



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

Scottsdale Indemnity Company

NAIC Group Code 0140 0140 NAIC Company Code 15580 Employer's ID Number 31-1117969

0140 0140 NAIC Company Code 15580 Employer's ID Number 31-1117969

Organized under the Laws of _____, State of Domicile or Port of Entry _____, Ohio _____
Country of Domicile _____, United States of America _____, Ohio _____

Incorporated/Organized 11/14/1984 Commenced Business 08/01/1985

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

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

Mail Address One West Nationwide Blvd., 1-04-701, Columbus , OH 43215-2220
(Street and Number or P.O. Box) (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 , 614-249-1545
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address _____ www.scottsdaleins.com

Statutory Statement Contact Anne E. Swanson, 614-249-1545
(Name) (Area Code) (Telephone Number)

FinRpt@nationwide.com, 866-315-1430
(E-mail Address) (FAX Number)

OFFICERS

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

OTHER

Pamela Ann Biesecker Sr VP-Head of Taxation Thomas Williams Dietrich Sr VP-Div General Counsel Craig Edward Landi Sr VP-Underwriting
Gary Lynn Tiepelman Sr VP-Underwriting Susan Feola Wain Sr VP-Claims

DIRECTORS OR TRUSTEES

Peter Whitney Harper Kenneth Art Levine Michael Dean Miller

State of Arizona County of Maricopa SS:

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. 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 January, 2012

- a. Is this an original filing?
- b. If no,
 - 1. State the amendment number.....
 - 2. Date filed
 - 3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	33,076,651		33,076,651	26,779,683
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
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 (\$ 9,966 , Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$ 2,179,208, Schedule DA)	2,189,174		2,189,174	8,944,702
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivable for securities				12,056
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	35,265,825		35,265,825	35,736,441
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	293,833		293,833	300,088
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	12,214,152	238,236	11,975,916	100,676
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	6,097,471		6,097,471	4,133,199
16.2 Funds held by or deposited with reinsured companies	38,589		38,589	38,271
16.3 Other amounts receivable under reinsurance contracts	1,728,996		1,728,996	2,633,376
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	62,772	36,906	25,866	16,382
19. Guaranty funds receivable or on deposit				
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				
23. Receivables from parent, subsidiaries and affiliates .....	.59	.56	.3	7,221,857
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	135,467	11,250	124,217	144,740
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	55,837,164	286,448	55,550,716	50,325,030
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	55,837,164	286,448	55,550,716	50,325,030
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. State surcharge/recoupment recoverable	6,090		6,090	4,674
2502. Equities and deposits in pools and associations	118,127		118,127	139,801
2503. Miscellaneous asset	11,250	11,250		265
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	135,467	11,250	124,217	144,740

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)		
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	(575,313)	(100,043)
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)		
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)		
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ 40,716 on realized capital gains (losses))	361,200	182,120
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 72,338,238 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)		
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	9,460,858	11,212,843
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated	12,875	
16. Provision for reinsurance (Schedule F, Part 7)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	11,321,373	5,077,766
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	20,580,993	16,372,686
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	20,580,993	16,372,686
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	3,000,000	3,000,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	22,365,344	22,365,344
35. Unassigned funds (surplus)	9,604,379	8,587,000
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) (Page 4, Line 39)	34,969,723	33,952,344
38. TOTALS (Page 2, Line 28, Col. 3)	55,550,716	50,325,030
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)		
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)		

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....		
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....		
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....		
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....		
5. Aggregate write-ins for underwriting deductions.....		
6. Total underwriting deductions (Lines 2 through 5).....		
7. Net income of protected cells.....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....		
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	759,257	683,114
10. Net realized capital gains or (losses) less capital gains tax of \$ 40,176 (Exhibit of Capital Gains (Losses)).....	136,397	23,327
11. Net investment gain (loss) (Lines 9 + 10).....	895,654	706,441
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$).....		
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....		
15. Total other income (Lines 12 through 14).....		
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	895,654	706,441
17. Dividends to policyholders.....		
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).....	895,654	706,441
19. Federal and foreign income taxes incurred.....	321,319	181,327
20. Net income (Line 18 minus Line 19)(to Line 22).....	574,335	525,114
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	33,952,344	33,269,398
22. Net income (from Line 20).....	574,335	525,114
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 87,142	332,030	110,625
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	127,570	66,666
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....	(16,556)	(19,459)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
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 (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	1,017,379	682,946
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	34,969,723	33,952,344
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above).....		
1401.		
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....		
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above).....		

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	(13,627,226)	611,510
2. Net investment income	833,430	695,234
3. Miscellaneous income	904,062	(863,090)
4. Total (Lines 1 through 3)	(11,889,734)	443,654
5. Benefit and loss related payments	2,439,541	(878,148)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions		
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$	870	182,415
10. Total (Lines 5 through 9)	2,621,956	(623,779)
11. Net cash from operations (Line 4 minus Line 10)	(14,511,690)	1,067,433
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	13,248,359	562,848
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds	12,056	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	13,260,415	562,848
13. Cost of investments acquired (long-term only):		
13.1 Bonds	19,017,500	15,614,274
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	19,017,500	15,614,274
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(5,757,085)	(15,051,426)
Cash from Financing and Miscellaneous Sources		
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)	13,513,247	1,404,479
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	13,513,247	1,404,479
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(6,755,528)	(12,579,514)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	8,944,702	21,524,216
19.2 End of period (Line 18 plus Line 19.1)	2,189,174	8,944,702

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

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Underwriting and Investment Exhibit - Part 1 - Premiums Earned

N O N E

Underwriting and Investment Exhibit - Part 1A - Recapitulation of all Premiums

N O N E

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	Direct Business (a)	1	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1+2+3-4-5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates		
1. Fire	683,273			683,273			
2. Allied lines	1,558,088			1,558,088			
3. Farmowners multiple peril							
4. Homeowners multiple peril	911,208			911,208			
5. Commercial multiple peril	9,471,078			9,471,078			
6. Mortgage guaranty							
8. Ocean marine							
9. Inland marine	1,631,957			1,631,957			
10. Financial guaranty							
11.1 Medical professional liability - occurrence							
11.2 Medical professional liability - claims-made	439,349			439,349			
12. Earthquake	80,618			80,618			
13. Group accident and health							
14. Credit accident and health (group and individual)							
15. Other accident and health							
16. Workers' compensation							
17.1 Other liability - occurrence	22,857,858			22,857,858			
17.2 Other liability - claims-made	82,785,550		1,777,500	84,563,050			
17.3 Excess workers' compensation							
18.1 Products liability - occurrence	145,529			145,529			
18.2 Products liability - claims-made							
19.1, 19.2 Private passenger auto liability							
19.3, 19.4 Commercial auto liability	27,659,724		44,591	27,704,315			
21. Auto physical damage	7,978,217		506	7,978,723			
22. Aircraft (all perils)							
23. Fidelity	2,195			2,195			
24. Surety							
26. Burglary and theft	99,259			99,259			
27. Boiler and machinery	252,116			252,116			
28. Credit	287			287			
29. International							
30. Warranty							
31. Reinsurance - nonproportional assumed property	XXX						
32. Reinsurance - nonproportional assumed liability	XXX						
33. Reinsurance - nonproportional assumed financial lines	XXX						
34. Aggregate write-ins for other lines of business							
35. TOTALS	156,556,306		1,822,597	158,378,903			
DETAILS OF WRITE-INS							
3401.							
3402.							
3403.							
3498. Summary of remaining write-ins for Line 34 from overflow page							
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)							

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 -3)				
1. Fire	404,835			404,835				
2. Allied lines	1,609,450			1,609,450				
3. Farmowners multiple peril								
4. Homeowners multiple peril	176,964			176,964				
5. Commercial multiple peril	4,038,347			4,038,347				
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine	279,392			279,392				
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake	1,042			1,042				
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation	176,750			176,750				
17.1 Other liability - occurrence	8,334,636			8,334,636				
17.2 Other liability - claims-made	7,833,982			7,833,982				
17.3 Excess workers' compensation								
18.1 Products liability - occurrence	133,521			133,521				
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability								
19.3, 19.4 Commercial auto liability	15,797,648		106,856	15,904,504				
21. Auto physical damage		3,950,343	377	3,950,720				
22. Aircraft (all perils)								
23. Fidelity		113		.113				
24. Surety								
26. Burglary and theft	(1,454)			(1,454)				
27. Boiler and machinery		46,594		46,594				
28. Credit		5,700		5,700				
29. International								
30. Warranty								
31. Reinsurance - nonproportional assumed property	XXX							
32. Reinsurance - nonproportional assumed liability	XXX							
33. Reinsurance - nonproportional assumed financial lines	XXX							
34. Aggregate write-ins for other lines of business								
35. TOTALS	42,787,863		107,233	42,895,096				
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	1,000		1,000		9,330		9,330		
2. Allied lines	85,900		85,900		59,460		59,460		
3. Farmowners multiple peril									
4. Homeowners multiple peril	43,500		43,500		26,781		26,781		
5. Commercial multiple peril	2,306,269		2,306,269		1,998,962		1,998,962		
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine	136,500		136,500		12,044		12,044		
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made	35,000		35,000		177,129		177,129		
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation	1,891,136		1,891,136		1,098,676		1,098,676		
17.1 Other liability - occurrence	11,452,556		11,452,556		75,580,771		75,581,650		
17.2 Other liability - claims-made	8,803,142		8,803,142		16,343,655		16,343,655		
17.3 Excess workers' compensation									
18.1 Products liability - occurrence	820,500		820,500		999,244		999,244		
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability					(3)		(3)		
19.3, 19.4 Commercial auto liability	12,922,613	61,107	12,983,720		12,355,864	40,162	12,396,026		
21. Auto physical damage	896,103	234	896,337		22,602	(23)	22,579		
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft	200,000		200,000						
27. Boiler and machinery					4,706		4,706		
28. Credit					6,998		6,998		
29. International									
30. Warranty									
31. Reinsurance - nonproportional assumed property	XXX				XXX				
32. Reinsurance - nonproportional assumed liability	XXX				XXX				
33. Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	39,594,219	61,341	39,655,560		108,696,219	41,018	108,737,237		
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)									

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	34,101,109			34,101,109
1.2 Reinsurance assumed	(9,267)			(9,267)
1.3 Reinsurance ceded	34,091,842			34,091,842
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)				
2. Commission and brokerage:				
2.1 Direct excluding contingent		35,292,315		35,292,315
2.2 Reinsurance assumed, excluding contingent		18,357		18,357
2.3 Reinsurance ceded, excluding contingent		35,310,672		35,310,672
2.4 Contingent - direct				
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)				
3. Allowances to managers and agents				
4. Advertising			2	2
5. Boards, bureaus and associations				
6. Surveys and underwriting reports				
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries			9,263	9,263
8.2 Payroll taxes				
9. Employee relations and welfare			1,513	1,513
10. Insurance				
11. Directors' fees			46	46
12. Travel and travel items			234	234
13. Rent and rent items			544	544
14. Equipment			973	973
15. Cost or depreciation of EDP equipment and software			85	85
16. Printing and stationery			5	5
17. Postage, telephone and telegraph, exchange and express			17	17
18. Legal and auditing			244	244
19. Totals (Lines 3 to 18)			12,926	12,926
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$	0			
20.2 Insurance department licenses and fees				
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)				
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses			144	144
25. Total expenses incurred			13,070	(a) 13,070
26. Less unpaid expenses - current year				
27. Add unpaid expenses - prior year				
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)			13,070	13,070
DETAILS OF WRITE-INS				
2401. Other expenses			144	144
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)			144	144

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 299,729	.286,441
1.1 Bonds exempt from U.S. tax	(a) 374,607	.368,045
1.2 Other bonds (unaffiliated)	(a) 101,783	.115,378
1.3 Bonds of affiliates	(a) .....	..
2.1 Preferred stocks (unaffiliated)	(b) .....	..
2.11 Preferred stocks of affiliates	(b) .....	..
2.2 Common stocks (unaffiliated) .....	..	..
2.21 Common stocks of affiliates .....	..	..
3. Mortgage loans	(c) .....	..
4. Real estate	(d) .....	..
5. Contract loans .....	..	..
6. Cash, cash equivalents and short-term investments	(e) 2,956	2,956
7. Derivative instruments	(f) .....	..
8. Other invested assets .....	..	..
9. Aggregate write-ins for investment income .....	..	..
10. Total gross investment income	779,075	772,820
11. Investment expenses	(g) 13,070	..
12. Investment taxes, licenses and fees, excluding federal income taxes	(g) .....	..
13. Interest expense	(h) 284	..
14. Depreciation on real estate and other invested assets	(i) .....	..
15. Aggregate write-ins for deductions from investment income .....	..	209
16. Total deductions (Lines 11 through 15) .....	..	13,563
17. Net investment income (Line 10 minus Line 16) .....	..	759,257
DETAILS OF WRITE-INS		
0901. .....	..	..
0902. .....	..	..
0903. .....	..	..
0998. Summary of remaining write-ins for Line 9 from overflow page .....	..	..
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	..	..
1501. Miscellaneous expense .....	..	209
1502. .....	..	..
1503. .....	..	..
1598. Summary of remaining write-ins for Line 15 from overflow page .....	..	..
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....	..	209

(a) Includes \$ 51,929 accrual of discount less \$ 119,846 amortization of premium and less \$ 3,122 paid for accrued interest on purchases.

(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.

(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.

(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.

(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.

(f) Includes \$ accrual of discount less \$ amortization of premium.

(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes \$ interest on surplus notes and \$ interest on capital notes.

(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	420,518	..	420,518	419,172	..
1.1 Bonds exempt from U.S. tax
1.2 Other bonds (unaffiliated)	(243,945)	..	(243,945)	..	..
1.3 Bonds of affiliates
2.1 Preferred stocks (unaffiliated)
2.11 Preferred stocks of affiliates
2.2 Common stocks (unaffiliated)
2.21 Common stocks of affiliates
3. Mortgage loans
4. Real estate
5. Contract loans
6. Cash, cash equivalents and short-term investments
7. Derivative instruments
8. Other invested assets
9. Aggregate write-ins for capital gains (losses)
10. Total capital gains (losses)	176,573	..	176,573	419,172	..
DETAILS OF WRITE-INS			..	..	..
0901.
0902.
0903.
0998. Summary of remaining write-ins for Line 9 from overflow page
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
EXHIBIT OF NON-ADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	238,236		(238,236)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	36,906	5,962	(30,944)
19. Guaranty funds receivable or on deposit			
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			
23. Receivables from parent, subsidiaries and affiliates	56	25,694	25,638
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	11,250		(11,250)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	286,448	31,656	(254,792)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	286,448	31,656	(254,792)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Miscellaneous	11,250		(11,250)
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	11,250		(11,250)

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory financial statements of Scottsdale Indemnity Company (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Ohio.

The Ohio Insurance Department recognizes only statutory accounting practices (SAP) prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, as well as, determining its solvency under the Ohio Insurance law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

B. Use of Estimates in the Preparation of the Financial Statements

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

C. Accounting Policies

Federal Income Taxes. The Company's parent, Nationwide Mutual Insurance Company (Mutual), files a consolidated federal income tax return, which includes all eligible U.S. affiliates. In this regard, the included subsidiaries pay to Mutual the amount which would have been payable on a separate return basis without regard to the alternative minimum tax. Mutual pays tax due on a consolidated basis.

The Company provides for federal income taxes based on amounts the Company believes it will ultimately owe. Inherent in the provision for federal income taxes are estimates regarding the deductibility of certain expenses and the realization of certain tax credits. In the event the ultimate deductibility of certain expenses or the realization of certain tax credits differs from estimates, the Company may be required to change the provision for federal income taxes recorded in the financial statements which could be significant. Management has used best estimates to establish reserves based on current facts and circumstances regarding tax exposure items where the ultimate deductibility is open to interpretation.

In accordance with guidance specified in the NAIC SAP, the Company utilizes the asset and liability method of accounting for taxes. Under this method, deferred tax assets, net of any non-admitted portion, and deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The change in deferred taxes is charged directly to surplus.

Reinsurance Recoverables. In the normal course of business, the Company reinsures, or cedes, a portion of its insurance risks with other companies in order to reduce net liability on individual risks, to provide protection against the potential impact of large losses, and to obtain greater diversification of risks. The ceding of risk, however, does not discharge the Company from its primary obligation to the policyholder. Reinsurance recoverables include amounts billed to reinsurers on losses paid. Estimates of amounts expected to be recovered from reinsurers that have not yet been paid on unpaid losses are estimated in a manner consistent with the claim liability associated with the underlying policy and are recorded as reductions in total loss and loss adjustment expense (LAE) reserves. Such reinsurance recoverables and reserve reductions partially offset claim costs in the Company's statutory statements of operations and are included as an offset to losses and LAE's in the accompanying statutory statements of admitted assets, liabilities and surplus. The Company regularly evaluates and monitors the financial condition of its reinsurers under voluntary reinsurance arrangements to minimize its exposure to significant losses from reinsurer insolvencies. There are no contracts using deposit accounting as of December 31, 2011 and 2010.

Statutory accounting principles require recognition of a minimum liability for certain unsecured or overdue reinsurance recoverables (100% for unsecured unauthorized reinsurance and up to 20% recoverables from certain reinsurers more than 90 days overdue on their payments). As of December 31, 2011 and 2010, the Company had no provision related to conditional reinsurance recoverables.

In addition, the Company uses the following accounting policies:

1. Short-term investments are carried at amortized cost, which approximates fair value. Short-term investment transactions are recorded on trade date. Interest income is recognized when earned.
2. Bonds, excluding loan-backed and structured securities, are stated at amortized cost except those with a NAIC designation of "3" or below which are stated at the lower of amortized cost or fair value. Bond transactions are recorded on trade date, with the exception of private placement bonds, which are recorded on settlement date. Amortization of purchase premiums and discounts is calculated using the effective yield method. Realized gains and losses are determined on a specific identification basis. For bonds for which active market quotations are available, the Company generally uses independent pricing services to assist in determining the fair value.

Management regularly reviews its bond portfolio to evaluate the necessity of recording impairment losses for other-than-temporary declines in fair value. Many criteria may be considered in this review process including, but not limited to, the timing and amount of cash flows, the ability of the issuer to meet its obligations, financial prospects of the issuer, quality of any underlying collateral, current relevant economic conditions that may impact issuers, severity of the decline in fair value, the Company's intent to sell or the intent and ability to hold the security until its value recovers. For bonds (excluding loan-backed and structured securities) determined to be other-than-temporarily impaired, the cost basis is written down to fair value and the amount of the write-down is recorded as a realized loss.

3. Common stocks, other than investments in stocks of subsidiaries and affiliates (see Note C. 7 below), are stated at fair value. Common stock transactions are recorded on trade date. Realized gains and losses are determined on a specific identification basis. Dividends are recognized when declared. For marketable stocks for which active market quotations are available, the Company generally uses independent pricing services to assist in determining the fair value.

NOTES TO FINANCIAL STATEMENTS

4. Preferred stocks redeemable at par and rated investment grade are stated at amortized cost. Perpetual preferred stocks rated investment grade are stated at fair value. Non-investment grade preferred stocks are stated at the lower of amortized value or fair value. Preferred stock transactions are recorded on trade date. Realized gains and losses are determined on a specific identification basis. Interest income is recognized when earned while dividends are recognized when declared. Preferred stocks not carried at fair value, which are in an unrealized loss position, are evaluated for impairment based on the timing of any anticipated recovery in value and the length of time in a loss position. For declines in value considered to be other-than-temporary, a realized loss to fair value is recorded. For marketable preferred stocks, for which active market quotations are available, the Company generally uses independent pricing services to assist in determining the fair value.
5. Mortgage loans are carried at the unpaid principal balance adjusted for premiums, discounts and certain deferred loan origination and commitment fees, less a valuation allowance. The valuation allowance for mortgage loans reflects management's best estimate of probable credit losses. Management's periodic evaluation of the adequacy of the valuation allowance for losses is based on past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of the underlying collateral, current economic conditions, composition of the loan portfolio and other relevant factors. The Company maintains a valuation allowance for estimated credit losses on mortgage loans which is comprised of specific and non-specific reserves.

Specific reserves for impaired mortgage loans established based on a review by portfolio managers. Mortgage loans are considered impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. When management determines that a loan is impaired, a provision for loss is established equal to either the difference between the carrying value and the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

The non-specific reserve is established for probable losses inherent in the mortgage loan portfolio as of the balance sheet date but not yet specifically identified. The non-specific reserve is based on past loan loss experience, inherent risks in the portfolio, current economic conditions, composition of the loan portfolio and other relevant factors.

Changes in the non-specific reserve are recorded directly in surplus, while changes in the specific reserves are recorded in realized losses.

6. Loan-backed and structured securities (collectively, loan-backed securities) are stated at amortized cost except those with an initial NAIC designation of "3" or below which are stated at the lower of amortized cost or fair value. Amortization of purchase premiums and discounts is calculated using the effective yield method. The Company periodically updates its estimates of cash flows, including new prepayment assumptions, for loan-backed securities. The retrospective adjustment method is used to value loan-backed securities where the collection of all contractual cash flows is probable. For loan-backed securities where the collection of all contractual cash flows is not probable, the Company, (a) recognizes the accretable yield over the life of the loan backed security as determined at the acquisition or transaction date, (b) continues to estimate cash flows expected to be collected at least quarterly, and (c) recognizes an other-than-temporary impairment loss if the loan-backed security is impaired (i.e., the fair value is less than the amortized cost basis) and there is a decrease in the cash flows expected to be collected. If the Company intends to sell an impaired loan-backed security or does not have the intent and ability to retain the impaired loan-backed security for a period of time sufficient to recover the amortized cost basis, an other-than-temporary impairment has occurred. In these situations, the other-than-temporary impairment loss recognized is the difference between the amortized cost basis and fair value. If the Company does not expect to recover the entire amortized cost basis when compared to the present value of cash flows expected to be collected, it cannot assert that it has the ability to recover the loan-backed security's amortized cost basis even though it has no intention to sell and has the intent and ability to retain the loan-backed security. Therefore an other-than-temporary impairment has occurred and a realized loss is recognized for the non-interest related decline, which is calculated as the difference between the loan-backed security's amortized cost basis and the present value of cash flows expected to be collected.

For situations where an other-than-temporary impairment is recognized, the previous amortized cost basis less the other-than-temporary impairment recognized as a realized loss becomes the new cost basis.

Loan-backed security transactions are recorded on the trade date. Realized gains and losses are determined on a specific identification basis. For loan-backed securities for which active market quotations are available, the Company generally uses independent pricing services to assist in determining the fair value.

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

Not applicable.

8. Investments in joint ventures and partnerships are accounted for using the equity method of accounting. Changes in carrying value as a result of the equity method are reflected as net unrealized capital gains and losses as a direct adjustment to surplus. Realized gains and losses are generally recognized through income at the time of disposal or when operating distributions are received. Management reviews the portfolio for the need to record impairments based on the expected ability to recover unrealized losses and the intent to hold the investment until recovery. The reviews include evaluating the current and expected earnings of the individual investments. Other-than-temporary impairment losses are recorded on other invested assets when indicators of impairment are present and are charged to net realized gains and losses.

9. Accounting for derivatives

Not applicable.

10. Insurance premiums are generally earned ratably over the policy term. The liability for unearned premiums represents the portion of premiums written relating to the unexpired terms of coverage. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. Premiums in course of collection represent agent balances and uncollected premiums from policyholders for current policies in force and policy premiums assumed from others, including amounts placed with affiliates. As of December 31, 2011 and 2010, the Company had no liabilities related to premium deficiency reserves. The Company includes anticipated investment income when calculating its premium deficiency reserves, in accordance with SSAP No. 53, Property-Casualty Contracts – Premiums.

NOTES TO FINANCIAL STATEMENTS

11. The Company establishes losses and loss expense reserves for reported claims and claims incurred but not yet reported. Estimating the liability for losses and loss expense reserves involves significant judgment and multiple assumptions. Management considers the Company's experience with similar claims, historical trends, economic factors and judicial, legislative and regulatory changes in establishing reserves. The Company's losses and loss expense reserves are recorded net of reinsurance and amounts expected to be received from salvage (the amount recovered from property after the Company pays for a total loss) and subrogation (the right to recover payments from third parties).

Assumptions and estimates for losses and loss expense reserves are updated as new information becomes available. Due to the inherent uncertainty in estimating losses and loss expense reserves, the actual cost of settling claims may differ materially from recorded amounts. Changes in losses and loss expense reserve estimates are included in results of operations in the period the estimates are revised.
12. The Company has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The Company has not modified its capitalization policy from the prior period.
13. The Company does not write major medical insurance with prescription drug coverage.

Note 2 - Accounting Changes and Corrections of Errors

A. Accounting Changes

Adopted Accounting Standards

On December 31, 2011, the Company adopted revisions to SSAP No. 5, *Liabilities, Contingencies and Impairments of Assets* (SSAP No. 5R) which require insurance entities to recognize, at inception of a guarantee, a liability for the obligations it has undertaken in issuing the guarantee, even if the likelihood of having to make payments under the guarantee is remote. The revised guidance does not require liability recognition for guarantees made to or on behalf of direct or indirect wholly-owned insurance and non-insurance subsidiaries or for guarantees considered unlimited. The Company also adopted additional revisions related to disclosure requirements of SSAP No. 25, *Accounting for and Disclosures about Transactions with Affiliated and Other Related Parties* to correspond with SSAP No. 5R. The guidance is effective for all guarantees issued or outstanding as of December 31, 2011, and disclosure of all guarantees must be reported annually. Refer to Note 14 for the required disclosures and financial impact of this guidance.

On January 1, 2011, the Company adopted changes to the definition of loan-backed and structured securities within SSAP No. 43R, *Loan-backed and Structured Securities*. These changes required certain securities to be reclassified into the loan-backed and structured securities classification and resulted in an immaterial impact to the Company upon adoption. Refer to Note 5 for required disclosures and financial impact.

On December 31, 2009, the Company adopted temporary guidance in SSAP No. 10R, *Income Taxes Revised – A Temporary Replacement of SSAP No. 10*, that requires additional disclosures related to tax planning strategies and provides an election for a qualifying life insurance company to increase within its deferred tax asset admissibility calculation the reversal period from one to three years and its limitation from 10% of statutory capital and surplus to 15%. This guidance is effective for interim and annual reporting periods through December 31, 2011, and will be replaced with the adoption of SSAP No. 101, *Income Taxes*. Refer to Note 9 for the required disclosures and financial impact.

Pending Accounting Standards

On January 1, 2012, the Company adopted a new standard, SSAP No. 101, *Income Taxes*, which supersedes SSAP No. 10R, *Income Taxes Revised – A Temporary Replacement of SSAP No. 10*. The standard applies a 'more likely than not' threshold for the recognition of federal and foreign tax loss contingencies and establishes a new framework for determining the admissibility of deferred tax assets (DTA). The framework sets a three year limit on loss carryback provisions, introduces guardrails for determining the realization period and percentage of capital and surplus companies may use to determine DTA admissibility, and establishes parameters around offsetting DTAs against deferred tax liabilities (DTL) as it relates to the admissibility of a DTA. The standard also adopts new disclosure requirements related to tax planning strategies, the amounts and components used to determine admissible DTA amounts, and information about reasonably possible increases in the total liability for any federal or foreign income tax loss contingencies within twelve months of the reporting date. The Company is currently in the process of determining the impact of adoption of this standard.

Correction of Error

Not applicable.

Note 3 - Business Combinations and Goodwill

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

A. Mortgage Loans

Not applicable.

B. Troubled Debt Restructuring for Creditors

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

1. Prepayment assumptions are generally obtained using a model provided by a third-party vendor.

NOTES TO FINANCIAL STATEMENTS

2. The following table summarizes by quarter other-than-temporary impairments for loan-backed securities recorded during the year because the Company had either the intent to sell the securities or the inability or lack of intent to retain as cited in the table:

	(1) Amortized Cost Basis Before Other-than- Temporary Impairment	(2) Other-than- Temporary Impairment Recognized in Loss	(3) Fair Value 1 - 2
OTTI recognized 1st Quarter			
a. Intent to Sell	\$ -	\$ -	\$ -
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ -	\$ -	\$ -
c. Total 1st Quarter	\$ -	\$ -	\$ -
OTTI recognized 2nd Quarter			
d. Intent to Sell	\$ -	\$ -	\$ -
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ -	\$ -	\$ -
f. Total 2nd Quarter	\$ -	\$ -	\$ -
OTTI recognized 3rd Quarter			
g. Intent to Sell	\$ -	\$ -	\$ -
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ -	\$ -	\$ -
i. Total 3rd Quarter	\$ -	\$ -	\$ -
OTTI recognized 4th Quarter			
j. Intent to Sell	\$ -	\$ -	\$ -
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ -	\$ -	\$ -
l. Total 4th Quarter	\$ -	\$ -	\$ -
m. Annual Aggregate Total	\$ -		

3. The following table summarizes other-than-temporary impairments for loan-backed securities held at the end of the quarter based on the fact that the present value of projected cash flows expected to be collected was less than the amortized cost of the securities:

(1) CUSIP	(2) Amortized Cost Before Current Period OTTI	(3) Present Value of Projected Cash Flows	(4) Recognized Other-Than- Temporary Impairment	(5) Amortized Cost After Other-Than- Temporary Impairment	(6) Fair Value at time of OTTI	(7) Date of Financial Statement Where Reported
Total		\$ -				

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	\$ (3,565)
2. 12 Months or Longer	\$ -

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

1. Less than 12 Months	\$ 9,530,000
2. 12 Months or Longer	\$ -

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-temporally 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.

NOTES TO FINANCIAL STATEMENTS

If the severity and duration of the security's unrealized loss indicates a risk of an other-than-temporary impairment, then 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 and Securities Lending Transactions

1. For repurchase agreements, Company policy requires a minimum of 102% of the fair value of securities purchased under repurchase agreements to be maintained as collateral. Cash collateral received is invested in short-term investments and the offsetting collateral liability is included in aggregate write-ins for liabilities. There were no open repurchase agreements as of year-end. The Company does not participate in securities lending.
2. No assets were pledged as collateral as of year-end.
3. The Company has not accepted collateral as of year-end.
4. Not applicable.
5. Not applicable.

F. Real Estate

Not applicable.

G. Low-Income Housing Tax Credits

Not applicable.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

Not applicable.

B. Write-downs for Impairments

Not applicable.

Note 7 - Investment Income

A. Accrued Investment Income

The Company nonadmits investment income due and accrued if amounts are over 90 days past due with the exception of mortgage loans in default which are nonadmitted if amounts are over 180 days past due.

B. Amounts Nonadmitted

The total amount of investment income nonadmitted at December 31, 2011 is \$0.

Note 8 - Derivative Instruments

Not applicable.

Note 9 - Income Taxes

A. The net deferred tax asset/(liability) at December 31 and the change from the prior year are comprised of the following components:

	12/31/2011			12/31/2010			Ordinary	Change Capital	Total
	Ordinary	Capital	Total	Ordinary	Capital	Total			
(1a) Gross deferred tax assets	3,957	205,525	209,482	8,994	72,918	81,912	(5,037)	132,607	127,570
(1b) Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
(1c) Adjusted gross deferred tax assets	3,957	205,525	209,482	8,994	72,918	81,912	(5,037)	132,607	127,570
(2) Total deferred tax liabilities	-	146,710	146,710	-	59,568	59,568	-	87,142	87,142
(3) Net deferred tax asset (liability)	3,957	58,815	62,772	8,994	13,350	22,344	(5,037)	45,465	40,428
(4) Deferred tax assets nonadmitted	3,165	33,741	36,906	5,962	-	5,962	(2,797)	33,741	30,944
(5) Net admitted deferred tax asset (liability)	\$ 792	\$ 25,074	\$ 25,866	\$ 3,032	\$ 13,350	\$ 16,382	\$ (2,240)	\$ 11,724	\$ 9,484

The change in deferred income taxes reported in surplus before consideration of nonadmitted assets is comprised of the following components:

	12/31/2011			12/31/2010			Ordinary	Change Capital	Total
	Ordinary	Capital	Total	Ordinary	Capital	Total			
(6) Net deferred tax asset (liability)	3,957	58,815	62,772	8,994	13,350	22,344	(5,037)	45,465	40,428
(7) Tax-effect of unrealized gains and losses	-	(146,710)	(146,710)	-	(59,568)	(59,568)	-	(87,142)	(87,142)
(8) Prior period adjustment	-	-	-	-	-	-	-	-	-
(9) Net tax effect without unrealized gains and losses and prior period adjustment	\$ 3,957	\$ 205,525	\$ 209,482	\$ 8,994	\$ 72,918	\$ 81,912	\$ (5,037)	\$ 132,607	\$ 127,570
(10) Change in deferred income tax									\$ 127,570

(11) The Company has not elected to admit deferred tax assets pursuant to SSAP No. 10R, paragraph 10e for the reporting period 2011 and 2010.

(12) Admission Calculation Components - SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:

	12/31/2011			12/31/2010			Ordinary	Change Capital	Total
	Ordinary	Capital	Total	Ordinary	Capital	Total			
SSAP No. 10R, Paragraph 10.a.	-	-	-	1,799	-	1,799	(1,799)	-	(1,799)
SSAP No. 10R, Paragraph 10.b.	792	25,074	25,866	-	14,583	14,583	792	10,491	11,283
(the lesser of paragraph 10.b.i. and 10.b.ii. below)									
SSAP No. 10R, Paragraph 10.b.i.	792	25,074	25,866	-	14,583	14,583	792	10,491	11,283
SSAP No. 10R, Paragraph 10.b.ii.				3,495,810		3,379,082			116,728
Paragraph 10.c	-	146,710	146,710	1,233	58,335	59,568	(1,233)	88,375	87,142
Total	\$ 792	\$ 171,784	\$ 172,576	\$ 3,032	\$ 72,918	\$ 75,950	\$ (2,240)	\$ 98,866	\$ 96,626

Admission Calculation Components - SSAP No. 10R, Paragraph 10.e.:

SSAP No. 10R, Paragraph 10.e.i.	-	-	-	-	-	-	-	-	-
SSAP No. 10R, Paragraph 10.e.ii.	-	-	-	-	-	-	-	-	-
(the lesser of paragraph 10.e.ii.a. and 10.e.ii.b. below)									
SSAP No. 10R, Paragraph 10.e.ii.a.	-	-	-	-	-	-	-	-	-
SSAP No. 10R, Paragraph 10.e.ii.b.	-	-	-	-	-	-	-	-	-
Paragraph 10.e.iii.	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY

NOTES TO FINANCIAL STATEMENTS

Used in SSAP No. 10R, Paragraph 10.d.

Total Adjusted Capital \$ - \$ - \$ -

Authorized Control Level \$ - \$ - \$ -

(13)	Impact of Tax Planning Strategies	12/31/2011			12/31/2010			Ordinary Percent	Change Capital Percent	Total Percent
		Ordinary Percent	Capital Percent	Total Percent	Ordinary Percent	Capital Percent	Total Percent			
	Adjusted Gross DTAs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Net Admitted Adjusted Gross DTAs	0.00%	96.94%	96.94%	0.00%	89.02%	89.02%	0.00%	7.92%	7.92%
(14)	Risk Based Capital Summary		12/31/2011			12/31/2010				
	SSAP No. 10R, Paragraphs 10.a., 10.b., and 10.c.:	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Change Capital	Total
	Admitted DTAs	-	-	\$ -	-	-	\$ -	-	\$ -	-
	Admitted assets	-	-	\$ -	-	-	\$ -	-	\$ -	-
	Adjusted Statutory surplus	-	-	\$ -	-	-	\$ -	-	\$ -	-
	Total adjusted capital from DTAs	-	-	\$ -	-	-	\$ -	-	\$ -	-
	Increases due to SSAP No. 10R, Paragraph 10e.:									
	Admitted DTAs	-	-	\$ -	-	-	\$ -	-	\$ -	-
	Admitted assets	-	-	\$ -	-	-	\$ -	-	\$ -	-
	Statutory surplus	-	-	\$ -	-	-	\$ -	-	\$ -	-

B. Unrecognized deferred tax liabilities

(1) There are no temporary differences for which deferred tax liabilities are not recognized.

C. Current income tax incurred consist of the following major components:

	12/31/2011	12/31/2010	Change
(1) Federal	321,319	181,327	139,992
(2) Foreign Tax	-	-	-
Subtotal	\$ 321,319	\$ 181,327	\$ 139,992
(3) Federal income tax on net capital gains	40,176	870	39,306
(4) Utilization of capital loss carry-forwards	-	-	-
(5) Other	-	-	-
(6) Federal and foreign income taxes incurred	<u>\$ 361,495</u>	<u>\$ 182,197</u>	<u>\$ 179,298</u>

Deferred income tax assets and liabilities consist of the following major components:

	12/31/2011	12/31/2010	Change
Deferred Tax Assets			
a) Ordinary			
1) Discounting of unpaid losses	-	-	-
2) Unearned premium reserve	-	-	-
3) Policyholder reserves	-	-	-
4) Investments	-	-	-
5) Deferred acquisition costs	-	-	-
6) Policyholder dividends accrual	-	-	-
7) Fixed assets	-	-	-
8) Compensation and benefits accrual	-	-	-
9) Pension accrual	-	-	-
10) Receivables - nonadmitted	-	-	-
11) Net operating loss carry-forward	-	-	-
12) Tax credit carry-forward	-	-	-
13) Non-admitted miscellaneous	3,957	8,994	(5,037)
14) Other liabilities	-	-	-
15) Intangibles	-	-	-
16) Non-admitted premiums and agent bal	-	-	-
17) Other	-	-	-
Subtotal	\$ 3,957	\$ 8,994	\$ (5,037)
b) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
c) Nonadmitted	\$ 3,165	\$ 5,962	\$ (2,797)
d) Admitted ordinary deferred tax assets	\$ 792	\$ 3,032	\$ (2,240)
e) Capital			
1) Investments	205,525	72,918	132,607
2) Net capital loss carry-forward	-	-	-
3) Real estate	-	-	-
4) Other	-	-	-
Subtotal	\$ 205,525	\$ 72,918	\$ 132,607
f) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
g) Nonadmitted	\$ 33,741	\$ -	\$ 33,741
h) Admitted capital deferred tax assets	\$ 171,784	\$ 72,918	\$ 98,866
i) Admitted deferred tax assets	<u>\$ 172,576</u>	<u>\$ 75,950</u>	<u>\$ 96,626</u>

Deferred Tax Liabilities

	12/31/2011	12/31/2010	Change
Deferred Tax Liabilities			
a) Ordinary			
1) Investments	-	-	-
2) Fixed assets	-	-	-
3) Deferred and uncollected premiums	-	-	-
4) Policyholder reserves	-	-	-
5) Pension accrual	-	-	-
6) Guaranty assessments	-	-	-
7) Unearned surcharge income	-	-	-
8) Prepaid expenses	-	-	-
9) Surplus note interest accrual	-	-	-
10) Section 338 gain	-	-	-
11) Unrealized miscellaneous	-	-	-
12) Compensation and benefits accrual	-	-	-
13) Other	-	-	-
Subtotal	\$ -	\$ -	\$ -
b) Capital			
1) Investments	146,710	59,568	87,142
2) Real estate	-	-	-
3) Other	-	-	-
Subtotal	\$ 146,710	\$ 59,568	\$ 87,142
c) Deferred tax liabilities	<u>\$ 146,710</u>	<u>\$ 59,568</u>	<u>\$ 87,142</u>
Net deferred tax assets/liabilities	<u>\$ 25,866</u>	<u>\$ 16,382</u>	<u>\$ 9,484</u>

The Company's gross deferred tax assets based on the weight of available evidence are more likely than not to be realized (a likelihood of more than 50 percent)

D. The income tax incurred and change in deferred income tax differs from the amount obtained by applying the federal statutory rate of 35% to income before tax as follows:

	12/31/2011	12/31/2010
(1) Current income taxes incurred	361,495	182,197
(2) Change in deferred income tax (without tax on unrealized gains and losses)	(127,570)	(66,666)
(3) Total income tax reported	<u>\$ 233,925</u>	<u>\$ 115,531</u>
(4) Income before taxes	\$ 935,830	\$ 707,311
(5) Expected income tax expense (benefit) at 35% statutory rate	35%	35%
	<u>\$ 327,541</u>	<u>\$ 247,559</u>

NOTES TO FINANCIAL STATEMENTS

(6) Increase (decrease) in actual tax reported resulting from:

a.	Dividends received deduction	-	-
b.	Nondeductible expenses for meals, penalties, and lobbying	-	-
c.	Tax-exempt income	(98,651)	(123,083)
d.	Deferred tax benefit on nonadmitted assets	5,036	(8,993)
e.	Change in Statutory valuation allowance adjustment	-	-
g.	Change in tax reserves	-	-
h.	Intangibles	-	-
i.	Tax credits	-	-
j.	Other	(1)	48

(7) Total income tax reported

\$ 233,925 \$ 115,531

E. Operating loss carryforward

(1) As of December 31, operating loss or tax credit carryforwards are available as follows:

	Amount	Origination	Expiration
Operating loss carryforwards			
Amount of AMT tax credits			
Business credits			

(2) The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are:

2011	\$ -
2010	\$ -

F. Consolidated federal income tax return

(1) The Company's federal income tax return is consolidated with the following entities:

AGMC Reinsurance, Ltd.	Nationwide Retirement Solutions, Inc. of Ohio
Allied General Agency Company	Nationwide Retirement Solutions, Inc. of Texas
Allied Group, Inc.	Nationwide Retirement Solutions Insurance
Allied Insurance Company of America	Agency, Inc.
Allied Property and Casualty Insurance Company	Nationwide SA Capital Trust
Allied Texas Agency, Inc.	Nationwide Sales Solutions, Inc.
AMCO Insurance Company	NFS Distributors, Inc.
American Marine Underwriters, Inc.	NWD Asset Management Holdings, Inc.
Crestbrook Insurance Company	NWD Investment Management, Inc.
Depositors Insurance Company	NWD Management & Research Trust
DVM Insurance Agency, Inc.	Pension Associates, Inc.
Freedom Specialty Insurance Company	Pet Healthcare Services, Inc.
Insurance Intermediaries, Inc.	Premier Agency, Inc.
Lone Star General Agency, Inc.	Provfirst America Corporation
National Casualty Company	Provident Mutual Holding Company
Nationwide Advantage Mortgage Company	Registered Investment Advisors Services, Inc.
Nationwide Affinity Insurance Company of America	Riverview International Group, Inc.
Nationwide Agribusiness Insurance Company	Scottsdale Indemnity Company
Nationwide Assurance Company	Scottsdale Insurance Company
Nationwide Bank	Scottsdale Surplus Lines Insurance Company
Nationwide Cash Management Company	THI Holdings (Delaware), Inc.
Nationwide Corporation	Titan Auto Insurance of New Mexico, Inc.
Nationwide Financial General Agency, Inc.	Titan Indemnity Company
Nationwide Financial Institution Distribution	Titan Insurance Company
Agency, Inc.	Titan Insurance Services, Inc.
Nationwide Financial Services, Inc.	V.P.I. Services, Inc.
Nationwide General Insurance Company	Veterinary Pet Insurance Company
Nationwide Global Holdings, Inc.	Veterinary Pet Insurance Services, Inc.
Nationwide Global Ventures, Inc.	Victoria Automobile Insurance Company
Nationwide Indemnity Company	Victoria Fire & Casualty Company
Nationwide Insurance Company of America	Victoria National Insurance Company
Nationwide Insurance Company of Florida	Victoria Select Insurance Company
Nationwide Lloyds	Victoria Specialty Insurance Company
Nationwide Mutual Insurance Company	WI of Florida, Inc.
Nationwide Property and Casualty Ins. Company	Western Heritage Insurance Company
Nationwide Retirement Solutions, Inc.	Whitehall Holdings, Inc.
Nationwide Retirement Solutions, Inc. of Arizona	

2. The method of allocation among the companies is subject to the resolution approved by the Board of Directors. Allocation is based upon separate return or sub-group aggregated separate return calculations with the company being reimbursed for the actual Federal income tax benefit of its net operating losses which are actually used to reduce the taxable income of other companies in the consolidated return.

3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

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

A. Nature of Relationships

All outstanding shares of the Company are owned by Mutual, domiciled in the State of Ohio.

Bonds and stocks, if any, owned, acquired or disposed of in any year by the Company in any subsidiary or affiliate are set forth in Schedule D of either this statement or those of prior years. Intercompany relationships and specific holdings are detailed in the Nationwide Corporate Organizational Chart, which appears as Schedule Y of this statement.

NOTES TO FINANCIAL STATEMENTS

The Company is a party to various reinsurance agreements including a pooling agreement with several affiliated companies. See Note 26.

The Company and various affiliates have entered into agreements with Nationwide Cash Management Company (NCMC) a subsidiary of the Company, under which NCMC acts as a common agent in handling the purchases and sales of short-term securities for the respective accounts of the participants. Amounts on deposit with NCMC were \$2.2 million and \$8.9 million as of December 31, 2011 and 2010, respectively, and are included in short-term investments on the accompanying statutory statements of admitted assets, liabilities, capital and surplus.

B. Detail of Transactions Greater than 1/2 % of Admitted Assets

Not applicable.

C. Change in Terms of Intercompany Arrangements

Effective January 1, 2011, Mutual changed the pooling arrangements under which several affiliated companies cede all their direct and assumed business to the pool. See Note 26.

D. Amounts Due to or from Related Parties

Affiliate receivables and payables are the result of cost sharing and intercompany service agreements between the Company and its parent and affiliates in which settlement has not yet occurred. Affiliate receivables are presented gross of affiliate payables when the Company has the right to offset. The Company reported \$2.0 million and \$2.7 million due to parent at December 31, 2011 and 2010, respectively. The Company reported gross amounts of \$0 and \$7.2 million due from parent and affiliates and \$11.3 million and \$5.1 million due to parent and affiliates at December 31, 2011 and 2010, respectively. These arrangements are subject to written agreements which require that intercompany balances be settled within 30 days.

E. Guarantees or Undertakings for Related Parties

The Company has no guarantees or contingent commitments to affiliates other than indicated in Note 14 A.

F. Management, Service Contracts, Cost Sharing Arrangements

The Company shares its home office, other facilities, equipment, and common management and administrative services with its subsidiaries and affiliates. Pursuant to a cost sharing agreement between the companies, the amounts associated with these services are subject to allocation based on standard allocation techniques and procedures acceptable under general cost accounting techniques and procedures in conformity with the NAIC's statutory accounting practices and procedures. Measures used to determine the allocation among companies includes individual employee estimates of time spent, special cost studies, the number of full-time employees, and other methods agreed to by the participating companies. The Company does not believe amounts recognized under the intercompany agreement are materially different than what would have been recognized had the Company operated on a stand-alone basis.

G. Nature of Relationships that Could Affect Operations

Not applicable.

H. Amount Deducted for Investment in Upstream Company

Not applicable.

I. Detail of Investment in Affiliates Greater than 10% of Admitted Assets

The Company does not hold any investments in affiliates.

J. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

Not applicable.

K. Investment in a foreign insurance subsidiary

Not applicable.

L. Downstream Holding Company

Not applicable.

Note 11 - Debt

A. All Other Debt

Not applicable.

B. Funding Agreements with Federal Home Loan Bank (FHLB)

Not applicable.

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

A. Defined Benefit Plans

Not applicable.

B. Defined Contribution Plans

Not applicable.

C. Multiemployer Plans

Not applicable.

NOTES TO FINANCIAL STATEMENTS

- D. Consolidated/Holding Company Plans
Not applicable.
- E. Postemployment Benefits and Compensated Absences
Not applicable.
- F. Impact of Medicare Modernization Act on Postretirement Benefits
Not applicable.

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

- A. Outstanding Shares
The Company has 100,000 shares of \$60 par value common stock authorized and 50,000 shares issued and outstanding.
- B. Dividend Rate of Preferred Stock
The Company has no preferred stock outstanding.
- C. Dividend Restrictions
The maximum amount of dividends which can be paid to shareholders by a State of Ohio domiciled insurance company without prior approval of the Director of Insurance is limited to, together with that of other dividends or distributions made within the preceding 12 months, the greater of either 10% of surplus as regards policyholders as of the preceding December 31, or the net income of the previous calendar year. Additionally, any dividend or distribution paid from other than earned surplus shall require prior approval of the Director of Insurance. Subject to applicable regulatory approval(s), dividends are paid as determined by the insurer's board of directors.
- D. Dividends Paid
No dividends were paid by the Company during 2011 and 2010.
- E. Profits Available for Ordinary Dividends
Within the limitations of (C) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to shareholders.
- F. Restrictions on Surplus
There is no restriction on the use of the Company's unassigned surplus and such surplus is held for the benefit of the shareholder.
- G. Advances to Surplus Not Repaid
Not applicable.
- H. Stock Held by Company for Special Purposes
Not applicable.
- I. Changes in Special Surplus Funds
Not applicable.
- J. Changes in Unassigned Funds
The portion of unassigned funds (surplus) represented by cumulative unrealized capital gains is \$589,366 less applicable deferred taxes of \$146,710, for a net unrealized capital gain of \$442,656.
- K. Surplus Notes
Not applicable.
- L. and M. Quasi Reorganizations
Not applicable.

Note 14 – Contingencies

- A. Contingent Commitments
The Company has no commitments or contingent commitment to affiliates or other entities. As indicated in Note 10 E, the Company has made no guarantees on behalf of affiliates.
- B. Guaranty Fund and Other Assessments
The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. Other assessments should be accrued either at the time of assessments or in the case of premium based assessments, at the time the premiums are written. In the case of loss-based assessments, the assessments should be accrued at the time the losses are incurred.
As outlined in Note 26, the Company participated in a 100% quota share reinsurance agreement with Scottsdale Insurance Company. Therefore, the accrued liability for guaranty fund and other assessments and the related premium tax benefit have been ceded indirectly to Mutual.
- C. Gain Contingencies
Not applicable.

NOTES TO FINANCIAL STATEMENTS

- D. Claims Related Extra Contractual Obligations and bad Faith Losses Stemming From Lawsuits
 - Not applicable.
- E. Product Warranties
 - Not applicable.
- F. All Other Contingencies
 - Various lawsuits arise against the Company in the normal course of the Company's business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company.

Note 15 – Leases

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

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

- A. Financial Instruments with Off-Balance Sheet Risk
 - Not applicable.
- B. Financial Instruments with Concentrations of Credit Risk
 - Not applicable.
- C. Exposure to Credit-Related Losses
 - Not applicable.
- D. Collateral Policy
 - Not applicable.

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

- A. Transfers of Receivables Reported as Sales
 - Not applicable.
- B. Transfers and Servicing of Financial Assets
 - 1. There were no assets or liabilities obtained in transfers of financial assets where it was not practicable to estimate their fair value.
 - 2. The Company does not participate in securities lending.
 - 3. No servicing assets or liabilities were recognized during the period.
 - 4. There were no assets securitized during the period.
 - 5. There were no retained interests since there were no securitized financial assets.
 - 6. There were no transfers of receivables with recourse.
- 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

- A. Administrative Services Only (ASO) Plans
 - Not applicable.
- B. Administrative Services Contract (ASC) Plans
 - Not applicable.
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts
 - Not applicable.

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

- Not applicable.

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.

NOTES TO FINANCIAL STATEMENTS

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.

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.

No assets or liabilities were carried at fair value as of December 31, 2011.

Note 21 - Other Items

A. Extraordinary Items

Not applicable.

B. Troubled Debt Restructuring for Debtors

Not applicable.

C. Other Disclosures

Not applicable.

D. Uncollectible Premiums Receivable

Not applicable.

E. Business Interruption Insurance Recoveries

Not applicable.

F. State Transferable and Non-Transferable Tax Credits

Not applicable.

G. Subprime Mortgage Related Risk Exposure

In general, recent market activity has negatively impacted the valuation of securities containing sub-prime collateral, which are classifications of investments in which the Company invests. The Company evaluates many characteristics when classifying collateral as sub-prime, including the credit quality of the borrower as defined by Fair Isaac Credit Organization (FICO) scores, as well as other factors, such as loan-to-value ratios and type of real estate.

As of December 31, 2011, all of the Company's exposure to investments containing sub-prime collateral is isolated to the mortgage-backed and asset-backed securities. When making investments in mortgage-backed or asset-backed securities, the Company evaluates the quality of the underlying collateral, the structure of the transaction (which dictates how losses in the underlying collateral will be distributed) and prepayment risks.

As of December 31, 2011, the Company has no exposure to investments containing sub-prime collateral in any asset categorization.

NOTES TO FINANCIAL STATEMENTS

Note 22 - Events Subsequent

Subsequent events have been considered through February 7, 2012 for these statutory financial statements which are to be issued February 10, 2012. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

The Company does not have an unsecured aggregate recoverable for paid and unpaid losses, loss adjustment expenses and unearned premiums from any individual reinsurer, authorized or unauthorized, that exceeds 3% of policyholders' surplus.

B. Reinsurance Recoverable in Dispute

The Company does not have reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus from an individual reinsurer or exceed 10% of policyholders' surplus in aggregate.

C. Reinsurance Assumed and Ceded

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2011.

(000's)	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates	\$0	\$0	\$72,338	\$16,128	(\$72,338)	(\$16,128)
b. All Others	1,269	13	0	0	\$1,269	\$13
c. Totals	\$1,269	\$13	\$72,338	\$16,128	(\$71,069)	(\$16,115)
d. Direct Unearned Premium Reserve				\$71,069		

2. Certain agency agreements and ceded reinsurance contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2011 are as follows:

(\$000's) Description	Direct	Assumed	Ceded	Net
a. Contingent Commissions	\$0	\$0	\$0	\$0
b. Sliding Scale Adjustments	0	0	0	0
c. Other Profit Commissions	0	0	0	0
d. Totals	\$0	\$0	\$0	\$0

D. Uncollectible Reinsurance

No reinsurance recoverables were written off during 2011.

E. Commutation of Ceded Reinsurance

The Company did not enter into any commutation during 2011.

F. Retroactive Reinsurance

There was no retroactive reinsurance affected during 2011.

G. Reinsurance Accounted for as a Deposit

There were no reinsurance agreements that were accounted for as deposits during 2011.

H. There was no transfer of any property and casualty run-off agreements requiring approval of regulators and qualifying under SSAP No. 62R, Property and Casualty Reinsurance, to receive property & casualty run-off accounting treatment.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

The Company is a participant in a 100% quota share reinsurance agreement with Scottsdale Insurance Company (as disclosed in Note 26), and as such has zero net incurred losses and loss adjustment expenses.

Note 26 - Intercompany Pooling Arrangements

Effective January 1, 2011 the following companies became participants in a pooling reinsurance agreement with Mutual (NAIC # 23787) whereby Mutual retains 83.7% of the pool results: Nationwide Mutual Fire Insurance Company (NAIC # 23779), Scottsdale Insurance Company (NAIC # 41297), Farmland Mutual Insurance Company (NAIC # 13838), Nationwide General Insurance Company (NAIC # 23760), Nationwide Property & Casualty Insurance Company (NAIC # 37877), Nationwide Affinity Insurance Company of America (NAIC # 26093), Crestbrook Insurance Company (NAIC # 18961), Allied Insurance Company of America (NAIC # 10127), AMCO Insurance Company (NAIC # 19100), Allied Property & Casualty Insurance Company (NAIC # 42579), Depositors Insurance Company (NAIC # 42587), Nationwide Agribusiness Insurance Company (NAIC # 28223), Victoria Fire & Casualty Insurance Company (NAIC # 42889), Victoria Automobile Insurance Company (NAIC # 10644), Victoria Specialty Insurance Company (NAIC # 10777), Victoria Select Insurance Company (NAIC # 10105), and Victoria National Insurance Company (NAIC # 10778).

All lines of business are subject to the pooling agreement.

There are no discrepancies related to the pooled business between the assumed and ceded reinsurance schedules of the pool participants.

NOTES TO FINANCIAL STATEMENTS

The following companies are covered under a 100% quota share reinsurance agreement with Mutual: Nationwide Assurance Company, Titan Insurance Company, Titan Indemnity Company, Nationwide Lloyds Insurance Company, Nationwide Insurance Company of America, National Casualty Company, and Colonial County Mutual Insurance Company. Mutual then cedes this business into the Nationwide Pool.

Scottsdale Surplus Lines Insurance Company, Western Heritage Insurance Company, Scottsdale Indemnity Company and Freedom Specialty Insurance Company are covered under a 100% quota share reinsurance agreement with Scottsdale Insurance Company. Scottsdale Insurance Company then cedes this business to Mutual.

Mutual is the lead company in the Nationwide Pool. The companies receiving business from the Nationwide Pool are:

	<u>NAIC #</u>	<u>POOL</u>
Nationwide Mutual Insurance Company (Lead Insurer)	23787	83.7%
Nationwide Mutual Fire Insurance Company	23779	11.3%
Scottsdale Insurance Company	41297	4.0%
Farmland Mutual Insurance Company	13838	1.0%

Amounts due to/from the lead entity and pool participants as of December 31, 2011:

Name of Insurer	Amounts Receivable	Amounts Payable
Nationwide Mutual Insurance Company (Lead Insurer)	905,336,376	31,254,615
Nationwide Mutual Fire Insurance Company	6,905,610	313,043,439
Scottsdale Insurance Company	28,343,668	-
Farmland Mutual Insurance Company	36,457,203	15,973,668
Nationwide General Insurance Company	297	118,678,238
Nationwide Property & Casualty Insurance Company	5,419,953	265,047,950
Nationwide Affinity Insurance Company of America	2,259,935	147,848,288
Crestbrook Insurance Company	62,589	27,853
Allied Insurance Company of America	-	3,164
AMCO Insurance Company	9,141,273	128,654,533
Allied Property & Casualty Insurance Company	1,054,719	7,806,700
Depositors Insurance Company	527,922	1,168,163
Nationwide Agribusiness Insurance Company	60,588,552	1,821,314
Victoria Fire & Casualty Insurance Company	5,220,175	21,549,997
Victoria Automobile Insurance Company	640,653	824,508
Victoria Specialty Insurance Company	1,427,466	3,668,438
Victoria Select Insurance Company	1,188,464	2,365,167
Victoria National Insurance Company	1,979	360

Note 27 - Structured Settlements

- A. Reserves Released due to Purchases of Annuities
Not applicable.
- B. Annuity Insurers with Balances due Greater than 1% of Policyholders' Surplus
Not applicable.

Note 28 - Health Care Receivables

- A. Pharmaceutical Rebate Receivables
Not applicable.
- B. Risk Sharing Receivables
Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

The Company evaluated the need to record a premium deficiency reserve as of December 31, 2011 and determined there was no premium deficiency. This evaluation was completed on January 9, 2012. The Company does anticipate investment income when evaluating the need for premium deficiency reserves.

Note 31 - High Deductibles

Not applicable.

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

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

NOTES TO FINANCIAL STATEMENTS

Note 33 - Asbestos/Environmental Reserves

Not applicable.

Note 34 - Subscriber Savings Accounts

Not applicable.

Note 35 - Multiple Peril Crop Insurance

Not applicable.

Note 36 – Financial Guaranty Insurance

A. and B. Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
GENERAL INTERROGATORIES

**PART 1 - COMMON INTERROGATORIES
 GENERAL**

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No []

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] N/A []

1.3 State Regulating? OH

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: _____

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/29/2008

3.4 By what department or departments?
 OH

3.5 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 []

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A []

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
 4.11 sales of new business? Yes [] No []
 4.12 renewals? Yes [] No []

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
 4.21 sales of new business? Yes [] No []
 4.22 renewals? Yes [] No []

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []

5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No []

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No []

7.2 If yes,
 7.21 State the percentage of foreign control; %
 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity
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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
 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 [X] No []
 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
Nationwide Bank	Columbus, OH	NO	YES	NO	NO	NO
Nationwide Mutual Insurance Company	Columbus, OH	YES	NO	NO	NO	NO
Nationwide Mutual Fire Insurance Company	Columbus, OH	YES	NO	NO	NO	NO
Nationwide Corporation	Columbus, OH	YES	NO	NO	NO	NO
Nationwide Financial Services, Inc.	Columbus, OH	YES	NO	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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 KPMG LLP, 191 W. Nationwide Blvd., Suite 500, Columbus, OH 43215

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
 10.2 If the response to 10.1 is yes, provide information related to this exemption:
 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
 10.4 If the response to 10.3 is yes, provide information related to this exemption:
 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
 10.6 If the response to 10.5 is no or n/a, please explain
 11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 Kenneth A. Levine, FCAS, MAAA, Scottsdale Insurance, 8877 N. Gainey Center Drive, Scottsdale, AZ 85258, Nationwide Elected Officer
 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved
 12.13 Total book/adjusted carrying value \$
 12.2 If, yes provide explanation:
 13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
 14.1 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? Yes [X] No []
 (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.
 14.11 If the response to 14.1 is No, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
GENERAL INTERROGATORIES

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [] No [X]
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 20.11 To directors or other officers \$
 20.12 To stockholders not officers \$
 20.13 Trustees, supreme or grand (Fraternal Only) \$
 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
 20.21 To directors or other officers \$
 20.22 To stockholders not officers \$
 20.23 Trustees, supreme or grand (Fraternal Only) \$
 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
 21.2 If yes, state the amount thereof at December 31 of the current year:
 21.21 Rented from others \$
 21.22 Borrowed from others \$
 21.23 Leased from others \$
 21.24 Other \$
 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
 22.2 If answer is yes:
 22.21 Amount paid as losses or risk adjustment \$
 22.22 Amount paid as expenses \$
 22.23 Other amounts paid \$
 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes [] No [X]
 24.2 If no, give full and complete information relating thereto
 Held on Deposit with States
 24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 N/A
 24.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. \$
 24.6 If answer to 24.4 is no, report amount of collateral for other programs. \$
 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
 24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3). Yes [X] No []

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

25.21 Subject to repurchase agreements	\$
25.22 Subject to reverse repurchase agreements	\$
25.23 Subject to dollar repurchase agreements	\$
25.24 Subject to reverse dollar repurchase agreements	\$
25.25 Pledged as collateral	\$
25.26 Placed under option agreements	\$
25.27 Letter stock or other securities restricted as to sale	\$
25.28 On deposit with state or other regulatory body	\$
25.29 Other	\$ 4,375,812

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

28. 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 []

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

1 Name of Custodian(s)	2 Custodian's Address
The Bank of New York Mellon	1 Wall Street, New York, NY 10286

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
GENERAL INTERROGATORIES

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [] No [X]
 29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	33,076,652	35,827,352	2,750,700
30.2 Preferred stocks			
30.3 Totals	33,076,652	35,827,352	2,750,700

30.4 Describe the sources or methods utilized in determining the fair values:

For fixed maturity and marketable equity securities for which market quotations generally are available, Nationwide generally uses independent pricing services to assist in determining the fair value measurement. For certain fixed maturity securities not priced by independent services (generally private placement securities without quoted market prices), an internally developed pricing model or "corporate pricing matrix" is most often used. The corporate pricing matrix is developed by obtaining private spreads versus the U.S. Treasury yield for corporate securities with varying weighted average lives and bond ratings. The weighted average life and bond rating of a particular fixed maturity security to be priced using the corporate matrix are important inputs into the model and are used to determine a corresponding spread that is added to the U.S. Treasury yield to create an estimated market yield for that bond. The estimated market yield and other relevant factors are then used to estimate the fair value of the particular fixed maturity security. Nationwide also utilized broker quotes to assist in pricing securities or to validate modeled prices.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []
 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No [X]
 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
 Nationwide relies on broker valuations only when an approved third party vendor evaluation is not available. Any exceptions are approved by Risk Management and the Middle Office and reviewed by the Investments Pricing Committee. The brokers used to value securities are deemed to be main market makers for each individual security and therefore have in depth knowledge of the particular issue.

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
All payments are made by Nationwide Mutual Insurance Company and are reported in its Annual Statement.	
.....

34.1 Amount of payments for legal expenses, if any?\$

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

1 Name	2 Amount Paid
All payments are made by Nationwide Mutual Insurance Company and are reported in its Annual Statement.	
.....

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

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

1 Name	2 Amount Paid
All payments are made by Nationwide Mutual Insurance Company and are reported in its Annual Statement.	
.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [] No [X]
1.2	If yes, indicate premium earned on U. S. business only.	\$
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$
1.31	Reason for excluding	
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$
1.5	Indicate total incurred claims on all Medicare Supplement Insurance.	\$
1.6	Individual policies:	Most current three years: 1.61 Total premium earned \$
		1.62 Total incurred claims \$
		1.63 Number of covered lives
		All years prior to most current three years 1.64 Total premium earned \$
		1.65 Total incurred claims \$
		1.66 Number of covered lives
1.7	Group policies:	Most current three years: 1.71 Total premium earned \$
		1.72 Total incurred claims \$
		1.73 Number of covered lives
		All years prior to most current three years 1.74 Total premium earned \$
		1.75 Total incurred claims \$
		1.76 Number of covered lives
2.	Health Test:	1 Current Year 2 Prior Year
2.1	Premium Numerator	
2.2	Premium Denominator	
2.3	Premium Ratio (2.1/2.2)	0.000 0.000
2.4	Reserve Numerator	
2.5	Reserve Denominator	(575,313) (100,043)
2.6	Reserve Ratio (2.4/2.5)	0.000 0.000
3.1	Does the reporting entity issue both participating and non-participating policies?	Yes [] No [X]
3.2	If yes, state the amount of calendar year premiums written on:	3.21 Participating policies \$
		3.22 Non-participating policies \$
4.	For mutual reporting Entities and Reciprocal Exchanges Only:	
4.1	Does the reporting entity issue assessable policies?	Yes [] No []
4.2	Does the reporting entity issue non-assessable policies?	Yes [] No []
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?	%
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$
5.	For Reciprocal Exchanges Only:	
5.1	Does the Exchange appoint local agents?	Yes [] No []
5.2	If yes, is the commission paid:	5.21 Out of Attorney's-in-fact compensation..... Yes [] No [] N/A [] 5.22 As a direct expense of the exchange..... Yes [] No [] N/A []
5.3	What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?	
5.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?	Yes [] No []
5.5	If yes, give full information	

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
The Company's net exposure, if any, ultimately is 100% ceded to the Nationwide Mutual Insurance Company Pool under a quota share reinsurance agreement. No retained exposure

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
The Company's net exposure, if any, ultimately is 100% ceded to the Nationwide Mutual Insurance Company Pool under a quota share reinsurance agreement. The Company's property exposures are aggregated with the other Nationwide companies and modeled using Applied Insurance Research (AIR) CLASIC/2.

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
The Company's net property-catastrophe exposures, if any, are mitigated through managed coastal growth, purchase of excess of loss reinsurance, policy provisions such as higher deductibles, and enforcement of underwriting guidelines related to building construction, etc.

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No []

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.

7.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)? Yes [] No [X]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions:

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [] No []

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]

8.2 If yes, give full information
.....

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or Yes [] No [X]
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [] No [X]

11.2 If yes, give full information
.....

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
12.11 Unpaid losses \$
12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$

12.2 Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds \$

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [X] N/A []

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
12.41 From %
12.42 To %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]

12.6 If yes, state the amount thereof at December 31 of the current year:
12.61 Letters of credit \$
12.62 Collateral and other funds \$

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 1

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Companies that are not part of the Nationwide Mutual Insurance Company Pooling and Quota Share Arrangements receive a fair and equitable allocation of ceded premium and loss. The terms of the Nationwide Pooling and Quota Share Agreements govern the allocation and recording of ceded premium and loss for the participating companies.

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [X]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [] No [X]

14.5 If the answer to 14.4 is no, please explain:
Written agreements are in place for all multi-cedant reinsurance treaties that cover any company that does not participate in the Nationwide Mutual Insurance Company Pooling and Quota Share Arrangements.

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]

15.2 If yes, give full information
.....

16.1 Does the reporting entity write any warranty business? Yes [] No [X]
If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home					
16.12 Products					
16.13 Automobile					
16.14 Other*					

* Disclose type of coverage:
.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5? Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$
17.12 Unfunded portion of Interrogatory 17.11	\$
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$
17.14 Case reserves portion of Interrogatory 17.11	\$
17.15 Incurred but not reported portion of Interrogatory 17.11	\$
17.16 Unearned premium portion of Interrogatory 17.11	\$
17.17 Contingent commission portion of Interrogatory 17.11	\$

Provide the following information for all other amounts included in Schedule F - Part 3 and excluded from Schedule F - Part 5, not included above.

17.18 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$
17.19 Unfunded portion of Interrogatory 17.18	\$
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$
17.21 Case reserves portion of Interrogatory 17.18	\$
17.22 Incurred but not reported portion of Interrogatory 17.18	\$
17.23 Unearned premium portion of Interrogatory 17.18	\$
17.24 Contingent commission portion of Interrogatory 17.18	\$

18.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

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

18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
FIVE-YEAR HISTORICAL DATA

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

	1 2011	2 2010	3 2009	4 2008	5 2007
Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	135,710,101	128,015,536	113,410,354	82,848,196	68,605,308
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	12,031,918	8,633,803	8,839,179	8,952,771	10,965,733
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	10,634,402	8,335,799	7,009,906	7,851,076	8,347,207
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	2,482	983	3,208	21,495	27,171
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	158,378,903	144,986,121	129,262,647	99,673,538	87,945,419
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)					
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)					
14. Net investment gain or (loss) (Line 11)	895,654	706,441	787,062	713,355	812,603
15. Total other income (Line 15)					
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	321,319	181,327	74,272	117,572	210,322
18. Net income (Line 20)	574,335	525,114	712,790	595,783	602,281
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	55,550,716	50,325,030	46,191,141	32,323,322	22,195,240
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	11,975,916	100,676	314	(262,247)	
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	20,580,993	16,372,686	12,921,743	14,301,138	4,768,971
22. Losses (Page 3, Line 1)					
23. Loss adjustment expenses (Page 3, Line 3)					
24. Unearned premiums (Page 3, Line 9)					
25. Capital paid up (Page 3, Lines 30 & 31)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	34,969,723	33,952,344	33,269,398	18,022,184	17,426,269
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(14,511,690)	1,067,433	(7,528,974)	10,047,475	(1,565,764)
Risk-Based Capital Analysis					
28. Total adjusted capital	34,969,723	33,952,334	33,269,398	18,022,184	17,426,269
29. Authorized control level risk-based capital	95,667	194,669	162,726	300,016	76,825
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	93.8	74.9	35.1	87.4	95.6
31. Stocks (Lines 2.1 & 2.2)					
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	6.2	25.0	64.9	12.6	4.3
35. Contract loans (Line 6)					
36. Derivatives (Line 7)			XXX	XXX	XXX
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)		0.0	0.0	0.1	0.1
39. Securities lending reinvested collateral assets (Line 10)			XXX	XXX	XXX
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47					
49. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)					

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24)	332,030	110,625			
51. Dividends to stockholders (Line 35)					
52. Change in surplus as regards policyholders for the year (Line 38)	1,017,379	682,946	15,247,214	595,915	606,964
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
53. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	32,383,393	27,192,746	29,618,757	25,011,411	31,845,745
54. Property lines (Lines 1, 2, 9, 12, 21 & 26)	6,243,985	5,943,428	4,434,594	5,372,351	5,271,528
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	4,261,905	2,890,020	1,030,717	3,071,978	2,954,927
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	5,813	9,115	39,576	6,200	41,668
57. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
58. Total (Line 35)	42,895,096	36,035,309	35,123,644	33,461,940	40,113,868
Net Losses Paid (Page 9, Part 2, Col. 4)					
59. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
60. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
63. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
64. Total (Line 35)					
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2)					
67. Loss expenses incurred (Line 3)					
68. Other underwriting expenses incurred (Line 4)					
69. Net underwriting gain (loss) (Line 8)					
Other Percentages					
70. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)					
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)					
72. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)					
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)					
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100.0)	0.0	0.0	0.0	0.0	0.0
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)					
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0)	0.0	0.0	0.0	0.0	0.0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior	XXX	XXX	XXX	.176	.176	.75	.75					XXX	
2. 2002	88,028	88,028		46,079	46,079	6,840	6,840	1,588	1,588			XXX	
3. 2003	87,705	87,705		37,079	37,079	6,870	6,870	1,729	1,729			XXX	
4. 2004	92,340	92,340		28,289	28,289	6,543	6,543	1,169	1,169			XXX	
5. 2005	85,219	85,219		37,730	37,730	8,052	8,052	1,722	1,722			XXX	
6. 2006	76,870	76,870		35,994	35,994	7,333	7,333	3,009	3,009			XXX	
7. 2007	89,450	89,450		30,693	30,693	5,601	5,601	2,534	2,534			XXX	
8. 2008	88,972	88,972		25,823	25,823	3,589	3,589	2,619	2,619			XXX	
9. 2009	114,662	114,662		23,772	23,772	3,853	3,853	4,103	4,103			XXX	
10. 2010	135,747	135,747		23,497	23,497	6,729	6,729	4,455	4,455			XXX	
11. 2011	155,100	155,100		12,174	12,174	1,428	1,428	2,986	2,986			XXX	
12. Totals	XXX	XXX	XXX	301,306	301,306	56,914	56,914	25,915	25,915			XXX	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed			
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR									
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded						
1. Prior	2,902	2,902	1,522	1,522	640	.640	204	.204					XXX			
2. 2002	.27	27	.81	.81	.81	.81	.74	.74	.34	.34			XXX			
3. 2003	.93	93	.77	.77	.46	.46	111	111	.13	.13			XXX			
4. 2004	587	587	173	173	226	226	187	187	.34	.34			XXX			
5. 2005	392	392	398	398	342	342	384	384	.52	.52			XXX			
6. 2006	676	676	.856	.856	852	852	.631	.631	.113	.113			XXX			
7. 2007	2,377	2,377	1,588	1,588	522	522	1,139	1,139	.181	.181			XXX			
8. 2008	4,756	4,756	7,097	7,097	1,173	1,173	1,722	1,722	.331	.331			XXX			
9. 2009	5,954	5,954	18,611	18,611	2,867	2,867	3,629	3,629	1,059	1,059			XXX			
10. 2010	11,198	11,198	30,978	30,978	8,417	8,417	7,053	7,053	2,356	2,356			XXX			
11. 2011	10,695	10,695	47,355	47,355	4,690	4,690	14,984	14,984	3,940	3,940			XXX			
12. Totals	39,656	39,656	108,737	108,737	19,856	19,856	30,118	30,118	8,112	8,112			XXX			

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense	Losses Unpaid	Loss Expenses Unpaid	
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2. 2002	54,803	54,803		62.3	62.3						
3. 2003	46,018	46,018		52.5	52.5						
4. 2004	37,207	37,207		40.3	40.3						
5. 2005	49,074	49,074		57.6	57.6						
6. 2006	49,464	49,464		64.3	64.3						
7. 2007	44,635	44,635		49.9	49.9						
8. 2008	47,109	47,109		52.9	52.9						
9. 2009	63,848	63,848		55.7	55.7						
10. 2010	94,683	94,683		69.7	69.7						
11. 2011	98,251	98,251		63.3	63.3						
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior			4	4	5	5	5	5	5	5		
2. 2002												
3. 2003	XXX											
4. 2004	XXX	XXX										
5. 2005	XXX	XXX	XXX									
6. 2006	XXX	XXX	XXX	XXX								
7. 2007	XXX	XXX	XXX	XXX	XXX							
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011		
1. Prior	.000		4	5	5	5	5	5	5	5	XXX	XXX
2. 2002											XXX	XXX
3. 2003	XXX										XXX	XXX
4. 2004	XXX	XXX									XXX	XXX
5. 2005	XXX	XXX	XXX								XXX	XXX
6. 2006	XXX	XXX	XXX	XXX							XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2002	2	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011		
1. Prior												
2. 2002												
3. 2003	XXX											
4. 2004	XXX	XXX										
5. 2005	XXX	XXX	XX									
6. 2006	XXX	XXX	XX	XXX								
7. 2007	XXX	XXX	XXX	XXX	XXX							
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

NONE

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

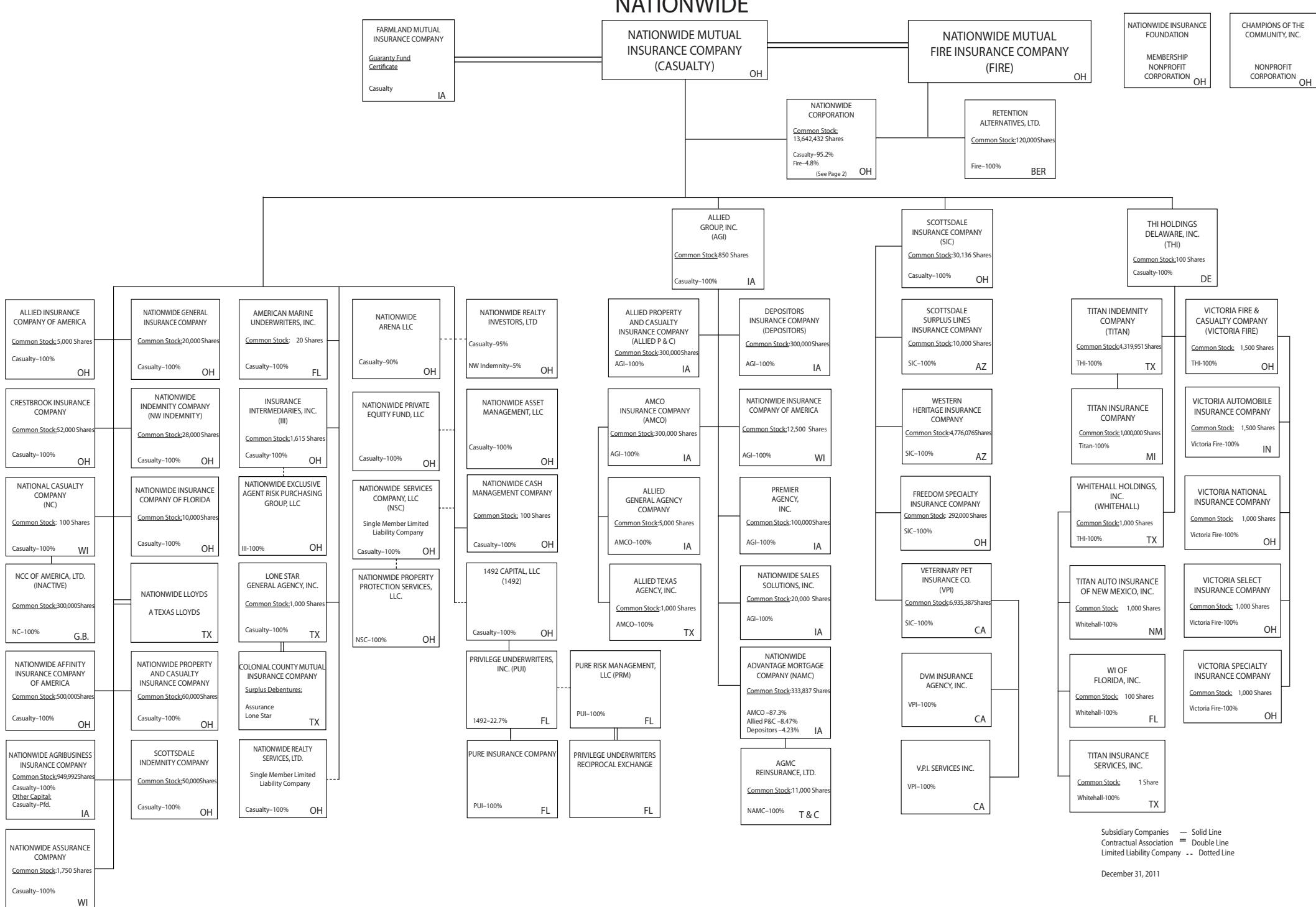
States, Etc.	Active Status	1 Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written 3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
1. Alabama	AL	2,133,147	1,939,200	760,302	1,037,385	1,063,484		
2. Alaska	AK	1,300	1,232		89	253		
3. Arizona	AZ	12,135,739	12,420,542	8,479,058	5,855,468	16,029,015		
4. Arkansas	AR	301,849	510,491	102,078	152,431	618,339		
5. California	CA	44,911,473	39,205,031	12,145,353	17,986,668	37,037,771		
6. Colorado	CO	1,942,770	1,783,010	89,955	335,160	1,222,205		
7. Connecticut	CT							
8. Delaware	DE	4,035,516	4,128,263	675,148	348,471	2,995,161		8,681
9. District of Columbia	DC	511,816	873,954	33,000	263,441	1,109,331		
10. Florida	FL	11,360,451	9,520,368	2,952,111	4,063,875	5,582,322		
11. Georgia	GA	3,622,478	3,827,401	1,943,663	2,978,619	3,705,132		
12. Hawaii	HI	366,604	336,528	612	65,219	158,654		
13. Idaho	ID							
14. Illinois	IL	6,001,920	6,542,002	2,003,204	2,733,179	7,084,729		
15. Indiana	IN	2,337,916	2,329,810	1,854,536	1,540,241	1,874,638		
16. Iowa	IA	1,099,139	1,051,890		296,870	766,090		
17. Kansas	KS	637,774	574,460	19,572	30,681	461,485		
18. Kentucky	KY	1,508,029	1,311,099	161,866	402,352	804,043		
19. Louisiana	LA	69,502	198,375		81,406	126,197		
20. Maine	ME	76,895	62,514		20,602	25,368		
21. Maryland	MD	2,437,054	2,781,348	157,160	373,762	2,131,711		
22. Massachusetts	MA	N.						
23. Michigan	MI	2,122,956	2,582,867	484,992	1,150,480	4,365,017		
24. Minnesota	MN	4,834,745	4,233,800	539,662	1,683,547	2,967,500		
25. Mississippi	MS	462,161	433,139	14,000	56,407	167,443		
26. Missouri	MO	1,479,125	1,602,563	253,646	971,934	1,737,998		
27. Montana	MT	183,287	179,855	23,150	27,171	63,987		
28. Nebraska	NE	634,123	594,301	5,236	84,396	437,785		
29. Nevada	NV	1,200,234	1,031,676	29,030	390,896	657,226		
30. New Hampshire	NH	N.						
31. New Jersey	NJ	N.						
32. New Mexico	NM	621,819	503,569	240,187	188,301	298,772		
33. New York	NY	9,281,441	14,644,351	141,439	5,585,828	19,346,841		
34. North Carolina	NC	2,901,396	2,989,420	1,054,318	1,551,663	2,976,325		
35. North Dakota	ND	174,413	136,698		65,828	91,365		
36. Ohio	OH	4,264,411	4,025,789	1,516,469	1,494,115	4,158,064	100	
37. Oklahoma	OK	N.						
38. Oregon	OR	1,537,370	1,413,865	267,206	427,260	663,752		
39. Pennsylvania	PA	3,925,883	4,414,549	865,096	1,627,745	4,401,486	100	
40. Rhode Island	RI	291,761	305,179	68,350	125,405	160,870		
41. South Carolina	SC	748,823	703,470	132,808	280,772	463,809		
42. South Dakota	SD	187,856	166,050		(1,800)	.96,230		
43. Tennessee	TN	1,270,022	1,424,836	328,998	468,067	1,163,033		
44. Texas	TX	11,590,624	9,916,163	1,396,795	4,242,962	9,846,357	290	
45. Utah	UT	1,594,067	1,380,404	431,167	811,492	666,587		
46. Vermont	VT	8,050	8,050	570	402,427	662,627		
47. Virginia	VA	2,615,931	2,208,384	1,211,910	1,963,243	2,732,185	100	
48. Washington	WA	6,034,219	5,474,299	1,599,890	2,496,035	2,613,251		
49. West Virginia	WV	898,566	846,401	710,812	681,578	1,494,502		
50. Wisconsin	WI	1,575,278	1,387,307	102,366	233,613	755,838		
51. Wyoming	WY	275,846	285,599	(7,854)	11,020	.49,747		
52. American Samoa	AS	N.						
53. Guam	GU	N.						
54. Puerto Rico	PR	N.						
55. U.S. Virgin Islands	VI	N.						
56. Northern Mariana Islands	MP	N.						
57. Canada	CN	E	68,072	78,530	31,756	.83,485		
58. Aggregate other alien..	OT	XXX	282,455	589,010	.666,224	2,372,003		
59. Totals		(a) 45	156,556,306	152,957,642	42,787,861	66,284,136	148,290,440	590
								8,681
		DETAILS OF WRITE-INS						
5801. Bermuda		XXX	(61,006)	305,848		537,385	2,243,164	
5802. Ireland		XXX	343,461	283,162		128,839	128,839	
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	282,455	589,010		666,224	2,372,003	

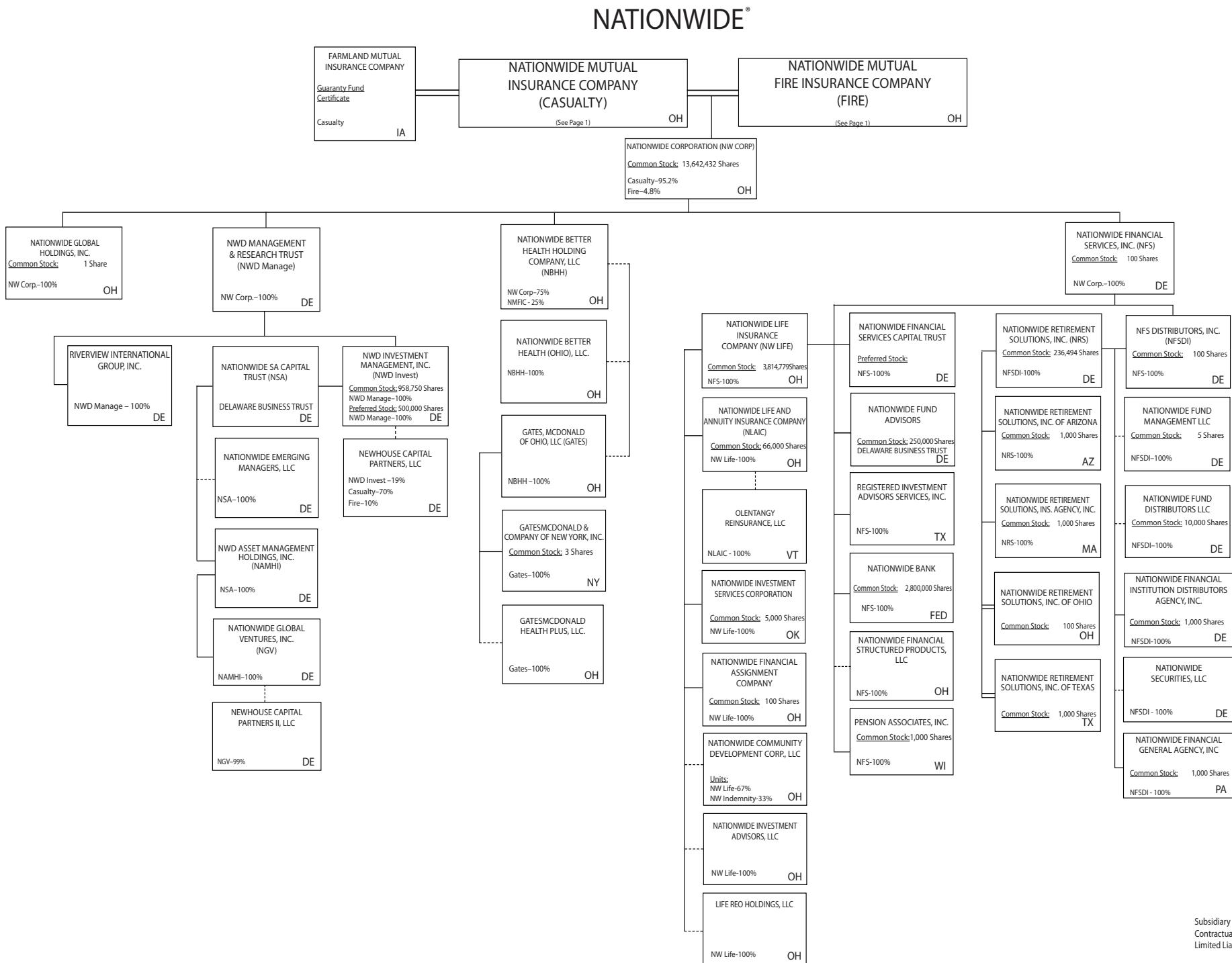
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

Premiums are allocated to those states where the insured risks are located: principle garage for automobile, physical address for homeowners, commercial multiple peril and other liability and main place of work for workers' compensation. Allocation of premiums for individual and group health insurance is based on the situs of the contract.

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





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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE SCOTTSDALE INDEMNITY COMPANY
OVERFLOW PAGE FOR WRITE-INS

NONE

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