



QUARTERLY STATEMENT

As of June 30, 2002
of the Condition and Affairs of the

PROTECTIVE LIFE INSURANCE COMPANY OF OHIO

NAIC Group Code..... 0458, 458 (Current Period) (Prior Period)	NAIC Company Code..... 60234	Employer's ID Number..... 63-1191165
Organized under the Laws of OHIO	State of Domicile or Port of Entry OHIO	Country of Domicile US
Incorporated..... October 24, 1997	Commenced Business..... January 22, 1998	
Statutory Home Office	7 WEST 7TH STREET, SUITE 1670 CINCINNATI OH 45202 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	2801 HIGHWAY 280 SOUTH BIRMINGHAM AL 35223 (Street and Number) (City or Town, State and Zip Code)	205-879-9230 (Area Code) (Telephone Number)
Mail Address	P O BOX 2606 BIRMINGHAM AL 35202 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	2801 HIGHWAY 280 SOUTH BIRMINGHAM AL 35223 (Street and Number) (City or Town, State and Zip Code)	205-879-9230 (Area Code) (Telephone Number)
Internet Website Address	www.protective.com	
Statement Contact	Laura Phillips Stiles (Name)	205-803-1347 (Area Code) (Telephone Number) (Extension)
	Laura.Stiles@protective.com (E-Mail Address)	205-868-3086 (Fax Number)
Policyowner Relations Contact	2801 HIGHWAY 280 SOUTH BIRMINGHAM AL 35223 (Street and Number) (City or Town, State and Zip Code)	800-477-8858 (Area Code) (Telephone Number) (Extension)

OFFICERS

President Steven Alan Schultz
Secretary William Lloyd McMullen, Jr.
Treasurer William Lloyd McMullen, Jr.
Actuary Thomas Michael Presley

VICE PRESIDENTS

Richard Joseph Bielen	William Lloyd McMullen, Jr.	Thomas Michael Presley	Charles Michael Prior
Banks Mayhew Wood	Jerry Walton DeFoor	Leon Michael Schmitt	

DIRECTORS OR TRUSTEES

John Brian Deremo	John Robert Sawyer	Lawrence Gilbert Merrill	William Lloyd McMullen, Jr.
Steven Alan Schultz			

State of..... Alabama
County of..... Jefferson

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.

_____ (Signature) Steven Alan Schultz (Printed Name) President	_____ (Signature) William Lloyd McMullen, Jr. (Printed Name) Secretary	_____ (Signature) William Lloyd McMullen, Jr. (Printed Name) Treasurer
----------------------------------------------------------------------------	------------------------------------------------------------------------------------	------------------------------------------------------------------------------------

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

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.....	2,603,755		2,603,755	2,615,112
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Policy loans.....			0	
6. Premium notes, including \$.....0 for first year premiums.....			0	
7. Cash (\$.....1,044,849) and short-term investments (\$.....0).....	1,044,849		1,044,849	2,103,750
8. Other invested assets.....			0	
9. Receivable for securities.....			0	
10. Aggregate write-ins for invested assets.....	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10).....	3,648,604	0	3,648,604	4,718,862
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers.....			0	
12.2 Commissions and expense allowances due.....	97,941		97,941	
12.3 Experience rating and other refunds due.....			0	
12.4 Other amounts receivable under reinsurance contracts.....			0	
13. Electronic data processing equipment and software.....			0	
14. Federal and foreign income tax recoverable and interest thereon (including \$.....1,098 net deferred tax asset).....	8,563	7,465	1,098	3,453
15. Guaranty funds receivable or on deposit.....			0	
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$.....0 loading).....			0	
17. Accident and health premiums due and unpaid.....			0	
18. Investment income due and accrued.....	54,356		54,356	55,230
19. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
20. Receivable from parent, subsidiaries and affiliates.....	157,043		157,043	
21. Amounts receivable relating to uninsured accident and health plans.....			0	
22. Amounts due from agents.....	332,427	332,427	0	
23. Other assets nonadmitted.....			0	
24. Aggregate write-ins for other than invested assets.....	0	0	0	0
25. Total assets excluding Separate Accounts business (Lines 11 to 24).....	4,298,933	339,892	3,959,041	4,777,545
26. From Separate Accounts Statement.....			0	
27. Total (Lines 25 and 26).....	4,298,933	339,892	3,959,041	4,777,545

DETAILS OF WRITE-INS

1001.			0	
1002.			0	
1003.			0	
1098. Summary of remaining write-ins for Line 10 from overflow page.....	0	0	0	0
1099. Totals (Lines 1001 thru 1003 plus 1098) (Line 10 above).....	0	0	0	0
2401.			0	
2402.			0	
2403.			0	
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$.....122,724 less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....	122,724	150,451
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve).....		
3. Liability for deposit-type contracts (including \$.....0 Modco Reserve).....		
4. Contract claims:		
4.1 Life.....	1,483	15,863
4.2 Accident and health.....		
5. Policyholders' dividends \$.....0 and coupons \$.....0 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 \$.....0 Modco Reserve).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco Reserve).....		
6.3 Coupons and similar benefits (including \$.....0 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 \$.....0 discount; including \$.....0 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 \$.....0 accident and health experience rating refunds.....		
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$...203,872 ceded.....	203,872	
9.4 Interest Maintenance Reserve.....		
10. Commissions to agents due or accrued-life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....		
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 \$.....0 accrued for expense allowances recognized in reserves).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes.....	3,430	
15. Federal and foreign income taxes, including \$.....0 on realized capital gains (losses) (including \$.....0 net deferred tax liability).....	44,583	12,797
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....	9,602	9,602
18. Amounts held for agents' account, including \$.....1,718 agents' credit balances.....	1,718	12,370
19. Remittances and items not allocated.....	366,015	945,537
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 \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve.....		
24.2 Reinsurance in unauthorized companies.....		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers.....		
24.4 Payable to parent, subsidiaries and affiliates.....		410,953
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 \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	0	0
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25).....	753,428	1,557,573
27. From Separate Accounts Statement.....		
28. Total Liabilities (Line 26 and 27).....	753,428	1,557,573
29. Common capital stock.....	850	850
30. Preferred capital stock.....		
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....		
33. Gross paid in and contributed surplus.....	2,799,150	2,799,150
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	405,613	419,971
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	3,204,763	3,219,121
38. Totals of Lines 29, 30 and 37.....	3,205,613	3,219,971
39. Totals of Lines 28 and 38.....	3,959,041	4,777,544

DETAILS OF WRITE-INS

2501. Line 15 from 2001 Annual Statement.....		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	0
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0

PROTECTIVE LIFE INSURANCE COMPANY OF OHIO
SUMMARY OF OPERATIONS
(Excluding Unrealized Capital Gains and Losses)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts.....	19,582	134,879	(159,345)
2. Considerations for supplementary contracts with life contingencies.....			
3. Net investment income.....	73,790	227,268	320,001
4. Amortization of Interest Maintenance Reserve (IMR).....			
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....			
6. Commissions and expense allowances on reinsurance ceded.....	1,789,770	2,226,824	5,212,035
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.....	0	0	0
9. Totals (Lines 1 to 8.3).....	1,883,142	2,588,971	5,372,691
10. Death benefits.....	(6,380)	2,440	18,327
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.....	(27,727)	3,494	(227,467)
20. Totals (Lines 10 to 19).....	(34,107)	5,934	(209,140)
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	1,784,041	2,298,826	5,113,048
22. Commissions and expense allowances on reinsurance assumed.....			
23. General insurance expenses.....	13,885	2,884	12,092
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	29,316	10,451	47,020
25. Increase in loading on deferred and uncollected premiums.....			
26. Net transfers to or (from) Separate Accounts.....			
27. Aggregate write-ins for deductions.....	0	0	0
28. Totals (Lines 20 to 27).....	1,793,136	2,318,095	4,963,020
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	90,007	270,876	409,671
30. Dividends to policyholders.....			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	90,007	270,876	409,671
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....	31,786	97,548	137,797
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).....	58,221	173,328	271,874
34. Net realized capital gains or (losses) less capital gains tax of \$.....0 (excluding taxes of \$.....0 and transferred to the IMR).....			
35. Net income (Line 33 plus Line 34).....	58,221	173,328	271,874
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year.....	3,219,971	2,681,769	2,681,769
37. Net income (Line 35).....	58,221	173,328	271,874
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.....	(1,232)	439	8,288
41. Change in nonadmitted assets and related items.....	(71,346)	321,672	255,489
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.....		1,044	1,044
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.....		1,507	1,507
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.....	0	0	0
54. Net change in capital and surplus (Lines 37 through 53).....	(14,357)	497,990	538,202
55. Capital and surplus as of statement date (Lines 36 + 54).....	3,205,614	3,179,759	3,219,971

DETAILS OF WRITE-INS

08.301.			
08.302.			
08.303.			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	0	0	0
2701.			
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	0	0	0
5301.			
5302.			
5303.			
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	0	0	0

PROTECTIVE LIFE INSURANCE COMPANY OF OHIO 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.....	19,582	(159,345)
2. Charges and fees for deposit-type contracts.....		
3. Considerations for supplementary contracts with life contingencies.....		
4. Net investment income.....	86,022	341,959
5. Commissions and expense allowances on reinsurance ceded.....	1,789,770	5,212,035
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts.....		
7. Aggregate write-ins for miscellaneous income.....	.0	.0
8. Total (Lines 1 to 7).....	1,895,374	5,394,649
9. Death benefits.....	8,000	15,866
10. Matured endowments.....		
11. Annuity benefits.....		
12. Disability benefits and benefits under accident and health contracts.....		
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).....	8,000	15,866
19. Commissions on premiums, annuity considerations and deposit-type contract funds.....	1,785,310	5,113,048
20. Commissions and expense allowances on reinsurance assumed.....		
21. General insurance expenses.....	13,885	12,092
22. Insurance taxes, licenses and fees, excluding federal income taxes.....	25,886	47,020
23. Net transfers to or (from) Separate Accounts.....		
24. Aggregate write-ins for deductions.....	.0	.0
25. Total (Lines 18 to 24).....	1,833,081	5,188,026
26. Dividends paid to policyholders.....		
27. Federal income taxes (excluding tax on capital gains).....		165,060
28. Total (Lines 25 to 27).....	1,833,081	5,353,086
29. Net cash from operations (Line 8 minus Line 28).....	62,293	41,563
Cash from Investments		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds.....		
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).....	.0	.0
31. Net tax on capital gains (losses).....		
32. Total (Line 30.8 minus Line 31).....	.0	.0
33. Cost of investments acquired (long-term only):		
33.1 Bonds.....		
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).....	.0	.0
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).....	.0	.0
Cash from Financing and Miscellaneous Sources		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in.....		
36.2 Borrowed money \$.....0 less amounts repaid \$.....0.....		
36.3 Capital notes \$.....0 less amounts repaid \$.....0.....		
36.4 Deposits on deposit-type contracts funds and other liabilities without life or disability contingencies.....		
36.5 Other cash provided.....	203,872	1,225,610
36.6 Total (Lines 36.1 to 36.5).....	203,872	1,225,610
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).....	1,325,066	6,914,266
37.5 Total (Lines 37.1 to 37.4).....	1,325,066	6,914,266
38. Net cash from financing and miscellaneous sources (Lines 36.6 minus Line 37.5).....	(1,121,194)	(5,688,656)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
39. Net change in cash and short-term investments (Line 29, plus Line 35, plus Line 38).....	(1,058,901)	(5,647,093)
40. Cash and short-term investments:		
40.1 Beginning of year.....	2,103,748	7,750,841
40.2 End of period (Line 39 plus Line 40.1).....	1,044,847	2,103,748
DETAILS OF WRITE-INS		
0701. Lines 4 and 5 from 2000 Annual Statement.....		
0702.		
0703.		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	.0	.0
0799. Total (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	.0	.0
2401. Lines 19 and 20 from 2000 Annual Statement.....		
2402.		
2403.		
2498. Summary of remaining write-ins for Line 24 from overflow page.....	.0	.0
2499. Total (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	.0	.0

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.....	113,025	147,733	253,338
3. Ordinary individual annuities.....			
4. Credit life (group & individual).....	1,647,496	1,957,385	4,663,181
5. Group life insurance.....			
6. Group annuities.....			
7. A&H - group.....			
8. A&H - credit (group & individual).....	2,285,469	2,811,027	6,738,915
9. A&H - other.....			
10. Aggregate of all other lines of business.....	0	0	0
11. Subtotal.....	4,045,990	4,916,145	11,655,434
12. Deposit-type contracts.....			
13. Total.....	4,045,990	4,916,145	11,655,434

DETAILS OF WRITE-INS

1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page.....	0	0	0
1099. Total (Lines 1001 thru 1003 plus 1098) (Line 10 above).....	0	0	0

PROTECTIVE LIFE INSURANCE COMPANY OF OHIO

NOTES TO FINANCIAL STATEMENTS

The notes to financial statements listed below should be used in conjunction with the *Notes to Financial Statements* in the "Annual Statement of Protective Life Insurance Company of Ohio for the year ended December 31, 2001".

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Protective Life Insurance Company of Ohio (the Company) are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The Ohio Insurance Department recognizes only statutory practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective January 1, 2001, (NAIC SAP) has been adopted, and amendments in March 2002, as a component of prescribed or permitted practices by the state of Ohio. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP.

The following reconciles the Company's net income and capital and surplus prepared in accordance with NAIC SAP as compared to that prepared in accordance with practices prescribed and permitted by the State of Ohio:

	<u>06/30/2002</u>
Net Income (Loss), State of Ohio Basis	\$ 58,221
State Prescribed and Permitted Practices:	
None	
Net Income (Loss), NAIC SAP	<u>\$ 58,221</u>
Statutory Surplus, State of Ohio Basis	\$ 3,205,613
State Prescribed Practices:	
None	
Statutory Surplus, NAIC SAP	<u>\$ 3,205,613</u>

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

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

C. Accounting Policy

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) The Company does not own any common stock.
- (4) The Company does not own any preferred stock.
- (5) The Company does not own any mortgage loans.
- (6) The Company does not own any loan-backed securities.
- (7) The Company owns no equity interest in any subsidiary.
- (8) The Company has no joint ventures.
- (9) The Company has no derivative instruments.
- (10) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts.

PROTECTIVE LIFE INSURANCE COMPANY OF OHIO
NOTES TO FINANCIAL STATEMENTS

3. Business Combinations and Goodwill

On March 29, 2002, Protective Life Insurance Company (the Company's parent) sold Lyndon Life Insurance Company to an unaffiliated insurance company. As part of the transaction Protective Life Insurance Company coinsured all of the business in Lyndon Life and was paid \$13.4 million by the unaffiliated insurance company for Lyndon Life Insurance Company.

On June 28, 2002, Protective Life completed the acquisition through coinsurance of a block of traditional life and interest-sensitive life insurance business from Conseco Variable Insurance Company. In the transaction, Protective Life received approximately \$470 million of reserves. The ceding commission paid to Conseco was approximately \$44.7 million.

10. Information Concerning Parent, Subsidiaries, and Affiliates

During the first quarter of 2002, Protective Finance Corporation paid a dividend to the Protective Life of \$5.6 million. Also during the first quarter, Protective Finance Corporation II paid a dividend of \$7.8 million to Protective Life.

During the second quarter of 2002, Protective Finance Corporation paid a dividend of \$2.6 million to Protective Life and Protective Finance Corporation II paid a dividend of \$2.0 million.

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

The Company had no Wash Sales during the year.

20. Other Items

(1) On January 1, 2002, Protective Life coinsured all of the business of Lyndon Life Insurance Company, a wholly owned subsidiary of Protective Life. On June 28, 2002, Protective Life completed the acquisition through coinsurance of a block of traditional life and interest-sensitive life insurance business from Conseco Variable Insurance Company. Below is a summary of assets and liabilities related to these transactions that were transferred.

ANALYSIS OF LEDGER AND NON-LEDGER ITEMS TRANSFERRED

ASSETS

1.	Bonds	\$342,073,781
5.	Policy Loans	50,983,696
7.	Cash	114,329,095
12.1	Amounts recoverable from reinsurers	1,571,323
12.2	Commission and expense allowance due	830,779
16.	Life Insurance premiums deferred and uncollected	4,748,481
18.	Investment income due and accrued	650,368
24.	Aggregate write-ins for other than invested assets	<u>2,663,804</u>

TOTAL \$517,851,327

LIABILITIES, SURPLUS, AND OTHER FUNDS

1.	Aggregate reserves for life policies	\$(482,218,567)
2.	Aggregate reserves-A&H policies	(6,671,477)
4.1	Policy and contract claims for life	(326,229)
4.2	Policy and contract claims for accident & health	(280,748)
5.	Policyholders' dividends and coupons due & unpaid	(443,432)
6.	Provision for policyholders' dividends and coupons	(13,458,722)
8.	Premiums and annuity considerations received	(284,216)
9.3	Other amounts payable on reinsurance	(3,973,456)
9.4	Interest Maintenance Reserve	(425,489)
10.	Commissions to agents due or accrued	(1,209,008)
11.	Commission and expense allowance payable on reinsurance assumed	(1,327,826)
12.	General expenses due or accrued	(271,434)
16.	Unearned investment income	(1,297,771)
24.2	Reinsurance in unauthorized reinsurers	(1,788,148)
24.3	Funds held under reinsurance treaties with unauthorized reinsurers	(7,574,768)
24.7	Funds held under coinsurance	(44,543,248)
25.	Aggregate write-ins for liabilities	<u>(291,912)</u>

TOTAL \$(566,386,451)

ASSETS LESS LIABILITIES (48,535,124)

CEDING ALLOWANCE (48,535,124)

PROTECTIVE LIFE INSURANCE COMPANY OF OHIO
NOTES TO FINANCIAL STATEMENTS

21. Subsequent Event

On July 1, 2002, Inter-State Assurance Company merged with Protective Life. After the merger, Protective Life will assume all of the policy liabilities of Inter-State. In accordance with Statement of Statutory Accounting Principle No. 3, the prior year annual statement information will be restated as if the merger had occurred as of January 1, 2001.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since 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 name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that 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] N/A []

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.12/31/2000.....

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).

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 (continued)

INVESTMENT

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

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 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds.....	\$.....0	\$.....0
13.22 Preferred Stock.....	\$.....0	\$.....0
13.23 Common Stock.....	\$.....0	\$.....0
13.24 Short-Term Investments.....	\$.....0	\$.....0
13.25 Mortgages, Loans or Real Estate.....	\$.....0	\$.....0
13.26 All Other.....	\$.....0	\$.....0
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	\$.....0	\$.....0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above.....	\$.....0	\$.....0

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 of New York	1 Wall Street NY, NY

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 []

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

**General Interrogatories-Part 2
NONE**

**Sch. A-Verification
NONE**

**Sch. B-Verification
NONE**

**Sch. BA-Verification
NONE**

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.....	2,609,482			(5,728)	2,609,482	2,603,754		2,615,112
2. Class 2.....								
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	2,609,482	0	0	(5,728)	2,609,482	2,603,754	0	2,615,112
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	2,609,482	0	0	(5,728)	2,609,482	2,603,754	0	2,615,112

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 NONE Per Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. Totals.....		XXX			

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.....	0	0	0	348,000
2. Cost of short-term investments acquired.....				86,948,000
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.....				87,296,000
7. Book/adjusted carrying value, current period.....	0	0	0	0
8. Total valuation allowance.....				
9. Subtotal (Lines 7 plus 8).....	0	0	0	0
10. Total nonadmitted amounts.....				
11. Statement value (Lines 9 minus 10).....	0	0	0	0
12. Income collected during period.....				
13. Income earned during period.....				(138)

**Sch. DB-Part F-Section 1
NONE**

**Sch. DB-Part F-Section 2
NONE**

**Sch. S
NONE**

PROTECTIVE LIFE INSURANCE COMPANY OF OHIO SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (Yes or No)	Direct Business Only				
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Deposit-Type Contract Funds	6 Other Considerations
		2 Life Insurance Premiums	3 Annuity 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	1,760,521		2,285,469		
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	0	0	0	0	
58. Subtotal.....(a)	1	1,760,521	0	2,285,469	0	
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 other amounts not allocable by State.....	XXX	0	0	0	0	
95. Totals (Direct Business).....	XXX	1,760,521	0	2,285,469	0	
96. Plus Reinsurance Assumed.....	XXX					
97. Totals (All Business).....	XXX	1,760,521	0	2,285,469	0	
98. Less Reinsurance Ceded.....	XXX	1,740,939		2,285,469		
99. Totals (All Business) less Reinsurance Ceded.....	XXX	19,582	0	0	0	

DETAILS OF WRITE-INS

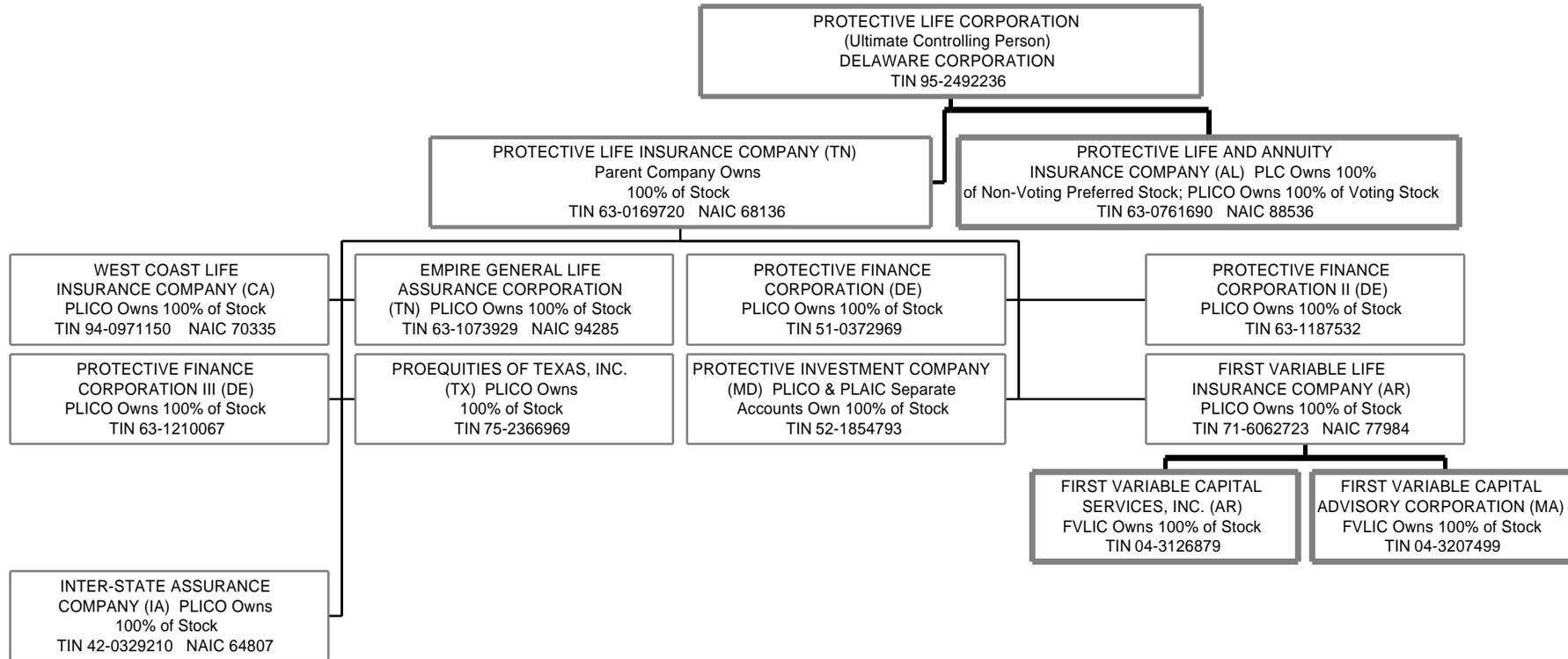
5701.	XXX				
5702.	XXX				
5703.	XXX				
5798. Summary of remaining write-ins for line 57 from overflow page.....	XXX	0	0	0	0
5799. Total (Lines 5701 thru 5703 plus 5798) (Line 57 above).....	XXX	0	0	0	0
9401.	XXX				
9402.	XXX				
9403.	XXX				
9498. Summary of remaining write-ins for line 94 from overflow page.....	XXX	0	0	0	0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....	XXX	0	0	0	0

(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 June 30, 2002
Page 1 of 4
(PLICO INSURANCE SUBSIDIARIES, EXCLUDING FIID)

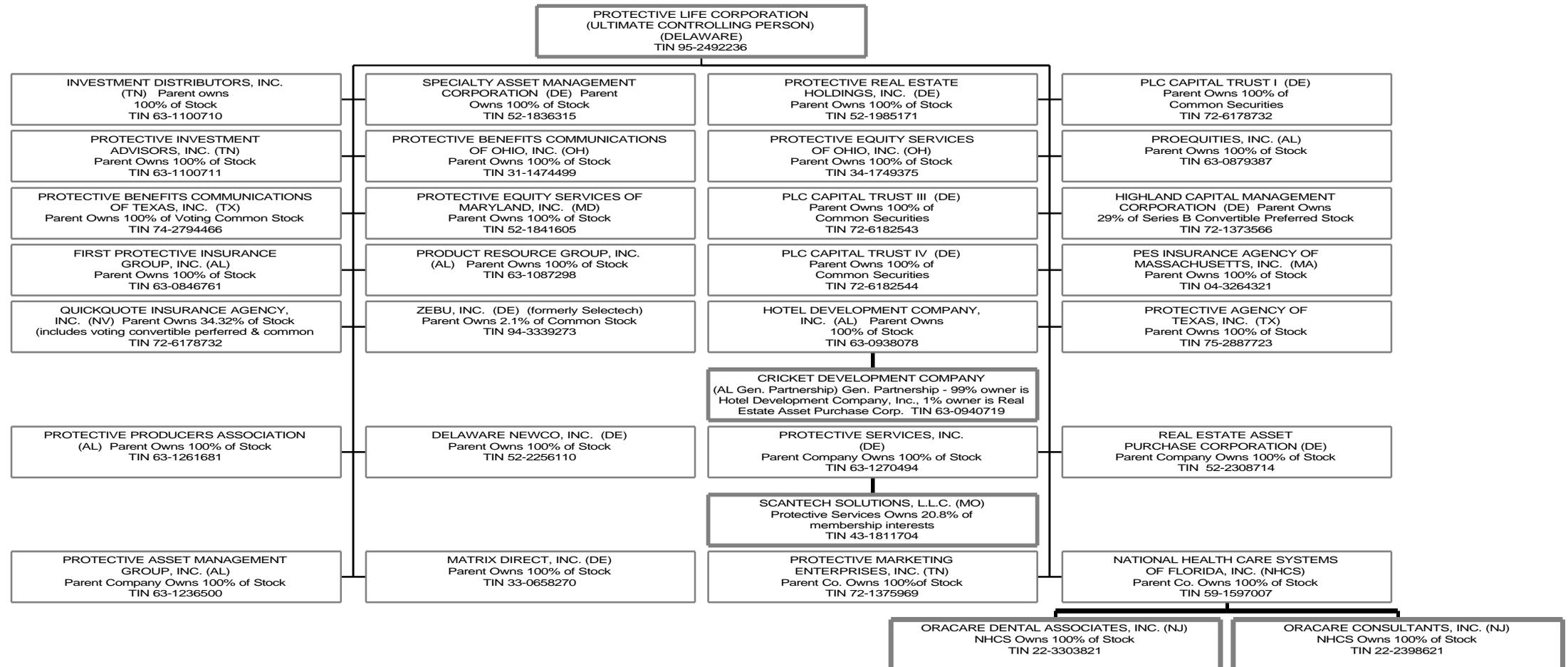


SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

PROTECTIVE LIFE CORPORATION ORGANIZATIONAL CHART
AS OF JUNE 30, 2002
Page 2 of 4

PLC NON-INSURANCE COMPANIES (EXCLUDING FIID)



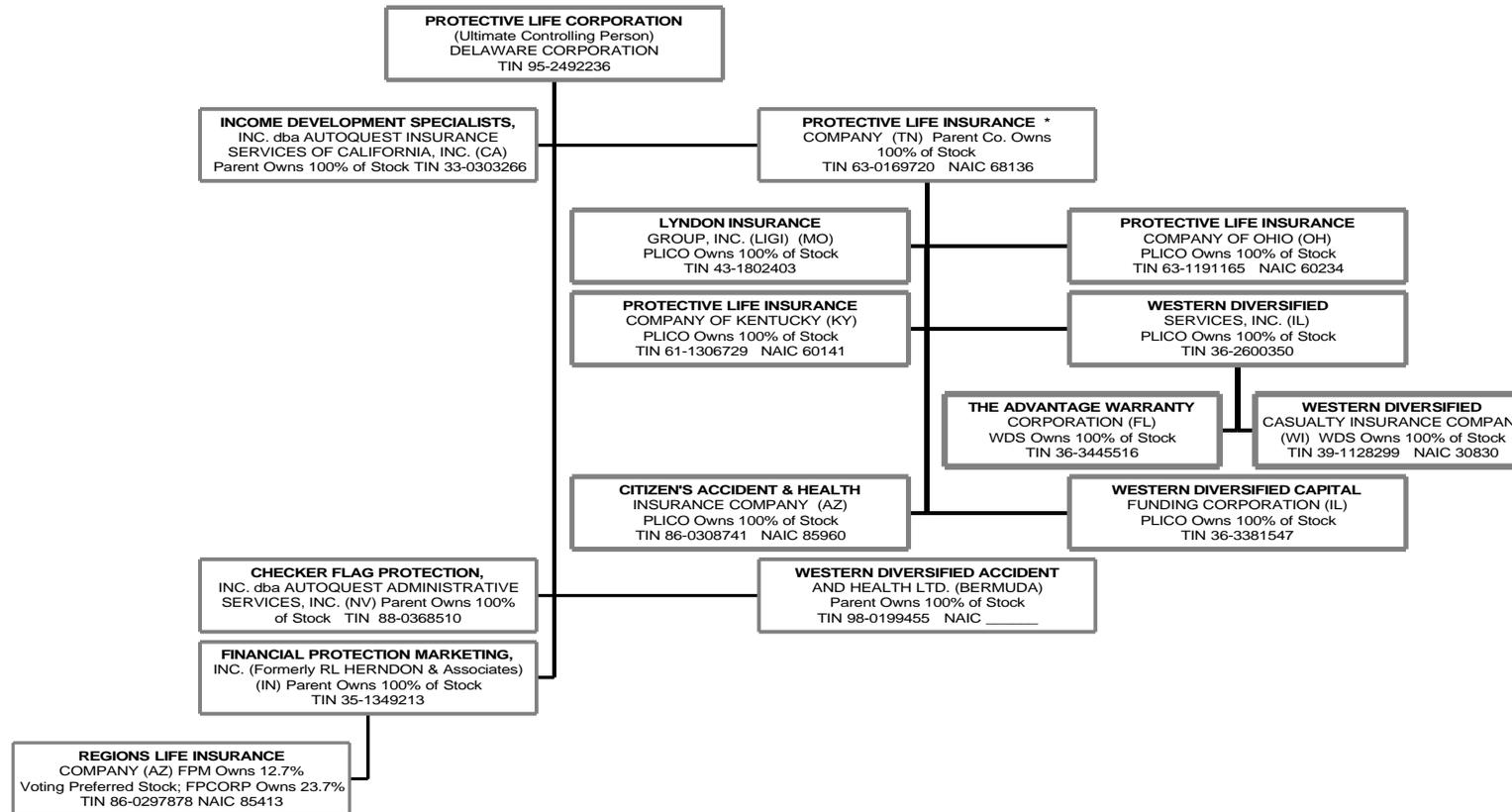
18.1

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

PROTECTIVE LIFE CORPORATION ORGANIZATIONAL CHART
 AS OF JUNE 30, 2002 (revised 7/29/02)
 Page 3 of 4

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



18.2

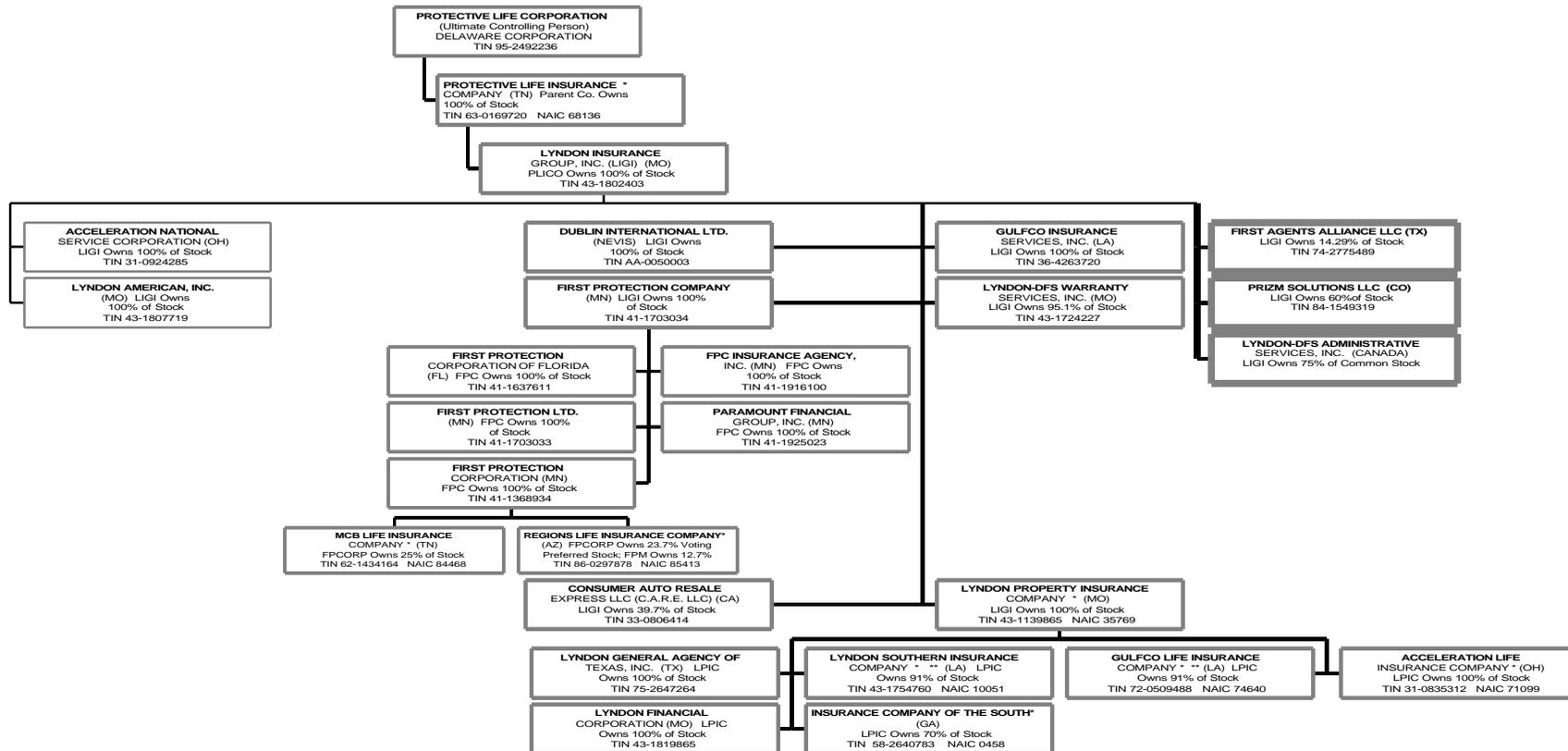
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

PROTECTIVE LIFE CORPORATION ORGANIZATIONAL CHART
AS OF JUNE 30, 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

PROTECTIVE LIFE INSURANCE COMPANY OF OHIO SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

1. Will the 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 CODE:



**Overflow Page
NONE**

**Sch. A-Part 2
NONE**

**Sch. A-Part 3
NONE**

**Sch. B-Part 1
NONE**

**Sch. B-Part 2
NONE**

**Sch. BA-Part 1
NONE**

**Sch. BA-Part 2
NONE**

**Sch. D-Part 3
NONE**

**Sch. D-Part 4
NONE**

**Sch. DB-Part A-Section 1
NONE**

**Sch. DB-Part B-Section 1
NONE**

**Sch. DB-Part C-Section 1
NONE**

**Sch. DB-Part D-Section 1
NONE**

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Rate of Interest	3 Amount of Interest Received During Current Quarter	4 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			8 *	
				5 First Month	6 Second Month	7 Third Month		
Open Depositories								
AmSouth Bank.....	Birmingham, AL.....	.....	.....	.....	(155,989)	(154,468)	(170,044)	.....
Bank of America.....	Birmingham, AL.....	.....	.....	.....	562,275	525,741	431,632	.....
Bank of New York.....	New York, New York.....	0.650	41	.....	5,523	5,526	5,529	.....
Compass Bank.....	Birmingham, AL.....	2.031	1,570	.....	252,770	253,206	253,193	.....
SouthTrust Bank.....	Birmingham, AL.....	.....	.....	.....	(9,224)	(18,166)	(63,462)	.....
AmSouth Bank (FHLMC Repo).....	Birmingham, AL.....	0.850	918	42	621,000	418,000	588,000	.....
0199999. Total Open Depositories.....	XXX.....	2,529	42	.....	1,276,354	1,029,838	1,044,849	XXX
0399999. Total Cash on Deposit.....	XXX.....	2,529	42	.....	1,276,354	1,029,838	1,044,849	XXX
0599999. Total Cash.....	XXX.....	2,529	42	.....	1,276,354	1,029,838	1,044,849	XXX

PROTECTIVE LIFE INSURANCE COMPANY OF OHIO
Overflow Page for Write-Ins