



**ANNUAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**  
 OF THE CONDITION AND AFFAIRS OF THE  
**SCOTTSDALE INDEMNITY COMPANY**

NAIC Group Code	0140 (Current Period)	0140 (Prior Period)	NAIC Company Code	15580	Employer's ID Number	31-1117969
Organized under the Laws of		Ohio	, State of Domicile or Port of Entry		Ohio	
Country of Domicile		United States of America				
Incorporated	11/14/1984		Commenced Business	08/01/1985		
Statutory Home Office	One Nationwide Plaza (Street and Number)				Columbus, OH 43215 (City or Town, State and Zip Code)	
Main Administrative Office	8877 N. Gainey Center Drive (Street and Number)		480-365-4000 (Area Code) (Telephone Number)		Scottsdale, AZ 85258-2108 (City or Town, State and Zip Code)	
Mail Address	P.O. Box 4110 (Street and Number or P.O. Box)		480-365-4000 (Area Code) (Telephone Number)		Scottsdale, AZ 85261-4110 (City or Town, State and Zip Code)	
Primary Location of Books and Records	8877 N. Gainey Center Drive (Street and Number)		480-365-4000 (Area Code) (Telephone Number)		Scottsdale, AZ 85258-2108 (City or Town, State and Zip Code)	
Internet Website Address	www.scottsdaleins.com					
Statutory Statement Contact	Marilyn S. Sheedy (Name)		480-365-2324 (Area Code) (Telephone Number) (Extension)		sheedym@scottsdaleins.com (E-mail Address)	
480-368-5856 (Fax Number)						
Policyowner Relations Contact	8877 N. Gainey Center Drive (Street and Number)		480-365-4000 (Area Code) (Telephone Number) (Extension)		Scottsdale, AZ 85258-2108 (City or Town, State and Zip Code)	

**OFFICERS**

President	Roger Max Williamson	Secretary	Thomas Edward Barnes #
Treasurer	Judy Lee Howard		

**VICE PRESIDENTS**

James William Carney	Patricia Ruth Hatler	Terri Lynn Hill
Michael Lee Horsman	David Scobie McDermid #	Michael Dean Miller #
Randall Lee Orr	Mark David Phelan	Doreen Katherine Reinke
Robert Allen Rosholt #	Richard John Schmitzer	Gary Lynn Tiepelman
Alan Anthony Todryk	Susan Feola Wain	Margaret Marie Williams #
John David Zicarelli		

**DIRECTORS OR TRUSTEES**

Michael Lee Horsman #	Judy Lee Howard	Michael Dean Miller
Gary Lynn Tiepelman #	Roger Max Williamson	

State of Arizona

County of Maricopa

{ ss }

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Roger Max Williamson  
PresidentRandall Lee Orr (Assistant Secretary)  
SecretaryJudy Lee Howard  
TreasurerSubscribed and sworn to before me this  
13th day of February, 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 SCOTTSDALE INDEMNITY COMPANY**

**SCHEDULE D - PART 1**

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

1 CUSIP Identification	2 Description	3 Interest 4 Rate of Paid	5 How Paid	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	17	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	
												14 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	15 Gross Amount Received During Year							
US Governments Issuer Obligations (10) United States																				
742651-CG-5... Private Export Funding Corp Nt.....		6.490	JJ.....	07/15/2007			511,548	.500,000	111,6560	.558,280	.518,675	14,963	32,450	(2,865)		1.	05/15/2001	.5.759		
912810-DX-3... U S Treasury Bd.....		7.500	MN.....	11/15/2016			1,269,082	.1,000,000	127,3130	.1,273,130	.1,283,281	.9,684	.75,000	(14,199)		1.	01/16/2003	.4.691		
912827-Q8-8... U S Treasury Nt.....		7.250	FA.....	08/15/2004			3,016,932	.3,000,000	103,7810	.3,113,430	.3,181,406	.82,154	.217,500	(25,936)		1.	03/27/1996	.6.309		
912827-Y5-5... U S Treasury Nt.....		7.000	JJ.....	07/15/2006			524,207	.500,000	112,0000	.560,000	.545,078	16,168	.35,000	(8,745)		1.	07/10/2001	.4.946		
Total United States							5,321,769	5,000,000	XXX	5,504,840	5,528,440	122,969	359,950	(51,745)	0	0	XXX	XXX		
0199999 - Total Bonds - U.S. Government - Issuer Obligations							5,321,769	5,000,000	XXX	5,504,840	5,528,440	122,969	359,950	(51,745)			XXX	XXX		
0399996 - Bonds - U.S. Government							5,321,769	5,000,000	XXX	5,504,840	5,528,440	122,969	359,950	(51,745)			XXX	XXX		
0399999 - Total - U.S. Government Bonds							5,321,769	5,000,000	XXX	5,504,840	5,528,440	122,969	359,950	(51,745)			XXX	XXX		
State, Territories and Possessions Issuer Obligations (10) United States																				
Florida																				
341422-R4-7... Florida St Bd Ed Cap Outlay G0 Ref Ser A.....		.5.000	JD.....	06/01/2015	06/01/2011	100,000	542,274	.500,000	.0,0000	542,274	.542,505	2,083	(231)		1PE	12/10/2003	.3.686			
Total Florida							542,274	500,000	XXX	542,274	542,505	2,083	0	(231)	0	0	XXX	XXX		
Illinois																				
452150-2W-4... Illinois St GO First Ser.....		.5.375	MN.....	11/01/2016	11/01/2011	100,000	537,137	.500,000	110,8660	.554,330	.541,500	.4,479	26,875	(3,909)		1PE	11/14/2002	.4.250		
Total Illinois							537,137	500,000	XXX	554,330	541,500	4,479	26,875	(3,909)	0	0	XXX	XXX		
Washington																				
93974A-C9-3... Washington St GO Ref Mtr Vehicle Fuel Tax-R4B.....		.5.000	JJ.....	07/01/2016	07/01/2013	100,000	121,209	.115,000	.0,0000	.121,209	.121,315	.1,086		(105)		1PE	10/21/2003	.4.302		
93974A-NH-3... Washington St GO Ref Var Purp Ser R-03-A.....		.5.000	JJ.....	01/01/2016	01/01/2012	100,000	533,238	.500,000	.0,0000	533,238	.535,560	12,500	12,500	(2,322)		1PE	04/23/2003	.4.020		
Total Washington							654,447	615,000	XXX	654,447	.656,875	13,586	12,500	(2,427)	0	0	XXX	XXX		
Total United States							1,733,858	1,615,000	XXX	1,751,051	1,740,880	20,148	39,375	(6,567)	0	0	XXX	XXX		
1199999 - Total Bonds - States, Territories and Possessions - Issuer Obligations							1,733,858	1,615,000	XXX	1,751,051	1,740,880	20,148	39,375	(6,567)			XXX	XXX		
1799996 - Bonds - States, Territory, Poss - United States							1,733,858	1,615,000	XXX	1,751,051	1,740,880	20,148	39,375	(6,567)			XXX	XXX		
1799999 - Total - States, Territories and Possessions							1,733,858	1,615,000	XXX	1,751,051	1,740,880	20,148	39,375	(6,567)			XXX	XXX		
Political Subdivisions of States Issuer Obligations (10) United States																				
Illinois																				
21183-30-7... Cook Cnty IL GO Ref Ser B.....		.5.250	MN.....	11/15/2015	11/15/2013	100,000	556,577	.500,000	113,0180	.565,090	.556,770	.3,354	(193)		1PE	12/12/2003	.3.860			
Total Illinois							556,577	500,000	XXX	565,090	556,770	3,354	0	(193)	0	0	XXX	XXX		
Texas																				
366155-MN-6... Garland TX ISD GO Ref.....		.5.000	FA.....	02/15/2015	02/15/2013	100,000	547,475	.500,000	.0,0000	.547,475	.547,645	.9,444		(170)		1PE	12/12/2003	.3.760		
486062-3P-5... Katy TX Indpt Sch Dist GO Bldg Ser A.....		.5.000	FA.....	02/15/2015	02/15/2013	100,000	469,796	.430,000	.0,0000	.469,796	.469,951	11,706		(155)		1PE	12/10/2003	.3.789		
Total Texas							1,017,271	930,000	XXX	1,017,271	1,017,596	21,150	0	(325)	0	0	XXX	XXX		
Total United States							1,573,848	1,430,000	XXX	1,582,361	1,574,366	24,504	0	(518)	0	0	XXX	XXX		
1899999 - Total Bonds - Political Subdivisions - Issuer Obligations							1,573,848	1,430,000	XXX	1,582,361	1,574,366	24,504		(518)			XXX	XXX		
2499996 - Bonds - Political Subdivision - United States							1,573,848	1,430,000	XXX	1,582,361	1,574,366	24,504		(518)			XXX	XXX		
2499999 - Total - Political Subdivisions Bonds							1,573,848	1,430,000	XXX	1,582,361	1,574,366	24,504		(518)			XXX	XXX		
Special Revenue & Assessment Issuer Obligations (10) United States																				
Washington																				
939828-ZV-4... Washington St PPS Nuc #2 Rev Ser A.....		.5.750	JJ.....	07/01/2009			504,919	.500,000	114,2880	.571,440	.507,555	14,375	28,750	(746)		1PE	02/15/2000	.5.540		
Total Washington							504,919	500,000	XXX	571,440	.507,555	14,375	28,750	(746)	0	0	XXX	XXX		
Total United States							504,919	500,000	XXX	571,440	.507,555	14,375	28,750	(746)	0	0	XXX	XXX		
2599999 - Total Bonds - Special Revenue - Issuer Obligations							504,919	500,000	XXX	571,440	.507,555	14,375	28,750	(746)			XXX	XXX		
Defined Multi-Class Residential (DR) United States																				
312913-ZE-9... FHLMC REMIC Ser 1437-HD.....		.7.000	MTLY.....	12/15/2022	12/01/2022	100,000	672,548	.656,072	.0,0000	.672,548	.672,960	.3,827	45,704	(999)		1.	04/01/2003	.6.736		
313312-2E-9... FHLMC REMIC Ser 1625-H.....		.6.000	MTLY.....	12/15/2008	12/01/2008	100,000	737,160	.741,090	.0,0000	.737,160	.729,858	.3,705	44,466	258		1.	12/06/1995	.6.271		

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**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	10 Fair Value	11 Actual Cost	13 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Interest		16 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 Designa- tion	20 Date Acquired	21 Effect- ive Rate of In- terest
			4	5										14	15					
31358L-WH-5...	FNMA REMIC Ser 1992-15KZ.....	.7.000	MTLY.....	.02/25/2022.....	.02/01/2009.....		100.000	.192,876	.196,801	.0.0000	.192,876	.190,262	.1,148	.13,768	.1,676		1.....	.02/01/2003.....	.7.747	
	Total United States							1,602,584	1,593,963	XXX	1,602,584	1,593,080	8,680	103,938	935	0	0	XXX	XXX	XXX
	2799999 - Total Bonds - Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities							1,602,584	1,593,963	XXX	1,602,584	1,593,080	8,680	103,938	935			XXX	XXX	XXX
	3199996 - Bonds - Special Revenue - United States							2,107,503	2,093,963	XXX	2,174,024	2,100,635	23,055	132,688	189			XXX	XXX	XXX
	3199999 - Total - Special Revenue Bonds							2,107,503	2,093,963	XXX	2,174,024	2,100,635	23,055	132,688	189			XXX	XXX	XXX
Industrial & Miscellaneous Issuer Obligations (10) United States																				
149110-HW-4...	Caterpillar Inc MT Nt Ser POWER.....		5.150	JD.....	.06/15/2008.....			204,141	.200,000	0.0000	204,141	.205,074	.458	.10,300	.(819)		1PE.....	.11/01/2002.....	.4.630	
31331Q-GB-7...	Federal Farm Credit Bk Nt.....		5.300	AO.....	.10/25/2017.....			501,192	.500,000	104,6250	.523,125	.501,250	.4,858	.26,500	.(52)		1PE.....	.11/01/2002.....	.5.275	
5526E0-AD-5...	MBNA America Bk NA Bk Nt.....		6.875	JJ.....	.07/15/2004.....			998,114	1,000,000	.0.0000	998,114	.985,670	.31,701	.68,750	.3,324		2.....	.11/09/1999.....	.7.239	
	Total United States							1,703,447	1,700,000	XXX	1,725,380	1,691,994	37,017	105,550	2,453	0	0	XXX	XXX	XXX
	3999999 - Total Bonds - Industrial, Misc. - Issuer Obligations							1,703,447	1,700,000	XXX	1,725,380	1,691,994	37,017	105,550	2,453			XXX	XXX	XXX
	4599996 - Bonds - Industrial and Misc - United States							1,703,447	1,700,000	XXX	1,725,380	1,691,994	37,017	105,550	2,453			XXX	XXX	XXX
	4599999 - Total - Industrial and Miscellaneous Bonds							1,703,447	1,700,000	XXX	1,725,380	1,691,994	37,017	105,550	2,453			XXX	XXX	XXX
	5499999 - Total - Issuer Obligations							10,837,841	10,245,000	XXX	11,135,072	11,043,235	219,013	533,625	(57,123)			XXX	XXX	XXX
	5699999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities							1,602,584	1,593,963	XXX	1,602,584	1,593,080	8,680	103,938	935			XXX	XXX	XXX
	6099999 Totals							12,440,425	11,838,963	XXX	12,737,656	12,636,315	227,693	637,563	(56,188)			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 SCOTTSDALE INDEMNITY 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>							
US Governments							
United States							
.....912810-DX-3.....	U S Treasury Bd 7.500% 11/15/16.....	.....01/16/2003.....	Direct.....	.....1,283,281.....	.....1,000,000.....	.....13,052.....	
Total United States				1,283,281	1,000,000	13,052	
0399996 - Bonds - U.S. Government				1,283,281	1,000,000	13,052	
0399999 - Total - Bonds - U.S. Government				1,283,281	1,000,000	13,052	
State, Territories and Possessions							
United States							
Florida							
.....341422-R4-7.....	Florida St Bd Ed Cap Outlay GO Ref Ser A 5.000% 06/01/15.....	.....12/10/2003.....	First Winston Securities.....	.....542,505.....	.....500,000.....	.....972.....	
Total Florida				542,505	500,000	972	
Washington							
.....93974A-C9-3.....	Washington St GO Ref Mtr Vehicle Fuel Tax-R4B 5.000% 07/01/16.....	.....10/21/2003.....	Merrill Lynch.....	.....121,315.....	.....115,000.....	.....16.....	
.....93974A-NH-3.....	Washington St GO Ref Var Purp Ser R-03-A 5.000% 01/01/16.....	.....04/23/2003.....	Salomon Smith Barney.....	535,560	500,000	8,125	
Total Washington				656,875	615,000	8,141	
Total United States				1,199,380	1,115,000	9,113	
1799996 - Bonds - States, Territory, Poss - United States				1,199,380	1,115,000	9,113	
1799999 - Total - Bonds - States, Territories and Possessions				1,199,380	1,115,000	9,113	
Political Subdivisions of States							
United States							
Illinois							
.....213183-3Q-7.....	Cook Cnty IL GO Ref Ser B 5.250% 11/15/15.....	.....12/12/2003.....	Lehman Brothers Inc.....	.....556,770.....	.....500,000.....	.....2,333.....	
Total Illinois				556,770	500,000	2,333	
Texas							
.....366155-MN-6.....	Garland TX ISD GO Ref 5.000% 02/15/15.....	.....12/12/2003.....	First Winston Securities.....	.....547,645.....	.....500,000.....	.....8,472.....	
.....486062-3P-5.....	Katy TX Indpt Sch Dist GO Bldg Ser A 5.000% 02/15/15.....	.....12/10/2003.....	First Winston Securities.....	469,951	430,000	10,750	
Total Texas				1,017,596	930,000	19,222	
Total United States				1,574,366	1,430,000	21,555	
2499996 - Bonds - Political Subdivision - United States				1,574,366	1,430,000	21,555	
2499999 - Total - Bonds - Political Subdivisions				1,574,366	1,430,000	21,555	
Special Revenue & Assessment							
United States							
.....312913-ZE-9.....	FHLMC REMIC Ser 1437-HD 7.000% 12/15/22.....	.....04/01/2003.....	Interest Capitalization.....	.....15,088.....	.....15,088.....		
.....31358L-WH-5.....	FNMA REMIC Ser 1992-15KZ 7.000% 02/25/22.....	.....02/01/2003.....	Interest Capitalization.....	1,307	1,307		
Total United States				16,395	16,395	0	
3199996 - Bonds - Special Revenues - United States				16,395	16,395		
3199999 - Total - Bonds - Special Revenue				16,395	16,395		
6099997 - Total - Bonds - Part 3				4,073,422	3,561,395	43,720	
6099998 - Total - Bonds - Part 5				11,524	11,525	0	
6099999 - Total - Bonds				4,084,946	3,572,920	43,720	
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				4,084,946	XXX	43,720	

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE SCOTTSDALE INDEMNITY COMPANY

## **SCHEDULE D - PART 4**

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

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**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE SCOTTSDALE INDEMNITY COMPANY**

**SCHEDULE D - PART 5**

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

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Disposal Date	6 Name of Purchaser	7 Par Value (Bonds) or Number of Shares (Stock)	8 Actual Cost	9 Consideration	10 Book/Adjusted Carrying Value at Disposal Date	11 Increase (Decrease) by Adjustment	12 Increase (Decrease) by Foreign Exchange Adjustment	13 Foreign Exchange Gain (Loss) on Disposal	14 Realized Gain (Loss) on Disposal	15 Total Gain (Loss) on Disposal	16 Interest and Dividends Received During Year	17 Paid for Accrued Interest and Dividends	
<b>BONDS</b>																	
Special Revenue & Assessment																	
United States																	
312913-ZE-9... 31358L-WH-5...	FHLMC REMIC Ser 1437-HD FNMA REMIC Ser 1992-15KZ	7.000% 7.000%	12/15/22... 02/25/22...	04/01/2003... 02/01/2003...	Interest Capitalization Interest Capitalization	12/01/2003... 12/01/2003...	Paydown Paydown	9,983 1,541	9,983 1,541	9,983 1,541	9,983 1,541			0 0	0 0	0 0	335 .52
Total United States																	
3199996 - Bonds - Special Revenue - United States								11,525 11,525 11,525 11,525	11,524 11,524 11,524 11,524	11,524 11,524 11,524 11,524	11,524 11,524 11,524 11,524	0	0	0	0	387	0
3199999 - Bonds - Special Revenue																	387
6099998 - Total - Bonds								11,525	11,524	11,524	11,524						387
7299999 Totals									11,524	11,524	11,524						387

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**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE SCOTTSDALE INDEMNITY COMPANY**

**SCHEDULE D - PART 6 - SECTION 1**

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 NAIC Company Code or Alien Insurer Identification Number	4 NAIC Valuation Method (See SVO Purposes and Procedures manual)	5 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	6 If Yes, Amount of Such Intangible Assets	7 Statement Value	Stock of Such Company Owned by Insurer on Statement Date	
							8 Number of Shares	9 % of Outstanding
19999999 Totals							XXX	XXX

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: \$ 13,127,327  
2. Total amount of intangible assets nonadmitted: \$

**NONE**

**SCHEDULE D - PART 6 - SECTION 2**

1 CUSIP Identification	2 Name of Lower-tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Amount of Intangible Assets Included in Amount Shown in Column 6, Section 1	Stock in Lower-tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
03999999 Total				XXX	XXX

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE SCOTTSDALE INDEMNITY COMPANY**

## **SCHEDULE DA - PART 1**

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

(a) Includes \$ ..... 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 SCOTTSDALE INDEMNITY 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 .....	12,988,007	13,399,892	411,885
2. Preferred Stocks .....	0	0	0
3. Totals	12,988,007	13,399,892	411,885

(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 SCOTTSDALE INDEMNITY COMPANY**

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

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

1. January	286	4. April	413	7. July	205	10. October	47
2. February	57,180	5. May	2,087	8. August	(6,979)	11. November	9
3. March	(1,135)	6. June	12,398	9. September	59	12. December	249,313

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE SCOTTSDALE INDEMNITY 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

E25

**ANNUAL STATEMENT FOR THE YEAR 2003 OF THE SCOTTSDALE INDEMNITY 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
AR00001..	B.	Private Export Funding Corp Nt, 6.490%, 07/15/07..	Little Rock, AR, Bank of America, FPARPH..	200,000	204,619	223,312
AR00002..						
AR00003..						
AR00004..						
<b>AR99999 - Arkansas</b>				200,000	204,619	223,312
GA00001..	B.	Illinois St GO, First Ser, 5.375%, 11/01/16..	Winston-Salem, NC, Wachovia Bank, FPGAPH..	30,000	32,228	33,260
GA00002..						
GA00003..						
GA00004..						
<b>GA99999 - Georgia</b>				30,000	32,228	33,260
LA00001..	B.	USTNTS, 7.000%, 07/15/06..	Oklahoma City, OK, Bank One - OK, FPLAPH..	70,000	73,389	78,400
LA00002..						
LA00003..						
LA00004..						
<b>LA99999 - Louisiana</b>				70,000	73,389	78,400
NV00001..	B.	Private Export Funding Corp Nt, 6.490%, 07/15/07..	New York, NY, Bank of New York, FPNMPH..	200,000	204,619	223,312
NV00002..						
NV00003..						
NV00004..						
<b>NV99999 - Nevada</b>				200,000	204,619	223,312
NM00001..	B.	USTBDS, 7.500%, 11/15/16..	Santa Fe, NM, Century Bank, FPNMPH..	300,000	380,725	381,939
NM00002..						
NM00003..						
NM00004..						
<b>NM99999 - New Mexico</b>				300,000	380,725	381,939
NC00001..	B.	USTBDS, 7.500%, 11/15/16..	Winston-Salem, NC, Wachovia Bank, FPNCPH..	300,000	380,725	381,939
NC00002..						
NC00003..						
NC00004..						
<b>NC99999 - North Carolina</b>				300,000	380,725	381,939
OR00001..	B.	Illinois St GO, First Ser, 5.375%, 11/01/16..	Portland, OR, US Bancorp, WC..	270,000	290,054	299,338
OR00002..						
OR00003..						
OR00004..						
<b>OR99999 - Oregon</b>				270,000	290,054	299,338
SC00001..	B.	Illinois St GO, First Ser, 5.375%, 11/01/16..	Winston-Salem, NC, Wachovia Bank, Escrow..	125,000	134,284	138,583
SC00002..						
SC00003..						
SC00004..						
<b>SC99999 - South Carolina</b>				125,000	134,284	138,583
TX00001..	B.	Illinois St GO, First Ser, 5.375%, 11/01/16..	New York, NY, Bank of New York, FPTXPH..	75,000	80,571	83,150
TX00002..						
TX00003..						
TX00004..						
<b>TX99999 - Texas</b>				75,000	80,571	83,150
VA00001..	B.	USTNTS, 7.250%, 08/15/04..	Richmond, VA, SunTrust, FPVAPH..	500,000	502,822	518,905
VA00002..						
VA00003..						
VA00004..						
<b>VA99999 - Virginia</b>				500,000	502,822	518,905
<b>9999997 - Totals - Not All Policyholders</b>				2,070,000	2,284,036	2,362,138
<b>9999998 - Totals - All Policyholders</b>				2,500,000	2,514,110	2,594,525
<b>9999999 Totals</b>				4,570,000	4,798,146	4,956,663

(a) Including \$ 0 cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.