



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2011  
OF THE CONDITION AND AFFAIRS OF THE

Scottsdale Insurance Company

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

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

Country of Domicile United States of America

Incorporated/Organized 01/04/1982 Commenced Business 07/01/1982

Statutory Home Office One West Nationwide Blvd. (Street and Number) Columbus, OH 43215-2220 (City or Town, State and Zip Code)

Main Administrative Office 8877 N. Gainey Center Drive (Street and Number) Scottsdale, AZ 85258-2108 (City or Town, State and Zip Code) 480-365-4000 (Area Code) (Telephone Number)

Mail Address One West Nationwide Blvd., 1-04-701 (Street and Number or P.O. Box) Columbus, OH 43215-2220 (City or Town, State and Zip Code)

Primary Location of Books and Records One West Nationwide Blvd., 1-04-701 (Street and Number) Columbus, OH 43215-2220 (City or Town, State and Zip Code) 614-249-1545 (Area Code) (Telephone Number)

Internet Web Site Address www.scottsdaleins.com

Statutory Statement Contact Arlene E. Swanson (Name) 614-249-1545 (Area Code) (Telephone Number) FinRpt@nationwide.com (E-mail Address) 866-315-1430 (FAX Number)

OFFICERS

President & COO Michael Dean Miller VP & Treasurer Peter Whitney Harper

VP & Asst Secretary Randall Lee Orr VP & Secretary Robert William Horner III

OTHER

Pamela Ann Biesecker Sr VP-Head of Taxation Thomas Williams Dietrich Sr VP-Div General Counsel John Edward Goodloe Sr VP

Craig Edward Landi Sr VP-Underwriting Gary Lynn Tiepelman Sr VP-Underwriting Susan Feola Wain Sr VP-Claims

DIRECTORS OR TRUSTEES

Peter Whitney Harper Michael Dean Miller Doreen Katherine Reinke

Gary Lynn Tiepelman Susan Feola Wain

State of Arizona SS:

County of Maricopa

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. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Michael Dean Miller President & COO Randall Lee Orr VP & Asst Secretary Peter Whitney Harper VP & Treasurer

Subscribed and sworn to before me this day of October, 2011

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.....

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	896,173,041		896,173,041	905,098,679
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....	203,110,971		203,110,971	199,281,926
3. Mortgage loans on real estate:				
3.1 First liens .....	3,234,158		3,234,158	3,352,499
3.2 Other than first liens.....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ .....(2,917,644) ), cash equivalents (\$ ..... ) and short-term investments (\$ .....58,343,786 ) .....	55,426,142		55,426,142	77,760,283
6. Contract loans (including \$ ..... premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....				
9. Receivables for securities .....	1,146,679		1,146,679	139,186
10. Securities lending reinvested collateral assets .....	14,264,241		14,264,241	355,352
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	1,173,355,232		1,173,355,232	1,185,987,925
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	8,664,557	35,719	8,628,838	9,759,640
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	365,247,231	82,713,892	282,533,339	298,126,940
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	87,086,260	225,173	86,861,087	80,682,820
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	124,109,143		124,109,143	118,498,649
16.2 Funds held by or deposited with reinsured companies .....	1,483		1,483	2,100
16.3 Other amounts receivable under reinsurance contracts .....				1,386,350
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....	6,161,820		6,161,820	
18.2 Net deferred tax asset .....	41,307,467	7,551,364	33,756,103	31,881,425
19. Guaranty funds receivable or on deposit .....	1,121,602		1,121,602	1,628,034
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				388
23. Receivables from parent, subsidiaries and affiliates .....	39,353,132	1,908	39,351,224	35,091,264
24. Health care (\$ ..... ) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	29,999,526	19,675,412	10,324,114	2,084,177
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	1,876,407,453	110,203,468	1,766,203,985	1,765,129,712
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27)	1,876,407,453	110,203,468	1,766,203,985	1,765,129,712
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)				
2501. Miscellaneous .....	10,324,114		10,324,114	2,084,177
2502. Deposits and prepaid assets .....	8,274,106	8,274,106		
2503. Other assets nonadmitted .....	11,401,306	11,401,306		
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	29,999,526	19,675,412	10,324,114	2,084,177

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 121,624,042 )	318,845,670	323,903,492
2. Reinsurance payable on paid losses and loss adjustment expenses	92,634,744	77,334,849
3. Loss adjustment expenses	66,798,158	67,844,578
4. Commissions payable, contingent commissions and other similar charges	11,073,047	12,481,054
5. Other expenses (excluding taxes, licenses and fees)	3,357,696	3,357,321
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,359,338	4,433,545
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		8,340,644
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 974,802,610 and including warranty reserves of \$ 1,853,299 )	229,782,209	221,431,823
10. Advance premium	5,595,463	4,814,398
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	218,056	210,582
12. Ceded reinsurance premiums payable (net of ceding commissions)	329,059,939	347,419,596
13. Funds held by company under reinsurance treaties	60,436	70,686
14. Amounts withheld or retained by company for account of others	4,067,132	6,423,817
15. Remittances and items not allocated		
16. Provision for reinsurance	15,691,998	15,691,998
17. Net adjustments in assets and liabilities due to foreign exchange rates	2,808	
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	10,445,927	12,863,120
20. Derivatives		
21. Payable for securities	98,409	86,418
22. Payable for securities lending	14,425,000	625,000
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	2,421,992	2,675,381
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	1,106,938,022	1,110,008,302
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	1,106,938,022	1,110,008,302
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	6,027,200	6,027,200
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	9,773,743	9,703,585
33. Surplus notes		
34. Gross paid in and contributed surplus	143,973,300	143,973,300
35. Unassigned funds (surplus)	499,491,720	495,417,325
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$ )		
36.2 shares preferred (value included in Line 31 \$ )		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	659,265,963	655,121,410
38. Totals (Page 2, Line 28, Col. 3)	1,766,203,985	1,765,129,712
DETAILS OF WRITE-INS		
2501. Contingent suits	469,854	504,088
2502. Loss based assessment	423,834	423,834
2503. Reserve for state escheat payment	884,619	1,216,675
2598. Summary of remaining write-ins for Line 25 from overflow page	643,685	530,784
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	2,421,992	2,675,381
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)		
3201. SSAP 10 DTA	9,773,743	9,703,585
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298)(Line 32 above)	9,773,743	9,703,585

STATEMENT OF INCOME

	1	2	3
	Current Year to Date	Prior Year to Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 841,243,992 )	783,159,524	770,125,552	1,024,575,911
1.2 Assumed (written \$ 1,188,590,365 )	1,129,677,480	1,054,803,927	1,413,357,699
1.3 Ceded (written \$ 1,594,888,877 )	1,486,245,190	1,390,763,254	1,860,412,526
1.4 Net (written \$ 434,945,480 )	426,591,814	434,166,225	577,521,084
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 305,522,771 ):			
2.1 Direct	374,318,919	343,804,583	480,802,156
2.2 Assumed	703,045,898	577,334,956	791,809,678
2.3 Ceded	788,039,550	677,540,791	940,991,062
2.4 Net	289,325,267	243,598,748	331,620,772
3. Loss adjustment expenses incurred	47,861,659	43,677,743	59,756,846
4. Other underwriting expenses incurred	145,845,240	142,537,084	192,351,915
5. Aggregate write-ins for underwriting deductions		(13,482)	(13,482)
6. Total underwriting deductions (Lines 2 through 5)	483,032,166	429,800,093	583,716,051
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	(56,440,352)	4,366,132	(6,194,967)
INVESTMENT INCOME			
9. Net investment income earned	30,055,629	29,314,786	38,835,375
10. Net realized capital gains (losses) less capital gains tax of \$ 147,114	404,165	499,526	(534,821)
11. Net investment gain (loss) (Lines 9 + 10)	30,459,794	29,814,312	38,300,554
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 58,631 amount charged off \$ 1,977,975 )	(1,919,345)	(2,120,279)	(2,932,987)
13. Finance and service charges not included in premiums	5,221,635	5,691,460	7,487,968
14. Aggregate write-ins for miscellaneous income	1,444,473	1,245,950	2,151,513
15. Total other income (Lines 12 through 14)	4,746,763	4,817,131	6,706,494
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(21,233,795)	38,997,575	38,812,081
17. Dividends to policyholders	193,954	212,664	260,432
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(21,427,749)	38,784,911	38,551,649
19. Federal and foreign income taxes incurred	(6,675,124)	9,135,950	8,258,205
20. Net income (Line 18 minus Line 19)(to Line 22)	(14,752,625)	29,648,961	30,293,444
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	655,121,410	610,168,949	610,168,949
22. Net income (from Line 20)	(14,752,625)	29,648,961	30,293,444
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains (losses) less capital gains tax of \$ 1,580,567	8,924,264	8,214,316	11,824,608
25. Change in net unrealized foreign exchange capital gain (loss)	(174,077)	31,340	113,267
26. Change in net deferred income tax	2,224,096	(1,507,651)	(1,005,454)
27. Change in nonadmitted assets	7,852,737	8,909,679	3,249,820
28. Change in provision for reinsurance			1,177,245
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus	70,158	(3,022,215)	(700,469)
38. Change in surplus as regards policyholders (Lines 22 through 37)	4,144,553	42,274,430	44,952,461
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	659,265,963	652,443,380	655,121,410
DETAILS OF WRITE-INS			
0501. Loss based assessment		(13,482)	(13,482)
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598)(Line 5 above)		(13,482)	(13,482)
1401. Contingent suit liability	34,233	399,213	1,090,515
1402. Other income	1,410,240	846,737	1,060,998
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	1,444,473	1,245,950	2,151,513
3701. SSAP 10 DTA	70,158	(3,022,215)	(700,469)
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798)(Line 37 above)	70,158	(3,022,215)	(700,469)

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	426,878,232	433,228,575	567,287,691
2. Net investment income .....	32,750,367	30,868,299	42,126,876
3. Miscellaneous income .....	6,716,748	(1,452,408)	9,329,481
4. Total (Lines 1 to 3) .....	466,345,347	462,644,466	618,744,048
5. Benefit and loss related payments .....	284,693,688	243,242,180	341,447,843
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7. Commissions, expenses paid and aggregate write-ins for deductions .....	197,728,727	193,407,466	257,887,169
8. Dividends paid to policyholders .....	186,480	242,905	312,683
9. Federal and foreign income taxes paid (recovered) net of \$ ..... (431,130) tax on capital gains (losses) .....	7,974,454	5,392,889	4,701,774
10. Total (Lines 5 through 9) .....	490,583,348	442,285,440	604,349,469
11. Net cash from operations (Line 4 minus Line 10) .....	(24,238,002)	20,359,026	14,394,580
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	129,932,343	101,405,071	167,974,946
12.2 Stocks .....			
12.3 Mortgage loans .....	118,795	770,414	809,405
12.4 Real estate .....			
12.5 Other invested assets .....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	1,536	(1,201)	(40,031)
12.7 Miscellaneous proceeds .....		232,915	110,900
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	130,052,674	102,407,199	168,855,220
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	114,955,513	63,485,559	73,831,523
13.2 Stocks .....	504,000	900,000	1,000,000
13.3 Mortgage loans .....			
13.4 Real estate .....			
13.5 Other invested assets .....	13,790,082		544,223
13.6 Miscellaneous applications .....	1,019,497	91,396	108,715
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	130,269,091	64,476,955	75,484,461
14. Net increase (or decrease) in contract loans and premium notes .....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(216,417)	37,930,244	93,370,759
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....			
16.2 Capital and paid in surplus, less treasury stock .....			
16.3 Borrowed funds .....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....			
16.5 Dividends to stockholders .....			
16.6 Other cash provided (applied) .....	2,120,278	(4,800,465)	(35,528,413)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	2,120,278	(4,800,465)	(35,528,413)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(22,334,141)	53,488,805	72,236,926
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	77,760,283	5,523,357	5,523,357
19.2 End of period (Line 18 plus Line 19.1) .....	55,426,142	59,012,162	77,760,283

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

C. Accounting Policies

7. Investment in subsidiary and affiliated companies are stated as follows:

The admitted investments in all subsidiary, controlled, and affiliated (SCA) entities are valued using an equity method approach. Under this approach, investments in insurance affiliated companies are stated at underlying statutory equity adjusted for unamortized goodwill. Investments in non-insurance affiliated companies that have no significant ongoing operations other than to hold assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates are stated at audited GAAP equity adjusted to a statutory basis of accounting. Investments in non-insurance affiliated companies that have significant ongoing operations beyond holding assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates are stated at audited GAAP equity. Unaudited affiliated companies of the reporting entity or its affiliates are non-admitted under prescribed SAP accounting practices. Goodwill arising from the acquisition of affiliated companies is amortized over a period of ten years. Unamortized goodwill at September 30, 2011 was \$19.8 million, of which \$5.3 million was nonadmitted due to no statutory audit having been performed on an acquired entity, Freedom Specialty Insurance Company (formerly Atlantic Insurance Company). Unamortized goodwill at December 31, 2010 was \$21.9 million, of which \$5.8 million was nonadmitted.

Note 2 - Accounting Changes and Corrections of Errors

No change.

Note 3 - Business Combinations and Goodwill

No change.

Note 4 - Discontinued Operations

No change.

Note 5 - Investments

A. Mortgage Loans

No change.

B. Troubled Debt Restructuring for Creditors

No change.

C. Reverse Mortgages

No change.

D. Loan-Backed Securities

- 1. Prepayment assumptions are generally obtained using a model provided by a third-party vendor.
- 2. Not applicable.
- 3. Not applicable.
- 4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$ (957,633)
2. 12 Months or Longer	\$ (2,990,611)

b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months	\$ 56,862,805
2. 12 Months or Longer	\$ 8,524,652

- 5. The Company reviews all loan-backed and structured securities in which the fair value of the given security is less than the amortized cost to determine if a given security is other-than-temporarily impaired. The Company examines characteristics of the underlying collateral, such as delinquency and default rates, the quality of the underlying borrower, the type of collateral in the pool, the vintage year of the collateral, subordination levels within the structure of the collateral pool, the quality of any credit guarantors, to determine the cash flows expected to be received for the security.

If the severity and duration of the security's unrealized loss indicates a risk of an other-than-temporary impairment, the Company will evaluate if the amortized cost basis of the security will be recovered by comparing the present value of the cash flows expected to be received for the given security with the amortized cost basis of the security. If the present value of cash flows is greater than the amortized cost basis of a security then the security is deemed not to be other-than-temporarily impaired.

E. Repurchase Agreements

No change.

F. Real Estate

No change.

G. Low-Income Housing Tax Credits

No change.

# NOTES TO FINANCIAL STATEMENTS

**Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**

No change.

**Note 7 - Investment Income**

No change.

**Note 8 - Derivative Instruments**

No change.

**Note 9 - Income Taxes**

No change.

**Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

Effective January 1, 2011, the Company entered into a 100% quota share reinsurance agreement with Veterinary Pet Insurance Company (VPI). Previously, the Company ceded 80% of the quota share activity to VPI.

**Note 11 - Debt**

No change.

**Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

No change.

**Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

No change.

**Note 14 – Contingencies**

No change.

**Note 15 - Leases**

No change.

**Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

No change.

**Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

A. Transfers of Receivables Reported as Sales

No change.

B. Transfers and Servicing of Financial Assets

No change.

C. Wash Sales

Not applicable.

**Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

No change.

**Note 19 - Direct Premiums Written/Produced by Managing General Agents/Third Party Administrators**

No change.

**Note 20 – Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources while unobservable inputs reflect the Company's view of market assumptions in the absence of observable market information. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. In determining fair value, the Company uses various methods including market, income and cost approaches.

The Company categorizes its assets and liabilities measured and reported at fair value in the quarterly statement into a three-level hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety.

The fair value hierarchy levels are as follows:

*Level 1.* Unadjusted quoted prices accessible in active markets for identical assets or liabilities at the measurement date.

*Level 2.* Unadjusted quoted prices for similar assets or liabilities in active markets or inputs (other than quoted prices) that are observable or that are derived principally from or corroborated by observable market data through correlation or other means.

NOTES TO FINANCIAL STATEMENTS

Level 3. Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management’s best estimate about the assumptions market participants would use at the measurement date in pricing the asset or liability. Consideration is given to the risk inherent in both the method of valuation and the valuation inputs.

The Company periodically reviews its fair value hierarchy classifications for financial assets and liabilities. Changes in observability of significant valuation inputs identified during these reviews may trigger reclassifications. Reclassifications into/out of the fair value hierarchy levels are reported as transfers at the beginning of the period in which the change occurs.

For bonds and marketable stocks for which market quotations are available, the Company generally uses independent pricing services to assist in determining the fair value measurement.

The Company’s investments in corporate debt securities, mortgage-backed securities and other asset-backed securities are valued with the assistance of independent pricing services and non-binding broker quotes. The Company’s policy is to give priority to pricing obtained from our primary independent pricing service. In the event that pricing information is not available from an independent pricing service, non-binding broker quotes are used to assist in the valuation of the investments. In many cases, only one broker quote is available. The Company’s policy is generally not to adjust the values obtained from brokers.

Broker quotes are considered unobservable inputs as only one broker quote is ordinarily obtained, the investment is not traded on an exchange, the pricing is not available to other entities and/or the transaction volume in the same or similar investments has decreased such that generally only one quotation is available. As the brokers often do not provide the necessary transparency into their quotes and methodologies, the Company periodically performs reviews and tests to ensure that quotes are a reasonable estimate of the investments fair value.

For investments valued with the assistance of independent pricing services, the Company obtains the pricing services’ methodologies, inputs and assumptions and classifies these investments accordingly in the fair value hierarchy. The Company periodically reviews and tests the pricing and related methodologies obtained from these independent pricing services against secondary sources to ensure that management can validate the investment’s fair value and related fair value hierarchy categorization. If large variances are observed between the price obtained from the independent pricing services and secondary sources, the Company analyzes the causes driving the variance.

For certain bonds not priced by independent services (e.g., private placement securities without quoted market prices) a corporate pricing matrix or internally developed pricing model is most often used. The corporate pricing matrix is developed using private spreads for corporate securities with varying weighted average lives and credit quality ratings. The weighted average life and credit quality rating of a bond to be priced using the corporate pricing matrix are important inputs into the model and are used to determine a corresponding spread that is added to the appropriate U.S. Treasury yield to create an estimated market yield for that security. The estimated market yield and other relevant factors are then used to estimate the fair value of the particular bond.

Assets and liabilities measured and reported at fair value as of September 30, 2011:

	Level 1	Level 2	Level 3	Total
<b>Assets at Fair Value</b>				
U.S. Government bonds	-	-	-	-
States, Territories and Possessions	-	-	-	-
Political subdivisions	-	-	-	-
Special revenues	-	-	-	-
Hybrid Securities	-	-	-	-
Credit tenant loans	-	-	-	-
Industrial & Misc.	-	16,924,417	-	16,924,417
<b>Total Bonds</b>	<b>\$ -</b>	<b>\$ 16,924,417</b>	<b>\$ -</b>	<b>\$ 16,924,417</b>
Sec Lending	-	78,819	-	78,819
Preferred Stocks	-	-	-	-
Common Stocks	76,963	-	-	76,963
Loans held for sale	-	-	-	-
Derivative Assets	-	-	-	-
<b>Total Assets at Fair Value</b>	<b>\$ 76,963</b>	<b>\$ 17,003,236</b>	<b>\$ -</b>	<b>\$ 17,080,199</b>
<b>Liabilities at Fair Value</b>				
Derivatives Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Note 21 - Other Items

No change.

Note 22 - Events Subsequent

There were no events occurring subsequent to September 30, 2011 meriting disclosure.

Note 23 - Reinsurance

No change.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

No change.

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

No change.

Note 26 - Intercompany Pooling Arrangements

No change.



NOTES TO FINANCIAL STATEMENTS

**Note 27 - Structured Settlements**

No change.

**Note 28 - Health Care Receivables**

No change.

**Note 29 - Participating Policies**

No change.

**Note 30 - Premium Deficiency Reserves**

No change.

**Note 31- High Deductibles**

No change.

**Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

No change.

**Note 33 - Asbestos/Environmental Reserves**

No change.

**Note 34 - Subscriber Savings Accounts**

No change.

**Note 35 - Multiple Peril Crop Insurance**

No change.

**Note 36 – Financial Guaranty Insurance**

A. and B. Not applicable.

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? .....

Yes [ ☐ ] No [ ☒ ]
- 1.2

If yes, has the report been filed with the domiciliary state? .....

Yes [ ☐ ] No [ ☐ ]
- 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: .....
3.

Have there been any substantial changes in the organizational chart since the prior quarter end? .....

Yes [ ☐ ] No [ ☒ ]

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....

Yes [ ☐ ] No [ ☒ ]
- 4.2

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	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? .....

Yes [ ☐ ] No [ ☒ ] N/A [ ☐ ]

If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2011
- 6.2

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. ....

12/31/2006
- 6.3

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). ....

03/29/2008
- 6.4

By what department or departments?  
OH
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....

Yes [ ☐ ] No [ ☐ ] N/A [ ☒ ]
- 6.6

Have all of the recommendations within the latest financial examination report been complied with? .....

Yes [ ☐ ] No [ ☐ ] N/A [ ☒ ]
- 7.1

Has this 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? .....

Yes [ ☐ ] No [ ☒ ]
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? .....

Yes [ ☐ ] No [ ☒ ]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms? .....

Yes [ ☒ ] No [ ☐ ]
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
Nationwide Mutual Insurance Company .....	Columbus, OH .....	YES	NO	NO	NO	NO
Nationwide Mutual Fire Insurance Company .....	Columbus, OH .....	YES	NO	NO	NO	NO
Nationwide Financial Services, Inc. ....	Columbus, OH .....	YES	NO	NO	NO	NO
Nationwide Corporation .....	Columbus, OH .....	YES	NO	NO	NO	NO
Nationwide Bank .....	Columbus, OH .....	NO	YES	NO	NO	NO
Nationwide Investment Services Corp. ....	Columbus, OH .....	NO	NO	NO	NO	YES
Nationwide Investment Advisors, LLC .....	Columbus, OH .....	NO	NO	NO	NO	YES
Nationwide Securities, LLC .....	Dublin, OH .....	NO	NO	NO	NO	YES
Nationwide SA Capital Trust .....	King of Prussia, PA .....	NO	NO	NO	NO	YES
Nationwide Fund Advisors .....	King of Prussia, PA .....	NO	NO	NO	NO	YES
Nationwide Fund Distributors, LLC .....	King of Prussia, PA .....	NO	NO	NO	NO	YES
Nationwide Asset Management, LLC .....	Columbus, OH .....	NO	NO	NO	NO	YES

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

GENERAL INTERROGATORIES

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? .....  
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
(c) Compliance with applicable governmental laws, rules and regulations;  
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
(e) Accountability for adherence to the code.

Yes [ X ] No [ ]
- 9.11

If the response to 9.1 is No, please explain:
- 9.2

Has the code of ethics for senior managers been amended? .....

Yes [ ] No [ X ]
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers? .....

Yes [ ] No [ X ]
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? .....

Yes [ X ] No [ ]
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount: .....\$.....

38,190,429

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) .....

Yes [ ] No [ X ]
- 11.2

If yes, give full and complete information relating thereto:
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA: .....

\$.....
13.

Amount of real estate and mortgages held in short-term investments: .....

\$.....
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates? .....

Yes [ X ] No [ ]
- 14.2

If yes, please complete the following:
- |   | 1   | 2  |
|---|---|--|
|   | Prior Year-End<br>Book/Adjusted<br>Carrying Value | Current Quarter<br>Book/Adjusted<br>Carrying Value |
| 14.21 Bonds .....   | \$.....   | \$.....  |
| 14.22 Preferred Stock .....   | \$.....   | \$.....  |
| 14.23 Common Stock .....  | \$.....199,088,351                                | \$.....203,034,008                                 |
| 14.24 Short-Term Investments .....  | \$.....   | \$.....  |
| 14.25 Mortgage Loans on Real Estate .....   | \$.....   | \$.....  |
| 14.26 All Other .....   | \$.....   | \$.....  |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) ..... | \$.....199,088,351                                | \$.....203,034,008                                 |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....                       | \$.....   | \$.....  |
- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB? .....

Yes [ ] No [ X ]
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? .....

Yes [ ] No [ ]
- If no, attach a description with this statement.

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

GENERAL INTERROGATORIES

16. Excluding items in Schedule E - Part 3 - Special Deposits, 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 Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [ X ] No [ ]
- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
The Bank of New York Mellon .....	1 Wall Street, New York, NY 10286 .....
Royal Trust .....	77 King St. West, 10th Flr., Toronto, ON M5W 1p9 .....

- 16.2 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)

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? ..... Yes [ ] No [ X ]
- 16.4 If yes, give full information relating thereto:

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

- 16.5 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	2 Name(s)	3 Address
N/A .....	Members of the investment staff designated by the Chief Investment Officer as detailed in the Corporate Resolution. ....	One Nationwide Blvd., Columbus, OH 43215-2220 .....

- 17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? ..... Yes [ X ] No [ ]
- 17.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.

If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? .....  
If yes, attach an explanation.

Yes [ ] No [ X ] N/A [ ]
2.

Has the reporting entity reinsured any risk with any other reporting 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? .....  
If yes, attach an explanation.

Yes [ ] No [ X ]
- 3.1

Have any of the reporting entity's primary reinsurance contracts been canceled? .....

Yes [ ] No [ X ]
- 3.2

If yes, give full and complete information thereto.
- 4.1

Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of " tabular reserves" ) discounted at a rate of interest greater than zero? .....

Yes [ ] No [ X ]
- 4.2

If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
TOTAL										

5.

Operating Percentages:
- 5.1

A&H loss percent .....

79.000 %
- 5.2

A&H cost containment percent .....

0.000 %
- 5.3

A&H expense percent excluding cost containment expenses .....

30.000 %
- 6.1

Do you act as a custodian for health savings accounts? .....

Yes [ ] No [ X ]
- 6.2

If yes, please provide the amount of custodial funds held as of the reporting date .....\$.....
- 6.3

Do you act as an administrator for health savings accounts? .....

Yes [ ] No [ X ]
- 6.4

If yes, please provide the balance of the funds administered as of the reporting date .....\$.....

## SCHEDULE F - CEDED REINSURANCE

[illegible]

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

			1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			Active Status	2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
States, etc.									
1. Alabama	AL	E	17,434,042	14,159,479	11,194,426	4,738,430	17,011,557	18,546,869	
2. Alaska	AK	E	1,975,760	2,435,552	232,453	51,036	2,438,994	2,688,118	
3. Arizona	AZ	L	7,433,503	7,240,527	12,175,922	3,263,994	5,306,216	7,198,752	
4. Arkansas	AR	E	5,149,456	4,713,114	2,963,053	2,977,556	5,012,640	4,705,936	
5. California	CA	E	138,493,741	129,403,439	51,327,007	48,113,015	185,057,199	183,021,992	
6. Colorado	CO	E	8,392,059	8,380,328	3,162,262	2,644,264	12,937,194	13,001,652	
7. Connecticut	CT	E	6,613,979	5,360,064	1,907,058	783,869	10,840,822	11,255,390	
8. Delaware	DE	L	894,099	1,346,610	244,334	167,276	1,135,495	997,198	
9. District of Columbia	DC	E	1,603,098	1,122,092	389,570	124,503	1,557,463	1,133,450	
10. Florida	FL	E	122,718,145	110,129,006	43,940,717	64,421,028	119,778,563	136,935,903	
11. Georgia	GA	E	22,570,211	18,607,806	9,854,752	9,829,509	22,047,642	22,473,546	
12. Hawaii	HI	E	9,255,297	8,964,635	2,954,350	1,023,652	9,898,726	12,652,504	
13. Idaho	ID	E	2,261,977	2,065,985	245,964	177,782	3,139,248	3,505,043	
14. Illinois	IL	E	20,686,088	20,220,252	20,616,682	3,814,340	48,631,509	45,654,579	
15. Indiana	IN	E	9,891,970	9,794,437	4,328,674	3,883,221	12,493,619	15,043,935	
16. Iowa	IA	E	5,685,117	4,747,587	1,306,579	1,589,641	5,859,288	5,089,776	
17. Kansas	KS	E	4,516,828	3,388,517	1,936,035	1,074,946	4,517,434	4,735,295	
18. Kentucky	KY	E	4,965,596	4,179,651	1,196,353	1,501,108	15,364,054	14,588,778	
19. Louisiana	LA	E	52,031,442	51,149,860	18,971,600	24,184,725	111,628,106	121,024,275	
20. Maine	ME	E	1,309,928	1,526,255	233,129	667,759	2,055,021	2,898,552	
21. Maryland	MD	E	9,982,502	9,434,373	6,894,674	3,582,281	18,069,768	18,768,313	
22. Massachusetts	MA	E	17,493,584	16,092,659	5,711,533	4,601,671	28,962,045	24,626,962	
23. Michigan	MI	E	5,708,309	5,496,664	1,833,692	7,746,775	9,919,508	9,102,714	
24. Minnesota	MN	E	4,816,129	4,253,027	2,235,699	773,700	14,011,878	9,602,151	
25. Mississippi	MS	E	11,075,520	10,478,251	3,898,921	5,488,539	7,170,649	8,210,358	
26. Missouri	MO	E	9,344,667	8,484,879	6,082,960	3,609,901	11,904,747	13,378,990	
27. Montana	MT	E	2,737,312	3,188,945	1,731,666	2,700,192	5,452,039	4,162,262	
28. Nebraska	NE	E	3,546,620	3,087,010	1,158,497	1,340,671	4,112,891	2,995,821	
29. Nevada	NV	E	5,684,774	5,354,791	9,634,149	823,730	10,802,748	13,037,092	
30. New Hampshire	NH	E	1,454,781	1,529,216	194,023	1,255,825	2,205,440	2,180,709	
31. New Jersey	NJ	E	36,234,253	35,563,094	19,914,641	21,814,773	61,899,638	68,882,764	
32. New Mexico	NM	E	3,977,872	3,528,597	2,759,345	2,351,829	4,963,623	7,481,304	
33. New York	NY	E	67,850,014	64,044,840	34,606,891	45,486,011	206,918,612	191,461,689	
34. North Carolina	NC	E	19,017,243	18,394,434	7,507,699	7,004,296	15,338,602	15,497,133	
35. North Dakota	ND	E	744,322	598,956	287,221	331,016	901,955	626,491	
36. Ohio	OH	L	4,871,164	4,965,348	3,926,449	2,888,091	6,241,875	6,233,037	
37. Oklahoma	OK	E	8,553,779	7,768,577	9,672,332	11,884,263	7,802,224	10,139,300	
38. Oregon	OR	E	6,859,216	6,172,976	6,002,530	3,867,936	10,977,680	14,679,495	
39. Pennsylvania	PA	E	15,678,365	14,487,931	9,492,690	5,631,626	33,485,468	34,724,331	
40. Rhode Island	RI	E	1,959,868	1,757,071	902,531	2,074,267	3,265,646	3,674,657	
41. South Carolina	SC	E	19,586,419	18,533,098	9,694,248	5,561,725	14,257,273	18,614,835	
42. South Dakota	SD	E	675,087	601,931	8,061	120,608	930,902	658,166	
43. Tennessee	TN	E	10,965,031	9,904,721	9,691,377	4,405,638	11,921,724	11,173,397	
44. Texas	TX	E	89,447,995	80,126,250	46,410,262	36,551,187	96,376,091	98,338,143	
45. Utah	UT	E	4,161,059	3,754,488	1,022,933	1,217,374	6,893,295	10,289,483	
46. Vermont	VT	E	860,898	850,174	30,946	91,438	1,270,582	2,190,251	
47. Virginia	VA	E	11,904,504	12,330,749	2,781,681	4,018,962	15,042,198	15,381,207	
48. Washington	WA	E	13,663,646	12,846,765	15,349,651	3,164,426	29,685,772	19,492,662	
49. West Virginia	WV	E	3,153,178	2,846,419	831,512	1,426,893	3,586,067	3,684,674	
50. Wisconsin	WI	E	3,875,122	2,981,664	991,217	2,545,479	9,510,957	6,433,086	
51. Wyoming	WY	E	1,357,396	1,145,591	635,488	401,315	1,517,332	1,737,035	
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	E	62,902	81,773	(2,498)	(2,500)	142,517	54,205	
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CN	N							
58. Aggregate Other Alien	OT	XXX	58,125				23,643		
59. Totals	(a)	3	841,243,992	779,620,458	411,073,941	369,791,593	1,252,276,179	1,274,664,257	
DETAILS OF WRITE-INS									
5801. Ireland		XXX	58,125				23,643		
5802.		XXX							
5803.		XXX							
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX							
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)		XXX	58,125				23,643		

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

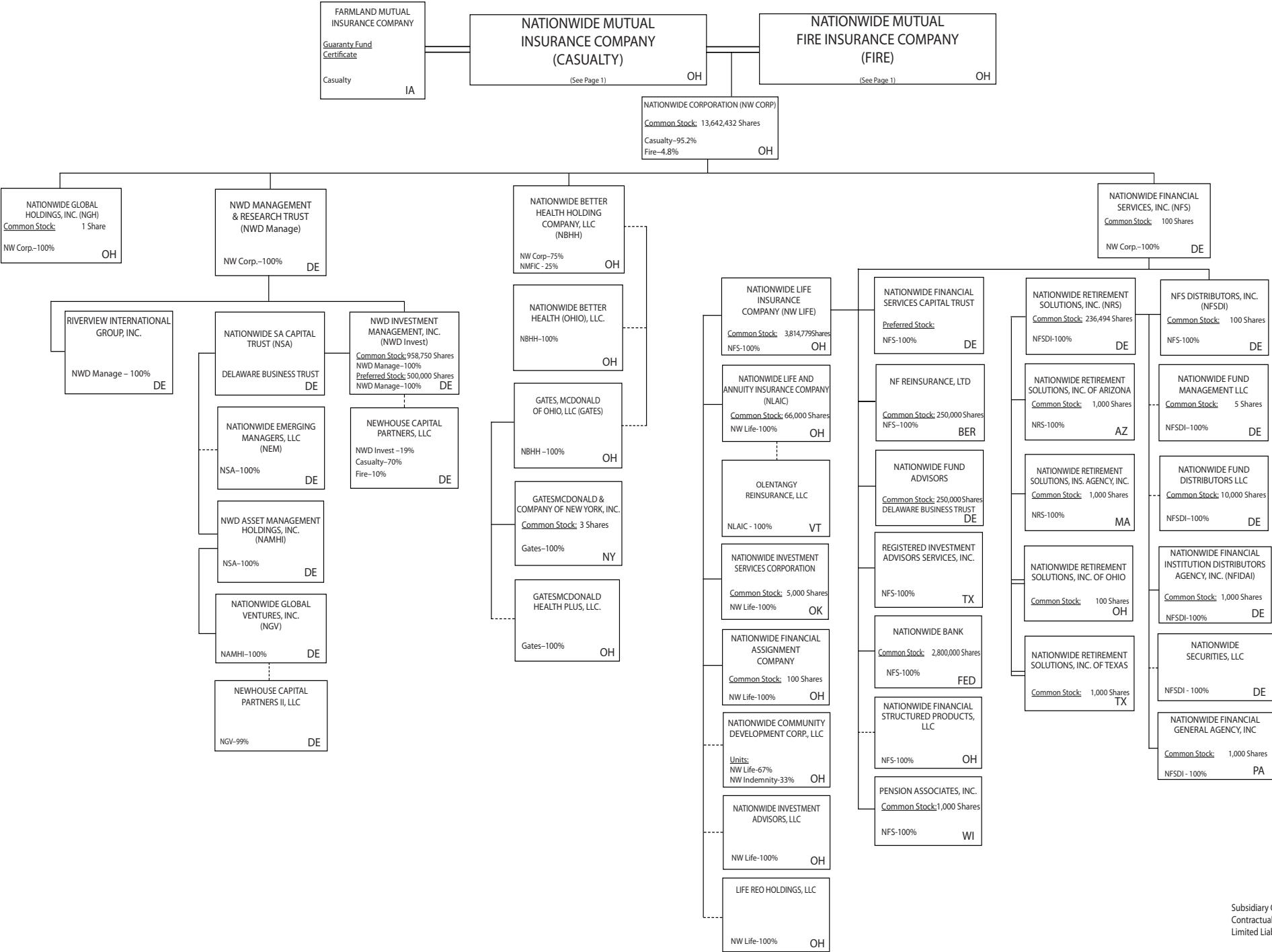
(a) Insert the number of L responses except for Canada and Other Alien.

## STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY





NATIONWIDE®



Subsidiary Companies — Solid Line  
Contractual Association = Double Line  
Limited Liability Company - - Dotted Line

NATIONWIDE INSURANCE COMPANIES

NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	Federal ID Number	Name of Company
0140	Nationwide	42579	IA	42-1201931	Allied Property and Casualty Insurance Company
0140	Nationwide	19100	IA	42-6054959	AMCO Insurance Company
0140	Nationwide	10127	OH	27-0114983	Allied Insurance Company of America
0140	Nationwide	22209	OH	75-6013587	Freedom Specialty Insurance Company
0140	Nationwide	29262	TX	74-1061659	Colonial County Mutual Insurance Company
0140	Nationwide	18961	OH	68-0066866	Crestbrook Insurance Company
0140	Nationwide	42587	IA	42-1207150	Depositors Insurance Company
0140	Nationwide	13838	IA	42-0618271	Farmland Mutual Insurance Company
0140	Nationwide	11991	WI	38-0865250	National Casualty Company
0140	Nationwide	26093	OH	48-0470690	Nationwide Affinity Insurance Company of America
0140	Nationwide	28223	IA	42-1015537	Nationwide Agribusiness Insurance Company
0140	Nationwide	10723	WI	95-0639970	Nationwide Assurance Company
0140	Nationwide	23760	OH	31-4425763	Nationwide General Insurance Company
0140	Nationwide	10070	OH	31-1399201	Nationwide Indemnity Company
0140	Nationwide	25453	WI	95-2130882	Nationwide Insurance Company of America
0140	Nationwide	10948	OH	31-1613686	Nationwide Insurance Company of Florida
0140	Nationwide	92657	OH	31-1000740	Nationwide Life and Annuity Insurance Company
0140	Nationwide	66869	OH	31-4156830	Nationwide Life Insurance Company
0140	Nationwide	42110	TX	75-1780981	Nationwide Lloyds
0140	Nationwide	23779	OH	31-4177110	Nationwide Mutual Fire Insurance Company
0140	Nationwide	23787	OH	31-4177100	Nationwide Mutual Insurance Company
0140	Nationwide	37877	OH	31-0970750	Nationwide Property & Casualty Insurance Company
0140	Nationwide	15580	OH	31-1117969	Scottsdale Indemnity Company
0140	Nationwide	41297	OH	31-1024978	Scottsdale Insurance Company
0140	Nationwide	10672	AZ	86-0835870	Scottsdale Surplus Lines Insurance Company
0140	Nationwide	13242	TX	74-2286759	Titan Indemnity Company
0140	Nationwide	36269	MI	86-0619597	Titan Insurance Company
0140	Nationwide	42285	CA	95-3750113	Veterinary Pet Insurance Company
0140	Nationwide	10644	IN	34-1785903	Victoria Automobile Insurance Company
0140	Nationwide	42889	OH	34-1394913	Victoria Fire & Casualty Company
0140	Nationwide	10778	OH	34-1842604	Victoria National Insurance Company
0140	Nationwide	10105	OH	34-1777972	Victoria Select Insurance Company
0140	Nationwide	10777	OH	34-1842602	Victoria Specialty Insurance Company
0140	Nationwide	37150	AZ	86-0561941	Western Heritage Insurance Company
0140	Nationwide	13999	VT	27-1712056	Olentangy Reinsurance, LLC
4664	PURE	13204	FL	26-3109178	PURE Insurance Company
4664	PURE	12873	FL	20-8287105	Privilege Underwriters Reciprocal Exchange

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

PART 1 - LOSS EXPERIENCE

Line of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire .....	28,428,714	6,206,785	21.8	27.0
2.	Allied Lines .....	69,866,873	36,817,737	52.7	39.5
3.	Farmowners multiple peril .....	1,887,308	1,078,617	57.2	16.9
4.	Homeowners multiple peril .....	41,293,941	27,284,739	66.1	58.5
5.	Commercial multiple peril .....	184,863,853	98,196,951	53.1	37.2
6.	Mortgage guaranty .....				
8.	Ocean marine .....	20,708	162,750	785.9	71.6
9.	Inland marine .....	12,456,023	1,816,802	14.6	9.8
10.	Financial guaranty .....				
11.1	Medical professional liability - occurrence .....		(89,084)		
11.2	Medical professional liability - claims-made .....		(8,549)		
12.	Earthquake .....	70,865	(25,000)	(35.3)	
13.	Group accident and health .....				
14.	Credit accident and health .....				
15.	Other accident and health .....				
16.	Workers' compensation .....				
17.1	Other liability - occurrence .....	305,035,988	141,961,414	46.5	48.0
17.2	Other liability - claims-made .....	86,722,010	23,258,185	26.8	34.6
17.3	Excess workers' compensation .....				
18.1	Products liability - occurrence .....	13,122,344	9,704,685	74.0	90.8
18.2	Products liability - claims-made .....	292,594	6,040	2.1	27.1
19.1,19.2	Private passenger auto liability .....				
19.3,19.4	Commercial auto liability .....	27,873,495	19,799,268	71.0	78.9
21.	Auto physical damage .....	4,641,328	2,412,557	52.0	45.3
22.	Aircraft (all perils) .....				
23.	Fidelity .....	2,251	(2,613)	(116.1)	
24.	Surety .....				
26.	Burglary and theft .....	155,616	(52,997)	(34.1)	150.8
27.	Boiler and machinery .....	1,142,653	616,857	54.0	4.1
28.	Credit .....	198,818	950,881	478.3	110.6
29.	International .....				
30.	Warranty .....	5,084,142	4,222,894	83.1	79.0
31.	Reinsurance - Nonproportional Assumed Property .....	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability .....	XXX	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines .....	XXX	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business .....				
35.	Totals .....	783,159,524	374,318,919	47.8	44.6
DETAILS OF WRITE-INS					
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page .....				
3499.	Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)				

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire .....	10,494,670	29,669,380	28,411,374
2.	Allied Lines .....	28,835,044	78,370,494	67,943,335
3.	Farmowners multiple peril .....	679,740	1,890,705	1,824,508
4.	Homeowners multiple peril .....	17,928,907	46,474,428	36,076,621
5.	Commercial multiple peril .....	65,806,099	202,024,488	184,446,381
6.	Mortgage guaranty .....			
8.	Ocean marine .....	24,037	26,355	(14,471)
9.	Inland marine .....	4,566,425	12,787,361	14,625,605
10.	Financial guaranty .....			
11.1	Medical professional liability - occurrence .....			
11.2	Medical professional liability - claims-made .....			
12.	Earthquake .....	7,532	60,143	60,728
13.	Group accident and health .....			
14.	Credit accident and health .....			
15.	Other accident and health .....			
16.	Workers' compensation .....			
17.1	Other liability - occurrence .....	111,222,024	318,147,715	309,007,006
17.2	Other liability - claims-made .....	41,467,813	100,823,482	78,907,223
17.3	Excess workers' compensation .....			
18.1	Products liability - occurrence .....	3,711,151	10,852,988	19,205,056
18.2	Products liability - claims-made .....	196,671	272,009	234,768
19.1,19.2	Private passenger auto liability .....			
19.3,19.4	Commercial auto liability .....	13,425,185	27,332,573	28,208,488
21.	Auto physical damage .....	1,872,981	5,271,443	4,557,791
22.	Aircraft (all perils) .....			
23.	Fidelity .....	1,825	2,628	2,852
24.	Surety .....			
26.	Burglary and theft .....	60,340	155,808	156,087
27.	Boiler and machinery .....	365,839	1,467,736	1,086,682
28.	Credit .....	212,083	685,437	488,977
29.	International .....			
30.	Warranty .....	1,637,631	4,928,819	4,391,447
31.	Reinsurance - Nonproportional Assumed Property .....	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability .....	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines .....	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business .....			
35.	Totals .....	302,515,997	841,243,992	779,620,458
DETAILS OF WRITE-INS				
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Summary of remaining write-ins for Line 34 from overflow page .....			
3499.	Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)			

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13									
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1+2)	2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2011 Loss and LAE Payments (Cols. 4+5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7+8+9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols.4+7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5+8+9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11+12)									
1. 2008 + Prior .....	86,294	58,719	145,013	35,401	998	36,399	64,350	1,005	39,537	104,892	13,457	(17,179)	(3,722)									
2. 2009 .....	49,110	34,172	83,282	24,670	707	25,377	32,571	1,564	20,170	54,305	8,131	(11,731)	(3,600)									
3. Subtotals 2009 + Prior .....	135,404	92,891	228,295	60,071	1,705	61,776	96,921	2,569	59,707	159,197	21,588	(28,910)	(7,322)									
4. 2010 .....	83,544	79,909	163,453	60,384	8,350	68,734	46,894	5,507	35,477	87,878	23,734	(30,575)	(6,841)									
5. Subtotals 2010 + Prior .....	218,948	172,800	391,748	120,455	10,055	130,510	143,815	8,076	95,184	247,075	45,322	(59,485)	(14,163)									
6. 2011 .....	XXX	XXX	XXX	XXX	212,781	212,781	XXX	69,008	69,561	138,569	XXX	XXX	XXX									
7. Totals .....	218,948	172,800	391,748	120,455	222,836	343,291	143,815	77,084	164,745	385,644	45,322	(59,485)	(14,163)									
8. Prior Year-End Surplus As Regards Policyholders	655,121										Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7									
											1. 20.7	2. (34.4)	3. (3.6)									
											Col. 13, Line 7 As a % of Col. 1 Line 8											
											4. (2.2)											

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

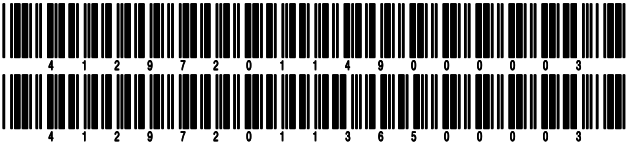
	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement? .....	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement? .....	YES
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? .....	NO
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement? .....	YES

Explanations:

1.
3.

Bar Codes:

1. Trusteed Surplus Statement [Document Identifier 490]
3. Medicare Part D Coverage Supplement [Document Identifier 365]



STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Liabilities Line 25

		1	2
		Current Statement Date	December 31, Prior Year
2504.	Miscellaneous liabilities .....	60,303	487,903
2505.	Funds held equity pools & associations .....	365	42,881
2506.	Pooling expense payable .....	583,017	
2597.	Summary of remaining write-ins for Line 25 from overflow page	643,685	530,784

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Current year change in encumbrances .....		
4. Total gain (loss) on disposals .....		
5. Deduct amounts received on disposals .....		
6. Total foreign exchange change in book/adjusted carrying value .....		
7. Deduct current year's other than temporary impairment recognized .....		
8. Deduct current year's depreciation .....		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....		
10. Deduct total nonadmitted amounts .....		
11. Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	3,369,016	4,161,897
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		16,524
7. Deduct amounts received on disposals .....	118,795	809,405
8. Deduct amortization of premium and mortgage interest points and commitment fees .....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....		
10. Deduct current year's other than temporary impairment recognized .....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	3,250,221	3,369,016
12. Total valuation allowance .....	(16,062)	(16,516)
13. Subtotal (Line 11 plus Line 12) .....	3,234,159	3,352,500
14. Deduct total nonadmitted amounts .....		
15. Statement value at end of current period (Line 13 minus Line 14)	3,234,159	3,352,500

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and depreciation .....		
9. Total foreign exchange change in book/adjusted carrying value .....		
10. Deduct current year's other than temporary impairment recognized .....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....		
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	1,104,380,610	1,190,850,459
2. Cost of bonds and stocks acquired .....	115,459,513	74,831,521
3. Accrual of discount .....	995,781	843,340
4. Unrealized valuation increase (decrease) .....	10,513,800	11,381,337
5. Total gain (loss) on disposals .....	644,964	(704,631)
6. Deduct consideration for bonds and stocks disposed of .....	129,944,334	167,974,950
7. Deduct amortization of premium .....	2,592,240	4,379,730
8. Total foreign exchange change in book/adjusted carrying value .....	(174,077)	113,267
9. Deduct current year's other than temporary impairment recognized .....		580,003
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	1,099,284,017	1,104,380,610
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11)	1,099,284,017	1,104,380,610

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a) .....	841,638,680	1,112,960	9,793,094	(1,581,077)	838,946,538	841,638,680	831,377,469	861,145,529
2. Class 2 (a) .....	47,229,928		2,212,838	1,369,252	48,113,205	47,229,928	46,386,342	37,958,725
3. Class 3 (a) .....	1,822,647		13,005	365,841	2,061,023	1,822,647	2,175,483	754,832
4. Class 4 (a) .....	16,347,090	816,327	461,378	(975,062)	16,417,325	16,347,090	15,726,977	4,727,840
5. Class 5 (a) .....	505,767			1,003	19,526,447	505,767	506,770	511,751
6. Class 6 (a) .....								
7. Total Bonds	907,544,112	1,929,287	12,480,315	(820,043)	925,064,538	907,544,112	896,173,041	905,098,677
PREFERRED STOCK								
8. Class 1 .....								
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds and Preferred Stock	907,544,112	1,929,287	12,480,315	(820,043)	925,064,538	907,544,112	896,173,041	905,098,677

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ ..... ; NAIC 2 \$ ..... ; NAIC 3 \$ ..... ;  
NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....



SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	58,343,786	XXX	58,343,786	1,531	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	78,143,085	62,924,785
2. Cost of short-term investments acquired .....	1,719,162,013	1,610,719,850
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration received on disposals .....	1,738,961,312	1,595,501,550
7. Deduct amortization of premium .....		
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other than temporary impairment recognized .....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	58,343,786	78,143,085
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11)	58,343,786	78,143,085

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards  
**N O N E**

Schedule DB - Part B - Verification - Futures Contracts  
**N O N E**

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open  
**N O N E**

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open  
**N O N E**

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of  
Derivatives  
**N O N E**

Schedule E - Verification - Cash Equivalents  
**N O N E**

Schedule A - Part 2 - Real Estate Acquired and Additions Made  
**N O N E**

Schedule A - Part 3 - Real Estate Disposed  
**N O N E**

## STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

## SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

[illegible]

## SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1  Loan Number	Location		4  Loan Type	5  Date Acquired	6  Disposal Date	7  Book Value/ Recorded Investment Excluding Accrued Interest Prior Year	Change in Book Value/Recorded Investment						14  Book Value/ Recorded Investment Excluding Accrued Interest on Disposal	15  Consid- eration	16  Foreign Exchange Gain (Loss) on Disposal	17  Realized Gain (Loss) on Disposal	18  Total Gain (Loss) on Disposal
	2  City	3  State					8  Unrealized Valuation Increase (Decrease)	9  Current Year's (Amortization) /Accretion	10  Current Year's Other Than Temporary Impairment Recognized	11  Capitalized Deferred Interest and Other	12  Total Change in Book Value (8+9-10+11)	13  Total Foreign Exchange Change in Book Value					
00-1000999	AURORA	CO		03/03/2004		843,797							3,380	3,380			
00-1001090	MASON	OH		12/20/2002		1,757,201							9,977	9,977			
00-1001233	HOUSTON	TX		11/20/2002		578,739							25,529	25,529			
00-9000147	SAN DIEGO	CA		09/03/2002		189,277							1,508	1,508			
0299999. Mortgages with partial repayments						3,369,015							40,394	40,394			
0599999 - Totals						3,369,015							40,394	40,394			

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired

N O N E

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

N O N E

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

## SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
745181-ZL-4	Puerto Rico Comwlth H&T Rev Auth Hwy Ref		09/27/2011	Farmland Mutual		1,112,960	1,000,000	12,542	1FE
3199999	Bonds - U.S. Special Revenues					1,112,960	1,000,000	12,542	XXX
71944B-AF-2	Physician Oncology Services (Vantage) Te		08/30/2011	Tax Free Exchange		408,163	408,163	328	4FE
71944B-AF-2	Physician Oncology Services (Vantage) Te		08/25/2011	Deutsche Bank Securities		408,163	408,163		4FE
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)					816,326	816,326	328	XXX
8399997	Total - Bonds - Part 3					1,929,286	1,816,326	12,870	XXX
8399998	Total - Bonds - Part 5					XXX	XXX	XXX	XXX
8399999	Total - Bonds					1,929,286	1,816,326	12,870	XXX
8999997	Total - Preferred Stocks - Part 3						XXX		XXX
8999998	Total - Preferred Stocks - Part 5					XXX	XXX	XXX	XXX
8999999	Total - Preferred Stocks						XXX		XXX
9799997	Total - Common Stocks - Part 3						XXX		XXX
9799998	Total - Common Stocks - Part 5					XXX	XXX	XXX	XXX
9799999	Total - Common Stocks						XXX		XXX
9899999	Total - Preferred and Common Stocks						XXX		XXX
9999999	Totals					1,929,286	XXX	12,870	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-ign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recogn-ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Design-ation or Market In-dicator (a)
346604-DF-5	Forsyth Cnty GA Sch Dist GO Ref 5.125% .....		07/01/2011	Call 102.0000 .....		1,020,000	1,000,000	1,117,690	1,027,345		(7,345)		(7,345)		1,020,000				51,250	07/01/2014	1FE
607114-L9-4	Mobile AL GO Ref-Wts 5.375% 08/15/14 .....		08/15/2011	Call 102.0000 .....		1,020,000	1,000,000	1,141,410	1,031,138		(11,138)		(11,138)		1,020,000				53,750	08/15/2014	1FE
796269-PJ-1	San Antonio TX ISD GO Bldg Ser A 5.375 .....		08/15/2011	Call 100.0000 .....		1,900,000		2,044,362	1,912,158		(12,158)		(12,158)		1,900,000				102,125	08/15/2017	1FE
810453-M2-3	Scottsdale AZ GO Unref 5.375% 07/01/14 .....		07/01/2011	Call 101.0000 .....		141,400	140,000	160,186	142,968		(1,568)		(1,568)		141,400				7,525	07/01/2014	1FE
810453-M7-2	Scottsdale AZ GO Peref 5.375% 07/01/1 .....		07/01/2011	Call 101.0000 .....		868,600	860,000	983,998	878,234		(9,634)		(9,634)		868,600				46,225	07/01/2014	1FE
2499999. Bonds - U.S. Political Subdivisions of States, Territories and Possessions						4,950,000	4,900,000	5,447,646	4,991,843		(41,843)		(41,843)		4,950,000				260,875	XXX	XXX
312905-YJ-5	FHLMC REMIC Ser 1077-E 9.000% 05/15/21 .....		09/01/2011	Paydown .....		8,510	8,510	8,623	8,530		(20)		(20)		8,510				535	04/01/2021	1
313390-KD-9	FHLMC REMIC Ser 2415 CE 5.500% 02/15/1 .....		09/01/2011	Paydown .....		122,543	122,543	126,832	123,781		(1,238)		(1,238)		122,543				4,607	12/01/2016	1
313373-02-7	FHLMC REMIC Ser 1674-Z 6.750% 02/15/24 .....		09/01/2011	Paydown .....		17,405	17,405	18,007	17,753		(348)		(348)		17,405				768	02/01/2024	1
31337C-6P-8	FHLMC Structured Ser 2008 M 7.000% 11/ .....		09/01/2011	Paydown .....		8,224	8,224	8,534	8,418		(195)		(195)		8,224				393	08/01/2026	1
31337C-AU-2	FHLMC Structured Ser FSPC T-9 A6 6.564 .....		09/01/2011	Paydown .....		2,901	2,901	2,791	2,883		18		18		2,901				146	03/25/2029	1
31340Y-DB-2	FHLMC REMIC Ser 12-A 9.250% 11/15/19 .....		09/15/2011	Paydown .....		1,806	1,806	1,895	1,848		(43)		(43)		1,806				136	01/16/2018	1
31340Y-GR-4	FHLMC REMIC Ser 22-C 9.500% 04/15/20 .....		09/15/2011	Paydown .....		3,223	3,223	3,340	3,223		(24)		(24)		3,223				241	03/16/2017	1
31358E-XG-2	FNMA REMIC Ser 1990-83A 9.250% 07/25/2 .....		09/01/2011	Paydown .....		973	973	970	968		5		5		973				60	07/25/2020	1
31358G-X4-4	FNMA REMIC Ser 1991-56G 8.600% 06/25/2 .....		09/01/2011	Paydown .....		7,993	7,993	8,006	7,983		11		11		7,993				449	01/01/2020	1
31358L-VM-5	FNMA REMIC Ser G92-14Z 7.000% 02/25/22 .....		09/01/2011	Paydown .....		15,573	15,573	15,818	15,691		(118)		(118)		15,573				721	10/01/2021	1
31358N-SB-4	FNMA REMIC Ser 1992-124 PZ 7.000% 07/2 .....		09/01/2011	Paydown .....		13,606	13,606	13,999	13,802		(196)		(196)		13,606				622	07/01/2022	1
31358N-RT-1	FNMA REMIC Ser G 1992-30Z 7.000% 06/25 .....		09/01/2011	Paydown .....		6,140	6,140	6,240	6,206		(65)		(65)		6,140				288	05/01/2022	1
31359V-BH-5	FNMA Ser 1998-73 CI MZ 6.300% 10/17/38 .....		09/01/2011	Paydown .....		3,060	3,060	3,139	3,108		(48)		(48)		3,060				129	04/01/2038	1
313603-GW-6	FNMA REMIC Ser 1989-86E 8.750% 11/25/1 .....		09/01/2011	Paydown .....		5,858	5,858	5,737	5,795		63		63		5,858				341	11/25/2019	1
313603-YL-0	FNMA REMIC Ser 1990-16E 9.000% 03/25/2 .....		09/01/2011	Paydown .....		6,331	6,331	6,891	6,519		(187)		(187)		6,331				386	03/01/2020	1
31381G-SY-5	FNMA Pool #460535 6.500% 11/25/13 .....		09/01/2011	Paydown .....		14,145	14,145	14,215	14,119		25		25		14,145				613	11/25/2013	1
31392E-SX-9	FNMA REMIC Ser 2002-59 CI B 5.500% 09/ .....		09/01/2011	Paydown .....		21,126	21,126	21,965	21,605		(479)		(479)		21,126				776	06/01/2017	1
31392T-WT-0	FHLMC REMIC Ser 2478 JF 6.000% 08/15/2 .....		09/01/2011	Paydown .....		27,478	27,478	28,620	27,894		(416)		(416)		27,478				1,104	12/01/2021	1
31392U-KL-7	FHLMC REMIC Ser 2504 N 5.500% 09/15/1 .....		09/01/2011	Paydown .....		44,158	44,158	46,062	44,992		(834)		(834)		44,158				1,636	09/01/2017	1
31392U-MQ-4	FHLMC REMIC Ser 2503 BH 5.500% 09/15/1 .....		09/01/2011	Paydown .....		32,343	32,343	33,369	32,605		(262)		(262)		32,343				1,194	09/01/2017	1
31392U-RH-9	FHLMC REMIC Ser 2501 AN 5.500% 09/15/1 .....		09/01/2011	Paydown .....		96,476	96,476	100,033	97,718		(1,243)		(1,243)		96,476				3,547	04/01/2017	1
31392V-2F-8	FHLMC REMIC Ser 2494 J 5.500% 09/15/17 .....		09/01/2011	Paydown .....		93,216	93,216	95,008	93,517		(301)		(301)		93,216				3,434	04/01/2017	1
31392V-7G-1	FHLMC REMIC Ser 2498 BM 5.500% 09/15/1 .....		09/01/2011	Paydown .....		54,701	54,701	56,231	55,162		(460)		(460)		54,701				2,030	03/01/2017	1
31392V-SN-3	FHLMC REMIC Ser 2496 BK 5.500% 09/15/1 .....		09/01/2011	Paydown .....		25,999	25,999	26,812	26,240		(241)		(241)		25,999				948	03/01/2017	1
31393D-J6-9	FNMA REMIC Ser 2003-59 CI VJ 5.000% 08 .....		09/01/2011	Paydown .....		27,977	27,977	28,283	28,033		(57)		(57)		27,977				933	09/01/2013	1
31393H-GS-6	FHLMC REMIC Ser 2543 CI AN 5.000% 12/1 .....		09/01/2011	Paydown .....		64,517	64,517	63,953	64,259		258		258		64,517				2,123	12/15/2017	1
31396N-EM-4	FHLMC REMIC Ser 3140 CI UP 6.000% 03/1 .....		09/01/2011	Paydown .....		360,249	360,249	358,053	358,351		1,898		1,898		360,249				13,833	03/15/2036	1
3837H0-NF-6	GNMA REMIC Ser 1996-5 CI Z 7.000% 05/1 .....		09/01/2011	Paydown .....		11,839	11,839	12,173	12,069		(230)		(230)		11,839				543	04/01/2026	1
57604P-FW-9	Massachusetts St Wtr Poll Rev Polutn Abt .....		08/01/2011	Call 100.0000 .....		1,500,000	1,500,000	1,616,280	1,510,709		(10,709)		(10,709)		1,500,000				78,750	02/01/2012	1FE
67756Q-JD-0	Ohio St Hsg Fin Agcy Mtg Rev Ant-Mtg-Bkd .....		09/01/2011	Call 100.0000 .....		540,000	540,000	540,000	540,000						540,000				30,375	09/01/2024	1FE
745181-ZL-4	Puerto Rico Comwlth H&T Rev Auth Hvy Ref .....		09/28/2011	GMS Group .....		1,087,510	1,000,000	1,112,960			(135)		(135)		1,112,825		(25,315)	(25,315)	13,417	07/01/2022	1FE
88275F-MS-5	Texas St Dept Hsg & Cmnty Rev SF Ser B .....		09/01/2011	Call 100.0000 .....		85,000	85,000	85,363	85,319		(319)		(319)		85,000				3,841	09/01/2027	1FE
911760-GT-7	Vendee Mtg Tr REMIC Ser 1995-3 IZ 7.25 .....		09/01/2011	Paydown .....		42,120	42,120	43,293	42,834		(714)		(714)		42,120				2,009	09/01/2025	1
911760-HH-2	Vendee Mtg Tr REMIC Ser 1996-2 IZ 6.75 .....		09/01/2011	Paydown .....		30,974	30,974	30,820	30,832		142		142		30,974				1,412	06/15/2026	1
3199999. Bonds - U.S. Special Revenues						4,383,974	4,296,464	4,544,315	3,312,790		(16,462)		(16,462)		4,409,289		(25,315)	(25,315)	172,340	XXX	XXX
12669C-E4-8	CIMBS Inc Ser 2002-8 CI A4 6.500% 07/2 .....		09/01/2011	Paydown .....		20,299	20,299	21,034	20,444		(146)		(146)		20,299				898	10/01/2014	1Z
144285-AE-3	Carpenter Technology Corp Nt Ser C 7.6 .....		08/15/2011	Maturity .....		1,000,000	1,000,000	994,391	999,508		492		492		1,000,000				76,250	08/15/2011	2FE
				Redemption 100.0000 .....																	
37946J-AK-3	Global Tel*Link Corp 1st Lien TL Nt 1 .....		09/30/2011			27,500	27,500	27,363			138		138		27,500				733	11/10/2016	4Z
674135-CT-3	Oakwood Mtg Inv Inc Sr/Sub PT Ctf 1997-D .....		09/01/2011	Paydown .....		1,056	1,056	1,064	1,054		2		2		1,056				45	12/01/2011	1FE
71944B-AF-2	Physician Oncology Services (Vantage) Te .....		08/30/2011	Tax Free Exchange .....		408,163	408,163	408,163							408,163				931	02/28/2017	4FE
				Redemption 100.0000 .....																	
72153*-AA-2	Pillsbury Winthrop LLP Sr Nt Ser A-1 4 .....		07/18/2011			111,111	111,111	111,111	111,111						111,111				4,567	07/18/2015	2
78442G-GG-5	SLM Student Loan Tr Ser 2003-4 CI ASD .....		09/15/2011	Paydown .....		17,742	17,742	18,189	18,018		(277)		(277)		17,742				140	12/15/2028	1FE
80803B-AA-7	Schott Corp Sr Nt 6.980% 03/20/12 .....		07/27/2011	Call 104.1042 .....		1,041,042	1,000,000	1,000,000	1,000,000		41,042		41,042		1,041,042				59,524	03/20/2012	2
				Redemption 100.0000 .....																	
844741-AG-3	Southwest Airlines Co PTC Ser 1993-B 6 .....		09/24/2011			103,744	103,744	96,700	102,437		1,308		1,308		103,744				6,494	09/24/2012	2FE
				Redemption 100.0000 .....																	
882850-CM-0	Texas Utils Elec Co Sec Facility Bd 7 .....		07/01/2011			5,315	5,315	5,129	4,989		291		34		5,315				396	01/01/2015	4FE
921796-HB-7	Vanderbilt Mtg Fin Ser 1999-C CI 144 7 .....		09/01/2011	Paydown .....		29,088	29,088	29,088	29,088						29,088				1,480	06/07/2026	1FE
3899999. Bonds - Industrial and Miscellaneous (Unaffiliated)						2,765,060	2,724,018	2,712,232	2,286,649	291	42,593		42,884		2,765,060				151,458	XXX	XXX</

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident- ification	Description	For- eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor- tization)/ Accretion	Current Year's Other Than Temporary Impairment Recogn- ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Maturity Date	NAIC Desig- nation or Market In- dicator (a)
..01082#-AA-3	Alameda Cnty CA Cr Tenant Lease Ser 2002 .....	.....	09/15/2011 .....	Redemption 100.0000 .....	.....	.....15,599	.....15,599	.....16,535	.....16,212	.....	.....(613)	.....	.....(613)	.....	.....15,599	.....	.....	.....	.....787	..06/15/2021 ..	1.....
..05164#-AA-5	Aurora Health Care (Badger RE) Cr Tenant .....	.....	09/15/2011 .....	Redemption 100.0000 .....	.....	.....10,723	.....10,723	.....10,406	.....10,514	.....	.....210	.....	.....210	.....	.....10,723	.....	.....	.....	.....500	..12/15/2022 ..	1.....
..05549#-AA-3	BJs Wholesale Club Inc Cr Ten Lease (HG .....	.....	09/15/2011 .....	Redemption 100.0000 .....	.....	.....13,005	.....13,005	.....13,131	.....13,091	.....	.....(85)	.....	.....(85)	.....	.....13,005	.....	.....	.....	.....603	..05/15/2022 ..	3.....
..117017-AC-7	Brunswick & Glynn Co Dev Auth Lease Rev .....	.....	07/15/2011 .....	Redemption 100.0000 .....	.....	.....39,318	.....39,318	.....39,318	.....39,318	.....	.....	.....	.....	.....	.....39,318	.....	.....	.....	.....2,351	..01/15/2024 ..	1.....
..151895-A*-0	CenterPoint Properties Tr Credit Tenant .....	.....	09/01/2011 .....	Redemption 100.0000 .....	.....	.....21,823	.....21,823	.....21,823	.....21,823	.....	.....	.....	.....	.....	.....21,823	.....	.....	.....	.....1,096	..10/31/2014 ..	1.....
..50026*-AA-3	Kohls Corp Cr Tenant Lease (Shelby MI) .....	.....	09/15/2011 .....	Redemption 100.0000 .....	.....	.....20,400	.....20,400	.....21,552	.....21,156	.....	.....(756)	.....	.....(756)	.....	.....20,400	.....	.....	.....	.....1,034	..12/15/2022 ..	4.....
..52465#-BP-9	Legg Mason Mtg Cap Corp Ser 2003-CTL-21 .....	.....	09/01/2011 .....	Redemption 100.0000 .....	.....	.....20,626	.....20,626	.....20,626	.....20,626	.....	.....	.....	.....	.....	.....20,626	.....	.....	.....	.....663	..03/01/2023 ..	1.....
..52467#-AW-5	Legg Mason Mtg Cap Corp Cr Tenant Lease .....	.....	09/05/2011 .....	Redemption 100.0000 .....	.....	.....9,821	.....9,821	.....9,821	.....9,821	.....	.....	.....	.....	.....	.....9,821	.....	.....	.....	.....332	..02/05/2013 ..	2.....
..64508#-AA-3	New Haven Fed Ofc Bldg Lease Cr Tenant L .....	.....	07/15/2011 .....	Redemption 100.0000 .....	.....	.....19,945	.....19,945	.....19,945	.....19,945	.....	.....	.....	.....	.....	.....19,945	.....	.....	.....	.....1,177	..01/15/2020 ..	1.....
..65324#-AA-9	Newtown Cr Tenant Lease Ser 2002-CTL 6 .....	.....	09/15/2011 .....	Redemption 100.0000 .....	.....	.....25,476	.....25,476	.....25,475	.....25,475	.....	.....1	.....	.....1	.....	.....25,476	.....	.....	.....	.....1,033	..05/15/2023 ..	1.....
..67020#-AA-8	NMRC-D Facilities Corp CTL Lease Rental .....	.....	09/07/2011 .....	Redemption 100.0000 .....	.....	.....20,112	.....20,112	.....20,112	.....20,112	.....	.....	.....	.....	.....	.....20,112	.....	.....	.....	.....872	..11/07/2023 ..	1.....
..91737#-AA-3	United States Govt SS Ls FinTr Fed Ls-Bk .....	.....	09/15/2011 .....	Redemption 100.0000 .....	.....	.....72,219	.....72,219	.....71,981	.....72,080	.....	.....138	.....	.....138	.....	.....72,219	.....	.....	.....	.....2,266	..11/15/2018 ..	1.....
..92851#-AA-3	Vivendi SPC Tr Cr Tenant Lease 6.630% .....	.....	09/15/2011 .....	Redemption 100.0000 .....	.....	.....11,286	.....11,286	.....11,286	.....11,286	.....	.....	.....	.....	.....	.....11,286	.....	.....	.....	.....499	..04/15/2022 ..	2.....
..94978#-AT-4	Wells Fargo Bank Northwest NA Cr Tenant .....	.....	09/01/2011 .....	Redemption 100.0000 .....	.....	.....7,069	.....7,069	.....7,069	.....7,069	.....	.....	.....	.....	.....	.....7,069	.....	.....	.....	.....314	..08/01/2027 ..	1.....
..94978#-AU-1	Wells Fargo Bank Northwest NA MWRA Lease .....	.....	09/15/2011 .....	Redemption 100.0000 .....	.....	.....8,967	.....8,967	.....9,388	.....9,306	.....	.....(339)	.....	.....(339)	.....	.....8,967	.....	.....	.....	.....441	..05/15/2032 ..	1.....
..94978#-AX-5	Wells Fargo Bank Northwest NA Cr Tenant .....	.....	09/10/2011 .....	Redemption 100.0000 .....	.....	.....18,001	.....18,001	.....18,001	.....18,001	.....	.....	.....	.....	.....	.....18,001	.....	.....	.....	.....797	..10/10/2024 ..	2.....
..98881#-AA-4	ZC Specialty Ins Co Cr Tenant Lease Ser .....	.....	07/25/2011 .....	Redemption 100.0000 .....	.....	.....21,576	.....21,576	.....21,576	.....21,576	.....	.....	.....	.....	.....	.....21,576	.....	.....	.....	.....1,583	..12/23/2022 ..	2.....
4199999. Bonds - Credit Tenant Loans						355,966	355,966	358,045	357,411		(1,444)		(1,444)		355,966				16,348	XXX	XXX
8399997. Total - Bonds - Part 4						12,455,000	12,276,448	13,062,238	10,948,693	291	(17,156)		(16,865)		12,480,315		(25,315)	(25,315)	601,021	XXX	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999. Total - Bonds						12,455,000	12,276,448	13,062,238	10,948,693	291	(17,156)		(16,865)		12,480,315		(25,315)	(25,315)	601,021	XXX	XXX
8999997. Total - Preferred Stocks - Part 4							XXX													XXX	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks							XXX													XXX	XXX
9799997. Total - Common Stocks - Part 4							XXX													XXX	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799999. Total - Common Stocks							XXX													XXX	XXX
9899999. Total - Preferred and Common Stocks							XXX													XXX	XXX
9999999 - Totals						12,455,000	XXX	13,062,238	10,948,693	291	(17,156)		(16,865)		12,480,315		(25,315)	(25,315)	601,021	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues.....

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open  
**N O N E**

Schedule DB - Part B - Section 1 - Futures Contracts Open  
**N O N E**

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made  
**N O N E**

Schedule DB - Part D - Counterparty Exposure for Derivative Instruments Open  
**N O N E**



SCHEDULE DL - PART 1  
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date					
1 CUSIP Identification	2 Description	3 NAIC Designation/ Market Indicator	4 Fair Value	5 Book/Adjusted Carrying Value	6 Maturity Dates
0599999. Total - U.S. Government Bonds					XXX
1099999. Total - All Other Government Bonds					XXX
1799999. Total - U.S. States, Territories and Possessions Bonds					XXX
2499999. Total - U.S. Political Subdivisions Bonds					XXX
3199999. Total - U.S. Special Revenues Bonds					XXX
Overnight Repos		1	14,185,422	14,185,422	
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations			14,185,422	14,185,422	XXX
362334-BQ-6	GSAA Home Equity Tr Ser 2006-3 CI A1	12*	10,216	10,216	03/25/2036
813765-AC-4	Securitized AB Receivables LLC Ser 2006-	12*	68,603	68,603	09/25/2036
3399999. Industrial and Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities			78,819	78,819	XXX
3899999. Total - Industrial and Miscellaneous (Unaffiliated) Bonds			14,264,241	14,264,241	XXX
4199999. Total - Credit Tenant Loans					XXX
4899999. Total - Hybrid Securities					XXX
5599999. Total - Parent, Subsidiaries and Affiliates Bonds					XXX
7799999. Total - Issuer Obligations			14,185,422	14,185,422	XXX
7899999. Total - Residential Mortgage-Backed Securities			78,819	78,819	XXX
7999999. Total - Commercial Mortgage-Backed Securities					XXX
8099999. Total - Other Loan-Backed and Structured Securities					XXX
8399999. Total Bonds			14,264,241	14,264,241	XXX
8999999. Total - Preferred Stocks					XXX
9799999. Total - Common Stocks					XXX
9899999. Total - Preferred and Common Stocks					XXX
9999999 - Totals			14,264,241	14,264,241	XXX

General Interrogatory:

1. Total activity for the year to date
- Fair Value \$ 13,780,730
- Book/Adjusted Carrying Value \$ 13,780,658
2. Average balance for the year to date
- Fair Value \$ 5,329,105
- Book/Adjusted Carrying Value \$ 5,329,118
3. Reinvested securities lending collateral assets book/adjusted carrying valure included in this schedule by NAIC designation:
- NAIC 1 \$ 14,264,241
- NAIC 2 \$
- NAIC 3 \$
- NAIC 4 \$
- NAIC 5 \$
- NAIC 6 \$

**SCHEDULE DL - PART 2**  
**SECURITIES LENDING COLLATERAL ASSETS**

NONE

XXX

1.	Total activity for the year to date	Fair Value \$	.....	Book/Adjusted Carrying Value \$	.....
2.	Average balance for the year to date	Fair Value \$	.....	Book/Adjusted Carrying Value \$	.....
3.	Grand Total Schedule DL Part 1 and Part 2	Fair Value \$	.....	Book/Adjusted Carrying Value \$	.....

## SCHEDULE E - PART 1 - CASH

E11

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

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

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due and Accrued	Amount Received During Year
NONE							
8699999 - Total Cash Equivalents							



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

Designate the type of health care providers reported on this page:  
Physicians, including surgeons and osteopaths

SUPPLEMENT A TO SCHEDULE T  
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES

States, etc.	1  Direct Premiums Written	2  Direct Premiums Earned	Direct Losses Paid		5  Direct Losses Incurred	Direct Losses Unpaid		8  Direct Losses Incurred But Not Reported
			3  Amount	4  No. of Claims		6  Amount Reported	7  No. of Claims	
1. Alabama .....	AL							
2. Alaska .....	AK							
3. Arizona .....	AZ							
4. Arkansas .....	AR				(559)			1,117
5. California .....	CA							
6. Colorado .....	CO							
7. Connecticut .....	CT							
8. Delaware .....	DE							
9. District of Columbia .....	DC							
10. Florida .....	FL				(439)			774
11. Georgia .....	GA							
12. Hawaii .....	HI							
13. Idaho .....	ID							
14. Illinois .....	IL				(722)			1,409
15. Indiana .....	IN							
16. Iowa .....	IA							
17. Kansas .....	KS							
18. Kentucky .....	KY							
19. Louisiana .....	LA				(245)			308
20. Maine .....	ME							
21. Maryland .....	MD							
22. Massachusetts .....	MA							
23. Michigan .....	MI				(1,266)			2,056
24. Minnesota .....	MN							
25. Mississippi .....	MS				(25)			25
26. Missouri .....	MO				(134)			192
27. Montana .....	MT							
28. Nebraska .....	NE							
29. Nevada .....	NV							
30. New Hampshire .....	NH							
31. New Jersey .....	NJ				(382)			618
32. New Mexico .....	NM				(55)			(3,767)
33. New York .....	NY				(762)			1,601
34. North Carolina .....	NC							
35. North Dakota .....	ND							
36. Ohio .....	OH							
37. Oklahoma .....	OK							
38. Oregon .....	OR							
39. Pennsylvania .....	PA				(3,573)	75,000	1	6,428
40. Rhode Island .....	RI							
41. South Carolina .....	SC							
42. South Dakota .....	SD							
43. Tennessee .....	TN							
44. Texas .....	TX				(367)			464
45. Utah .....	UT							
46. Vermont .....	VT							
47. Virginia .....	VA							
48. Washington .....	WA							
49. West Virginia .....	WV							
50. Wisconsin .....	WI				(20)			33
51. Wyoming .....	WY							
52. American Samoa .....	AS							
53. Guam .....	GU							
54. Puerto Rico .....	PR							
55. U.S. Virgin Islands .....	VI							
56. Northern Mariana Islands .....	MP							
57. Canada .....	CN							
58. Aggregate Other Aliens .....	OT							
59. Totals					(8,549)	75,000	1	11,258
DETAILS OF WRITE-INS								
5801. ....								
5802. ....								
5803. ....								
5898. Summary of remaining write-ins for Line 58 from overflow page								
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)								



Designate the type of health care  
providers reported on this page:  
Hospitals

SUPPLEMENT A TO SCHEDULE T  
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES

	1	2	Direct Losses Paid		5	Direct Losses Unpaid		8
			3	4		6	7	
States, etc.	Direct Premiums Written	Direct Premiums Earned	Amount	No. of Claims	Direct Losses Incurred	Amount Reported	No. of Claims	Direct Losses Incurred But Not Reported
1. Alabama.....AL								
2. Alaska.....AK								
3. Arizona.....AZ								
4. Arkansas.....AR								
5. California.....CA								
6. Colorado.....CO								
7. Connecticut.....CT								
8. Delaware.....DE								
9. District of Columbia.....DC								
10. Florida.....FL								
11. Georgia.....GA								
12. Hawaii.....HI								
13. Idaho.....ID								
14. Illinois.....IL								
15. Indiana.....IN								
16. Iowa.....IA								
17. Kansas.....KS								
18. Kentucky.....KY								
19. Louisiana.....LA								
20. Maine.....ME								
21. Maryland.....MD								
22. Massachusetts.....MA								
23. Michigan.....MI								
24. Minnesota.....MN								
25. Mississippi.....MS								
26. Missouri.....MO								
27. Montana.....MT								
28. Nebraska.....NE								
29. Nevada.....NV								
30. New Hampshire.....NH								
31. New Jersey.....NJ								
32. New Mexico.....NM								
33. New York.....NY								
34. North Carolina.....NC								
35. North Dakota.....ND								
36. Ohio.....OH								
37. Oklahoma.....OK								
38. Oregon.....OR								
39. Pennsylvania.....PA								
40. Rhode Island.....RI								
41. South Carolina.....SC								
42. South Dakota.....SD								
43. Tennessee.....TN								
44. Texas.....TX								
45. Utah.....UT								
46. Vermont.....VT								
47. Virginia.....VA								
48. Washington.....WA								
49. West Virginia.....WV								
50. Wisconsin.....WI								
51. Wyoming.....WY								
52. American Samoa.....AS								
53. Guam.....GU								
54. Puerto Rico.....PR								
55. U.S. Virgin Islands.....VI								
56. Northern Mariana Islands.....MP								
57. Canada.....CN								
58. Aggregate Other Aliens.....OT								
59. Totals								
DETAILS OF WRITE-INS								
5801. ....								
5802. ....								
5803. ....								
5898. Summary of remaining write-ins for Line 58 from overflow page .....								
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)								



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2011 OF THE SCOTTSDALE INSURANCE COMPANY

Designate the type of health care providers reported on this page:  
Other health care professionals, including dentists

SUPPLEMENT A TO SCHEDULE T  
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES

States, etc.	1  Direct Premiums Written	2  Direct Premiums Earned	Direct Losses Paid		5  Direct Losses Incurred	Direct Losses Unpaid		8  Direct Losses Incurred But Not Reported
			3  Amount	4  No. of Claims		6  Amount Reported	7  No. of Claims	
1. Alabama .....	AL							
2. Alaska .....	AK							
3. Arizona .....	AZ							
4. Arkansas .....	AR							
5. California .....	CA				(5,613)			710
6. Colorado .....	CO				(366)			
7. Connecticut .....	CT							
8. Delaware .....	DE							
9. District of Columbia .....	DC							
10. Florida .....	FL				(8,577)			1,090
11. Georgia .....	GA				(2,480)			36
12. Hawaii .....	HI							
13. Idaho .....	ID							
14. Illinois .....	IL				(20,687)			442
15. Indiana .....	IN				(5,004)	(60,000)	1	(59,445)
16. Iowa .....	IA							
17. Kansas .....	KS							
18. Kentucky .....	KY							
19. Louisiana .....	LA							
20. Maine .....	ME							
21. Maryland .....	MD							
22. Massachusetts .....	MA							
23. Michigan .....	MI				(6,315)			553
24. Minnesota .....	MN							
25. Mississippi .....	MS							
26. Missouri .....	MO							
27. Montana .....	MT							
28. Nebraska .....	NE							
29. Nevada .....	NV							
30. New Hampshire .....	NH							
31. New Jersey .....	NJ				(9,764)			749
32. New Mexico .....	NM							
33. New York .....	NY				(9,530)			809
34. North Carolina .....	NC							
35. North Dakota .....	ND							
36. Ohio .....	OH							
37. Oklahoma .....	OK							
38. Oregon .....	OR							
39. Pennsylvania .....	PA				(11,413)			1,166
40. Rhode Island .....	RI							
41. South Carolina .....	SC							
42. South Dakota .....	SD							
43. Tennessee .....	TN				(7,225)			445
44. Texas .....	TX							
45. Utah .....	UT							
46. Vermont .....	VT							
47. Virginia .....	VA				(2,109)			204
48. Washington .....	WA							
49. West Virginia .....	WV							
50. Wisconsin .....	WI							
51. Wyoming .....	WY							
52. American Samoa .....	AS							
53. Guam .....	GU							
54. Puerto Rico .....	PR							
55. U.S. Virgin Islands .....	VI							
56. Northern Mariana Islands .....	MP							
57. Canada .....	CN							
58. Aggregate Other Aliens .....	OT							
59. Totals					(89,083)	(60,000)	1	(53,241)
DETAILS OF WRITE-INS								
5801. ....								
5802. ....								
5803. ....								
5898. Summary of remaining write-ins for Line 58 from overflow page								
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)								



Designate the type of health care  
providers reported on this page:  
Other health care facilities

SUPPLEMENT A TO SCHEDULE T  
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES

	1	2	Direct Losses Paid		5	Direct Losses Unpaid		8
			3	4		6	7	
States, etc.	Direct Premiums Written	Direct Premiums Earned	Amount	No. of Claims	Direct Losses Incurred	Amount Reported	No. of Claims	Direct Losses Incurred But Not Reported
1. Alabama.....AL								
2. Alaska.....AK								
3. Arizona.....AZ								
4. Arkansas.....AR								
5. California.....CA								
6. Colorado.....CO								
7. Connecticut.....CT								
8. Delaware.....DE								
9. District of Columbia.....DC								
10. Florida.....FL								
11. Georgia.....GA								
12. Hawaii.....HI								
13. Idaho.....ID								
14. Illinois.....IL								
15. Indiana.....IN								
16. Iowa.....IA								
17. Kansas.....KS								
18. Kentucky.....KY								
19. Louisiana.....LA								
20. Maine.....ME								
21. Maryland.....MD								
22. Massachusetts.....MA								
23. Michigan.....MI								
24. Minnesota.....MN								
25. Mississippi.....MS								
26. Missouri.....MO								
27. Montana.....MT								
28. Nebraska.....NE								
29. Nevada.....NV								
30. New Hampshire.....NH								
31. New Jersey.....NJ								
32. New Mexico.....NM								
33. New York.....NY								
34. North Carolina.....NC								
35. North Dakota.....ND								
36. Ohio.....OH								
37. Oklahoma.....OK								
38. Oregon.....OR								
39. Pennsylvania.....PA								
40. Rhode Island.....RI								
41. South Carolina.....SC								
42. South Dakota.....SD								
43. Tennessee.....TN								
44. Texas.....TX								
45. Utah.....UT								
46. Vermont.....VT								
47. Virginia.....VA								
48. Washington.....WA								
49. West Virginia.....WV								
50. Wisconsin.....WI								
51. Wyoming.....WY								
52. American Samoa.....AS								
53. Guam.....GU								
54. Puerto Rico.....PR								
55. U.S. Virgin Islands.....VI								
56. Nothern Mariana Islands.....MP								
57. Canada.....CN								
58. Aggregate Other Aliens.....OT								
59. Totals								
DETAILS OF WRITE-INS								
5801. ....								
5802. ....								
5803. ....								
5898. Summary of remaining write-ins for Line 58 from overflow page .....								
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)								





DIRECTOR AND OFFICER SUPPLEMENT

Year To Date For The Period Ended SEPTEMBER 30, 2011

NAIC Group Code 0140 NAIC Company Code 41297

Company Name SCOTTSDALE INSURANCE COMPANY

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$ 1,819,372	\$ 300,298	\$ 76,647

2. Commercial Multiple Peril (CMP) Packaged Policies

- 2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy?

Yes [ ] No [ X ]
- 2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated?

Yes [ ] No [ X ]
- 2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified:

\$

2.32 Amount estimated using reasonable assumptions:

\$
- 2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies.

\$