



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2003
OF THE CONDITION AND AFFAIRS OF THE
VICTORIA SPECIALTY INSURANCE COMPANY

NAIC Group Code	0140	0304	NAIC Company Code	10777	Employer's ID Number	34-1842602
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio			State of Domicile or Port of Entry		Ohio
Country of Domicile	United States of America					
Incorporated	02/09/1996		Commenced Business	01/01/2000		
Statutory Home Office	5915 Landerbrook Drive			Cleveland, OH 44124-4058		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	5915 Landerbrook Drive					
	Cleveland, OH 44124-4058			440-461-3461		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Mail Address	5915 Landerbrook Drive			Cleveland, OH 44124-4058		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	5915 Landerbrook Drive					
	Cleveland, OH 44124-4058			440-461-3461-570		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Internet Website Address	www.victoriainsurance.com					
Statutory Statement Contact	Patrick Jay Havens			440-461-3461-570		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	patrick.havens@victoriainsurance.com			440-461-0492		
	(E-mail Address)			(Fax Number)		
Policyowner Relations Contact	5915 Landerbrook Drive					
	Cleveland, OH 44124-4058			440-461-3461-441		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number) (Extension)		

OFFICERS

President	John Charles Burkhalter #	Secretary	Glenn Warren Soden #
Treasurer	Joseph Gerard DuBois #		

VICE PRESIDENTS

John Francis Campbell Jr. #		
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DIRECTORS OR TRUSTEES

Kelly Ann Hamilton #	David Karl Hollingsworth #	David Ralph Jahn #
Stephen Scott Rasmussen #	Douglas Craig Robinette #	Richard Michael Waggoner #
Kirt Alan Walker #		

State ofOhio.....
County ofCuyahoga.....
} 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.

John Charles Burkhalter President	Glenn Warren Soden Secretary	Joseph Gerard DuBois Treasurer
Subscribed and sworn to before me this _____ day of _____, 2004		
a. Is this an original filing? Yes [X] No []		
b. If no,		
1. State the amendment number _____		
2. Date filed _____		
3. Number of pages attached _____		

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Victoria Specialty Insurance Company

SCHEDULE D - PART 1

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

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest
US Governments Issuer Obligations (10) United States																				
912827-6J-6	U S Treasury Nt		5.750	FA	08/15/2010			1,479,150	1,450,000	112.1250	1,625,813	1,486,691	31,492	83,375	(3,482)			1	04/04/2002	5.385
Total United States								1,479,150	1,450,000	XXX	1,625,813	1,486,691	31,492	83,375	(3,482)	0	0	XXX	XXX	XXX
0199999 - Total Bonds - U.S. Government - Issuer Obligations								1,479,150	1,450,000	XXX	1,625,813	1,486,691	31,492	83,375	(3,482)			XXX	XXX	XXX
Single Class Mortgage (SC) United States																				
362106-YZ-1	GNMA GNSF # 492228		6.500	MTLY	01/15/2029			75,105	74,632	0.0000	75,105	75,157	404	4,851	(35)			1	12/31/1999	6.492
36225B-EV-6	GNMA GNSF # 781048		6.500	MTLY	06/15/2029			267,227	266,165	0.0000	267,227	267,330	1,442	17,301	(106)			1	07/20/2001	6.518
Total United States								342,332	340,797	XXX	342,332	342,487	1,846	22,152	(141)	0	0	XXX	XXX	XXX
0299999 - Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities								342,332	340,797	XXX	342,332	342,487	1,846	22,152	(141)			XXX	XXX	XXX
0399996 - Bonds - U.S. Government								1,821,482	1,790,797	XXX	1,968,145	1,829,178	33,338	105,527	(3,623)			XXX	XXX	XXX
0399999 - Total - U.S. Government Bonds								1,821,482	1,790,797	XXX	1,968,145	1,829,178	33,338	105,527	(3,623)			XXX	XXX	XXX
State, Territories and Possessions Issuer Obligations (10) United States North Carolina																				
658256-KV-3	North Carolina St GO Pub Impt Ser A		5.000	MS	03/01/2014	03/01/2013	100.000	110,760	100,000	0.0000	110,760	110,851	1,667		(91)			1PE	11/24/2003	3.610
Total North Carolina								110,760	100,000	XXX	110,760	110,851	1,667	0	(91)	0	0	XXX	XXX	XXX
Ohio																				
677518-3K-6	Ohio St GO Higher Ed Ser B		5.000	MN	11/01/2015	11/01/2011	100.000	107,568	100,000	0.0000	107,568	107,622	833		(54)			1PE	12/03/2003	3.870
Total Ohio								107,568	100,000	XXX	107,568	107,622	833	0	(54)	0	0	XXX	XXX	XXX
Washington																				
93974A-A7-9	Washington St GO Ref Ser R 2004A		5.000	JJ	07/01/2016	07/01/2013	100.000	105,400	100,000	0.0000	105,400	105,493	944		(93)			1PE	10/15/2003	4.302
Total Washington								105,400	100,000	XXX	105,400	105,493	944	0	(93)	0	0	XXX	XXX	XXX
Total United States								323,728	300,000	XXX	323,728	323,966	3,444	0	(238)	0	0	XXX	XXX	XXX
1199999 - Total Bonds - States, Territories and Possessions - Issuer Obligations								323,728	300,000	XXX	323,728	323,966	3,444		(238)			XXX	XXX	XXX
1799996 - Bonds - States, Territory, Poss - United States								323,728	300,000	XXX	323,728	323,966	3,444		(238)			XXX	XXX	XXX
1799999 - Total - States, Territories and Possessions								323,728	300,000	XXX	323,728	323,966	3,444		(238)			XXX	XXX	XXX
Special Revenue & Assessment Issuer Obligations (10) United States Georgia																				
240523-RE-2	De Kalb Cnty GA Wtr & Sew Rev Ser A		5.000	AO	10/01/2015	10/01/2013	100.000	109,692	100,000	0.0000	109,692	109,743	292		(51)			1PE	11/24/2003	3.801
Total Georgia								109,692	100,000	XXX	109,692	109,743	292	0	(51)	0	0	XXX	XXX	XXX
Indiana																				
35483L-DQ-5	Franklin Twp Ind Bldg Corp Rev Marion Cnty First Mtg		5.500	JJ	07/15/2016	07/15/2013	100.000	112,727	100,000	0.0000	112,727	112,836	2,750		(109)			1PE	11/19/2003	3.890
Total Indiana								112,727	100,000	XXX	112,727	112,836	2,750	0	(109)	0	0	XXX	XXX	XXX
Total United States								222,419	200,000	XXX	222,419	222,579	3,042	0	(160)	0	0	XXX	XXX	XXX
2599999 - Total Bonds - Special Revenue - Issuer Obligations								222,419	200,000	XXX	222,419	222,579	3,042		(160)			XXX	XXX	XXX
Single Class Mortgage (SC) United States																				
31393T-UD-6	FNMA Ser 2003-102 CI BU		5.500	MTLY	04/25/2033	01/01/2015	100.000	150,151	150,000	0.0000	150,151	150,164	688	2,063	(13)			1	09/18/2003	5.503
Total United States								150,151	150,000	XXX	150,151	150,164	688	2,063	(13)	0	0	XXX	XXX	XXX
2699999 - Total Bonds - Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities								150,151	150,000	XXX	150,151	150,164	688	2,063	(13)			XXX	XXX	XXX
3199996 - Bonds - Special Revenue - United States								372,570	350,000	XXX	372,570	372,743	3,730	2,063	(173)			XXX	XXX	XXX
3199999 - Total - Special Revenue Bonds								372,570	350,000	XXX	372,570	372,743	3,730	2,063	(173)			XXX	XXX	XXX
Industrial & Miscellaneous Issuer Obligations (10) United States																				
125581-AB-4	CIT Group Inc Sr Nt		7.750	AO	04/02/2012			116,592	100,000	118.1440	118,144	116,837	1,916		(245)			1	11/03/2003	5.246

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Victoria Specialty Insurance Company

SCHEDULE D - PART 1

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

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest
Total United States								116,592	100,000	XXX	118,144	116,837	1,916	0	(245)	0	0	XXX	XXX	XXX
3999999 - Total Bonds - Industrial, Misc. - Issuer Obligations								116,592	100,000	XXX	118,144	116,837	1,916		(245)			XXX	XXX	XXX
Defined Multi-Class Residential (DR) United States																				
172973-SZ-3...	Citicorp Mtg Sec Inc Ser 2003-9 CI A22.....		5.500	MTLY....	10/25/2033...	03/01/2016...	100.000	119,103	115,889	0.0000	119,103	119,148	531	1,062	(46)			1PE.....	10/02/2003...	4.990
Total United States								119,103	115,889	XXX	119,103	119,148	531	1,062	(46)	0	0	XXX	XXX	XXX
4199999 - Total Bonds - Industrial, Misc. - Defined Multi-Class Residential Mortgage-Backed Securities								119,103	115,889	XXX	119,103	119,148	531	1,062	(46)			XXX	XXX	XXX
4599996 - Bonds - Industrial and Misc - United States								235,695	215,889	XXX	237,247	235,985	2,447	1,062	(291)			XXX	XXX	XXX
4599999 - Total - Industrial and Miscellaneous Bonds								235,695	215,889	XXX	237,247	235,985	2,447	1,062	(291)			XXX	XXX	XXX
5499999 - Total - Issuer Obligations								2,141,889	2,050,000	XXX	2,290,104	2,150,073	39,894	83,375	(4,125)			XXX	XXX	XXX
5599999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities								492,483	490,797	XXX	492,483	492,651	2,534	24,215	(154)			XXX	XXX	XXX
5699999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities								119,103	115,889	XXX	119,103	119,148	531	1,062	(46)			XXX	XXX	XXX
6099999 Totals								2,753,475	2,656,686	XXX	2,901,690	2,761,872	42,959	108,652	(4,325)			XXX	XXX	XXX

Schedule D - Part 2 - Section 1

NONE

Schedule D - Part 2 - Section 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Victoria Specialty Insurance Company

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends
BONDS							
State, Territories and Possessions							
United States							
North Carolina							
.....658256-KV-3.....	North Carolina St GO Pub Impt Ser A 5.000% 03/01/14.....	.....11/24/2003.....	Advest Inc.....		110,851	100,000	1,208
Total North Carolina					110,851	100,000	1,208
Ohio							
.....677518-3K-6.....	Ohio St GO Higher Ed Ser B 5.000% 11/01/15.....	.....12/03/2003.....	First Winston Securities.....		107,622	100,000	514
Total Ohio					107,622	100,000	514
Washington							
.....93974A-A7-9.....	Washington St GO Ref Ser R 2004A 5.000% 07/01/16.....	.....10/15/2003.....	Maxcor Financial.....		105,493	100,000	
Total Washington					105,493	100,000	0
Total United States					323,966	300,000	1,722
1799996 - Bonds - States, Territory, Poss - United States					323,966	300,000	1,722
1799999 - Total - Bonds - States, Territories and Possessions					323,966	300,000	1,722
Special Revenue & Assessment							
United States							
Georgia							
.....240523-RE-2.....	De Kalb Cnty GA Wtr & Sew Rev Ser A 5.000% 10/01/15.....	.....11/24/2003.....	First Albany Corporation.....		109,743	100,000	
Total Georgia					109,743	100,000	0
Indiana							
.....35483L-DQ-5.....	Franklin Twp Ind Bldg Corp Rev Marion Cnty First Mtg 5.500% 07/15/16.....	.....11/19/2003.....	Mesirow Financial Inc.....		112,836	100,000	2,185
Total Indiana					112,836	100,000	2,185
United States							
.....31393T-UD-6.....	FNMA Ser 2003-102 CI BU 5.500% 04/25/33.....	.....09/18/2003.....	Goldman Sachs & Company.....		150,164	150,000	665
Total United States					150,164	150,000	665
Total United States					372,743	350,000	2,850
3199996 - Bonds - Special Revenues - United States					372,743	350,000	2,850
3199999 - Total - Bonds - Special Revenue					372,743	350,000	2,850
Industrial & Miscellaneous							
United States							
.....125581-AB-4.....	CIT Group Inc Sr Nt 7.750% 04/02/12.....	.....11/03/2003.....	Barclays Capital.....		116,837	100,000	732
.....172973-SZ-3.....	Citicorp Mtg Sec Inc Ser 2003-9 CI A22 5.500% 10/25/33.....	.....10/02/2003.....	Bank of America BISD Dealer.....		119,148	115,889	513
Total United States					235,985	215,889	1,245
4599996 - Bonds - Industrial and Misc - United States					235,985	215,889	1,245
4599999 - Total - Bonds - Industrial, Misc.					235,985	215,889	1,245
6099997 - Total - Bonds - Part 3					932,694	865,889	5,817
6099998 - Total - Bonds - Part 5					1,142	1,111	5
6099999 - Total - Bonds					933,836	867,000	5,822
6599998 - Total - Preferred Stocks - Part 5					0	XXX	0
6599999 - Total - Preferred Stocks					0	XXX	0
7099998 - Total - Common Stocks - Part 5					0	XXX	0
7099999 - Total - Common Stocks					0	XXX	0
7199999 - Total - Preferred and Common Stocks					0	XXX	0
7299999 Totals					933,836	XXX	5,822

SCHEDULE D - PART 4

[illegible]

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Victoria Specialty Insurance Company

SCHEDULE D - PART 5

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

[illegible]

SCHEDULE D - PART 6 - SECTION 1

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

SCHEDULE D - PART 6 - SECTION 2

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

E15

SCHEDULE DA - PART 1

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

[illegible]

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

Schedule DB - Part A - Section 1
NONE

Schedule DB - Part A - Section 2
NONE

Schedule DB - Part A - Section 3
NONE

Schedule DB - Part B - Section 1
NONE

Schedule DB - Part B - Section 2
NONE

Schedule DB - Part B - Section 3
NONE

Schedule DB - Part C - Section 1
NONE

Schedule DB - Part C - Section 2
NONE

Schedule DB - Part C - Section 3
NONE

Schedule DB - Part D - Section 1
NONE

Schedule DB - Part D - Section 2
NONE

Schedule DB - Part D - Section 3

NONE

Schedule DB - Part E - Section 1

NONE

SCHEDULE DM

For bonds and preferred stocks owned as of December 31, state the aggregate statement (admitted) value, the aggregate fair value, and the aggregate difference, if any, between them.

	1	2	3
	Statement (Admitted) Value	Fair Value (a)	Excess of Statement over Fair Value(-), or Fair Value over Statement (+)
1. Bonds	3,372,023	3,535,827	163,804
2. Preferred Stocks	0		0
3. Totals	3,372,023	3,535,827	163,804

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

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

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Schedule E - Part 2

NONE

Schedule E - Part 3

NONE