



QUARTERLY STATEMENT
AS OF MARCH 31, 2002
OF THE CONDITION AND AFFAIRS OF THE

ACCELERATION LIFE INSURANCE COMPANY

NAIC Group Code	0458 <small>(Current Period)</small>	0458 <small>(Prior Period)</small>	NAIC Company Code	71099	Employer's ID Number	31-0835312
Organized under the Laws of	Ohio			State of Domicile or Port of Entry	USA	
Country of Domicile	United States of America					
Incorporated	01/08/1973		Commenced Business	08/31/1973		
Statutory Home Office	7 WEST 7TH STREET, SUITE 1670 <small>(Street and Number)</small>			CINCINNATI, OH 45202 <small>(City or Town, State and Zip Code)</small>		
Main Administrative Office	520 MARYVILLE CENTRE DRIVE, SUITE 500 <small>(Street and Number)</small>					
	ST. LOUIS, MO 63141 <small>(City or Town, State and Zip Code)</small>			314-275-5200 <small>(Area Code) (Telephone Number)</small>		
Mail Address	520 MARYVILLE CENTRE, SUITE 500 <small>(Street and Number or P.O. Box)</small>			ST. LOUIS, MO 63141 <small>(City or Town, State and Zip Code)</small>		
Primary Location of Books and Records	520 MARYVILLE CENTRE DRIVE, SUITE 500 <small>(Street and Number)</small>					
	ST. LOUIS, MO 63141 <small>(City or Town, State and Zip Code)</small>			314-275-5295 <small>(Area Code) (Telephone Number)</small>		
Internet Website Address	WWW.PROTECTIVE.COM					
Statement Contact	Mark Downar <small>(Name)</small>			314-275-5295 <small>(Area Code) (Telephone Number) (Extension)</small>		
	MDownar@Protective.com <small>(E-mail Address)</small>			314-275-5205 <small>(FAX Number)</small>		
Policyowner Relations Contact	520 Maryville Centre Dr., Suite 500 <small>(Street and Number)</small>					
	St. Louis, MO 63141 <small>(City or Town, State and Zip Code)</small>			800-950-6060 <small>(Area Code) (Telephone Number) (Extension)</small>		

OFFICERS

President	Roland George Anderson	Secretary	William Lloyd McMullen Jr.
Treasurer	Gregg Olav Cariolano	Actuary	

VICE PRESIDENTS

Gregg Olav Cariolano	Jerry Walton DeFoor	Richard Charles Hackett
Earl Perry Kupferman	Joseph Roy McCaw	William Lloyd McMullen Jr.
Richard Joseph Bielen	Brent Edwin Griggs	Carl Sitter Thigpen
Thomas Michael Presley		

DIRECTORS OR TRUSTEES

Roland George Anderson	John Brian Deremo	John Robert Sawyer
Lawrence Gilbert Merrill	Steven Alan Schultz	

State of Missouri }
County of St. Louis } 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.

Roland George Anderson President	William Lloyd McMullen Jr. Secretary	Gregg Olav Cariolano Treasurer
Subscribed and sworn to before me this day of May, 2002		

STATEMENT AS OF MARCH 31, 2002 OF THE ACCELERATION LIFE INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	24,753,823		24,753,823	23,811,872
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	427,519		427,519	428,713
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. Policy loans				
6. Premium notes, including \$ for first year premiums				
7. Cash (\$607,223) and short-term investments (\$303,873)	911,095		911,095	2,121,367
8. Other invested assets	58,725		58,725	72,044
9. Receivable for securities	727,312		727,312	22,500
10. Aggregate write-ins for invested assets				
11. Subtotals, cash and invested assets (Lines 1 to 10)	26,878,474		26,878,474	26,456,496
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers	1,684,818		1,684,818	464,920
12.2 Commissions and expense allowances due				
12.3 Experience rating and other refunds due				158,146
12.4 Other amounts receivable under reinsurance contracts				
13. Electronic data processing equipment and software				
14. Federal and foreign income tax recoverable and interest thereon (including \$35,122 net deferred tax asset)	35,122	35,122	0	1,717
15. Guaranty funds receivable or on deposit				
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$ loading)				
17. Accident and health premiums due and unpaid				
18. Investment income due and accrued	333,405		333,405	369,005
19. Net adjustment in assets and liabilities due to foreign exchange rates				
20. Receivable from parent, subsidiaries and affiliates	394,070		394,070	1,113,787
21. Amounts receivable relating to uninsured accident and health plans				
22. Amounts due from agents				
23. Other assets nonadmitted			0	
24. Aggregate write-ins for other than invested assets	356,384	356,384	0	
25. Total assets excluding Separate Accounts business (Lines 11 to 24)	29,682,273	391,506	29,290,767	28,564,071
26. From Separate Accounts Statement				
27. Total (Lines 25 and 26)	29,682,273	391,506	29,290,767	28,564,071
DETAILS OF WRITE-INS				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page				
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)				
2401. Disallowed interest maintenance reserve.....	356,384	356,384	0	0
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)	356,384	356,384	0	

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for Life contracts \$ less \$ included in Line 6.3 (including \$ Modco Reserve)		
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve)		
3. Liability for deposit-type contracts (including \$ Modco Reserve)		
4. Contract claims:		
4.1 Life		
4.2 Accident and health		
5. Policyholders' dividends \$ and coupons \$ due and unpaid		
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment to (including \$ Modco Reserve)		
6.2 Dividends not yet apportioned (including \$ Modco Reserve)		
6.3 Coupons and similar benefits (including \$ Modco Reserve)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ accident and health premiums		
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds		
9.3 Other amounts payable on reinsurance including \$ assumed and \$89,170 ceded	89,170	50,648
9.4 Interest Maintenance Reserve		
10. Commissions to agents due or accrued—life and annuity contracts \$ accident and health \$ and deposit-type contract funds \$		
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued		
13. Transfers to Separate Accounts due or accrued (net) (Including \$ accrued for expense allowances recognized in reserves)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	(11,315)	6,720
15. Federal and foreign income taxes, including \$ on realized capital gains (losses) (including \$832,562 net deferred tax liability)	1,590,539	1,462,473
16. Unearned investment income		
17. Amounts withheld or retained by company as agent or trustee		
18. Amounts held for agents' account, including \$ agents' credit balances		
19. Remittances and items not allocated	(2,319)	(2,319)
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve	212,727	206,653
24.2 Reinsurance in unauthorized companies		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers		
24.4 Payable to parent, subsidiaries and affiliates	23,699	65,200
24.5 Drafts outstanding		
24.6 Liability for amounts held under uninsured accident and health plans		
24.7 Funds held under coinsurance		
24.8 Payable for securities		
24.9 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	384,154	
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	2,286,655	1,789,375
27. From Separate Accounts Statement		
28. Total Liabilities (Lines 26 and 27)	2,286,655	1,789,375
29. Common capital stock	2,000,000	2,000,000
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes		
33. Gross paid in and contributed surplus	10,934,803	10,934,803
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	14,069,309	13,839,893
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (total Lines 31 + 32 + 33 + 34 + 35 - 36) (Including \$ in Separate Accounts Statement)	25,004,112	24,774,696
38. Totals of Lines 29, 30 and 37	27,004,112	26,774,696
39. Totals of Lines 28 and 38	29,290,767	28,564,071
DETAILS OF WRITE-INS		
2501. Other accounts payable	384,154	0
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)	384,154	
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)		
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)		

SUMMARY OF OPERATIONS

(Excluding Unrealized Capital Gains and Losses)

	1	2	3
	Current Year To Date	Prior Year Year to Date	Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health policies and contracts			
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	377,045	430,266	1,555,077
4. Amortization of Interest Maintenance Reserve (IMR)	20,694	24,349	90,220
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	(463,014)	(22,251)	(765,691)
7. Reserve adjustments on reinsurance ceded			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	133	456	
9. Totals (Lines 1 to 8.3)	(65,142)	432,820	879,606
10. Death benefits			
11. Matured endowments (excluding guaranteed annual pure endowments)			
12. Annuity benefits			
13. Disability benefits and benefits under accident and health contracts			
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts			
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds			
18. Payments on supplementary contracts with life contingencies			
19. Increase in aggregate reserves for life and accident and health contracts			
20. Totals (Lines 10 to 19)			
21. Commissions on premiums, annuity considerations, and deposit-type contract funds(direct business only) ..	(463,014)		(752,522)
22. Commissions and expense allowances on reinsurance assumed			8,543
23. General insurance expenses	2,271	21,155	362,267
24. Insurance taxes, licenses and fees, excluding federal income taxes	8,047	5,335	33,323
25. Increase in loading on deferred and uncollected premiums			
26. Net transfers to or (from) Separate Accounts			
27. Aggregate write-ins for deductions			9,415
28. Totals (Lines 20 to 27)	(452,696)	26,490	(338,974)
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	387,554	406,330	1,218,580
30. Dividends to policyholders			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	387,554	406,330	1,218,580
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	170,532	111,425	921,488
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	217,022	294,905	297,092
34. Net realized capital gains or (losses) less capital gains tax of \$ (excluding taxes of \$ transferred to the IMR)			
35. Net income (Line 33 plus Line 34)	217,022	294,905	297,092
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	26,774,696	27,466,555	27,466,555
37. Net income (Line 35)	217,022	294,905	297,092
38. Change in net unrealized capital gains (losses)	(1,587)	(54,511)	(50,962)
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax	41,304		17,836
41. Change in non-admitted assets and related items	(21,249)	29,327	(85,592)
42. Change in liability for reinsurance in unauthorized companies			
43. Change in reserve on account of change in valuation basis, (increase) or decrease			
44. Change in asset valuation reserve	(6,074)	14,902	4,795
45. Change in treasury stock			
46. Surplus (contributed to) withdrawn from Separate Accounts during period			
47. Other changes in surplus in Separate Accounts Statement			
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles		(315,632)	(875,028)
50. Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in			
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance			
52. Dividends to stockholders			
53. Aggregate write-ins for gains and losses in surplus			
54. Net change in capital and surplus for the year (Lines 37 through 53)	229,416	(31,009)	(691,859)
55. Capital and surplus, as of statement date (Lines 36 + 54)	27,004,112	27,435,546	26,774,696
DETAILS OF WRITE-INS			
08.301. Miscellaneous income.....	133	456	0
08.302.			
08.303.			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page			
08.399. TOTALS (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	133	456	
2701. Miscellaneous expense.....		0	9,415
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)			9,415
5301.			
5302.			
5303.			
5398. Summary of remaining write-ins for Line 53 from overflow page			
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above)			

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums and annuity considerations for life and accident and health contracts		
2. Charges and fees for deposit-type contracts		
3. Considerations for supplementary contracts with life contingencies		
4. Net investment income	444,275	1,638,568
5. Commissions and expense allowances on reinsurance ceded	(463,014)	(765,691)
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts		
7. Aggregate write-ins for miscellaneous income	133	
8. Total (Lines 1 to 7)	(18,606)	872,877
9. Death Benefits	365,685	93,596
10. Matured endowments		
11. Annuity Benefits		
12. Disability benefits and benefits under accident and health contracts	854,213	371,324
13. Coupons, guaranteed annual pure endowments and similar benefits		
14. Surrender benefits and withdrawals for life contracts		
15. Group conversions		
16. Interest and adjustments on contract or deposit-type contract funds		
17. Payments on supplementary contracts with life contingencies		
18. Total (Lines 9 to 17)	1,219,898	464,920
19. Commissions on premiums, annuity considerations and deposit-type contract funds	(463,014)	(752,522)
20. Commissions and expense allowances on reinsurance assumed		8,543
21. General insurance expenses	2,271	558,707
22. Insurance taxes, licenses and fees, excluding federal income taxes	26,083	223,123
23. Net transfers to or (from) Separate Accounts		
24. Aggregate write-ins for deductions	(38,523)	(329,403)
25. Total (Lines 18 to 24)	746,715	173,368
26. Dividends paid to policyholders		
27. Federal income taxes (excluding tax on capital gains)	0	1,084,059
28. Total (Lines 25 to 27)	746,715	1,257,427
29. Net cash from operations (Line 8 minus Line 28)	(765,321)	(384,550)
Cash from Investments		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds	1,053,053	5,765,912
30.2 Stocks		
30.3 Mortgage loans		
30.4 Real estate		
30.5 Other invested assets		
30.6 Net gains or (losses) on cash and short-term investments		
30.7 Miscellaneous proceeds	(704,812)	39,781
30.8 Total investment proceeds (Lines 30.1 to 30.7)	348,241	5,805,693
31. Net tax on capital gains (losses)		
32. Total (Line 30.8 minus Line 31)	348,241	5,805,693
33. Cost of investments acquired (long-term only):		
33.1 Bonds	2,013,315	6,262,617
33.2 Stocks	393	7,773
33.3 Mortgage loans		
33.4 Real estate		
33.5 Other invested assets		
33.6 Miscellaneous applications		
33.7 Total investments acquired (Lines 33.1 to 33.6)	2,013,708	6,270,390
34. Net increase (or decrease) in policy loans and premium notes		
35. Net cash from investments (Line 32 minus Line 33.7 minus Line 34)	(1,665,467)	(464,697)
Cash from Financing and Miscellaneous Sources		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in		
36.2 Borrowed money \$ less amounts repaid \$		
36.3 Capital notes \$ less amounts repaid \$		
36.4 Deposits on deposit-type contract funds and other liabilities without life or disability contingencies		
36.5 Other cash provided	1,262,017	58,052
36.6 Total (Lines 36.1 to 36.5)	1,262,017	58,052
37. Cash applied:		
37.1 Dividends to stockholders paid		
37.2 Interest on indebtedness		
37.3 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies		
37.4 Other applications (net)	41,501	2,119,672
37.5 Total (Lines 37.1 to 37.4)	41,501	2,119,672
38. Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5)	1,220,516	(2,061,620)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
39. Net change in cash and short-term investments (Line 29, plus Line 35, plus Line 38)	(1,210,272)	(2,910,867)
40. Cash and short-term investments:		
40.1 Beginning of year	2,121,367	5,032,234
40.2 End of period (Line 39 plus Line 40.1)	911,095	2,121,367
DETAILS OF WRITE-INS		
0701. Miscellaneous income	133	0
0702.		
0703.		
0798. Summary of remaining write-ins for Line 7 from overflow page		
0799. TOTALS (Lines 0701 thru 0703 plus 0798) (Line 7 above)	133	
2401. Miscellaneous expense		9,416
2402. Other amounts payable on reinsurance	(38,523)	(338,819)
2403.		
2498. Summary of remaining write-ins for Line 24 from overflow page		
2499. TOTALS (Lines 2401 thru 2403 plus 2498) (Line 24 above)	(38,523)	(329,403)

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS			
	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Industrial Life			
2. Ordinary Life Insurance			
3. Ordinary Individual Annuities			
4. Credit Life (Group & Individual)	(171,864)	220,048	(362,378)
5. Group Life Insurance			
6. Group Annuities			
7. A & H - Group			
8. A & H - Credit (Group & Individual)	(193,903)	288,735	(475,835)
9. A & H - Other			
10. Aggregate of All Other Lines of Business			
11. Subtotal	(365,767)	508,783	(838,213)
12. Deposit-Type Contracts			
13. Total	(365,767)	508,783	(838,213)
DETAILS OF WRITE-INS			
1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page			
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of the Company have been prepared in conformity with the National Association of Insurance Commissioners Annual Statement Instructions and Accounting Practices and Procedures Manual and the state laws of Ohio.

B. Use of Estimates in 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 Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at depreciated cost or market value as appropriate
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method; loan-backed bonds and structured securities at amortized cost using the interest method including anticipated prepayments, at the date of purchase; significant changes in estimated cash flows from the original purchase assumptions are accounted for using the retrospective method.
- (3) Common stocks are stated at market (except for investments in affiliates).
- (4) Preferred stocks are stated at cost
- (5) Mortgage loans on real estate and policy loans, if applicable, are stated at the aggregate unpaid balance. Investment real estate and property acquired in satisfaction of debt are stated at depreciated cost less encumbrances.
- (6) Prepayment assumptions for loan-backed bonds and structured securities were obtained from broker dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment. The retrospective adjustment method is used to value all securities, which are using the prospective method
- (7) Joint ventures, partnerships, and limited liability companies, if applicable, are carried based on the underlying audited GAAP equity of the investee.
- (8) Derivative instruments, if applicable, are valued in accordance with the NAIC *Accounting Practices and Procedures* manual and the *Purposes and Procedures* manual of the Securities Valuation Office. All derivative instruments are valued consistently with the hedged items
- (9) The Company did not calculate a premium deficiency.

2. Accounting Changes and Corrections of Errors

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 of Ohio prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual – Version effective January 1, 2001 subject to any deviations prescribed or permitted by the State of Missouri insurance commissioner.

10. Information Concerning Parent, Subsidiaries and Affiliates

On March 29, 2002 Lyndon Property Insurance Company sold Lyndon Life Insurance Company to an unaffiliated insurance company. As part of the transaction Lyndon Life Insurance Company paid a dividend to Lyndon Property Insurance Company of \$81.5 million. Included in the \$81.5 million dividend to Lyndon Property Insurance Company were Lyndon Life Insurance Company's subsidiaries, Acceleration Life Insurance Company and Lyndon Financial Corporation. Lyndon Property Insurance Company was paid \$13.4 million by the unaffiliated insurance company for Lyndon Life Insurance Company.

17. Wash Sales

The Company did not have any wash sales during the year.

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 [X] No []
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. 12/31/1998

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. 12/31/1998

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). 08/25/1999

7.4 By what department or departments?
State of 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:
.....

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:\$58,725

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).....	\$	\$
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
The Bank of New York.....	One Wall Street 14th Floor, New York, NY 10288.....
US Bank.....	PO Box 527, St. Louis, MO 63104.....
Fidelity Investments.....	82 Devonshire Street - T2J, Boston, MA 02109.....

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
7506.....	Leman Brothers.....	3414 Peachtree Rd NE 26th Floor Atlanta GA 30326.....
28432.....	Bear Stearns & Co Inc.....	3424 Peachtree Rd 17th Floor Atlanta GA 30326.....
18718.....	Chase Securities Inc.....	270 Park Ave 4th Floor New York NY 10017-2070.....
7691.....	Merrill Lynch.....	3414 Peachtree Rd Suite 410 Monarch Plaza Atlanta, GA.....
8209.....	Morgan Stanley.....	1585 Broadway 2nd Floor New York NY 10036.....
816.....	First Boston.....	11 Madison Ave 4th Floor New York NY 10010.....
26091.....	Bank of America.....	100 N Tryon St 6th Floor Charlotte NC 28255.....

GENERAL INTERROGATORIES

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

INVESTMENT

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
47224.....	Goldman Sachs.....	6075 Poplar Ave suite 720 Memphis TN 38119.....
7059.....	Salomon Brothers.....	3455 Peachtree Rd Suite 1900 Atlanta GA 30326.....
13042.....	Paine Webber/Warburg.....	3455 Peachtree Rd NE Suite 1700 Atlanta GA 30309.....

GENERAL INTERROGATORIES (continued)

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

PART 2 - LIFE & HEALTH

1.

Report the statement value of mortgage loans at the end of this reporting period for the following categories:

1

Amount

1.1 Long-Term Mortgages In Good Standing

1.11 Farm Mortgages

\$

1.12 Residential Mortgages

\$

1.13 Commercial Mortgages

\$

1.14 Total Mortgages in Good Standing

\$

1.2 Long-Term Mortgages In Good Standing with Restructured Terms

1.21 Total Mortgages in Good Standing

\$

1.3 Long-Term Mortgages Loans Upon which Interest is Overdue more than Three Months

1.31 Farm Mortgages

\$

1.32 Residential Mortgages

\$

1.33 Commercial Mortgages

\$

1.34 Total Mortgages with Interest Overdue more than Three Months

\$

1.4 Long-Term Mortgages Loans in Process of Foreclosure

1.41 Farm Mortgages

\$

1.42 Residential Mortgages

\$

1.43 Commercial Mortgages

\$

1.44 Total Mortgages in Process of Foreclosure

\$

1.5 Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Col. 3, Lines 3.1 plus 3.2)

\$

1.6 Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter

1.61 Farm Mortgages

\$

1.62 Residential Mortgages

\$

1.63 Commercial Mortgages

\$

1.64 Total Mortgages Foreclosed and Transferred to Real Estate

\$

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	NONE			
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)				

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	NONE			
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				

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	72,044			86,737
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	(13,319)			(14,693)
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	58,725			72,044
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	58,725			72,044
12. Total nonadmitted amounts				
13. Statement value of long-term invested assets at end of current period	58,725			72,044

STATEMENT AS OF MARCH 31, 2002 OF THE ACCELERATION LIFE INSURANCE COMPANY

SCHEDULE D - PART 1B

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

	1 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
BONDS								
1. Class 1	19,267,682	3,314,486	2,053,053	(17,471)	20,511,644			19,267,682
2. Class 2	4,546,894			(839)	4,546,055			4,546,894
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	23,814,576	3,314,486	2,053,053	(18,310)	25,057,699			23,814,576
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	23,814,576	3,314,486	2,053,053	(18,310)	25,057,699			23,814,576

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
8099999 Totals	303.873	xxx	303.873	1,196	

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned				
	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	2,703			1,353,957
2. Cost of short-term investments acquired	1,301,170			4,014,810
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	1,000,000			5,366,064
7. Book/adjusted carrying value, current period	303,873			2,703
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	303,873			2,703
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	303,873			2,703
12. Income collected during period	1,196			38,364
13. Income earned during period	1,196			38,364

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

STATEMENT AS OF MARCH 31, 2002 OF THE ACCELERATION LIFE INSURANCE COMPANY

SCHEDULE S—CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

[illegible]

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

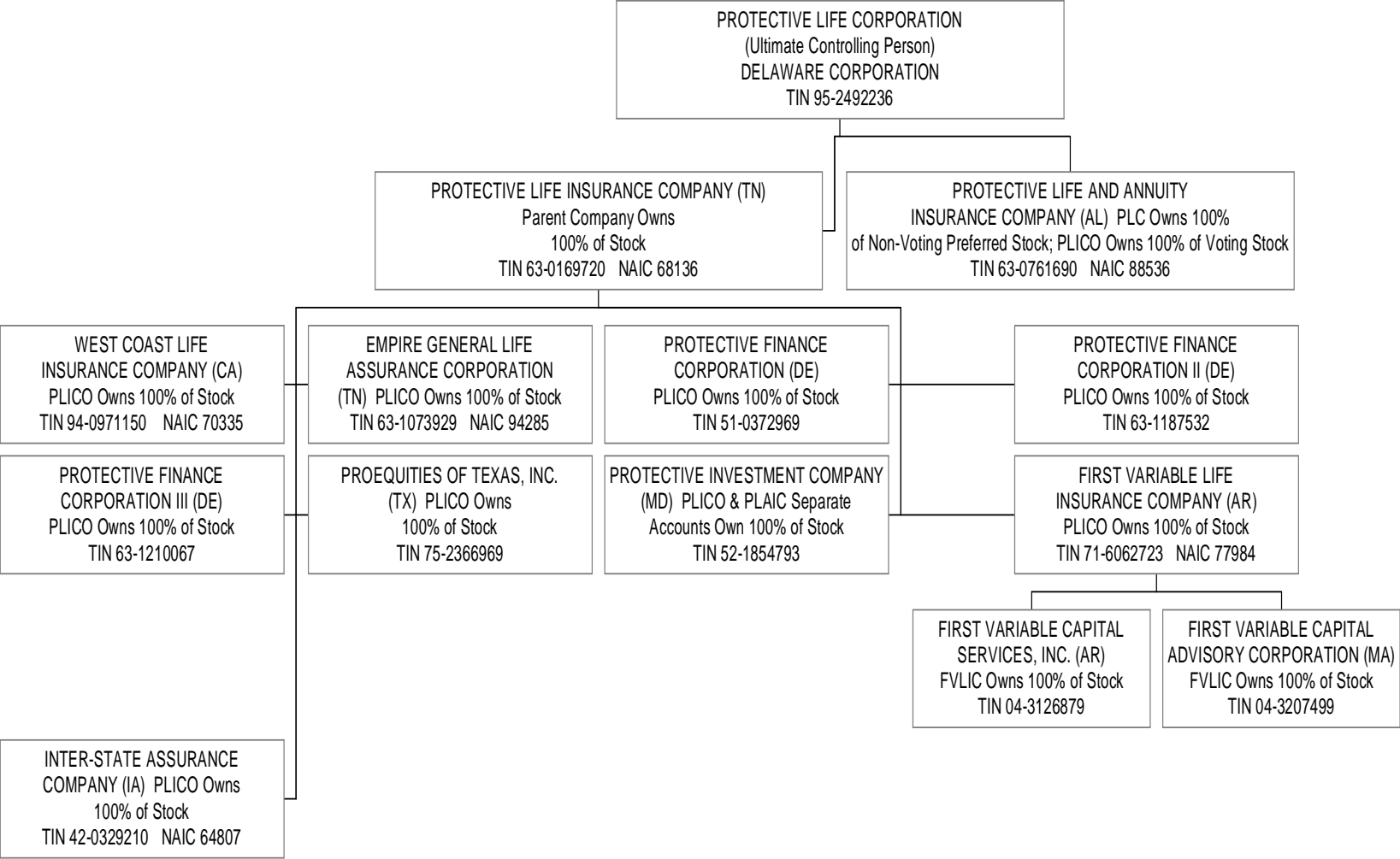
During Current Year to Date - Allocated by States and Territories

States, Etc.		1	Direct Business Only				
			Life Contracts		4	5	6
			2	3			
		Is Insurer Licensed? (Yes or No)	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Deposit-Type Contract Funds	Other Considerations
1. Alabama	AL	Yes					
2. Alaska	AK	Yes					
3. Arizona	AZ	Yes					
4. Arkansas	AR	Yes					
5. California	CA	No					
6. Colorado	CO	Yes					
7. Connecticut	CT	No					
8. Delaware	DE	Yes					
9. District of Columbia	DC	Yes					
10. Florida	FL	Yes	(1,656)		(2,309)		
11. Georgia	GA	Yes	(4,696)		(3,128)		
12. Hawaii	HI	Yes					
13. Idaho	ID	Yes					
14. Illinois	IL	Yes	(65)				
15. Indiana	IN	Yes	(7,222)		(12,987)		
16. Iowa	IA	Yes					
17. Kansas	KS	Yes					
18. Kentucky	KY	Yes	(16,952)		(2,916)		
19. Louisiana	LA	Yes					
20. Maine	ME	No					
21. Maryland	MD	Yes	(200)		(34)		
22. Massachusetts	MA	No					
23. Michigan	MI	No	(484)				
24. Minnesota	MN	Yes					
25. Mississippi	MS	Yes					
26. Missouri	MO	Yes					
27. Montana	MT	Yes					
28. Nebraska	NE	Yes					
29. Nevada	NV	Yes					
30. New Hampshire	NH	No					
31. New Jersey	NJ	No					
32. New Mexico	NM	Yes					
33. New York	NY	No					
34. North Carolina	NC	Yes	(5,140)		(10,440)		
35. North Dakota	ND	Yes					
36. Ohio	OH	Yes	(79,717)		(106,468)		
37. Oklahoma	OK	Yes					
38. Oregon	OR	Yes					
39. Pennsylvania	PA	Yes	(2,119)		(3,684)		
40. Rhode Island	RI	No					
41. South Carolina	SC	Yes					
42. South Dakota	SD	Yes					
43. Tennessee	TN	Yes	(1,079)		(204)		
44. Texas	TX	Yes	(5,382)		(5,558)		
45. Utah	UT	Yes					
46. Vermont	VT	No					
47. Virginia	VA	Yes	(20,298)		(36,289)		
48. Washington	WA	Yes					
49. West Virginia	WV	Yes	(26,854)		(9,886)		
50. Wisconsin	WI	Yes					
51. Wyoming	WY	Yes					
52. American Samoa	AS	No					
53. Guam	GU	No					
54. Puerto Rico	PR	No					
55. US Virgin Islands	VI	No					
56. Canada	CN	No					
57. Aggregate Other Alien	OT	XXX					
58. Subtotal	(a)	41	(171,864)		(193,903)		
90. Reporting entity contributions for employee benefit plans		XXX					
91. Dividends or refunds applied to purchase paid-up additions and annuities		XXX					
92. Dividends or refunds applied to shorten endowment or premium paying period		XXX					
93. Premium or annuity considerations waived under disability or other contract provisions		XXX					
94. Aggregate of other amounts not allocable by State		XXX					
95. Totals (Direct Business)		XXX	(171,864)		(193,903)		
96. Plus Reinsurance Assumed		XXX	0		0		
97. Totals (All Business)		XXX	(171,864)		(193,903)		
98. Less Reinsurance Ceded		XXX	(171,864)		(193,903)		
99. Totals (All Business) less Reinsurance Ceded		XXX	0		0		
DETAILS OF WRITE-INS							
5701.		XXX					
5702.		XXX					
5703.		XXX					
5798. Summary of remaining write-ins for Line 57 from overflow page		XXX					
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)		XXX					
9401.		XXX					
9402.		XXX					
9403.		XXX					
9498. Summary of remaining write-ins for Line 94 from overflow page		XXX					
9499. Totals (Lines 9401 thru 9403 plus 9498)(Line 94 above)		XXX					

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

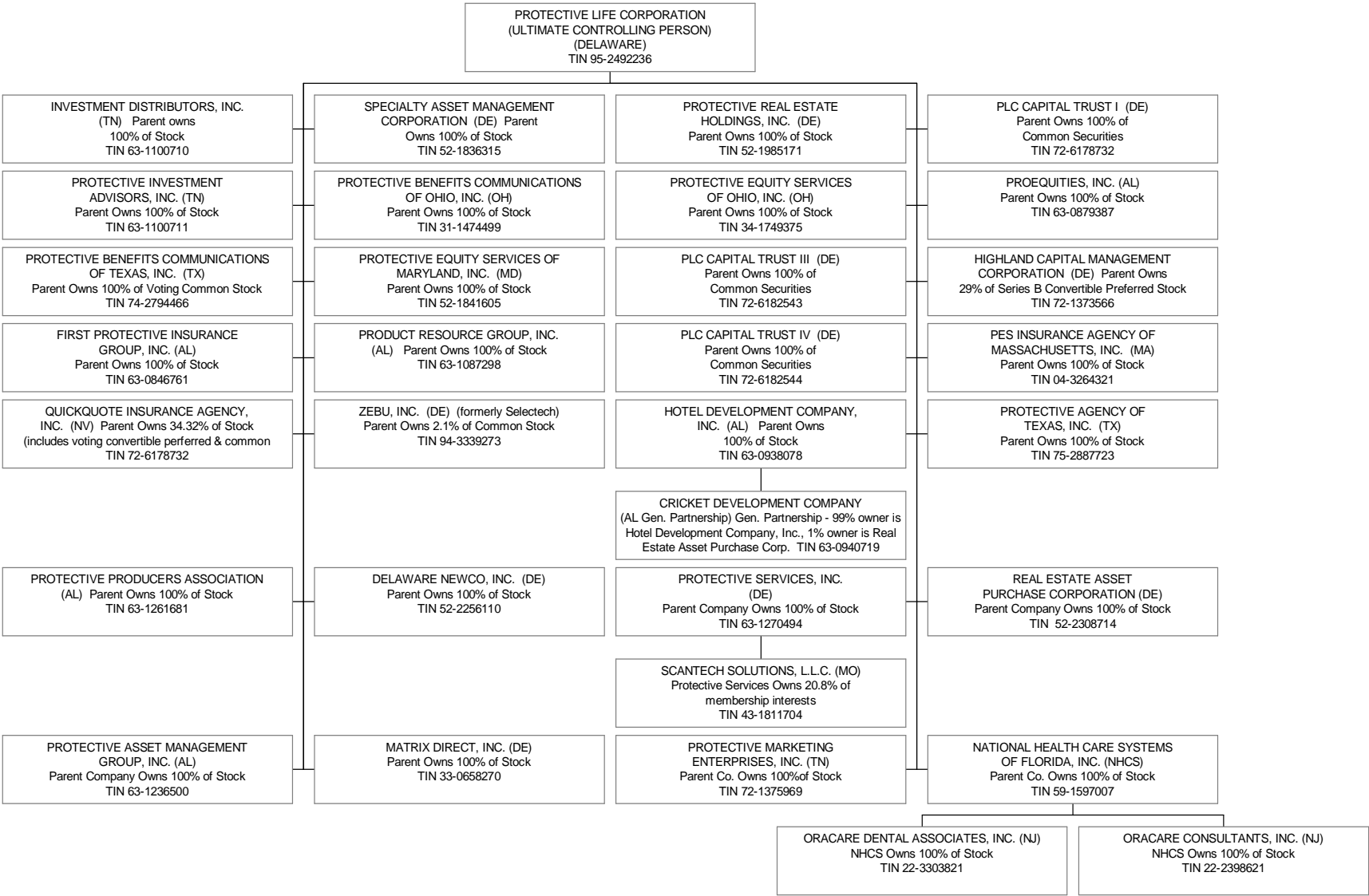
PROTECTIVE LIFE CORPORATION ORGANIZATIONAL CHART
as of March 31, 2002
Page 1 of 4
(PLICO INSURANCE SUBSIDIARIES, EXCLUDING FIID)



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

PROTECTIVE LIFE CORPORATION ORGANIZATIONAL CHART
AS OF MARCH 31, 2002
Page 2 of 4

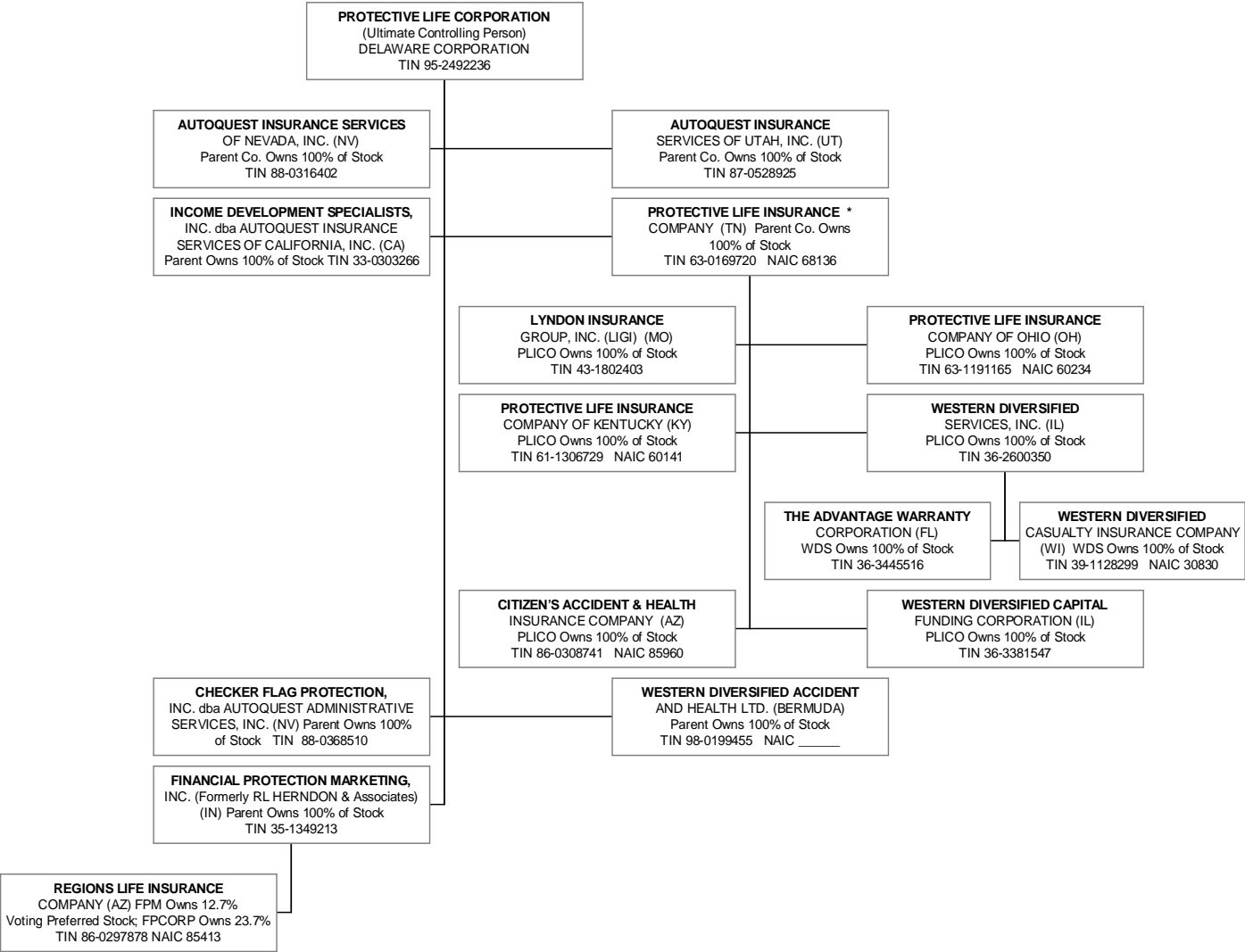
PLC NON-INSURANCE COMPANIES (EXCLUDING FIID)



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

PROTECTIVE LIFE CORPORATION ORGANIZATIONAL CHART
AS OF MARCH 31, 2002
Page 3 of 4

FINANCIAL INSTITUTIONS INSURANCE DIVISION - Page 1 of 2 (See organization of Lyndon Group on Page 2 of 2)



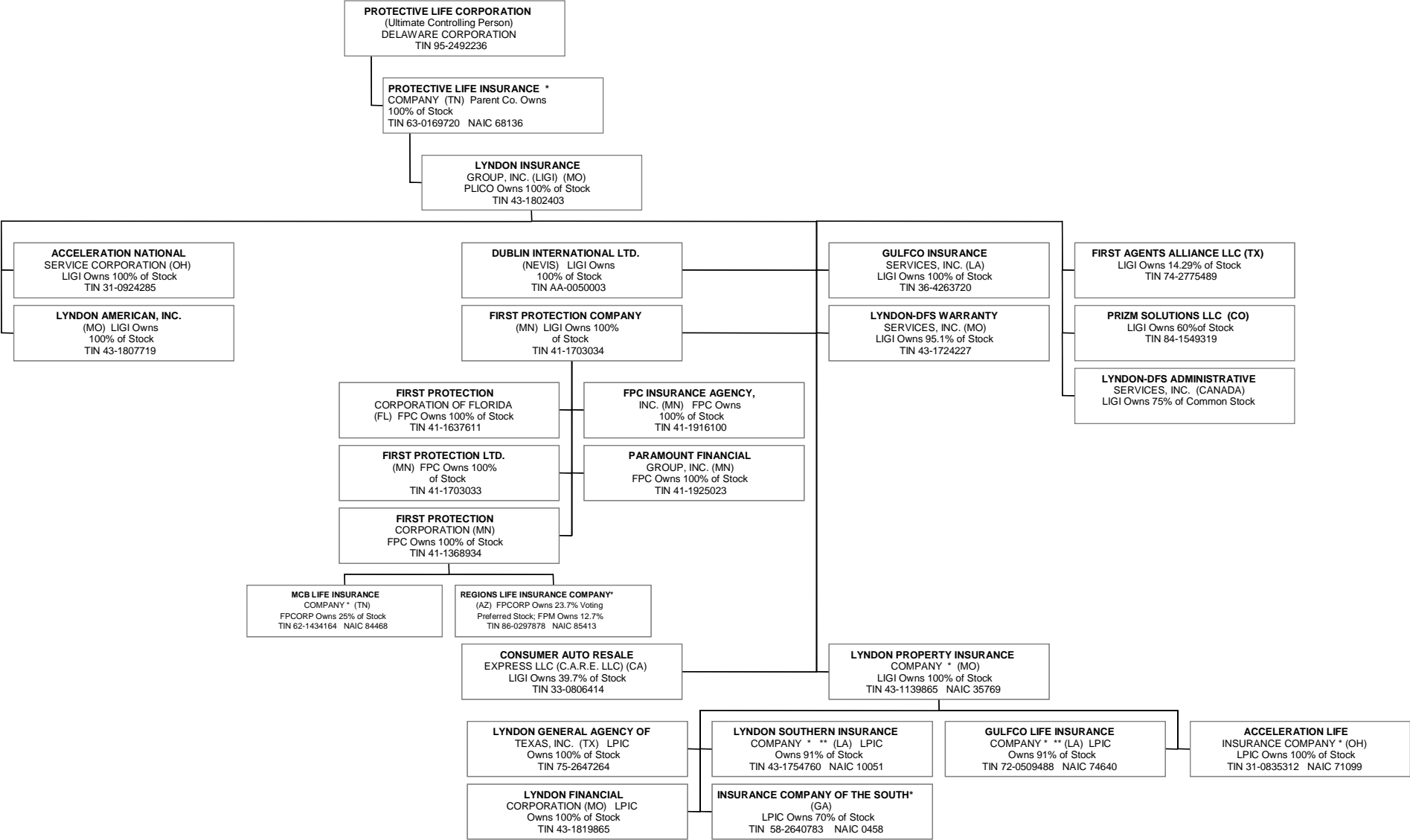
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

PROTECTIVE LIFE CORPORATION ORGANIZATIONAL CHART
AS OF MARCH 31, 2002
Page 4 of 4

FINANCIAL INSTITUTIONS INSURANCE DIVISION - Page 2 of 2 (Lyndon Group Organization)
* Denotes insurance company

**Pursuant to Louisiana Insurance Code 22:81(2) each director of a domestic insurer must own at least 10 shares

18.3



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSES

.....Yes.....

.....No.....

1. Will the SVO Compliance Certification be filed with this statement?
2. Will the Trusteed Surplus Statement be filed with the State of Domicile and the NAIC with this statement?

Explanations:

Bar Codes:

Trusteed Surplus Statement (Document Identifier 490) here:



OVERFLOW PAGE FOR WRITE-INS

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

E04

E04

E04

E04

SCHEDULE D - PART 4

[illegible]

E05

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

STATEMENT AS OF MARCH 31, 2002 OF THE ACCELERATION LIFE INSURANCE COMPANY

SCHEDULE E - PART 1 - CASH

[illegible]