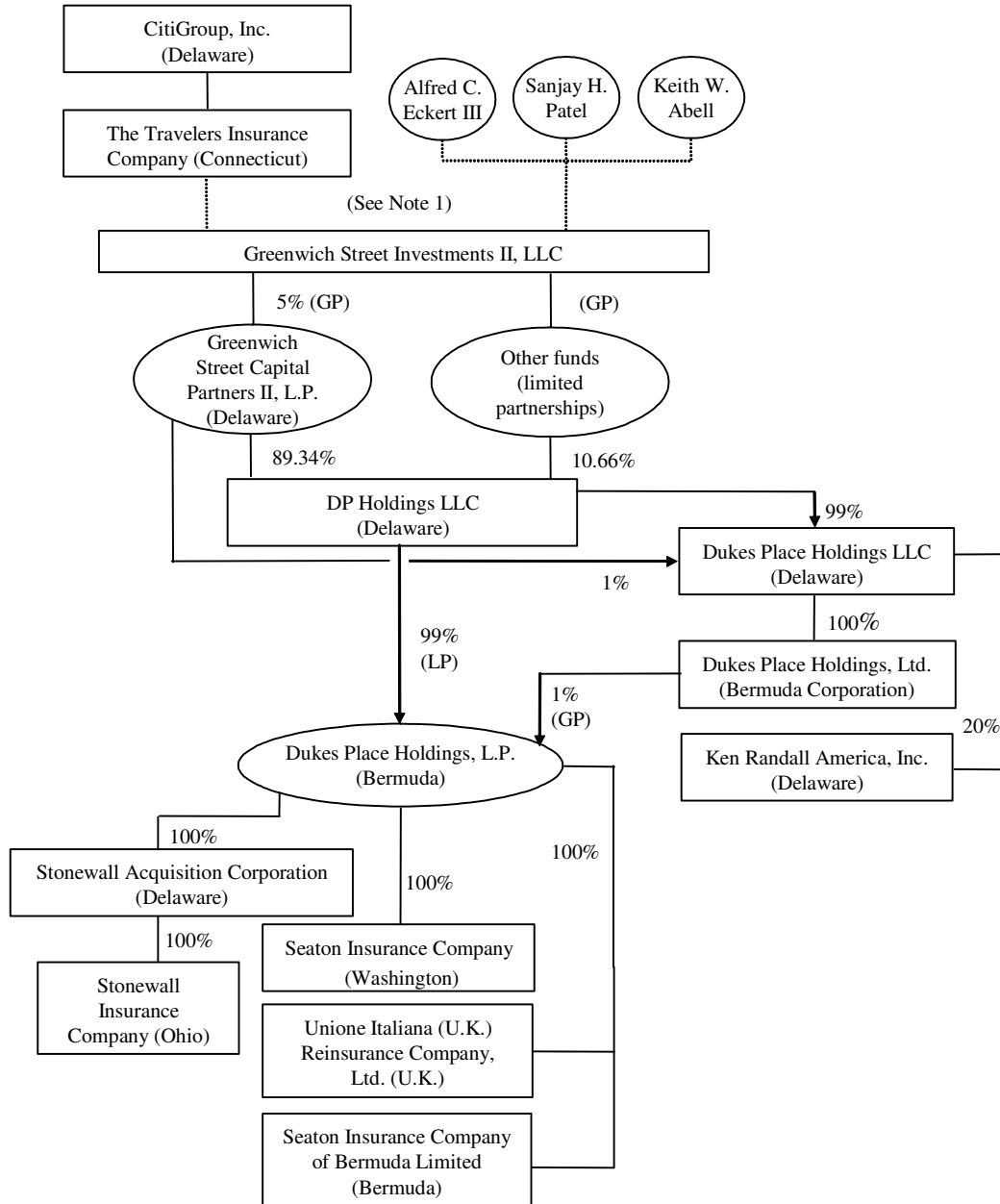
(a) Insert the number of yes responses except for Canada and Other Alien.

Explanation of basis of allocation of premiums by states, etc.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

ORGANIZATION CHART
 DUKES PLACE HOLDINGS, L.P. (Rev. 11/06/02)



NOTES:

1. As to all matters pertaining to DP Holdings LLC, Dukes Place Holdings, L.P., Dukes Place Holdings LLC, or any subsidiary of any of the foregoing, Sanjay H. Patel is entitled to exercise 100% of the voting power of Greenwich Street Investments II, LLC. As to all other actions of Greenwich Street Investments II, LLC, The Travelers Insurance Company exercises 24.90% of the voting power of Greenwich Street Investments II, LLC and Messrs. Eckert, Patel, and Abell each control 25.033% of such voting power. However, the Limited Liability Company Agreement of Greenwich Street Investments II, LLC provides that The Travelers Insurance Company shall not have the right to direct or take part in the management, policies, or control of, or transact any business or sign documents for or otherwise bind, DP Holdings LLC, Dukes Place Holdings, L.P., Dukes Place Holdings LLC, or any subsidiary of any of the foregoing, including Seaton Insurance Company and Stonewall Insurance Company.