



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

NAIC Group Code	0140 (Current Period)	0304 (Prior Period)	NAIC Company Code	10778	Employer's ID Number	34-1842604
Organized under the Laws of			Ohio	, State of Domicile or Port of Entry		
Country of Domicile			United States of America			
Incorporated	01/11/1996		Commenced Business	11/17/1997		
Statutory Home Office	5915 Landerbrook Drive (Street and Number)		Cleveland, OH 44124-4058 (City or Town, State and Zip Code)			
Main Administrative Office	5915 Landerbrook Drive Cleveland, OH 44124-4058 (Street and Number)		5915 Landerbrook Drive 440-461-3461 (Area Code) (Telephone Number)			
Mail Address	5915 Landerbrook Drive (Street and Number or P.O. Box)		Cleveland, OH 44124-4058 (City or Town, State and Zip Code)			
Primary Location of Books and Records	5915 Landerbrook Drive Cleveland, OH 44124-4058 (Street and Number)		5915 Landerbrook Drive 440-461-3461-570 (Area Code) (Telephone Number)			
Internet Website Address	www.victoriainsurance.com					
Statutory Statement Contact	Patrick Jay Havens patrick.havens@victoriainsurance.com (E-mail Address)		440-461-3461-570 440-461-0492 (Area Code) (Telephone Number) (Extension) (Fax Number)			
Policyowner Relations Contact	5915 Landerbrook Drive Cleveland, OH 44124-4058 (Street and Number)		5915 Landerbrook Drive 440-461-3461-441 (Area Code) (Telephone Number) (Extension)			

**OFFICERS**

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

**VICE PRESIDENTS**

John Francis Campbell Jr. #

State of \_\_\_\_\_  
 County of \_\_\_\_\_

{ ss }

**DIRECTORS OR TRUSTEES**

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

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  
PresidentGlenn Warren Soden  
SecretaryJoseph Gerard DuBois  
TreasurerSubscribed and sworn to before me this  
day of \_\_\_\_\_, 2004

a. Is this an original filing? Yes [ ] 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 National Insurance Company**

**SCHEDULE D - PART 1**

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

1 CUSIP Identification	2 Description	3 * Rate of How Paid	Interest		6 Maturity Date	7 Option Date	8 Option Call Price	9 Book/Adjusted Carrying Value	10 Par Value	11 Rate Used to Obtain Fair Value	12 Fair Value	13 Actual Cost	Interest		16 Gross Amount Received During Year	17 Increase (Decrease) by Foreign Exchange Adjustment	18 Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	19 NAIC Design- nation	20 Date Acquired	21 Effect- ive Rate of In- terest
			4	5									14 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	15						
US Governments Issuer Obligations (10) United States																				
912827-6J-6... U S Treasury Nt		.5.750	FA	.08/15/2010				1,594,131	.1,560,000	112.1250	.1,749,150	.1,602,445	33,881	.89,700	(4,093)		1.	.04/04/2002	.5.353	
912827-7F-3... U S Treasury Nt		.3.500	MN	.11/15/2006				146,277	.150,000	103.0310	.154,547	.143,883	.678	.5,250	.1,197		1.	.12/10/2001	.4.431	
Total United States								1,740,408	1,710,000	XXX	1,903,697	1,746,328	34,559	94,950	(2,896)	0	0	XXX	XXX	XXX
019999 - Total Bonds - U.S. Government - Issuer Obligations								1,740,408	1,710,000	XXX	1,903,697	1,746,328	34,559	94,950	(2,896)			XXX	XXX	XXX
Single Class Mortgage (SC) United States																				
36210G-YZ-1... GNMA GNSF # 492228		.6.500	MTLY	.01/15/2029				.45,063	.44,779	.0,0000	.45,063	.45,094	.243	.2,911	(21)		1.	.12/31/1999	.6.492	
36225B-EV-6... GNMA GNSF # 781048		.6.500	MTLY	.06/15/2029				213,736	.212,887	.0,0000	213,736	.213,818	.1,153	.13,838	(85)		1.	.07/20/2001	.6.518	
Total United States								258,799	257,666	XXX	258,799	258,912	1,396	16,749	(106)	0	0	XXX	XXX	XXX
029999 - Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities								258,799	257,666	XXX	258,799	258,912	1,396	16,749	(106)			XXX	XXX	XXX
039996 - Bonds - U.S. Government								1,999,207	1,967,666	XXX	2,162,496	2,005,240	35,955	111,699	(3,002)			XXX	XXX	XXX
039999 - Total - U.S. Government Bonds								1,999,207	1,967,666	XXX	2,162,496	2,005,240	35,955	111,699	(3,002)			XXX	XXX	XXX
State, Territories and Possessions Issuer Obligations (10) United States Massachusetts																				
575827-EK-2... Massachusetts St GO Ref Ser A		.6.500	MN	.11/01/2014				121,602	.100,000	.0,0000	.121,602	.121,799	.1,083		(197)		1PE	.11/12/2003	.4.020	
Total Massachusetts								121,602	100,000	XXX	121,602	.121,799	.1,083	0	(197)	0	0	XXX	XXX	XXX
Total United States								121,602	100,000	XXX	121,602	.121,799	.1,083	0	(197)	0	0	XXX	XXX	XXX
119999 - Total Bonds - States, Territories and Possessions - Issuer Obligations								121,602	100,000	XXX	121,602	.121,799	.1,083		(197)			XXX	XXX	XXX
179996 - Bonds - States, Territory, Poss - United States								121,602	100,000	XXX	121,602	.121,799	.1,083		(197)			XXX	XXX	XXX
179999 - Total - States, Territories and Possessions								121,602	100,000	XXX	121,602	.121,799	.1,083		(197)			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	A0	.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																				
143300-AU-5... Carmel Ind Sch Bldg Corp Rev First Mtg		.5.000	JJ	.07/15/2015	.07/15/2011	.101,000		96,656	.90,000	.0,0000	96,656	.96,701	.2,075		(45)		1PE	.12/02/2003	.3.970	
Total Indiana								96,656	90,000	XXX	96,656	.96,701	.2,075	0	(45)	0	0	XXX	XXX	XXX
Ohio																				
67755C-DQ-9... Ohio St Bldg Auth Rev Adult Correctional Bldg Fd B...		.5.250	A0	.04/01/2014				110,865	.100,000	.0,0000	.110,865	.110,970	.1,313		(105)		1PE	.11/12/2003	.3.950	
Total Ohio								110,865	100,000	XXX	110,865	.110,970	.1,313	0	(105)	0	0	XXX	XXX	XXX
Total United States								317,213	290,000	XXX	317,213	.317,414	.3,680	0	(201)	0	0	XXX	XXX	XXX
259999 - Total Bonds - Special Revenue - Issuer Obligations								317,213	290,000	XXX	317,213	.317,414	.3,680		(201)			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
269999 - 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
Defined Multi-Class Residential (DR) United States																				
31393H-5W-8... FHLMC REMIC Ser 2543 QT		.5.500	MTLY	.04/15/2022	.07/01/2015	.100,000		104,272	.102,400	.0,0000	.104,272	.104,320	.469	.1,408	(48)		1.	.09/25/2003	.5.262	
Total United States								104,272	102,400	XXX	104,272	.104,320	.469	.1,408	(48)	0	0	XXX	XXX	XXX
279999 - Total Bonds - Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities								104,272	102,400	XXX	104,272	.104,320	.469	.1,408	(48)			XXX	XXX	XXX
319996 - Bonds - Special Revenue - United States								571,636	542,400	XXX	571,636	.571,898	4,837	3,471	(262)			XXX	XXX	XXX
319999 - Total - Special Revenue Bonds								571,636	542,400	XXX	571,636	.571,898	4,837	3,471	(262)			XXX	XXX	XXX
549999 - Total - Issuer Obligations								2,179,223	2,100,000	XXX	2,342,512	.2,185,541	39,322	94,950	(3,294)			XXX	XXX	XXX
559999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities								408,950	407,666	XXX	408,950	.409,076	2,084	18,812	(119)			XXX	XXX	XXX

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Victoria National Insurance Company**

**SCHEDULE D - PART 1**

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

1 CUSIP Identification	2 Description	3 * Rate of How Paid	Interest		6 Maturity Date	7 Option Date	8 Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Interest		16	17	18 Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	19	20	21 Effect- ive Rate of In- terest
			4	5									14 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	15 Gross Amount Received During Year						
	5699999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities				104,272	102,400	XXX	104,272	104,320		469	1,408	(48)			XXX	XXX	XXX		
	6099999 Totals				2,692,445	2,610,066	XXX	2,855,734	2,698,937		41,875	115,170	(3,461)			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 National 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
<b>BONDS</b>							
State, Territories and Possessions							
United States							
Massachusetts							
.....575827-EK-2.....	Massachusetts St GO Ref Ser A 6.500% 11/01/14.....	.....11/12/2003.....	Morgan/JP/Securities - Bonds.....	.....121,799.....	.....100,000.....	.....289.....	
Total Massachusetts							
.....1799996 - Bonds - States, Territory, Poss - United States				121,799	100,000	289	
.....1799999 - Total - Bonds - States, Territories and Possessions				121,799	100,000	289	
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							
.....96,701				109,743	100,000	0	
Indiana							
.....143300-AU-5.....	Carmel Ind Sch Bldg Corp Rev First Mtg 5.000% 07/15/15.....	.....12/02/2003.....	Mesirow Financial Inc.....	.....96,701.....	.....90,000.....	.....1,750.....	
Total Indiana							
.....96,701				96,701	90,000	1,750	
Ohio							
.....67755C-D0-9.....	Ohio St Bldg Auth Rev Adult Correctional Bldg Fd B 5.250% 04/01/14.....	.....11/12/2003.....	Morgan/JP/Securities - Bonds.....	.....110,970.....	.....100,000.....	.....671.....	
Total Ohio							
.....110,970				110,970	100,000	671	
United States							
.....31393H-5W-8.....	FHLMC REMIC Ser 2543 QT 5.500% 04/15/22.....	.....09/25/2003.....	UBS Warburg-CMO.....	.....104,320.....	.....102,400.....	.....454.....	
.....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							
.....254,484				254,484	252,400	1,119	
.....3199996 - Bonds - Special Revenues - United States				571,898	542,400	3,540	
.....3199999 - Total - Bonds - Special Revenue				571,898	542,400	3,540	
.....6099997 - Total - Bonds - Part 3				693,697	642,400	3,829	
.....6099998 - Total - Bonds - Part 5				0	0	0	
.....6099999 - Total - Bonds				693,697	642,400	3,829	
.....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				693,697	XXX	3,829	

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Victoria National Insurance Company**

## **SCHEDULE D - PART 4**

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

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED of During Current Year															
1 CUSIP Identifi- cation	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value at Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year
<b>BONDS</b>															
US Governments															
United States															
36210G-YZ-1...	GNMA GNSF # 492228 6.500% 01/15/29.....	12/01/2003	Paydown.....			.71,573	.71,573	.72,077	.72,060	(487)				0	2,142
36225B-EV-6...	GNMA GNSF # 781048 6.500% 06/15/29.....	12/01/2003	Paydown.....			272,019	272,019	273,209	273,213	(1,194)				0	8,586
912827-L8-3...	U S Treasury Nt 5.750% 08/15/03.....	08/15/2003	Maturity.....			500,000	500,000	495,669	499,157	843				0	28,750
Total United States						843,592	843,592	840,955	844,430	(838)	0	0	0	0	39,478 XXX
0399996 - Bonds - U.S. Government						843,592	843,592	840,955	844,430	(838)					39,478 XXX
0399999 - Bonds - U.S. Governments						843,592	843,592	840,955	844,430	(838)					39,478 XXX
6099997 - Bonds - Part 4						843,592	843,592	840,955	844,430	(838)					39,478 XXX
6099998 - Bonds - Part 5						0	0	0	0	0	0	0	0	0	0 XXX
6099999 - Total - Bonds						843,592	843,592	840,955	844,430	(838)	0	0	0	0	39,478 XXX
6599998 - Preferred Stocks - Part 5						0	XXX	0	0	0	0	0	0	0	0 XXX
6599999 - Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0 XXX
7099998 - Common Stocks - Part 5						0	XXX	0	0	0	0	0	0	0	0 XXX
7099999 - Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0 XXX
7199999 - Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0 XXX

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Schedule D - Part 5  
**NONE**

Schedule D - Part 6 - Section 1  
**NONE**

Schedule D - Part 6 - Section 2  
**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Victoria National Insurance Company**

## **SCHEDULE DA - PART 1**

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	Interest		7 Maturity Date	8 Book/Adjusted Carrying Value	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Par Value	12 Actual Cost	Interest		15 NAIC Designa- tion	16 Effective Rate of Interest		
				5	6 How Paid							13 Amount Due and Accrued Dec. 31 of Current Year on Bonds Not in Default	14 Gross Amount Received				
Class One Money Market Mutual Funds																	
990061-75-6...	Nationwide Cash Mgmt Partn.	12/31/2003	Direct	1.070	MTLY	12/31/2004	690,348				690,348	690,348		2,281		1...	1.307
7899999 - Class One Money Market Mutual Funds							690,348				XXX	690,348		2,281		XXX	XXX
80999999 Totals							690,348	(a)			XXX	690,348		2,281		XXX	XXX

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

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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**

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Victoria National Insurance Company**

**SCHEDULE DM**

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

	1 Statement (Admitted) Value	2 Fair Value (a)	3 Excess of Statement over Fair Value(-), or Fair Value over Statement (+)
1. Bonds .....	3,382,793	3,564,407	181,614
2. Preferred Stocks .....	0	0	0
3. Totals	3,382,793	3,564,407	181,614

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

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

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## ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Victoria National Insurance Company

## **SCHEDULE E - PART 1 - CASH**

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

1. January	489,817	4. April	614,525	7. July	708,930	10. October	140
2. February	570,040	5. May	656,113	8. August	930	11. November	954
3. March	572,196	6. June	697,407	9. September	825	12. December	729

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Victoria National Insurance Company**

## **SCHEDULE E - PART 2 CASH EQUIVALENTS**

**Showing Investments owned December 31 of current year**

Showing Investments Owned December 31 of current year							
1	2	3	4	5	6	7	8
CUSIP Identification	Description	Date Acquired	Rate of Interest	Maturity	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Gross Investment Income
<b>NONE</b>							
0199999 Total Cash Equivalents							

**NONE**

### 0199999 Total Cash Equivalents

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## ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Victoria National Insurance Company

## SCHEDULE E - PART 3 - SPECIAL DEPOSITS

1 Line Number	2 Type	3 Description of Deposit	4 Where Deposited and Purpose of Deposit	5 Par or Book Value	6 Statement Value (a)	7 Fair Value
9999998 - Totals - All Policyholders				500,000	510,940	560,625
9999999 Totals				500,000	510,940	560,625

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