

**QUARTERLY STATEMENT**AS OF MARCH 31, 2002  
OF THE CONDITION AND AFFAIRS OF THE**Central Benefits Assurance Company**

NAIC Group Code	0759 (Current Period)	0759 (Prior Period)	NAIC Company Code	18465	Employer's ID Number	31-1125378
Organized under the Laws of		Ohio	, State of Domicile or Port of Entry		Ohio	
Country of Domicile						
Incorporated		01/11/1985	Commenced Business		10/01/1985	
Statutory Home Office		716 Mt. Airyshire Blvd. (Street and Number)			Columbus, OH 43235 (City or Town, State and Zip Code)	
Main Administrative Office		716 Mt. Airyshire Blvd. (Street and Number)			614-797-5200 (Area Code) (Telephone Number) (Extension)	
		Columbus, OH 43235 (City or Town, State and Zip Code)				
Mail Address		P.O. Box 16526 (Street and Number or P.O. Box)			Columbus, OH 43215 (City or Town, State and Zip Code)	
Primary Location of Books and Records		716 Mt. Airyshire Blvd. (Street and Number)			614-797-5200 (Area Code) (Telephone Number)	
		Columbus, OH 43235 (City or Town, State and Zip Code)				
Internet Website Address		www.centralbenefits.com				
Statement Contact		Aaron R Hibbs (Name)			614-797-5184 (Area Code) (Telephone Number) (Extension)	
		ahibbs@cenben.com (E-mail Address)			614-797-5106 (FAX Number)	
Policyowner Relations Contact		716 Mt. Airyshire Blvd. (Street and Number)			614-797-5200 (Area Code) (Telephone Number) (Extension)	
		Columbus, OH 43235 (City or Town, State and Zip Code)				

**OFFICERS**

President	John Bertram Reinhardt Jr.	Secretary	William Charles Mechling
Treasurer	Joseph Henry Hoffman		

**VICE PRESIDENTS**

Ted Michael Georges	William Charles Mechling	Scott Matthew Vandergriff
Joseph Henry Hoffman		

**DIRECTORS OR TRUSTEES**

John Bertram Reinhardt Jr.	Ted Michael Georges	William Charles Mechling
Joseph Henry Hoffman	Scott Matthew Vandergriff	

State of ..... OHIO ..... }  
County of ..... FRANKLIN ..... } ss

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

John Bertram Reinhardt Jr.  
President

William Charles Mechling  
Secretary

Joseph Henry Hoffman  
Treasurer

Subscribed and sworn to before me this  
day of MAY, 2002

**STATEMENT AS OF MARCH 31, 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY**

**ASSETS**

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	2,513,019		2,513,019	2,512,857
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... and short-term investments \$ ..... 122,670 ) .....	122,670		122,670	67,239
6. Other invested assets .....				
7. Receivable for securities .....				
8. Aggregate write-ins for invested assets .....				
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	2,635,689		2,635,689	2,580,096
10. Agents' balances or uncollected premiums .....				
10.1 Premiums and agents' balances in course of collection .....				
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
10.3 Accrued retrospective premiums .....				
11. Funds held by or deposited with reinsured companies .....				
12. Bills receivable, taken for premiums .....				
13. Amounts billed and receivable under high deductible policies .....				
14. Reinsurance recoverables on loss and loss adjustment expense payments .....				
15. Federal and foreign income tax recoverable and interest thereon (including \$ ..... net deferred tax asset) .....				
16. Guaranty funds receivable or on deposit .....				
17. Electronic data processing equipment and software .....				
18. Interest, dividends and real estate income due and accrued .....	26,994		26,994	44,221
19. Net adjustments in assets and liabilities due to foreign exchange rates .....				
20. Receivable from parent, subsidiaries and affiliates .....				
21. Amounts due from /to protected cells .....				
22. Equities and deposits in pools and associations .....				
23. Amounts receivable relating to uninsured accident and health plans .....				
24. Other assets nonadmitted .....				
25. Aggregate write-ins for other than invested assets .....				
26. Total assets excluding protected cell assets (Lines 9 through 25) .....	2,662,683		2,662,683	2,624,317
27. Protected cell assets .....				
28. TOTALS (Lines 26 and 27) .....	2,662,683		2,662,683	2,624,317
DETAILS OF WRITE-INS				
0801. .....				
0802. .....				
0803. .....				
0898. Summary of remaining write-ins for Line 8 from overflow page .....				
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above) .....				
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) .....				

**STATEMENT AS OF MARCH 31, 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ ..... )		
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses		
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. Federal and foreign income taxes [including \$ ..... on realized capital gains (losses)] (including \$ ..... net deferred tax liability)		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... ).		
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Payable for securities		
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$ ..... and interest thereon \$ .....		
23. Aggregate write-ins for liabilities		
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)		
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)		
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	1,000,000	1,000,000
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	1,662,683	1,624,317
33. Unassigned funds (surplus)		
34. Less treasury stock, at cost		
34.1 ..... shares common (value included in Line 28 \$ ..... )		
34.2 ..... shares preferred (value included in Line 29 \$ ..... )		
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	2,662,683	2,624,317
36. TOTALS	2,662,683	2,624,317
<b>DETAILS OF WRITE-INS</b>		
2301.		
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)		
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)		

**STATEMENT AS OF MARCH 31, 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY**

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ ..... )			
1.2 Assumed (written \$ ..... )			
1.3 Ceded (written \$ ..... )			
1.4 Net (written \$ ..... )			
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ ..... ):			
2.1 Direct			
2.2 Assumed			
2.3 Ceded			
2.4 Net			
3. Loss expenses incurred			
4. Other underwriting expenses incurred			
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2.4 thru 5)			
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)			
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	38,366	0	77,682
10. Net realized capital gains or (losses)			10,290
11. Net investment gain (loss) (Lines 9 + 10)	38,366	0	87,972
<b>OTHER INCOME</b>			
12. Net gain or (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 and before federal and foreign income taxes (Lines 8 + 11 + 15)	38,366	0	87,972
17. Dividends to policyholders			
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17)	38,366	0	87,972
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19)(to Line 22)	38,366	0	87,972
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	2,624,317		
<b>GAINS AND (LOSSES) IN SURPLUS</b>			
22. Net income (from Line 20)	38,366	0	87,972
23. Net unrealized capital gains or losses			
24. Change in net unrealized foreign exchange capital gain (loss)			
25. Change in net deferred income tax			
26. Change in nonadmitted assets			
27. Change in provision for reinsurance			
28. Change in surplus notes			
29. Surplus (contributed to) withdrawn from protected cells			
30. Cumulative effect of changes in accounting principles			
31. Capital changes:			
31.1 Paid in			1,000,000
31.2 Transferred from surplus (Stock Dividend)			
31.3 Transferred to surplus			
32. Surplus adjustments:			
32.1 Paid in		0	1,536,345
32.2 Transferred to capital (Stock Dividend)			
32.3 Transferred from capital			
33. Net remittances from or (to) Home Office			
34. Dividends to stockholders			
35. Change in treasury stock			
36. Aggregate write-ins for gains and losses in surplus			
37. Change in surplus as regards policyholders (Lines 22 through 36)	38,366	0	2,624,317
38. Surplus as regards policyholders, as of statement date (Lines 21 plus 37)	2,662,683	0	2,624,317
<b>DETAILS OF WRITE-INS</b>			
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)			
3601.			
3602.			
3603.			
3698. Summary of remaining write-ins for Line 36 from overflow page			
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above)			

**STATEMENT AS OF MARCH 31, 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY**

**CASH FLOW**

	1 Current Year to Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....		
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....		
3. Underwriting expenses paid .....		
4. Other underwriting income (expenses) .....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....		
6. Net investment income .....	55,431	37,536
7. Other income (expenses):		
7.1 Agents' balances charged off .....		
7.2 Net funds held under reinsurance treaties .....		
7.3 Net amount withheld or retained for account of others .....		
7.4 Aggregate write-ins for miscellaneous items .....		
7.5 Total other income (Lines 7.1 to 7.4) .....		
8. Dividends to policyholders on direct business , less \$ dividends on reinsurance assumed or ceded (net) .....		
9. Federal and foreign income taxes (paid) recovered .....		
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	55,431	37,536
<b>Cash from Investments</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....		1,541,367
11.2 Stocks .....		
11.3 Mortgage loans .....		
11.4 Real estate .....		
11.5 Other invested assets .....		
11.6 Net gains or (losses) on cash and short-term investments .....		
11.7 Miscellaneous proceeds .....		
11.8 Total investment proceeds (Lines 11.1 to 11.7) .....	0	1,541,367
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....		4,048,009
12.2 Stocks .....		
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....		
12.6 Miscellaneous applications .....		
12.7 Total investments acquired (Lines 12.1 to 12.6) .....	0	4,048,009
13. Net Cash from investments (Line 11.8 minus Line 12.7) .....	0	(2,506,642)
<b>Cash from Financing and Miscellaneous Sources</b>		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in .....		2,536,345
14.2 Capital notes \$ less amounts repaid \$ .....		
14.3 Net transfers from affiliates .....		
14.4 Borrowed funds received .....		
14.5 Other cash provided .....		
14.6 Total (Lines 14.1 to 14.5) .....	0	2,536,345
15. Cash applied:		
15.1 Dividends to stockholders paid .....		
15.2 Net transfers to affiliates .....		
15.3 Borrowed funds repaid .....		
15.4 Other applications .....		
15.5 Total (Lines 15.1 to 15.4) .....		
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	0	2,536,345
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16) .....	55,431	67,239
18. Cash and short-term investments:		
18.1 Beginning of year .....	67,239	
18.2 End of year (Line 17 plus Line 18.1) .....	122,670	67,239
<b>DETAILS OF WRITE-INS</b>		
07.401 .....		
07.402 .....		
07.403 .....		
07.498 Summary of remaining write-ins for Line 7.4 from overflow page .....		
07.499 Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above) .....		

# STATEMENT AS OF MARCH 31, 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Accounting Policies

The accompanying financial statements of Central Benefits Assurance Company (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the Insurance Department of the State of Ohio.

Although the Company was incorporated in January, 1985 and commenced business in October, 1985, it has been dormant since 1986. The most recent annual statement filing was made for 1985. In May, 2001, the parent company (Central Benefits Mutual Insurance Company) reactivated the Company.

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the State prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual effective January 1, 2001, subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner.

### 2. Accounting Changes and Corrections of Errors

Not applicable

### 3. Business Combinations and Goodwill

Not applicable.

### 4. Discontinued Operations

Not applicable.

### 5. Investments

#### A. Mortgage Loans

Not applicable.

#### B. Debt Restructuring

Not applicable.

#### C. Reverse Mortgages

Not applicable.

#### D. Loan-Backed Securities

- (1) The Company has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date.
- (2) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.
- (3) The Company uses Conning Asset Management as its investment manager. Conning uses the NAIC Securities Valuation Office (SVO) pricing service in determining the market value of the Company's loan-backed securities. In the event that no SVO value exists for a security, Conning records the book value as the market value.
- (4) Not applicable.

#### E. Repurchase Agreements

Not applicable.

### 6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable.

### 7. Investment Income

- A. Due and accrued income is excluded from investment income on bonds where collection of interest is uncertain.
- B. No such income was excluded from investment income in the first quarter 2002.

### 8. Derivative Instruments

Not applicable.

### 9. Income Taxes

- A. Not applicable.
- B. Not applicable.

## NOTES TO FINANCIAL STATEMENTS

- C. Not applicable.
- D. Not applicable.
- E. Not applicable.
- F. The Company will file a consolidated federal income tax return with the following entities: Central Benefits Mutual Insurance Company (parent), Central Benefits National Life Insurance Company, Central Benefits Holding Company, Central Benefits Plan, Inc., Central Benefits Administrators, Inc. and Central Benefits Managed Care Corporation.

The parent intends to use a method of allocation based upon separate calculations as though each subsidiary filed a separate return, including credits for net losses. The method of allocation between companies is subject to written agreement.

### 10. Information Concerning Parent, Subsidiaries and Affiliates

- A.-E. Not applicable.
- F. The parent allocates administrative costs in accordance with generally accepted accounting principals based on claims, contracts, productive hours and other relevant statistical data to the Company.
- G. All outstanding shares of the Company are owned by the parent, Central Benefits Mutual Insurance Company, a mutual life insurance company domiciled in the District of Columbia.

### 11. Debt

Not applicable.

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Not applicable.

### 13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- (1) The Company has 1,000 shares authorized, and 1,000 shares issued and outstanding of common stock. The par value of the stock is \$1,000 per share.
- (2) The Company has no preferred stock authorized or outstanding.
- (3) The payment of dividends is subject to Section 3901.34 of the Ohio Insurance Code in that any dividend to shareholders cannot reduce surplus to an amount less than 50% of the capital stock of the company. Management has no present plans to recommend to the Board of Directors the declaration of a cash dividend to its shareholder.

(4-12) Not applicable.

### 14. Contingencies

Not applicable.

### 15. Leases

Not applicable.

### 16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not applicable.

### 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable.

### 18. Gain or Loss from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

Not applicable.

### 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

### 20. Other Items

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### **21. Events Subsequent**

Not applicable.

### **22. Reinsurance**

Not applicable.

### **23. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

Not applicable.

### **24. Change in Incurred Losses and Loss Adjustment Expenses**

Not applicable.

### **25. Intercompany Pooling Arrangements**

Not applicable.

### **26. Structured Settlements**

Not applicable.

### **27. High Deductibles**

Not applicable.

### **28. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

Not applicable.

### **29. Asbestos/Environmental Reserves**

Not applicable.

### **30. Subscriber Savings Accounts**

Not applicable.

### **31. Financial Guaranty Insurance Exposures**

Not applicable.

**STATEMENT AS OF MARCH 31, 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY****GENERAL INTERROGATORIES**

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

**PART 1 - COMMON INTERROGATORIES  
GENERAL**

1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? ..... Yes [ ] No [X]

1.2 If yes, explain:

.....

2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [X]

2.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]

3.1 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 [X]

3.2 If yes, date of change: ..... If not previously filed, furnish herewith a certified copy of the instrument as amended.

4. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]

If yes, attach an organizational chart.

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

5.2 If yes, provide the name of 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. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [X] NA [ ]

If yes, attach an explanation.

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

7.2 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. ....

7.3 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). ....

7.4 By what department or departments?

No Financial Report has been made yet, when a report is made it will be done by the Ohio Department of Insurance.....

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) ..... Yes [ ] No [X]

8.2 If yes, give full information:

.....

**STATEMENT AS OF MARCH 31, 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY**

**GENERAL INTERROGATORIES**

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

**INVESTMENT**

9.1 Has there been any change in the reporting entity's own preferred or common stock? ..... Yes [ ] No [X]

9.2 If yes, explain:

.....

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [X]

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

.....

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ ..... 0

12. Amount of real estate and mortgages held in short-term investments: ..... \$ ..... 0

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [ ] No [X]

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds .....	\$ .....	\$ .....
13.22 Preferred Stock .....	\$ .....	\$ .....
13.23 Common Stock .....	\$ .....	\$ .....
13.24 Short-term Investments .....	\$ .....	\$ .....
13.25 Mortgages, Loans or Real Estate .....	\$ .....	\$ .....
13.26 All Other .....	\$ .....	\$ .....
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26) .....	\$ ..... 0	\$ ..... 0
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....

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

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ]

If no, attach a description with this statement.

15. Excluding items in Schedule E, 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 Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
Bank One.....	1111 Polaris Parkway, Suite 2N, Columbus, OH 43240

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

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

15.3 Have there been any changes, including name changes in the custodian(s) identified in 15.1 during the current year? ..... Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
.....	.....	.....

**STATEMENT AS OF MARCH 31, 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY****GENERAL INTERROGATORIES**

(continued)

**PART 2  
PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? ..... Yes [ ] No [ ] NA [X]  
If yes, attach an explanation.

2. Has the 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 the risk, or portion thereof, reinsured? ..... Yes [ ] No [X]  
If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? ..... Yes [ ] No [X]  
3.2 If yes, give full and complete information thereto.  
.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation liabilities tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? ..... Yes [ ] No [X]

4.2 If yes, complete the following schedule:

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

**SCHEDULE A - VERIFICATION**

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period .....				
2. Increase (decrease) by adjustment .....				
3. Cost of acquired .....				
4. Cost of additions to and permanent improvements .....				
5. Total profit (loss) on sales .....				
6. Increase (decrease) by foreign exchange adjustment .....				
7. Amount received on sales .....				
8. Book/adjusted carrying value at end of current period .....				
9. Total valuation allowance .....				
10. Subtotal (Lines 8 plus 9) .....				
11. Total nonadmitted amounts .....				
12. Statement value, current period (Page 2, real estate lines, current period)				

**NONE****SCHEDULE B - VERIFICATION**

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period .....				
2. Amount loaned during period:				
2.1. Actual cost at time of acquisitions .....				
2.2. Additional investment made after acquisitions .....				
3. Accrual of discount and mortgage interest points and commitment fees .....				
4. Increase (decrease) by adjustment .....				
5. Total profit (loss) on sale .....				
6. Amounts paid on account or in full during the period .....				
7. Amortization of premium .....				
8. Increase (decrease) by foreign exchange adjustment .....				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....				
10. Total valuation allowance .....				
11. Subtotal (Lines 9 plus 10) .....				
12. Total nonadmitted amounts .....				
13. Statement value of mortgages owned at end of current period				

**NONE****SCHEDULE BA - VERIFICATION**

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period .....				
2. Cost of acquisitions during period:				
2.1. Actual cost at time of acquisitions .....				
2.2. Additional investment made after acquisitions .....				
3. Accrual of discount .....				
4. Increase (decrease) by adjustment .....				
5. Total profit (loss) on sale .....				
6. Amounts paid on account or in full during the period .....				
7. Amortization of premium .....				
8. Increase (decrease) by foreign exchange adjustment .....				
9. Book/adjusted carrying value of long-term invested assets at end of current period .....				
10. Total valuation allowance .....				
11. Subtotal (Lines 9 plus 10) .....				
12. Total nonadmitted amounts .....				
13. Statement value of long-term invested assets at end of current period				

**NONE**

STATEMENT AS OF MARCH 31, 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY

**SCHEDULE D - PART 1B**

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

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 .....	2,580,096	330,473	275,042	163	2,635,690			2,580,096
2. Class 2 .....								
3. Class 3 .....								
4. Class 4 .....								
5. Class 5 .....								
6. Class 6 .....								
7. Total Bonds .....	2,580,096	03873	275,042	163	2,635,690			2,580,096
<b>PREFERRED STOCK</b>								
8. Class 1 .....								
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds and Preferred Stock .....	2,580,096	03873	275,042	163	2,635,690			2,580,096

**SCHEDULE DA - PART 1**

Short-Term Investments Owned End of Current Quarter					
	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
80999999 Totals	122,670	XXX	122,670		

**SCHEDULE DA - PART 2- Verification**

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period .....	67,239			0
2. Cost of short-term investments acquired .....	330,473			265,476
3. Increase (decrease) by adjustment .....				
4. Increase (decrease) by foreign exchange adjustment .....				
5. Total profit (loss) on disposal of short-term investments .....				
6. Consideration received on disposal of short-term investments .....	275,042			198,237
7. Book/adjusted carrying value, current period .....	122,670			67,239
8. Total valuation allowance .....				
9. Subtotal (Lines 7 plus 8) .....	122,670			67,239
10. Total nonadmitted amounts .....				
11. Statement value (Lines 9 minus 10) .....	122,670			67,239
12. Income collected during period .....	306			347
13. Income earned during period	382			432

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**

Schedule F

**NONE**

Schedule T

**NONE**

Schedule Y - Part 1

**NONE**

Part 1

**NONE**

Part 2

**NONE**

Part 3

**NONE**

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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### RESPONSES

1. Will the SVO Compliance Certification be filed with this statement? ..... Yes .....
2. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement? ..... No .....
3. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement? ..... No .....

**Explanations:**

**Bar Codes:**

Trusted Surplus Statement (Document Identifier 490) here:



Supplement A to Schedule T (Document Identifier 450) here:



**OVERFLOW PAGE FOR WRITE-INS**

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Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

Schedule BA - Part 1

**NONE**

Schedule BA - Part 2

**NONE**

Schedule D - Part 3

**NONE**

Schedule D - Part 4

**NONE**

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule E - Part 1

**NONE**