



# QUARTERLY STATEMENT

AS OF JUNE 30, 2002  
OF THE CONDITION AND AFFAIRS OF THE

## INTEGRITY LIFE INSURANCE COMPANY

NAIC Group Code 0836 0836 NAIC Company Code 74780 Employer's ID Number 86-0214103  
(Current Period) (Prior Period)

Organized under the Laws of OHIO, State of Domicile or Port of Entry \_\_\_\_\_

Country of Domicile United States of America

Incorporated 05/03/1966 Commenced Business 05/25/1966

Statutory Home Office 400 BROADWAY, CINCINNATI, OH 45202  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 515 WEST MARKET STREET  
(Street and Number)  
LOUISVILLE, KY 40202 502-582-7900  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 515 WEST MARKET STREET, LOUISVILLE, KY 40202  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 515 WEST MARKET STREET  
(Street and Number)  
LOUISVILLE, KY 40202 502-582-7939  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address http://www.integritycompanies.com

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LOUISVILLE, KY 40202 502-540-2890  
(City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

### OFFICERS

President JOHN ROBERT LINDHOLM Chief Financial Officer DON WAYNE CUMMINGS  
Chief Actuary DENNIS LEE CARR Secretary EDWARD JOSEPH BABBITT

### VICE PRESIDENTS

<u>DAVID LEE ANDERS</u>	<u>DENNIS LEE CARR</u>	<u>DON WAYNE CUMMINGS</u>
<u>WILLIAMS HASTINGS GUTH</u>	<u>EDWARD JOSEPH HAINES</u>	<u>KEVIN LOUIS HOWARD</u>
<u>JAMES GERALD KAISER</u>	<u>JILL RAE KEINSLEY</u>	<u>WILLIAM FRANCIS LEDWIN</u>
<u>KEN ARTHUR PALMER</u>		

### DIRECTORS OR TRUSTEES

<u>JOHN FINN BARRETT</u>	<u>DENNIS LEE CARR</u>	<u>JOHN ROBERT LINDHOLM</u>
<u>ROBERT LEWIS WALKER</u>	<u>WILLIAM JOSEPH WILLIAMS</u>	<u>DONALD JOSEPH WUEBBLING</u>

State of KENTUCKY }  
County of JEFFERSON } 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.

<u>JOHN ROBERT LINDHOLM</u> President	<u>DON WAYNE CUMMINGS</u> Chief Financial Officer	<u>EDWARD JOSEPH BABBITT</u> Secretary
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Subscribed and sworn to before me this  
13TH day of AUGUST, 2002

CYNTHIA TEALE  
NOTARY PUBLIC  
DECEMBER 21, 2002

**STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY 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 .....	1,318,923,449		1,318,923,449	1,349,887,893
2. Stocks:				
2.1 Preferred stocks .....	83,657,562		83,657,562	85,630,661
2.2 Common stocks .....	115,450,966		115,450,966	113,785,729
3. Mortgage loans on real estate:				
3.1 First liens .....	18,282,430		18,282,430	19,589,381
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 .....	110,516,647		110,516,647	110,235,348
6. Premium notes, including \$ ..... for first year premiums .....				
7. Cash (\$ ..... (7,844,954) ) and short-term investments (\$ ..... 73,852,137 ) .....	66,007,183		66,007,183	27,739,471
8. Other invested assets .....	11,039,204		11,039,204	9,076,063
9. Receivable for securities .....	3,731,562		3,731,562	
10. Aggregate write-ins for invested assets .....				
11. Subtotals, cash and invested assets (Lines 1 to 10) .....	1,727,609,003		1,727,609,003	1,715,944,546
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 .....				
13. Electronic data processing equipment and software .....	1,446,857	1,446,857		
14. Federal and foreign income tax recoverable and interest thereon (including \$ ..... 26,029,637 net deferred tax asset) .....	101,761,175	72,284,057	29,477,118	15,288,331
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) .....	100,287		100,287	100,287
17. Accident and health premiums due and unpaid .....				
18. Investment income due and accrued .....	21,077,899		21,077,899	22,240,832
19. Net adjustment in assets and liabilities due to foreign exchange rates .....				
20. Receivable from parent, subsidiaries and affiliates .....			0	2,016,801
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 .....	2,401,343		2,401,343	2,709,606
25. Total assets excluding Separate Accounts business (Lines 11 to 24) .....	1,854,396,564	73,730,914	1,780,665,650	1,758,300,403
26. From Separate Accounts Statement .....	1,748,695,717		1,748,695,717	1,636,625,871
27. Total (Lines 25 and 26) .....	3,603,092,281	73,730,914	3,529,361,367	3,394,926,274
<b>DETAILS OF WRITE-INS</b>				
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. Miscellaneous assets .....	2,401,343		2,401,343	2,709,606
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) .....	2,401,343		2,401,343	2,709,606

STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY LIFE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for Life contracts \$ .....1,506,092,116 less \$ .....included in Line 6.3 (including \$ .....8,852,224 Modco Reserve) .....	1,506,092,116	1,515,884,136
2. Aggregate reserve for accident and health contracts (including \$ ..... Modco Reserve) .....		
3. Liability for deposit-type contracts (including \$ ..... Modco Reserve) .....	38,022,034	38,101,677
4. Contract claims:		
4.1 Life .....	146,000	146,000
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 \$ ..... ceded .....		
9.4 Interest Maintenance Reserve .....	19,406,971	18,913,945
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 .....	3,743,946	6,461,449
13. Transfers to Separate Accounts due or accrued (net) (Including \$ .....66,578,211 accrued for expense allowances recognized in reserves) .....	(26,102,614)	(38,443,856)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes .....	3,953,336	3,946,811
15. Federal and foreign income taxes, including \$ ..... on realized capital gains (losses) (including \$ ..... net deferred tax liability) .....		
16. Unearned investment income .....	12,000	11,656
17. Amounts withheld or retained by company as agent or trustee .....	291,485	270,688
18. Amounts held for agents' account, including \$ ..... agents' credit balances .....		
19. Remittances and items not allocated .....	2,613,856	2,332,410
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 \$ .....25,280,309 and interest thereon \$ .....	25,280,309	
23. Dividends to stockholders declared and unpaid .....		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve .....	25,212,972	31,530,178
24.2 Reinsurance in unauthorized companies .....		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers .....		
24.4 Payable to parent, subsidiaries and affiliates .....	26,779,981	
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 .....		1,472,888
24.9 Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....	976,786	3,295,740
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25) .....	1,626,429,178	1,583,923,722
27. From Separate Accounts Statement .....	1,720,695,717	1,608,625,871
28. Total Liabilities (Lines 26 and 27) .....	3,347,124,895	3,192,549,593
29. Common capital stock .....	3,000,000	3,000,000
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....		
32. Surplus notes .....		
33. Gross paid in and contributed surplus .....	299,232,151	299,232,151
34. Aggregate write-ins for special surplus funds .....		
35. Unassigned funds (surplus) .....	(119,995,679)	(99,855,470)
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 \$ .....28,000,000 in Separate Accounts Statement) .....	179,236,472	199,376,681
38. Totals of Lines 29, 30 and 37 .....	182,236,472	202,376,681
39. Totals of Lines 28 and 38 .....	3,529,361,367	3,394,926,274
<b>DETAILS OF WRITE-INS</b>		
2501. Payable to reinsurers .....	283,537	1,324,310
2502. Miscellaneous liabilities .....	693,249	693,649
2503. Deferred payable .....		1,277,781
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	976,786	3,295,740
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) .....		

STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY LIFE INSURANCE COMPANY

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	271,332,581	181,416,950	391,622,465
2. Considerations for supplementary contracts with life contingencies	59,718	448,106	578,380
3. Net investment income	58,415,452	65,299,215	118,797,509
4. Amortization of Interest Maintenance Reserve (IMR)	(21,292)	388,919	820,274
5. Separate Accounts net gain from operations excluding unrealized gains or losses		0	
6. Commissions and expense allowances on reinsurance ceded	24,218	27,029	52,029
7. Reserve adjustments on reinsurance ceded	(830,681)	(1,202,792)	(1,631,068)
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	5,998,001	6,233,539	12,229,923
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	5,441,381	3,606,462	8,679,094
9. Totals (Lines 1 to 8.3)	340,419,378	256,217,428	531,148,606
10. Death benefits	4,780,250	2,247,241	4,705,042
11. Matured endowments (excluding guaranteed annual pure endowments)			
12. Annuity benefits	38,403,668	40,202,586	79,498,080
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	130,128,058	147,193,858	251,622,318
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	1,042,485	1,279,132	2,332,867
18. Payments on supplementary contracts with life contingencies	769,387	832,261	1,642,208
19. Increase in aggregate reserves for life and accident and health contracts	(9,470,823)	(26,813,921)	(43,136,061)
20. Totals (Lines 10 to 19)	165,653,025	164,941,157	296,664,454
21. Commissions on premiums, annuity considerations, and deposit-type contract funds(direct business only)	12,138,261	9,470,570	20,665,003
22. Commissions and expense allowances on reinsurance assumed	186,324	92,001	208,192
23. General insurance expenses	11,703,321	11,711,956	21,158,206
24. Insurance taxes, licenses and fees, excluding federal income taxes	329,747	227,142	483,708
25. Increase in loading on deferred and uncollected premiums			
26. Net transfers to or (from) Separate Accounts	146,701,365	66,300,577	182,690,739
27. Aggregate write-ins for deductions	1,329,148	999,477	2,667,948
28. Totals (Lines 20 to 27)	338,041,191	253,742,880	524,538,250
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	2,378,187	2,474,548	6,610,356
30. Dividends to policyholders			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	2,378,187	2,474,548	6,610,356
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(862,843)	(2,397,776)	65,027
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)	3,241,030	4,872,324	6,545,329
34. Net realized capital gains or (losses) less capital gains tax of \$ (excluding taxes of \$ transferred to the IMR)	(7,193,035)	(444,623)	(11,814,077)
35. Net income (Line 33 plus Line 34)	(3,952,005)	4,427,701	(5,268,748)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
36. Capital and surplus, December 31, prior year	202,376,681	188,510,401	188,510,401
37. Net income (Line 35)	(3,952,005)	4,427,701	(5,268,748)
38. Change in net unrealized capital gains (losses)	(31,464,663)	12,676,122	63,605,297
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax	487,813	3,785,909	508,332
41. Change in non-admitted assets and related items	20,620,756		27,629,645
42. Change in liability for reinsurance in unauthorized companies			
43. Change in reserve on account of change in valuation basis, (increase) or decrease		(3,800,000)	(10,750,961)
44. Change in asset valuation reserve	6,317,206	(64,679)	(9,506,073)
45. Change in treasury stock			
46. Surplus (contributed to) withdrawn from Separate Accounts during period			
47. Other changes in surplus in Separate Accounts Statement	(12,149,316)	(76,000)	7,805,000
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles		(37,546,221)	(65,058,034)
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			4,901,821
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)	(20,140,209)	(20,597,168)	13,866,280
55. Capital and surplus, as of statement date (Lines 36 + 54)	182,236,472	167,913,233	202,376,681
<b>DETAILS OF WRITE-INS</b>			
08.301. Policy deductions	459,815	259,270	682,603
08.302. Surrender charges	1,499,625	2,032,688	3,351,825
08.303. Administrative service fees	642,675	518,429	1,051,835
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	2,839,266	796,075	3,592,831
08.399. TOTALS (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	5,441,381	3,606,462	8,679,094
2701. Miscellaneous expense	1,213,938	991,485	2,178,408
2702. Reserve adjustment on reinsurance assumed	115,210	(21,668)	459,880
2703. Experience refund		29,660	29,660
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)	1,329,148	999,477	2,667,948
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)			

**STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY LIFE INSURANCE COMPANY**

**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 .....	271,232,581	391,622,465
2. Charges and fees for deposit-type contracts .....		
3. Considerations for supplementary contracts with life contingencies .....	59,718	578,380
4. Net investment income .....	60,313,810	124,384,404
5. Commissions and expense allowances on reinsurance ceded .....	(806,463)	(1,579,039)
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts .....	5,998,001	12,229,923
7. Aggregate write-ins for miscellaneous income .....	5,120,184	12,993,168
8. Total (Lines 1 to 7) .....	341,917,831	540,229,301
9. Death Benefits .....	4,780,250	4,705,042
10. Matured endowments .....		
11. Annuity Benefits .....	38,403,668	79,498,080
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 .....	130,128,058	251,622,318
15. Group conversions .....		
16. Interest and adjustments on contract or deposit-type contract funds .....	170,043	160,430
17. Payments on supplementary contracts with life contingencies .....	769,387	1,642,208
18. Total (Lines 9 to 17) .....	174,251,406	337,628,078
19. Commissions on premiums, annuity considerations and deposit-type contract funds .....	12,138,261	20,665,003
20. Commissions and expense allowances on reinsurance assumed .....	186,324	208,192
21. General insurance expenses .....	14,420,824	22,505,458
22. Insurance taxes, licenses and fees, excluding federal income taxes .....	323,222	(1,738,637)
23. Net transfers to or (from) Separate Accounts .....	134,360,123	187,969,983
24. Aggregate write-ins for deductions .....	9,314,743	2,667,948
25. Total (Lines 18 to 24) .....	344,994,903	569,906,025
26. Dividends paid to policyholders .....		
27. Federal income taxes (excluding tax on capital gains) .....	(8,346,883)	(5,505,558)
28. Total (Lines 25 to 27) .....	336,648,020	564,400,467
29. Net cash from operations (Line 8 minus Line 28) .....	5,269,811	(24,171,166)
<b>Cash from Investments</b>		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds .....	354,097,619	425,185,265
30.2 Stocks .....	4,614,203	
30.3 Mortgage loans .....	1,306,951	1,728,385
30.4 Real estate .....		
30.5 Other invested assets .....	12,500	7,796,557
30.6 Net gains or (losses) on cash and short-term investments .....		
30.7 Miscellaneous proceeds .....	(3,731,562)	2,617,143
30.8 Total investment proceeds (Lines 30.1 to 30.7) .....	356,299,711	437,327,350
31. Net tax on capital gains (losses) .....		
32. Total (Line 30.8 minus Line 31) .....	356,299,711	437,327,350
33. Cost of investments acquired (long-term only):		
33.1 Bonds .....	327,029,823	364,551,511
33.2 Stocks .....	4,250,000	10,141,659
33.3 Mortgage loans .....		
33.4 Real estate .....		
33.5 Other invested assets .....	1,977,700	
33.6 Miscellaneous applications .....	1,472,888	3,967,228
33.7 Total investments acquired (Lines 33.1 to 33.6) .....	334,730,411	378,660,398
34. Net increase (or decrease) in policy loans and premium notes .....	281,299	2,835,571
35. Net cash from investments (Line 32 minus Line 33.7 minus Line 34) .....	21,288,001	55,831,381
<b>Cash from Financing and Miscellaneous Sources</b>		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in .....		
36.2 Borrowed money \$ .....	25,280,309	
36.3 Capital notes \$ .....		
36.4 Deposits on deposit-type contract funds and other liabilities without life or disability contingencies .....	5,065,961	6,330,212
36.5 Other cash provided .....	5,069,965	9,898,319
36.6 Total (Lines 36.1 to 36.5) .....	35,416,235	16,228,531
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 .....	6,018,046	12,649,411
37.4 Other applications (net) .....	17,688,289	29,107,483
37.5 Total (Lines 37.1 to 37.4) .....	23,706,335	41,756,894
38. Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5) .....	11,709,900	(25,528,363)
<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) .....	38,267,712	6,131,852
40. Cash and short-term investments:		
40.1 Beginning of year .....	27,739,471	21,607,620
40.2 End of period (Line 39 plus Line 40.1) .....	66,007,183	27,739,471
<b>DETAILS OF WRITE-INS</b>		
0701. Policy deductions .....	138,618	94,856
0702. Surrender charges .....	1,499,625	3,351,825
0703. Administrative service fees .....	642,675	1,051,835
0798. Summary of remaining write-ins for Line 7 from overflow page .....	2,839,266	8,494,652
0799. TOTALS (Lines 0701 thru 0703 plus 0798) (Line 7 above) .....	5,120,184	12,993,168
2401. Reserve adjustment on reinsurance assumed .....	115,210	459,880
2402. Miscellaneous expense .....	1,213,938	2,178,408
2403. Experience refund .....		29,660
2498. Summary of remaining write-ins for Line 24 from overflow page .....	7,985,595	
2499. TOTALS (Lines 2401 thru 2403 plus 2498) (Line 24 above) .....	9,314,743	2,667,948

**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 .....	650,184	679,090	1,370,911
3. Ordinary Individual Annuities .....	253,101,894	166,117,255	360,680,136
4. Credit Life (Group & Individual) .....			
5. Group Life Insurance .....			
6. Group Annuities .....	18,872,808	16,169,013	32,156,129
7. A & H - Group .....			
8. A & H - Credit (Group & Individual) .....			
9. A & H - Other .....			
10. Aggregate of All Other Lines of Business .....			
11. Subtotal .....	272,624,886	182,965,358	394,207,176
12. Deposit-Type Contracts .....	5,065,961	4,073,120	6,330,212
13. Total	277,690,847	187,038,478	400,537,388
<b>DETAILS OF WRITE-INS</b>			
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 statutory financial statements of Integrity Life Insurance Company (the "Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting 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. Ohio has adopted the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual-Version Effective January 1, 2001*, ("NAIC SAP") as a component of prescribed and permitted practices. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

The Company and its wholly owned insurance subsidiary, National Integrity Life Insurance Company ("National Integrity"), are wholly owned subsidiaries of The Western and Southern Life Insurance Company ("W&S"). The Company, domiciled in the state of Ohio and currently licensed in 47 states and the District of Columbia, and National Integrity specialize in the asset accumulation business with particular emphasis on retirement savings and investment products.

On March 3, 2000, W&S acquired the Company and National Integrity from ARM Financial Group, Inc. ("ARM") pursuant to a purchase agreement dated December 17, 1999 ("Purchase Agreement"). Under the terms of the Purchase Agreement, the \$119.3 million purchase price was placed into a recoverable escrow account and was subject to a number of price adjustments. These price adjustments related primarily to indemnification of losses on the sales or deemed sales of certain securities owned by the Company and National Integrity. As of March 31, 2001, the Company had recovered \$125.0 million related to the sales of these securities and accrued interest on the escrow funds in full settlement of the escrow.

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

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### C. Accounting Policy

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 value as determined by the Securities Valuation Office of the NAIC and the related net unrealized gains or losses are reported in unassigned surplus along with any adjustment for federal income taxes, if applicable.
- (4) Preferred stocks are stated at cost.
- (5) Mortgage loans on real estate and policy loans are stated at the aggregate unpaid principal balance.
- (6) Loan-backed bonds and structured securities are stated at amortized cost using the interest method adjusted retrospectively for differences between anticipated and actual prepayments.
- (7) The Company owns 100% of the capital stock of National Integrity, which is stated at statutory net worth.
- (8) The Company had no investments in joint ventures, partnerships or limited liability companies during the statement periods.
- (9) Derivative instruments, held in the Company's guaranteed separate accounts, are stated at fair value with unrealized gains and losses being recognized in the separate accounts' summary of operations.
- (10) Not Applicable.
- (11) The company had no accident and health contracts on its books during the statement periods.

### 2. Accounting Changes and Corrections of Errors

A. There were no errors corrected during the statement periods.

B. 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 NAIC SAP subject to any deviation prescribed or permitted by the State of Ohio insurance commissioner.

Accounting changes adopted to conform to the provisions of NAIC SAP are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. 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 that decreased unassigned funds (surplus) \$65.1 million as of January 1, 2001. The change in accounting principle was primarily attributable to write-downs of impaired invested assets, establishment of deferred tax assets, and the accrual of guaranty fund assessments. Despite the negative effect on statutory surplus, management expects the Company to remain in compliance with all regulatory and contractual obligations.

### 9. Income Taxes

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

## NOTES TO FINANCIAL STATEMENTS

	June 30, 2002	December 31, 2001
Total of all deferred tax assets (admitted and nonadmitted)	\$ 106,780,758	\$ 107,996,457
Total of all deferred tax liabilities	8,467,067	8,559,785
Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	72,284,057	95,079,862
Increase (decrease) in deferred tax assets nonadmitted	(22,795,805)	28,512,238

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

Current year expense (benefit)	\$ (862,843)	\$ 1,694,749
Tax credits	-	-
Current year equity tax	-	-
Prior year overaccrual of tax reserves	-	(1,629,722)
Current income taxes incurred	\$ (862,843)	\$ 65,027

The main components of the 2001 deferred tax amounts are as follows:

<u>Deferred Tax Assets (DTAs)</u>	<u>Statutory</u>	<u>Tax</u>	<u>Differences</u>	<u>Tax effect</u>
Reserves	\$ 1,544,114,150	\$ 1,489,975,690	\$ 54,138,460	\$ 18,948,461
Bonds / Stocks	1,509,976,994	1,538,137,181	28,160,187	9,856,065
DAC	-	10,098,844	10,098,844	3,534,595
Capital Loss Carryover	-	191,569,166	191,569,166	67,049,208
Section 197 Intangible	-	8,475,628	8,475,628	2,966,470
Acquisition Related Goodwill	-	5,048,885	5,048,885	1,767,110
Separate Account Adjustment	1,720,685,395	1,720,685,395	-	-
Deferred Hedge Losses	-	7,596,710	7,596,710	2,658,849
Other	976,786	976,786	-	-
Total DTAs	\$ 4,775,753,325	\$ 4,972,564,285	\$ 305,087,880	\$ 106,780,758
DTAs nonadmitted				\$ 72,284,057

Deferred Tax Liabilities (DTLs)

Reserve Strengthening	\$ -	\$ 24,191,620	\$ 24,191,620	\$ 8,467,067
Total DTLs	\$ -	\$ 24,191,620	\$ 24,191,620	\$ 8,467,067

Changes in the main components of DTAs and DTLs are as follows:

	June 30, 2002	December 31, 2001	Change
DTAs resulting from book/tax differences in:			
Reserves	\$ 18,948,461	\$ 9,800,252	\$ 9,148,209
Bonds / Stocks	9,856,065	9,249,086	606,979
DAC	3,534,595	3,547,673	(13,078)
Capital Loss Carryover	67,049,208	72,377,193	(5,327,985)
Section 197 Intangible	2,966,470	4,149,026	(1,182,556)
Acquisition Related Goodwill	1,767,110	2,007,546	(240,436)
Separate Account Adjustment	-	4,257,000	(4,257,000)
Deferred Hedge Losses	2,658,849	2,774,451	(115,602)
Other	-	(165,770)	165,770
Total DTAs	\$ 106,780,758	\$ 107,996,457	\$ (1,215,699)
DTAs nonadmitted	\$ 72,284,057	\$ 95,079,862	\$ (22,795,805)

	June 30, 2002	December 31, 2001	Change
DTLs resulting from book/tax differences in:			
Reserve Strengthening	\$ 8,467,067	\$ 8,559,785	\$ (92,718)
Other	-	-	-
Total DTLs	\$ 8,467,067	\$ 8,559,785	\$ (92,718)

D. The Company's income tax expense and change in DTA/DTL differs from the amount obtained by applying the federal statutory rate of 35% to Net Gain from Operations After Dividends to Policyholders for the following reasons:

	<u>Amount</u>	<u>Tax effect</u>
Income before taxes	\$ 2,378,187	\$ 832,365
Book over tax reserves	6,983,489	2,444,221
Net DAC adjustment	(37,365)	(13,078)
Section 197 Amortization	(3,378,734)	(1,182,557)
Accrued market discount	(3,797,648)	(1,329,177)
Separate Account Adjustment	(2,178,222)	(762,378)
Deferred Hedge Losses	(330,292)	(115,602)
Acquisition Related Goodwill	(213,334)	(74,667)
Elimination of IMR	21,292	7,452
Reserve Strengthening	(1,668,529)	(583,985)
Other	(244,109)	(85,437)
Taxable income	\$ (2,465,265)	\$ (862,843)

E: The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

2002	-
2001	1,694,749

## NOTES TO FINANCIAL STATEMENTS

2000

-

- F: (1) The Company's federal Income Tax return is consolidated with the following entity:
- National Integrity Life Insurance Company
- (2) The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled annually.

**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. .... 12/31/1999
- 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. .... 12/31/1999
- 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). .... 03/12/2001
- 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:  
.....

**STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY LIFE INSURANCE COMPANY**

**GENERAL INTERROGATORIES**

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

**INVESTMENT**

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

9.2 If yes, explain:  
.....

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

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

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

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 [X] No [ ]

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 .....	\$ 58,907,525	\$ 66,018,486
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).....	\$ 58,907,525	\$ 66,018,486
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above .....	\$ .....	\$ .....

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

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

If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [X] No [ ]

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

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

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
107126.....	Fort Washington Investment Advisors	420 East Fourth Street, Cincinnati, Ohio 45202.....

STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY LIFE INSURANCE COMPANY

**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.	1
Report the statement value of mortgage loans at the end of this reporting period for the following categories:	Amount
1.1 Long-Term Mortgages In Good Standing	
1.11 Farm Mortgages .....	\$.....5,170,450
1.12 Residential Mortgages .....	\$.....35,050
1.13 Commercial Mortgages .....	\$.....13,076,930
1.14 Total Mortgages in Good Standing .....	<u>\$.....18,282,430</u>
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.....	<u>\$.....</u>
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.....	<u>\$.....</u>
1.5 Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Col. 3, Lines 3.1 plus 3.2).....	\$.....18,282,430
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 .....	<u>\$.....</u>

**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	<b>NONE</b>			
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	19,589,381	18,468,907		21,317,766
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	1,120,474	186,477		1,728,385
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	18,468,907	18,282,430		19,589,381
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	18,468,907	18,282,430		19,589,381
12. Total nonadmitted amounts				
13. Statement value of mortgages owned at end of current period	18,468,907	18,282,430		19,589,381

**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	9,076,063	9,075,025		18,854,681
2. Cost of acquisitions during period:				
2.1. Actual cost at time of acquisitions		1,977,700		
2.2. Additional investment made after acquisitions				
3. Accrual of discount				
4. Increase (decrease) by adjustment	(1,038)	(1,021)		(12,687)
5. Total profit (loss) on sale				(1,969,374)
6. Amounts paid on account or in full during the period		12,500		7,796,557
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	9,075,025	11,039,204		9,076,063
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	9,075,025	11,039,204		9,076,063
12. Total nonadmitted amounts				
13. Statement value of long-term invested assets at end of current period	9,075,025	11,039,204		9,076,063

STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY 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
<b>BONDS</b>								
1. Class 1 .....	685,466,306	198,904,030	177,012,118	(7,309,120)	685,466,306	700,049,098		679,138,828
2. Class 2 .....	556,355,848	9,005,050	26,324,411	(30,766,464)	556,355,848	508,270,023		540,235,481
3. Class 3 .....	98,086,839		9,877,900	23,882,667	98,086,839	112,091,606		94,536,498
4. Class 4 .....	41,449,101		281,960	39,450	41,449,101	41,206,591		42,380,878
5. Class 5 .....	17,331,986			12,402,225	17,331,986	29,734,211		20,092,664
6. Class 6 .....	4,282,375			(2,858,315)	4,282,375	1,424,060		4,544,824
7. Total Bonds	1,402,972,455	207,909,080	213,496,389	(4,609,557)	1,402,972,455	1,392,775,589		1,380,929,173
<b>PREFERRED STOCK</b>								
8. Class 1 .....	82,022,514	4,250,000	4,615,000	1,027,068	82,022,514	82,684,582		80,705,432
9. Class 2 .....	4,925,229			(4,925,229)	4,925,229	0		4,925,229
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....				241,600		241,600		
13. Class 6 .....				731,380		731,380		
14. Total Preferred Stock	86,947,743	4,250,000	4,615,000	(2,925,181)	86,947,743	83,657,562		85,630,661
15. Total Bonds and Preferred Stock	1,489,920,198	212,159,080	218,111,389	(7,534,738)	1,489,920,198	1,476,433,151		1,466,559,834

**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	73,852,137	XXX	73,852,137	357,845	357,845

**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 .....	31,041,280	41,555,708		29,819,958
2. Cost of short-term investments acquired .....	180,685,105	73,852,137		744,350,247
3. Increase (decrease) by adjustment .....				117,189
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 .....	170,170,677	41,555,708		743,246,114
7. Book/adjusted carrying value, current period .....	41,555,708	73,852,137		31,041,280
8. Total valuation allowance .....				
9. Subtotal (Lines 7 plus 8) .....	41,555,708	73,852,137		31,041,280
10. Total nonadmitted amounts .....				
11. Statement value (Lines 9 minus 10) .....	41,555,708	73,852,137		31,041,280
12. Income collected during period .....	141,689	357,845		8,356,025
13. Income earned during period .....	141,689	357,845		8,302,545

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**

Schedule S

**NONE**

STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY LIFE INSURANCE COMPANY

**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 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	Yes	265	3,358,225			
2. Alaska	AK	Yes	2,877	104,407			
3. Arizona	AZ	Yes	14,021	3,796,872		9,987	
4. Arkansas	AR	Yes	2,762	383,422			
5. California	CA	Yes	659	28,906,523		1,073,656	
6. Colorado	CO	Yes	9,502	2,828,828		78,615	
7. Connecticut	CT	Yes	593	7,209,133		15,289	
8. Delaware	DE	Yes	6,650	65,543			
9. District of Columbia	DC	Yes		100,150			
10. Florida	FL	Yes	32,360	61,738,716		29,228	
11. Georgia	GA	Yes	43,848	853,613		75,142	
12. Hawaii	HI	Yes		485,936		128,742	
13. Idaho	ID	Yes		65,188		4,186	
14. Illinois	IL	Yes	47,245	14,742,927		105,194	
15. Indiana	IN	Yes	10,173	4,934,394		4,714	
16. Iowa	IA	Yes	1,931	1,530,284		66,523	
17. Kansas	KS	Yes	6,889	202,120			
18. Kentucky	KY	Yes	3,856	3,444,363		59,078	
19. Louisiana	LA	Yes	44,022	2,269,012			
20. Maine	ME	No					
21. Maryland	MD	Yes	23,018	3,983,669			
22. Massachusetts	MA	Yes		8,657,180			
23. Michigan	MI	Yes		6,633,380		2,849	
24. Minnesota	MN	Yes	6,743	7,701,773		244,087	
25. Mississippi	MS	Yes	14,871	173,780			
26. Missouri	MO	Yes	20,211	5,798,209			
27. Montana	MT	Yes		2,000			
28. Nebraska	NE	Yes	11,870	367,239			
29. Nevada	NV	Yes		838,686		16,984	
30. New Hampshire	NH	No		11,368			
31. New Jersey	NJ	Yes	7,026	21,747,535		80,731	
32. New Mexico	NM	Yes	14,802	611,708		6,580	
33. New York	NY	No	1,445	6,757,592			
34. North Carolina	NC	Yes	3,502	4,475,847			
35. North Dakota	ND	Yes		143,462			
36. Ohio	OH	Yes	124,129	14,238,979		27,011	
37. Oklahoma	OK	Yes	14,254	5,843,737		1,882	
38. Oregon	OR	Yes	29,414	2,209,847		697,119	
39. Pennsylvania	PA	Yes	30,190	23,284,024		159,287	
40. Rhode Island	RI	Yes		85,091			
41. South Carolina	SC	Yes	41,119	881,498			
42. South Dakota	SD	Yes		347,734			
43. Tennessee	TN	Yes	9,976	3,913,317		73,238	
44. Texas	TX	Yes	7,991	8,226,575		288,582	
45. Utah	UT	Yes		162,259			
46. Vermont	VT	No		100,000		91,330	
47. Virginia	VA	Yes	6,324	3,120,821		73,558	
48. Washington	WA	Yes	42,570	195,589		1,648,041	
49. West Virginia	WV	Yes	10,103	1,104,718			
50. Wisconsin	WI	Yes	396	3,179,264		4,328	
51. Wyoming	WY	Yes	1,678	157,662			
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	899	503			
58. Subtotal	(a) 47		650,184	271,974,702		5,065,961	
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		650,184	271,974,702		5,065,961	
96. Plus Reinsurance Assumed	XXX		281,086				
97. Totals (All Business)	XXX		931,270	271,974,702		5,065,961	
98. Less Reinsurance Ceded	XXX		1,356,378	217,013			
99. Totals (All Business) less Reinsurance Ceded	XXX		(425,108)	271,757,689		5,065,961	
<b>DETAILS OF WRITE-INS</b>							
5701. Alien(01)	XXX		899	503			
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		899	503			
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 - Part 1

**NONE**

# 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:**

N/A

**Bar Codes:**

Trusteed Surplus Statement (Document Identifier 490) here:



**OVERFLOW PAGE FOR WRITE-INS**

LQ004 Additional Aggregate Lines for Page 04 Line 8.3.

\*SUMOPS

08.304. Miscellaneous income.....	2,839,266	796,075	3,592,831
08.397. Summary of remaining write-ins for Line 8.3 from Page 4	2,839,266	796,075	3,592,831

LQ005 Additional Aggregate Lines for Page 05 Line 7.

\*CASH

0704. Miscellaneous income.....	2,839,266	3,592,831
0705. Noncash appreciated common stock.....		4,901,821
0797. Summary of remaining write-ins for Line 7 from Page 05	2,839,266	8,494,652

LQ005 Additional Aggregate Lines for Page 05 Line 24.

\*CASH

2404. Realized losses.....	7,985,595	0
2497. Summary of remaining write-ins for Line 24 from Page 05	7,985,595	

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY LIFE INSURANCE COMPANY

**SCHEDULE BA - PART 1**

Showing Other Long-Term Invested Assets ACQUIRED during the Current Quarter

1 Number of Units and Description	2 Location		4 Name of Vendor	5 Date Acquired	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment
	City	3 State							
Surplus Debentures, etc.									
2,000,000 MET LIFE 7.450% 11/01/23			UBS Securities Inc.	04/09/2002	1,977,700		1,977,924	448	
1199999 - Surplus Debentures, etc.					1,977,700	0	1,977,924	448	0
9999999 Totals					1,977,700	0	1,977,924	448	0

**SCHEDULE BA - PART 2**

Showing Other Long-Term Invested Assets SOLD, transferred or paid in full during the Current Quarter

1 Number of Units and Description	2 Location		4 Name of Purchaser or Nature of Disposition	5 Date Acquired	6 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book/Adjusted Carrying Value Less Encumbrances at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	City	3 State										
6,250 ISPAT INLAND, L.P. TERM LOAN B 5.075% 07/16/05			Redemption 100.0000	07/31/1998	6,255	(11)		6,250	6,250			
6,250 ISPAT INLAND, L.P. TERM LOAN C 5.075% 07/16/06			Redemption 100.0000	07/31/1998	6,256	(12)		6,250	6,250			
1499999 - Any Other Class of Invested Assets					12,511	(23)	0	12,500	12,500	0	0	0
9999999 Totals					12,511	(23)	0	12,500	12,500	0	0	0

STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY LIFE INSURANCE COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends	9 NAIC Designation (a)
BONDS								
US Governments								
United States								
24820R-AG-3	STATOIL 6.500% 12/01/28 USD Cost = 1,877,680	04/02/2002	J. P. Morgan Securities Inc.		1,877,680	2,000,000	44,778	1
36962G-XZ-2	GENERAL ELEC CAP CORP 6.750% 03/15/32 USD Cost = 1,016,550	06/21/2002	J. P. Morgan Securities Inc.		1,016,550	1,000,000	18,000	1
882389-CC-1	TEXAS EASTERN 7.000% 07/15/32 TRANSMISSION USD Cost = 999,580	06/28/2002	Smith Barney		999,580	1,000,000	194	1PE
912828-AC-4	U.S. TREASURY NOTE 4.375% 05/15/07 USD Cost = 2,840,449	05/31/2002	Lehman Brothers		2,840,449	2,860,000	2,210	1
Total United States					6,734,259	6,860,000	65,182	XXX
0399996 - Bonds - U.S. Government					6,734,259	6,860,000	65,182	XXX
0399999 - Total - Bonds - U.S. Government					6,734,259	6,860,000	65,182	XXX
Special Revenue & Assessment								
United States								
000000-00-0	FNMA DOLLAR ROLL 6.500% 06/01/32 USD Cost = 25,164,563	05/31/2002	UBS Securities Inc.		25,164,563	24,900,000	62,942	1
Total United States					25,164,563	24,900,000	62,942	XXX
3199996 - Bonds - Special Revenues - United States					25,164,563	24,900,000	62,942	XXX
3199999 - Total - Bonds - Special Revenue					25,164,563	24,900,000	62,942	XXX
Public Utilities (unaffiliated)								
United States								
00209A-AF-3	AT&T WIRELESS SVCS INC 8.750% 03/01/31 USD Cost = 2,025,900	04/11/2002	J. P. Morgan Securities Inc.		2,025,900	2,000,000	21,875	2
00209A-AG-1	AT&T WIRELESS SVCS INC 8.125% 05/01/12 USD Cost = 1,990,000	04/11/2002	J. P. Morgan Securities Inc.		1,990,000	2,000,000		2PE
00209A-AH-9	AT&T WIRELESS SVCS INC 7.500% 05/01/07 USD Cost = 4,989,150	04/11/2002	Lehman Brothers		4,989,150	5,000,000		2
17248R-AG-1	CINGULAR WIRELESS 7.125% 12/15/31 USD Cost = 2,882,220	04/09/2002	J. P. Morgan Securities Inc.		2,882,220	3,000,000	71,250	1
Total United States					11,887,270	12,000,000	93,125	XXX
3899996 - Bonds - Public Utilities - United States					11,887,270	12,000,000	93,125	XXX
3899999 - Total - Bonds - Public Utilities					11,887,270	12,000,000	93,125	XXX
Industrial & Miscellaneous								
United States								
195869-AG-7	COLONIAL PIPELINE 7.630% 04/15/32 USD Cost = 3,059,950	06/27/2002	Various		3,059,950	3,000,000	18,651	1PE
244199-BB-0	DEERE & CO 6.950% 04/25/14 USD Cost = 3,996,040	04/10/2002	First Boston Corp.		3,996,040	4,000,000		1PE
604059-AE-5	MINNESOTA MINING & MFG 6.375% 02/15/28 USD Cost = 4,439,610	06/05/2002	J. P. Morgan Securities Inc.		4,439,610	4,500,000	91,641	1PE
76110G-JM-4	RESIDENTIAL ACCREDIT 6.750% 05/25/31 LNS, INC Ser 2001-QS5 Class A5 USD Cost = 160,591	06/01/2002	Interest Capitalization		160,591	160,591		1PE
925524-AH-3	VIACOM INC 7.875% 07/30/30 USD Cost = 3,201,180	05/01/2002	Goldman, Sachs & Co.		3,201,180	3,000,000	63,000	1
Total United States					14,857,371	14,660,591	173,292	XXX
4599996 - Bonds - Industrial and Misc - United States					14,857,371	14,660,591	173,292	XXX
4599999 - Total - Bonds - Industrial, Misc.					14,857,371	14,660,591	173,292	XXX
6099997 - Total - Bonds - Part 3					58,643,463	58,420,591	394,541	XXX
6099998 - Total - Bonds - Part 5					75,413,480	74,700,000	152,858	XXX
6099999 - Total - Bonds					134,056,943	133,120,591	547,399	XXX
PREFERRED STOCK								
Industrial & Miscellaneous								
United States								

E04



STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY LIFE INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
BONDS																
US Governments																
United States																
04243*-AC-3	ARMSTRONG MTG CO FHA 10.250% 07/01/31 042-43083-ECPM Altercare USD Cost = 4,072	06/01/2002	Paydown		4,060	4,060	4,072	4,060	(11)				.0	.70		1
21204*-AH-3	CONTINENTAL SECS CORP 10.000% 02/01/33 FHA 023-43137 Golden Pond USD Cost = 5,996	06/01/2002	Paydown		5,962	5,962	5,996	5,962	(29)				.0	100		1
31384Q-PN-7	FNMA POOL #530629 7.259% 04/01/30 USD Cost = 572,889	06/01/2002	Paydown		578,128	578,128	572,889	578,128	5,140				.0	6,139		1
31384U-U7-7	FNMA POOL #534406 7.198% 04/01/30 USD Cost = 425,710	06/01/2002	Paydown		430,214	430,214	425,710	430,214	4,451				.0	5,990		1
36200W-S3-6	GNMA Pool #574838 6.000% 11/15/31 USD Cost = 53,716	06/01/2002	Paydown		53,462	53,462	53,716	53,462	(259)				.0	663		1
43038*-AG-1	HIGHLAND MTG CO FHA 9.125% 10/01/21 064-35271-PM A REDEMPRESS USD Cost = 12,201	06/01/2002	Paydown		12,065	12,065	12,201	12,065	(107)				.0	184		1
912827-2W-1	US TREASURY NOTE 6.500% 05/31/02 USD Cost = 4,061,845	05/31/2002	Maturity		3,990,000	3,990,000	4,061,845	3,990,000	(4,395)				.0	129,675		1PE
FN0652-64-8	FNMA DOLLAR ROLL 6.500% 03/01/32	04/01/2002	UBS Securities Inc.		24,977,813	24,900,000	24,977,813	24,977,813					.0	44,958		1
Total United States					30,051,704	29,973,891	30,114,242	30,051,704	4,790	0	0	0	0	187,779	XXX	XXX
0399996 - Bonds - U.S. Government					30,051,704	29,973,891	30,114,242	30,051,704	4,790	0	0	0	0	187,779	XXX	XXX
0399999 - Bonds - U.S. Governments					30,051,704	29,973,891	30,114,242	30,051,704	4,790	0	0	0	0	187,779	XXX	XXX
All other Governments																
Special Revenue & Assessment																
United States																
312903-5X-1	FHLMC 174 Z 10.000% 08/15/21 USD Cost = 340,399	06/15/2002	Paydown		327,307	327,307	340,399	327,307	(1,715)				.0	4,894		1
312913-BY-1	FHLMC 92-1414 LA 3.300% 11/15/07 USD Cost = 22,140	06/01/2002	Paydown		(711)	(711)	(683)	(711)	108				.0	(192)		1
3133TD-ZT-6	FHLMC 2056 L 0.000% 05/15/28 USD Cost = 2,425,549	06/01/2002	Paydown		1,306,096	1,306,096	1,304,464	1,306,096	3,626				.0	(18,067)		1PE
3133TE-MP-6	FHLMC 2064 L 7.000% 06/15/28 USD Cost = 1,415,200	06/01/2002	Paydown		389,560	389,560	388,587	389,560	1,692				.0	(22,815)		1PE
313615-AQ-9	FNMA POOL #050415 9.000% 03/01/21 USD Cost = 3,279	06/01/2002	Paydown		3,139	3,139	3,279	3,139	(142)				.0	43		1
313616-3C-6	FNMA POOL #052095 9.500% 08/01/17 USD Cost = 12	06/01/2002	Paydown		11	11	12	11					.0			1
313616-D9-2	FNMA POOL #051428 9.500% 07/01/17 USD Cost = 438	06/01/2002	Paydown		417	417	438	417	(17)				.0	7		1
313616-W4-2	FNMA POOL #051967 9.500% 07/01/17 USD Cost = 29	06/01/2002	Paydown		28	28	29	28	(1)				.0			1
31361W-5N-3	FNMA POOL #044053 9.500% 01/01/18 USD Cost = 157	06/01/2002	Paydown		150	150	157	150	(7)				.0	2		1
313623-L7-3	FNMA POOL #076850 9.000% 05/01/18 USD Cost = 388	06/01/2002	Paydown		371	371	388	371	(14)				.0	3		1
31362T-TU-7	FNMA POOL #070763 9.000% 03/01/21 USD Cost = 3,386	06/01/2002	Paydown		3,241	3,241	3,386	3,241	(146)				.0	46		1
31364N-RJ-5	FNMA POOL #112189 9.500% 11/01/08 USD Cost = 75	06/01/2002	Paydown		71	71	75	71	(2)				.0	1		1
31364R-D2-8	FNMA POOL #114521 9.000% 05/01/18 USD Cost = 16	06/01/2002	Paydown		15	15	16	15	(1)				.0			1
31364S-Y3-1	FNMA POOL #116030 9.500% 06/01/19 USD Cost = 11	06/01/2002	Paydown		10	10	11	10					.0			1
31364V-VW-3	FNMA POOL #118629 9.500% 04/01/21 USD Cost = 415	06/01/2002	Paydown		396	396	415	396	(17)				.0	6		1

STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY LIFE INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
Total United States					2,030,101	2,030,101	2,040,973	2,030,101	3,364	0	0	0	0	(36,072)	XXX	XXX
3199996 - Bonds - Special Revenues - United States					2,030,101	2,030,101	2,040,973	2,030,101	3,364	0	0	0	0	(36,072)	XXX	XXX
3199999 - Bonds - Special Revenues					2,030,101	2,030,101	2,040,973	2,030,101	3,364	0	0	0	0	(36,072)	XXX	XXX
Public Utilities (unaffiliated) United States																
74531E-AA-0	PUGET SOUND ENERGY INC 7.020% 12/01/27 USD Cost = 3,509,120	05/01/2002	J. P. Morgan Securities Inc.		3,643,800	4,000,000	3,509,120	3,515,099	566			128,701	128,701	39,780		2PE
Total United States					3,643,800	4,000,000	3,509,120	3,515,099	566	0	0	128,701	128,701	39,780	XXX	XXX
Other Country																
500631-AD-8	KOREA ELECTRIC & POWER 7.400% 04/01/16 USD Cost = 41,948	04/01/2002	Redemption	100.0000	42,100	42,100	41,948	42,100	131				0	1,558		2PE
Total Other Country					42,100	42,100	41,948	42,100	131	0	0	0	0	1,558	XXX	XXX
3899996 - Bonds - Public Utilities - United States					3,643,800	4,000,000	3,509,120	3,515,099	566	0	0	128,701	128,701	39,780	XXX	XXX
3899998 - Bonds - Public Utilities - Other Countries					42,100	42,100	41,948	42,100	131	0	0	0	0	1,558	XXX	XXX
3899999 - Bonds - Public Utilities					3,685,900	4,042,100	3,551,068	3,557,199	697	0	0	128,701	128,701	41,338	XXX	XXX
Industrial & Miscellaneous United States																
00077B-CV-3	ABN AMRO BANK NV 98-4 6.750% 11/25/28 A6 USD Cost = 245,266	06/01/2002	Paydown		244,959	244,959	245,266	244,959	994				0	2,179		1PE
055240-LT-0	BA MTG SEC., INC. 98-7 6.250% 01/25/29 A4 USD Cost = 1,286,257	06/01/2002	Paydown		1,298,429	1,298,429	1,286,257	1,298,429	5,907				0	14,331		1PE
05535D-AM-6	BCF 97-R1 WAC 1.933% 03/25/37 USD Cost = 253,703	06/01/2002	Paydown		256,104	256,104	253,703	256,104	1,997				0	3,127		1PE
099905-AA-9	BOSQUE SERIES 1 C1-1 7.660% 06/05/02 USD Cost = 7,595	06/01/2002	Paydown		7,567	7,567	7,595	7,567	5				0	91		1
126342-EP-5	CSFB 1996-1R 3M1 6.066% 01/27/19 USD Cost = 122,971	06/01/2002	Paydown		53,204	53,204	52,571	53,204	1,276				0	(17,676)		2Z
12639T-AA-8	CST EXPORT MASTER 8.220% 03/01/04 TRUST SERIES 97-1 USD Cost = 312,500	06/01/2002	Redemption	100.0000	312,500	312,500	312,500	312,500					0	4,281		2
126691-A7-9	RESIDENTIAL ASSET SEC 8.000% 12/25/26 TR 96-A8 B3 USD Cost = 55,762	06/01/2002	Paydown		58,047	58,047	55,762	58,047	1,685				0	833		1
126691-TH-7	RESIDENTIAL ASSET SEC 7.250% 05/25/26 TR 96-1 B3 USD Cost = 96,031	06/01/2002	Paydown		107,824	107,824	96,031	107,824	3,749				0	1,291		1
126691-W3-4	RESIDENTIAL ASSET SEC 7.750% 05/25/27 TR 1997-A3 B3 USD Cost = 87,132	06/01/2002	Paydown		86,030	86,030	87,132	86,030	274				0	1,028		1
12669A-NT-7	COUNTRYWIDE HOME LOANS 6.750% 05/25/28 1998-A5 A8 USD Cost = 19,811,742	06/01/2002	Paydown		19,615,586	19,615,586	19,811,742	19,615,586	51,274				0	153,546		1PE
12669A-WB-6	COUNTRYWIDE HOME LOANS 6.750% 08/25/28 98-A8 B1C USD Cost = 9,580	06/01/2002	Paydown		9,840	9,840	9,580	9,840	79				0	110		2

E05.1

STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY LIFE INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
12669A-WE-0	COUNTRYWIDE HOME LOANS 6.750% 08/25/28 1998-A8 B2C USD Cost = 5,069	06/01/2002	Paydown		5,201	5,201	5,069	5,201	50				0	58		2
161626-4S-2	CHASE MORTGAGE FIN 6.750% 07/25/28 CORP 1998-S2 B2 USD Cost = 7,693	06/01/2002	Paydown		7,872	7,872	7,693	7,872	79				0	88		2
16162R-AJ-9	CHASE MORTGAGE FIN 6.900% 08/25/28 CORP 98-S4 A9 USD Cost = 97,354	06/01/2002	Paydown		97,613	97,613	97,354	97,613	382				0	1,004		1
16162R-AL-4	CHASE MORTGAGE FIN 6.950% 08/25/28 CORP 98-S4 A11 USD Cost = 69,186	06/01/2002	Paydown		69,142	69,142	69,186	69,142	191				0	716		1PE
208463-AC-3	CONSECO COMMERCIAL MTG 9.700% 10/15/15 TR 1 89-1 A3 USD Cost = 347,304	06/15/2002	Paydown		323,867	323,867	347,304	323,867	(13,429)				0	5,232		2
22540A-BT-4	CS FIRST BOSTON SEC 7.173% 09/30/24 CORP 97-1R 1M5 USD Cost = 489,374	06/01/2002	Paydown		413,670	413,670	408,531	413,670	3,642				0	(12,727)		2PE
23321P-VA-3	DLJ MTG ACCEPT CO 6.955% 09/02/23 95-T10 IB USD Cost = 943,778	05/01/2002	Paydown		1,030,044	1,030,044	943,778	1,030,044	25,122				0	(18,792)		2PE
23321P-ZK-7	DLJ MTG ACCEPT CO 5.914% 12/28/25 1996-E 1 USD Cost = 1,926,923	06/01/2002	Paydown		434,830	434,830	440,606	434,830	(1,391)				0	(173,886)		1Z
23321P-ZM-3	DLJ MTG ACCEPT CO 96-G 5.472% 06/28/26 1 USD Cost = 1,307,003	06/01/2002	Paydown		1,224,292	1,224,292	1,262,934	1,224,292	(5,900)				0	(25,059)		1
31947H-AC-7	FIRST CHICAGO/LENNAR 8.179% 04/29/06 1997-CHL1 CL B USD Cost = 4,084,400	04/01/2002	Paydown		4,189,350	5,000,000	4,084,400	4,091,371	1,899			97,979	97,979	114,219		2
345370-BZ-2	FORD MOTOR CORP 6.375% 02/01/29 GE CAPITAL MTG 6.500% 04/25/24 SERVICES 94-13 B2 USD Cost = 163,602	06/05/2002	J. P. Morgan Securities Inc		4,189,350	5,000,000	4,084,400	4,091,371	1,899			97,979	97,979	114,219		2
36157L-4R-6	GE CAPITAL MORTGAGE 6.500% 07/25/29 1999-11 A7 USD Cost = 1,277,183	06/01/2002	Paydown		160,394	160,394	163,602	160,394	(713)				0	1,649		3
36157R-Y6-6	GMAC 1997-C1 X 1.600% 07/15/27 USD Cost = 44,908	06/01/2002	Paydown		1,279,382	1,279,382	1,277,183	1,279,382	3,177				0	11,172		1PE
361849-CB-6	GREENWICH CAPITAL 5.447% 01/29/25 ACCEPTANCE 96-B A USD Cost = 574,549	06/01/2002	Paydown		588,998	588,998	574,549	588,998	9,045				0	5,937		2
396782-ET-7	GUIDANT CORP 6.150% 02/15/06 HUMPUSS FUNDING CORP 7.720% 12/15/09 USD Cost = 1,921,160	05/10/2002	Paydown		2,036,000	2,000,000	1,921,160	1,939,054	1,739			96,946	96,946	30,750		2PE
401698-AA-3	IC1 FUNDING CORP 8.000% 07/25/28 USD Cost = 240,145	06/15/2002	Redemption	100.0000	281,960	281,960	240,145	281,960	33,052				0	10,884		4
445533-AA-0	IC1 FUNDING CORP 7.250% 09/25/27 1997-3 USD Cost = 8,717	06/01/2002	Paydown		8,322	8,322	8,717	8,322	(35)				0	110		2PE
44926M-CD-0	INDOSUEZ CAP FNDING, 3.270% 05/08/10 L.P. INDO 4A B2 USD Cost = 5,091	06/01/2002	Paydown		5,275	5,275	5,091	5,275	53				0	63		2PE
45578M-AD-0		04/01/2002	Paydown										0	(31,944)		2

E05.2

STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY LIFE INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
47607T-AA-2	JENKINS-EMP 6.840% 09/01/08 ASSC/VERITUS SEC NT USD Cost = 104,382 LB MORTGAGE TRUST 97-A 3.344% 09/25/36	05/01/2002	Redemption	100.0000	103,997	103,997	104,382	103,997	(181)				0	587		1
52518R-AC-0	USD Cost = 4,772,114 NORWEST ASSET SECS 7.000% 07/25/28 CORP 1998-15 A4	05/01/2002	Paydown		301,187	301,187	301,187	301,187					0	(237,259)		2Z
66937N-U7-1	USD Cost = 1,307,466 NORWEST ASSET SECS 7.250% 11/25/27 CORP 1997-17 B2	06/01/2002	Paydown		1,289,732	1,289,732	1,307,466	1,289,732	(2,346)				0	11,642		1PE
66937N-VA-3	USD Cost = 1,690 NORWEST ASSET 6.750% 06/01/29 SECURITIES CORP	06/01/2002	Paydown		1,703	1,703	1,690	1,703	9				0	21		1
66937R-VL-0	USD Cost = 503,903 PNC MORTGAGE SECS CORP 6.750% 08/25/13	06/25/2002	Paydown		502,842	502,842	503,903	502,842	(10)				0	5,288		1PE
69348L-J4-2	1998-6 4A1 USD Cost = 296,799 PNC MORTGAGE SECS CORP 7.750% 02/25/27	06/01/2002	Paydown		294,897	294,897	296,799	294,897	957				0	2,674		1PE
69348L-JN-0	97-1 B3 USD Cost = 59,619 PNC MORTGAGE SECS CORP 6.750% 09/25/28	06/01/2002	Paydown		58,378	58,378	59,619	58,378	(138)				0	896		1
69348L-N6-2	1998-7 1A13 USD Cost = 49,269 RESIDENTIAL FDG MTG 7.750% 12/25/26 96-S25 M3	06/01/2002	Paydown		48,978	48,978	49,269	48,978	165				0	525		1PE
760947-Y3-9	USD Cost = 82,684 RESIDENTIAL ACCREDIT 8.000% 09/25/26 LN 96-QS5 M3	06/01/2002	Paydown		50,513	50,513	51,144	50,513	43				0	(11,700)		1PE
76110F-DL-4	USD Cost = 114,268 RESIDENTIAL ACCREDIT 7.750% 12/25/26 LN 96-QS8 M3	06/01/2002	Paydown		72,008	72,008	70,838	72,008	739				0	(14,178)		1
76110F-FD-0	USD Cost = 96,430 RESIDENTIAL ACCREDIT 6.750% 05/25/31	06/01/2002	Paydown		99,717	99,717	96,430	99,717	1,049				0	1,244		1
76110G-JM-4	LNS, INC Ser 2001-QS5 Class A5 RESIDENTIAL FUNDING 6.750% 06/25/31 MTG 2001-S14 A5	05/01/2002	Paydown										0	(39,811)		1PE
76110Y-5C-2	USD Cost = 92,162 SBM SEC VII 97-AQ1 M3 2.830% 08/25/27	06/01/2002	Paydown		87,800	87,800	92,162	87,800	(3,762)				0	990		1PE
79548K-WH-7	USD Cost = 1,292,867 SOUTHERN PACIFIC SEC 6.800% 01/25/28 ASSETS 96-4 A2	06/25/2002	Paydown		1,292,867	1,292,867	1,292,867	1,292,867					0	7,530		2Z
843590-AZ-3	USD Cost = 15,460 STRUCTURED ASST SEC 7.000% 08/25/26 CRP 96-2 B3	06/01/2002	Paydown		15,090	15,090	15,460	15,090	(136)				0	154		1PE
863572-KP-7	USD Cost = 36,386 STRUCTURED ASST SEC 2.990% 02/25/28 CRP 98-2 B	06/01/2002	Paydown		22,525	22,525	19,895	22,525	1,882				0	(12,420)		1
863572-SH-7	USD Cost = 541,153 STRUCTURED ASST SEC 2.404% 08/25/28 CRP 98-7 CL-A	06/25/2002	Paydown		539,299	539,299	541,153	539,299	(393)				0	4,113		2Z
863572-UR-2	USD Cost = 533,140 USX CORP 7.200% 02/15/04	05/01/2002	Paydown		533,140	533,140	533,140	533,140					0	(918)		1Z
902905-AR-9	USD Cost = 11,832,138 PARIBAS CAPITAL MARKETS	04/18/2002			11,965,896	11,400,000	11,832,138	11,570,877	(5,474)			395,019	395,019	155,040		2

E05.3

STATEMENT AS OF JUNE 30, 2002 OF THE INTEGRITY LIFE INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
971885-AP-3	WILSHIRE MTG LOAN TR 7.770% 05/25/28 97-2 M3 USD Cost = 278,298	06/01/2002	Paydown		273,764	273,764	278,298	273,764	(1,583)				0	3,308		2PE
Total United States					51,760,635	51,969,389	51,568,189	51,170,691	70,116	0	0	589,944	589,944	(161,885)	XXX	XXX
Other Country																
456147-AB-3	IFCT 7.375% 01/14/07 USD Cost = 9,285,800	04/09/2002	DebtTraders, Inc		10,360,000	10,000,000	9,285,800	9,567,440	2,205			792,560	792,560	179,663		3
896015-AA-2	TRIBASA TOLL ROAD 10.500% 12/01/11 USD Cost = 131,307	06/01/2002	Redemption 100.0000		150,065	150,065	131,307	150,065	15,724			0	0	8,293		3Z
Total Other Country					10,510,065	10,150,065	9,417,107	9,717,505	17,929	0	0	792,560	792,560	187,956	XXX	XXX
4599996 - Bonds - Industrial and Misc - United States					51,760,635	51,969,389	51,568,189	51,170,691	70,116	0	0	589,944	589,944	(161,885)	XXX	XXX
4599998 - Bonds - Industrial and Misc - Other Countries					10,510,065	10,150,065	9,417,107	9,717,505	17,929	0	0	792,560	792,560	187,956	XXX	XXX
4599999 - Bonds - Industrial and Miscellaneous					62,270,700	62,119,454	60,985,296	60,888,196	88,045	0	0	1,382,504	1,382,504	26,071	XXX	XXX
6099997 - Bonds - Part 4					98,038,405	98,165,546	96,691,579	96,527,200	96,896	0	0	1,511,205	1,511,205	219,116	XXX	XXX
6099998 - Bonds - Part 5					75,413,480	74,700,000	75,413,480	75,413,480						557,368	XXX	XXX
6099999 - Total - Bonds					173,451,885	172,865,546	172,105,059	171,940,680	96,896			1,511,205	1,511,205	776,484	XXX	XXX
PREFERRED STOCK Industrial & Miscellaneous United States																
894177-20-3	TRAVELERS CAPITAL TRUST 6.85% 1/22/38 USD Cost = 4,250,000	05/01/2002	Tax Free Exchange		170,000,000	4,250,000	4,250,000	4,250,000					0			P1L
Total United States					4,250,000	XXX	4,250,000	4,250,000	0	0	0	0	0	XXX	0	XXX
6399999 - Preferred Stocks - Industrial and Miscellaneous					4,250,000	XXX	4,250,000	4,250,000	0	0	0	0	0	XXX	0	XXX
6599997 - Preferred Stocks - Part 4					4,250,000	XXX	4,250,000	4,250,000	0	0	0	0	0	XXX	0	XXX
6599998 - Preferred Stocks - Part 5					364,203	XXX	365,000	365,000				(797)	(797)	XXX	XXX	
6599999 - Total - Preferred Stocks					4,614,203	XXX	4,615,000	4,615,000				(797)	(797)	XXX	XXX	
7099999 - Total - Common Stocks						XXX								XXX	XXX	
7199999 - Total - Preferred and Common Stocks					4,614,203	XXX	4,615,000	4,615,000				(797)	(797)	XXX	XXX	
7299999 Totals					178,066,088	XXX	176,720,059	176,555,680	96,896			1,510,408	1,510,408	776,484		XXX

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues .....

E05.4

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**

