



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

Classic Life Assurance Company

NAIC Group Code	0017 <small>(Current Period)</small>	0017 <small>(Prior Period)</small>	NAIC Company Code	74810	Employer's ID Number	31-1163010
Organized under the Laws of	Ohio			State of Domicile or Port of Entry	Ohio	
Country of Domicile	United States of America					
Incorporated	01/16/1986			Commenced Business	09/01/1986	
Statutory Home Office	610 Morrison Road <small>(Street and Number)</small>			,	Gahanna, OH 43230 <small>(City or Town, State and Zip Code)</small>	
Main Administrative Office	100 West Bay Street <small>(Street and Number)</small>			904-350-9660 <small>(Area Code) (Telephone Number)</small>		
Mail Address	P.O. Box 44130 <small>(Street and Number or P.O. Box)</small>			,	Jacksonville, FL 32231-4130 <small>(City or Town, State and Zip Code)</small>	
Primary Location of Books and Records	100 West Bay Street <small>(Street and Number)</small>			904-350-9660-8207 <small>(Area Code) (Telephone Number)</small>		
Internet Website Address	www.Life-South.com					
Statement Contact	David Louis Hardegree, Jr. <small>(Name)</small>			904-350-9660-8207 <small>(Area Code) (Telephone Number) (Extension)</small>		
	dhardegree@life-south.com <small>(E-mail Address)</small>			904-354-4525 <small>(FAX Number)</small>		
Policyowner Relations Contact	Craig Stephen Hart <small>(Street and Number)</small>			100 West Bay Street <small>(Area Code) (Telephone Number) (Extension)</small>		
	Jacksonville, FL 32202 <small>(City or Town, State and Zip Code)</small>			904-350-9660-8301 <small>(Area Code) (Telephone Number) (Extension)</small>		

OFFICERS

President	Kenneth Ned Hamil	Secretary	David Louis Hardegree, Jr.
Treasurer	David Louis Hardegree, Jr.	Actuary	CreditRe Corporation

VICE PRESIDENTS

Robert Hugh Hudson		
--------------------	--	--

DIRECTORS OR TRUSTEES

Kenneth Ned Hamil	David Louis Hardegree, Jr.	Robert Hugh Hudson
Charles Robert McCloud	Thomas Wayne Tenwalde	Charles Richard Hubbard
David Joseph Downey		

State of .....Florida..... }  
County of .....Duval..... } 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.

Kenneth Ned Hamil President	David Louis Hardegree, Jr. Secretary	David Louis Hardegree, Jr. Treasurer
--------------------------------	---	---

Subscribed and sworn to before me this  
\_\_\_\_\_ day of \_\_\_\_\_ May, 2002  
\_\_\_\_\_  
Sarah Elaine Austin

STATEMENT AS OF MARCH 31, 2002 OF THE Classic Life 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 .....	4 389 329		4 389 329	4 388 672
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. Policy loans .....				
6. Premium notes, including \$ ..... for first year premiums .....				
7. Cash (\$ .....493,427 ) and short -term investments (\$ .....260,913 ) .....	754,340		754,340	809,628
8. Other invested assets .....				
9. Receivable for securities .....				
10. Aggregate write-ins for invested assets .....	80,451	80,451		
11. Subtotals, cash and invested assets (Lines 1 to 10) .....	5 224 120	80,451	5 143 669	5 198 300
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers .....				
12.2 Commissions and expense allowances due .....				
12.3 Experience rating and other refunds due .....				
12.4 Other amounts receivable under reinsurance contracts .....	289,104		289,104	
13. Electronic data processing equipment and software.....				
14. Federal and foreign income tax recoverable and interest thereon (including \$ .....42,888 net deferred tax asset) .....	42,888	32,167	10,721	12,866
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 .....	53,638		53,638	66,746
19. Net adjustment in assets and liabilities due to foreign exchange rates .....				
20. Receivable from parent, subsidiaries and affiliates .....	247,869		247,869	310,875
21. Amounts receivable relating to uninsured accident and health plans .....				
22. Amounts due from agents .....				
23. Other assets nonadmitted .....				
24. Aggregate write-ins for other than invested assets .....	4,457		4,457	4,457
25. Total assets excluding Separate Accounts business (Lines 11 to 24) .....	5 862 077	112 618	5 749 459	5 593 245
26. From Separate Accounts Statement .....				
27. Total (Lines 25 and 26) .....	5 862 077	112 618	5 749 459	5 593 245
<b>DETAILS OF WRITE-INS</b>				
1001. Disallowed interest maintenance reserve.....	80,451	80,451		
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) .....	80,451	80,451	0	
2401. Guaranty Association Assessments.....	4,457		4,457	4,457
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) .....	4,457		4,457	4,457

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for Life contracts \$ .....1,277,605 less \$ .....included in Line 6.3 (including \$ ..... Modco Reserve) .....	1,277,605	1,338,008
2. Aggregate reserve for accident and health contracts (including \$ ..... Modco Reserve) .....	746,612	785,154
3. Liability for deposit-type contracts (including \$ ..... Modco Reserve) .....		
4. Contract claims:		
4.1 Life .....	39,788	33,977
4.2 Accident and health .....	42,166	47,156
5. Policyholders' dividends \$ ..... and coupons \$ ..... due and unpaid .....		
6. Provision for policyholders' dividends and coupons payable in following calendar yearestimated 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 \$ ..... ceded .....		
9.4 Interest Maintenance Reserve .....		
10. Commissions to agents due or accruedlife and annuity contracts \$ .....45,692 accident and health \$ .....42,823 and deposit-type contract funds \$ .....	88,515	175,524
11. Commissions and expense allowances payable on reinsurance assumed .....		
12. General expenses due or accrued .....	6,413	
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 .....		100
15. Federal and foreign income taxes, including \$ ..... on realized capital gains (losses) (including \$ ..... net deferred tax liability) .....	79,515	
16. Unearned investment income .....		
17. Amounts withheld or retained by company as agent or trustee .....		46,946
18. Amounts held for agents' account, including \$ ..... agents' credit balances .....		
19. Remittances and items not allocated .....		
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 .....	4,279	4,541
24.2 Reinsurance in unauthorized companies .....	12,812	8,508
24.3 Funds held under reinsurance treaties with unauthorized reinsurers .....		
24.4 Payable to parent, subsidiaries and affiliates .....		
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 .....		
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25) .....	2,297,705	2,439,915
27. From Separate Accounts Statement .....		
28. Total Liabilities (Lines 26 and 27) .....	2,297,705	2,439,915
29. Common capital stock .....	300	300
30. Preferred capital stock .....	500,000	500,000
31. Aggregate write-ins for other than special surplus funds .....		
32. Surplus notes .....		
33. Gross paid in and contributed surplus .....	4,440,814	4,440,814
34. Aggregate write-ins for special surplus funds .....		
35. Unassigned funds (surplus) .....	(1,489,361)	(1,787,783)
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) .....	2,951,453	2,653,031
38. Totals of Lines 29, 30 and 37 .....	3,451,753	3,153,331
39. Totals of Lines 28 and 38 .....	5,749,459	5,593,245
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)		
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 Current Year To Date	2 Prior Year Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health policies and contracts .....	497,005	149,914	784,101
2. Considerations for supplementary contracts with life contingencies .....			
3. Net investment income .....	65,430	72,937	285,576
4. Amortization of Interest Maintenance Reserve (IMR) .....	(4,452)	(3,903)	(17,117)
5. Separate Accounts net gain from operations excluding unrealized gains or losses .....			
6. Commissions and expense allowances on reinsurance ceded .....	1,213,285	1,102,578	5,484,356
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 .....			
9. Totals (Lines 1 to 8.3) .....	1,771,268	1,321,526	6,536,917
10. Death benefits .....	59,941	51,607	222,287
11. Matured endowments (excluding guaranteed annual pure endowments) .....			
12. Annuity benefits .....			
13. Disability benefits and benefits under accident and health contracts .....	42,829	44,182	188,461
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 .....	(98,945)	(95,919)	(259,550)
20. Totals (Lines 10 to 19) .....	3,825	(130)	151,198
21. Commissions on premiums, annuity considerations, and deposit-type contract funds(direct business only) .....	1,224,102	1,122,439	5,654,176
22. Commissions and expense allowances on reinsurance assumed .....			
23. General insurance expenses .....	157,564	163,919	701,205
24. Insurance taxes, licenses and fees, excluding federal income taxes .....	6,105	5,874	18,669
25. Increase in loading on deferred and uncollected premiums .....			
26. Net transfers to or (from) Separate Accounts .....			
27. Aggregate write-ins for deductions .....			
28. Totals (Lines 20 to 27) .....	1,391,595	1,292,102	6,525,248
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) .....	379,673	29,424	11,668
30. Dividends to policyholders .....			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) .....	379,673	29,424	11,668
32. Federal and foreign income taxes incurred (excluding tax on capital gains) .....	81,615		
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) .....	298,058	29,424	11,668
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) .....	298,058	29,424	11,668
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year .....	3,153,331		3,631,721
37. Net income (Line 35) .....	298,058	29,424	11,668
38. Change in net unrealized capital gains (losses) .....			
39. Change in net unrealized foreign exchange capital gain (loss) .....			
40. Change in net deferred income tax .....	(180)	(528)	5,148
41. Change in non-admitted assets and related items .....	4,587	3,910	(26,960)
42. Change in liability for reinsurance in unauthorized companies .....	(4,304)		(8,508)
43. Change in reserve on account of change in valuation basis, (increase) or decrease .....			
44. Change in asset valuation reserve .....	261	(6,291)	(3,249)
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 .....		9,875	37,918
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 .....			(494,408)
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) .....	298,422	36,390	(478,390)
55. Capital and surplus, as of statement date (Lines 36 + 54) .....	3,451,753	36,390	3,153,331
DETAILS OF WRITE-INS			
08.301. ....			
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) .....			
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) .....			
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
<b>Cash from Operations</b>		
1. Premiums and annuity considerations for life and accident and health contracts .....	497,005	784,101
2. Charges and fees for deposit-type contracts .....		
3. Considerations for supplementary contracts with life contingencies .....		
4. Net investment income .....	77,880	296,038
5. Commissions and expense allowances on reinsurance ceded .....	1,213,285	5,484,356
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts .....		
7. Aggregate write-ins for miscellaneous income .....		
8. Total (Lines 1 to 7) .....	1,788,171	6,564,494
9. Death Benefits .....	54,129	227,180
10. Matured endowments .....		
11. Annuity Benefits .....		
12. Disability benefits and benefits under accident and health contracts .....	47,819	180,969
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) .....	101,948	408,149
19. Commissions on premiums, annuity considerations and deposit-type contract funds .....	1,311,112	5,652,906
20. Commissions and expense allowances on reinsurance assumed .....		
21. General insurance expenses .....	151,150	701,205
22. Insurance taxes, licenses and fees, excluding federal income taxes .....	6,205	18,669
23. Net transfers to or (from) Separate Accounts .....		
24. Aggregate write-ins for deductions .....		
25. Total (Lines 18 to 24) .....	1,570,415	6,780,929
26. Dividends paid to policyholders .....		2,100
27. Federal income taxes (excluding tax on capital gains) .....		
28. Total (Lines 25 to 27) .....	1,570,415	6,783,029
29. Net cash from operations (Line 8 minus Line 28) .....	217,756	(218,534)
<b>Cash from Investments</b>		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds .....		1,070,000
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 .....		
30.8 Total investment proceeds (Lines 30.1 to 30.7) .....		1,070,000
31. Net tax on capital gains (losses) .....		
32. Total (Line 30.8 minus Line 31) .....		1,070,000
33. Cost of investments acquired (long-term only):		
33.1 Bonds .....		1,498,464
33.2 Stocks .....		
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) .....		1,498,464
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) .....		(428,464)
<b>Cash from Financing and Miscellaneous Sources</b>		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in .....		(494,408)
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 .....		
36.6 Total (Lines 36.1 to 36.5) .....		(494,408)
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) .....	273,043	284,380
37.5 Total (Lines 37.1 to 37.4) .....	273,043	284,380
38. Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5) .....	(273,043)	(778,789)
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
39. Net change in cash and short-term investments (Line 29, plus Line 35, plus Line 38) .....	(55,287)	(1,425,787)
40. Cash and short-term investments:		
40.1 Beginning of year .....	809,628	2,235,415
40.2 End of period (Line 39 plus Line 40.1) .....	754,340	809,628
<b>DETAILS OF WRITE-INS</b>		
0701. ....		
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) .....		
2401. ....		
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) .....		

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) .....	994,842	908,368	4,582,961
5. Group Life Insurance .....			
6. Group Annuities .....			
7. A & H - Group .....			
8. A & H - Credit (Group & Individual) .....	1,313,056	1,250,420	6,015,540
9. A & H - Other .....			
10. Aggregate of All Other Lines of Business .....			
11. Subtotal .....	2,307,898	2,158,788	10,598,501
12. Deposit-Type Contracts .....			
13. Total	2,307,898	2,158,788	10,598,501
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 accounting practices and procedures of the NAIC as prescribed or permitted by the National Association of Insurance Commissioners and 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 Principals requires management to make estimates and assumptions that effect 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

Life premiums are recognized as income over the premium paying period of the related policies. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3) Common Stocks are stated at market and Preferred Stocks at cost.

2. Accounting Changes

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 Ohio Insurance Commissioner.

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures manual are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds in the period of the change in accounting principles. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported a change of accounting principle, as an adjustment that increased unassigned funds, \$ 9,480 related to net deferred tax assets as of January 1, 2001.

3. Income Taxes

A. The components of the net deferred tax asset/(liability) at March 31, 2002 are as follows:

	March 31, 2002
(1) Total of all deferred tax assets (admitted and nonadmitted)	\$ 42,888
(2) Total of all deferred tax liabilities	\$ 0
(3) Total deferred tax assets nonadmitted in accordance With SSAP No10, Income Taxes	\$ 32,167
(4) Increase (decrease) in deferred tax assets	\$ (180)
(5) Increase (decrease) in deferred tax assets nonadmitted	\$ (135)

4. Wash Sales

During the first quarter of 2002, the Company was not engaged in any transactions involving wash sales.

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. .... 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). .... 08/02/1999

7.4 By what department or departments?  
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: \$

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

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	2
	Prior Year-End	Current Quarter
	Statement Value	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	2
Name of Custodian(s)	Custodian Address
Park National Bank	P.O. Box 3500, Newark, Ohio 43058-3500

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	2	3
Name(s)	Location(s)	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	2	3	4
Old Custodian	New Custodian	Date of Change	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	2	3
Central Registration Depository	Name(s)	Address

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 .....	NONE			
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				

STATEMENT AS OF MARCH 31, 2002 OF THE Classic Life 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 .....	4,154,075	1,306,636	1,061,673	671	4,399,709			4,154,075
2. Class 2 .....	250,548			(15)	250,533			250,548
3. Class 3 .....								
4. Class 4 .....								
5. Class 5 .....								
6. Class 6 .....								
7. Total Bonds	4,404,623	1,306,636	1,061,673	656	4,650,242			4,404,623
<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	4,404,623	1,306,636	1,061,673	656	4,650,242			4,404,623

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Amount of Interest Received Current Quarter	Paid for Accrued Interest
8099999 Totals	260 ,913	XXX	260 ,913	503	

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned				
	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period .....	15 ,950			63 ,609
2. Cost of short-term investments acquired .....	244 ,963			
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 .....				47 ,659
7. Book/adjusted carrying value, current period .....	260 ,913			15 ,950
8. Total valuation allowance .....				
9. Subtotal (Lines 7 plus 8) .....	260 ,913			15 ,950
10. Total nonadmitted amounts .....				
11. Statement value (Lines 9 minus 10) .....	260 ,913			15 ,950
12. Income collected during period .....	503			46 ,187
13. Income earned during period .....	575			41 ,301

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S

NONE

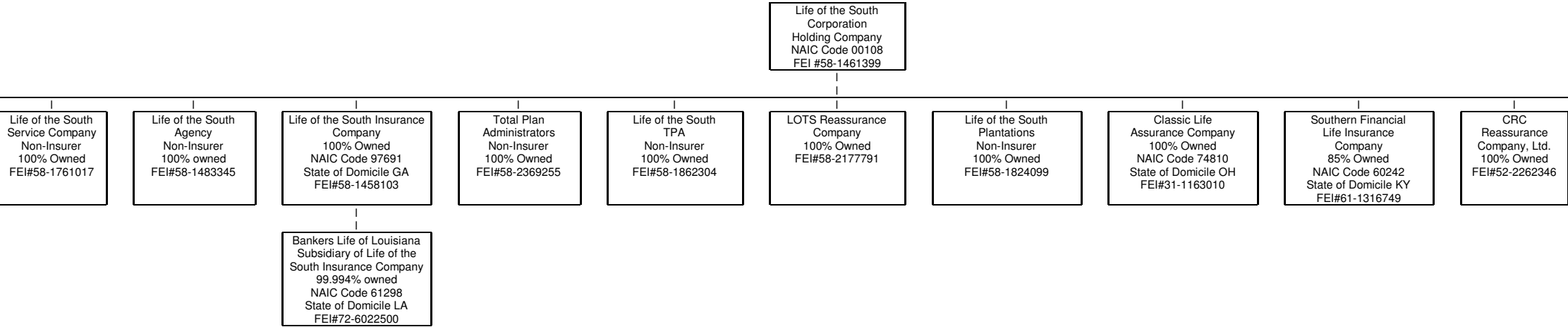
SCHEDULE TPREMIUMS AND ANNUITY CONSIDERATIONS

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 .....	No					
2. Alaska .....	AK .....	No					
3. Arizona .....	AZ .....	No					
4. Arkansas .....	AR .....	No					
5. California .....	CA .....	No					
6. Colorado .....	CO .....	No					
7. Connecticut .....	CT .....	No					
8. Delaware .....	DE .....	No					
9. District of Columbia .....	DC .....	No					
10. Florida .....	FL .....	No					
11. Georgia .....	GA .....	No					
12. Hawaii .....	HI .....	No					
13. Idaho .....	ID .....	No					
14. Illinois .....	IL .....	No					
15. Indiana .....	IN .....	No					
16. Iowa .....	IA .....	No					
17. Kansas .....	KS .....	No					
18. Kentucky .....	KY .....	No					
19. Louisiana .....	LA .....	No					
20. Maine .....	ME .....	No					
21. Maryland .....	MD .....	No					
22. Massachusetts .....	MA .....	No					
23. Michigan .....	MI .....	No					
24. Minnesota .....	MN .....	No					
25. Mississippi .....	MS .....	No					
26. Missouri .....	MO .....	No					
27. Montana .....	MT .....	No					
28. Nebraska .....	NE .....	No					
29. Nevada .....	NV .....	No					
30. New Hampshire .....	NH .....	No					
31. New Jersey .....	NJ .....	No					
32. New Mexico .....	NM .....	No					
33. New York .....	NY .....	No					
34. North Carolina .....	NC .....	No					
35. North Dakota .....	ND .....	No					
36. Ohio.....	OH .....	Yes	994,842	1,313,056			
37. Oklahoma .....	OK .....	No					
38. Oregon .....	OR .....	No					
39. Pennsylvania .....	PA .....	No					
40. Rhode Island .....	RI .....	No					
41. South Carolina .....	SC .....	No					
42. South Dakota .....	SD .....	No					
43. Tennessee .....	TN .....	No					
44. Texas .....	TX .....	No					
45. Utah .....	UT .....	No					
46. Vermont .....	VT .....	No					
47. Virginia .....	VA .....	No					
48. Washington .....	WA .....	No					
49. West Virginia .....	WV .....	No					
50. Wisconsin .....	WI .....	No					
51. Wyoming .....	WY .....	No					
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) .....1	994,842		1,313,056			
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	994,842		1,313,056			
96. Plus Reinsurance Assumed .....	XXX						
97. Totals (All Business) .....	XXX	994,842		1,313,056			
98. Less Reinsurance Ceded .....	XXX	772,174		1,038,719			
99. Totals (All Business) less Reinsurance Ceded .....	XXX	222,668		274,338			
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





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

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.....

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

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

**STATEMENT AS OF MARCH 31, 2002 OF THE Classic Life Assurance Company**

## SCHEDULE E - PART 1 - CASH

[illegible]