



# QUARTERLY STATEMENT

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

## U.S. FINANCIAL LIFE INSURANCE COMPANY

NAIC Group Code 0395 0395 NAIC Company Code 84530 Employer's ID Number 38-2046096  
(Current Period) (Prior Period)

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile United States of America

Incorporated 09/30/1974 Commenced Business 09/30/1974

Statutory Home Office 10290 Alliance Road, Cincinnati, OH 45242  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 10290 Alliance Road  
(Street and Number) 513-686-2000  
(Area Code) (Telephone Number)  
Cincinnati, OH 45242  
(City or Town, State and Zip Code)

Mail Address 10290 Alliance Road, Cincinnati, OH 45242  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 10290 Alliance Road  
(Street and Number) 513-686-2000  
(Area Code) (Telephone Number)  
Cincinnati, OH 45242  
(City or Town, State and Zip Code)

Internet Website Address www.usfli.com

Statement Contact S. Vincent Zink 513-686-2026  
(Name) (Area Code) (Telephone Number) (Extension)  
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Policyowner Relations Contact 10290 Alliance Road  
(Street and Number) 513-686-2000  
(Area Code) (Telephone Number) (Extension)  
Cincinnati, OH 45242  
(City or Town, State and Zip Code)

### OFFICERS

President Paul Peter Aniskovich Secretary Loren Gail Lee  
Chief Financial Officer Samuel Vincent Zink Actuary Deloitte & Touche, LLP

### VICE PRESIDENTS

<u>Robert Lee Carroll</u>	<u>Scott Eric Christie</u>	<u>Timothy Joseph Herr</u>
<u>Bonnie Moyer Householder</u>	<u>Sharon Pannos Kaufman</u>	<u>Loren Gail Lee</u>
<u>David John Murphy</u>	<u>Steven George Orluck</u>	<u>William George Schlechter</u>
<u>Erik Paul Simmons</u>	<u>Samuel Vincent Zink</u>	

### DIRECTORS OR TRUSTEES

<u>Paul Peter Aniskovich</u>	<u>Chandler Louis McKelvey</u>	<u>Robert Lee Carroll</u>
<u>David John Murphy</u>	<u>Steven George Orluck</u>	<u>Sharon Pannos Kaufman</u>

State of Ohio }  
County of Hamilton } 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.

Paul Peter Aniskovich Loren Gail Lee Samuel Vincent Zink  
President Secretary Chief Financial Officer

Subscribed and sworn to before me this  
5th day of August, 2002

Cheryl Kocher  
Notary  
9/1/2004

STATEMENT AS OF JUNE 30, 2002 OF THE U.S. FINANCIAL 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 .....	193,801,374		193,801,374	172,105,587
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate:				
3.1 First liens .....	205,612		205,612	207,900
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 .....	3,534,125		3,534,125	3,566,836
6. Premium notes, including \$ ..... for first year premiums .....				
7. Cash (\$ .....9,236,430 ) and short-term investments (\$ .....)	9,236,430		9,236,430	7,729,742
8. Other invested assets .....				
9. Receivable for securities .....	0		0	
10. Aggregate write-ins for invested assets .....				
11. Subtotals, cash and invested assets (Lines 1 to 10) .....	206,777,541		206,777,541	183,610,066
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers .....	6,714,705		6,714,705	3,668,448
12.2 Commissions and expense allowances due .....	3,043,612		3,043,612	7,067,870
12.3 Experience rating and other refunds due .....				
12.4 Other amounts receivable under reinsurance contracts .....	84,027		84,027	1,293,885
13. Electronic data processing equipment and software .....	797,260	182,082	615,178	431,360
14. Federal and foreign income tax recoverable and interest thereon (including \$ .....1,678,000 net deferred tax asset) .....	2,982,727		2,982,727	1,678,000
15. Guaranty funds receivable or on deposit .....	81,021		81,021	101,586
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$ .....1,138,110 loading) .....	4,621,081		4,621,081	5,066,020
17. Accident and health premiums due and unpaid .....				
18. Investment income due and accrued .....	3,245,255		3,245,255	2,849,809
19. Net adjustment in assets and liabilities due to foreign exchange rates .....				
20. Receivable from parent, subsidiaries and affiliates .....				28,612
21. Amounts receivable relating to uninsured accident and health plans .....				
22. Amounts due from agents .....	301,215	249,007	52,208	74,713
23. Other assets nonadmitted .....	2,074,849	2,074,849	0	
24. Aggregate write-ins for other than invested assets .....	575,251	575,251	0	
25. Total assets excluding Separate Accounts business (Lines 11 to 24) .....	231,298,544	3,081,188	228,217,356	205,870,369
26. From Separate Accounts Statement .....				
27. Total (Lines 25 and 26) .....	231,298,544	3,081,188	228,217,356	205,870,369
<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. Prepaid Expenses .....	543,498	543,498	0	0
2402. Company Auto .....	31,752	31,752	0	0
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....				
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above) .....	575,251	575,251	0	

STATEMENT AS OF JUNE 30, 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for Life contracts \$ .....196,185,351 less \$ .....62,247,140 included in Line 6.3 (including \$ ..... Modco Reserve) .....	196,185,351	169,142,323
2. Aggregate reserve for accident and health contracts (including \$ ..... Modco Reserve) .....	28,966	29,363
3. Liability for deposit-type contracts (including \$ ..... Modco Reserve) .....	2,784,972	2,827,915
4. Contract claims:		
4.1 Life .....	866,111	2,798,373
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 .....	728,512	502,554
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 \$ .....1,871,739 ceded .....	1,871,739	1,908,833
9.4 Interest Maintenance Reserve .....	123,571	45,222
10. Commissions to agents due or accrued—life and annuity contracts \$ .....1,302,841 accident and health \$ ..... and deposit-type contract funds \$ .....	1,302,841	
11. Commissions and expense allowances payable on reinsurance assumed .....		
12. General expenses due or accrued .....	1,168,075	744,092
13. Transfers to Separate Accounts due or accrued (net) (Including \$ ..... accrued for expense allowances recognized in reserves) .....	0	
14. Taxes, licenses and fees due or accrued, excluding federal income taxes .....	370,702	905,549
15. Federal and foreign income taxes, including \$ ..... on realized capital gains (losses) (including \$ ..... net deferred tax liability) .....		1,456,125
16. Unearned investment income .....	119,413	123,739
17. Amounts withheld or retained by company as agent or trustee .....	41,918	35,259
18. Amounts held for agents' account, including \$ .....1,357,041 agents' credit balances .....	1,357,041	894,622
19. Remittances and items not allocated .....	797,336	643,654
20. Net adjustment in assets and liabilities due to foreign exchange rates .....		
21. Liability for benefits for employees and agents if not included above .....		
22. Borrowed money \$ ..... and interest thereon \$ .....		
23. Dividends to stockholders declared and unpaid .....		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve .....	119,215	260,569
24.2 Reinsurance in unauthorized companies .....		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers .....		
24.4 Payable to parent, subsidiaries and affiliates .....	501,397	398,771
24.5 Drafts outstanding .....		
24.6 Liability for amounts held under uninsured accident and health plans .....		
24.7 Funds held under coinsurance .....		
24.8 Payable for securities .....		
24.9 Capital notes \$ ..... and interest thereon \$ .....	157,823	21,152
25. Aggregate write-ins for liabilities .....	157,823	21,152
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25) .....	208,524,981	182,738,114
27. From Separate Accounts Statement .....		
28. Total Liabilities (Lines 26 and 27) .....	208,524,981	182,738,114
29. Common capital stock .....	4,050,000	4,050,000
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....		
32. Surplus notes .....		
33. Gross paid in and contributed surplus .....	37,285,723	37,285,723
34. Aggregate write-ins for special surplus funds .....		
35. Unassigned funds (surplus) .....	(21,643,347)	(18,203,468)
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 29 \$ ..... ) .....		
36.2 ..... shares preferred (value included in Line 30 \$ ..... ) .....		
37. Surplus (total Lines 31 + 32 + 33 + 34 + 35 - 36) (Including \$ ..... in Separate Accounts Statement) .....	15,642,376	19,082,255
38. Totals of Lines 29, 30 and 37 .....	19,692,376	23,132,255
39. Totals of Lines 28 and 38 .....	228,217,356	205,870,369
<b>DETAILS OF WRITE-INS</b>		
2501. Accounts Payable Escheats .....	157,823	21,152
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	157,823	21,152
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 U.S. FINANCIAL 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	27,064,299	25,956,661	53,468,126
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	6,169,288	4,981,435	10,324,135
4. Amortization of Interest Maintenance Reserve (IMR)	20,064	(28,904)	48,504
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	28,244,329	23,124,450	52,415,460
7. Reserve adjustments on reinsurance ceded	17,552,132	9,939,894	26,484,720
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	137,688		180,375
9. Totals (Lines 1 to 8.3)	79,187,801	63,973,536	142,921,320
10. Death benefits	13,921,759	12,394,503	22,564,150
11. Matured endowments (excluding guaranteed annual pure endowments)			
12. Annuity benefits	282,330	541,521	1,226,867
13. Disability benefits and benefits under accident and health contracts	24,495	9,970	20,156
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts	2,745,116	2,582,910	4,120,187
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	102,569		2,779,715
18. Payments on supplementary contracts with life contingencies			
19. Increase in aggregate reserves for life and accident and health contracts	27,042,631	17,563,783	39,765,708
20. Totals (Lines 10 to 19)	44,118,900	33,092,686	70,476,781
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	24,979,575	20,570,034	44,215,127
22. Commissions and expense allowances on reinsurance assumed			
23. General insurance expenses	8,451,691	8,460,984	15,955,492
24. Insurance taxes, licenses and fees, excluding federal income taxes	2,474,936	1,862,735	3,965,096
25. Increase in loading on deferred and uncollected premiums	(55,462)	(2,161,126)	(292,245)
26. Net transfers to or (from) Separate Accounts			
27. Aggregate write-ins for deductions			
28. Totals (Lines 20 to 27)	79,969,639	61,825,314	134,320,251
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(781,839)	2,148,222	8,601,069
30. Dividends to policyholders			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(781,839)	2,148,222	8,601,069
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	1,759,148	1,846,555	6,726,080
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)	(2,540,987)	301,666	1,874,989
34. Net realized capital gains or (losses) less capital gains tax of \$ .....0 (excluding taxes of \$ .....98,399 transferred to the IMR)	(823,982)	59,363	(617,941)
35. Net income (Line 33 plus Line 34)	(3,364,968)	361,030	1,257,049
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
36. Capital and surplus, December 31, prior year	23,132,255	14,109,645	14,109,645
37. Net income (Line 35)	(3,364,968)	361,030	1,257,049
38. Change in net unrealized capital gains (losses)	23		(2,100)
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax		670,000	670,000
41. Change in non-admitted assets and related items	(216,288)	(254,490)	284,388
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	141,354	(210,166)	112,122
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		267,376	431,014
50. Capital changes:			
50.1 Paid in		0	
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in		2,000,000	7,000,000
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			(729,863)
54. Net change in capital and surplus for the year (Lines 37 through 53)	(3,439,879)	2,833,750	9,022,610
55. Capital and surplus, as of statement date (Lines 36 + 54)	19,692,376	16,943,395	23,132,255
<b>DETAILS OF WRITE-INS</b>			
08.301. Miscellaneous Income	137,688	0	180,375
08.302.			
08.303.			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page			
08.399. TOTALS (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	137,688		180,375
2701.			
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)			
5301. Prior Period Adjustment - Reinsurance Premiums not paid in 1999 & 2000		0	(729,863)
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)			(729,863)

## 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 .....	27,790,659	53,416,111
2. Charges and fees for deposit-type contracts .....		
3. Considerations for supplementary contracts with life contingencies .....		
4. Net investment income .....	6,008,730	9,636,711
5. Commissions and expense allowances on reinsurance ceded .....	43,962,706	70,929,411
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts .....		
7. Aggregate write-ins for miscellaneous income .....		
8. Total (Lines 1 to 7) .....	77,762,094	133,982,233
9. Death Benefits .....	12,841,128	23,939,489
10. Matured endowments .....		
11. Annuity Benefits .....	282,330	1,226,867
12. Disability benefits and benefits under accident and health contracts .....	2,179	6,290
13. Coupons, guaranteed annual pure endowments and similar benefits .....		
14. Surrender benefits and withdrawals for life contracts .....	2,745,116	4,120,187
15. Group conversions .....		
16. Interest and adjustments on contract or deposit-type contract funds .....	0	
17. Payments on supplementary contracts with life contingencies .....		
18. Total (Lines 9 to 17) .....	15,870,753	29,292,833
19. Commissions on premiums, annuity considerations and deposit-type contract funds .....	23,676,734	44,215,127
20. Commissions and expense allowances on reinsurance assumed .....	0	
21. General insurance expenses .....	6,232,474	15,967,291
22. Insurance taxes, licenses and fees, excluding federal income taxes .....	3,009,783	3,876,868
23. Net transfers to or (from) Separate Accounts .....		
24. Aggregate write-ins for deductions .....		
25. Total (Lines 18 to 24) .....	48,789,744	93,352,118
26. Dividends paid to policyholders .....		
27. Federal income taxes (excluding tax on capital gains) .....	4,520,000	6,953,362
28. Total (Lines 25 to 27) .....	53,309,744	100,305,480
29. Net cash from operations (Line 8 minus Line 28) .....	24,452,351	33,676,753
<b>Cash from Investments</b>		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds .....	5,424,853	7,401,112
30.2 Stocks .....		543,304
30.3 Mortgage loans .....	2,311	
30.4 Real estate .....		
30.5 Other invested assets .....		
30.6 Net gains or (losses) on cash and short-term investments .....		(691)
30.7 Miscellaneous proceeds .....		
30.8 Total investment proceeds (Lines 30.1 to 30.7) .....	5,427,164	7,943,725
31. Net tax on capital gains (losses) .....		
32. Total (Line 30.8 minus Line 31) .....	5,427,164	7,943,725
33. Cost of investments acquired (long-term only):		
33.1 Bonds .....	27,819,257	57,406,241
33.2 Stocks .....		400,000
33.3 Mortgage loans .....		210,000
33.4 Real estate .....		
33.5 Other invested assets .....		
33.6 Miscellaneous applications .....		
33.7 Total investments acquired (Lines 33.1 to 33.6) .....	27,819,257	58,016,241
34. Net increase (or decrease) in policy loans and premium notes .....	(32,711)	733,755
35. Net cash from investments (Line 32 minus Line 33.7 minus Line 34) .....	(22,359,382)	(50,806,271)
<b>Cash from Financing and Miscellaneous Sources</b>		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in .....		7,000,000
36.2 Borrowed money \$ .....		(1,940,925)
36.3 Capital notes \$ .....		
36.4 Deposits on deposit-type contract funds and other liabilities without life or disability contingencies .....	5,971	44,210
36.5 Other cash provided .....	291,580	7,463,328
36.6 Total (Lines 36.1 to 36.5) .....	297,550	12,566,613
37. Cash applied:		
37.1 Dividends to stockholders paid .....		
37.2 Interest on indebtedness .....		126,964
37.3 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies .....	6,746	12,225
37.4 Other applications (net) .....	877,085	1,697,445
37.5 Total (Lines 37.1 to 37.4) .....	883,831	1,836,634
38. Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5) .....	(586,281)	10,729,979
<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) .....	1,506,688	(6,399,539)
40. Cash and short-term investments:		
40.1 Beginning of year .....	7,729,742	14,129,282
40.2 End of period (Line 39 plus Line 40.1) .....	9,236,430	7,729,742
<b>DETAILS OF WRITE-INS</b>		
0701. ....		
0702. ....		
0703. ....		
0798. Summary of remaining write-ins for Line 7 from overflow page .....		
0799. TOTALS (Lines 0701 thru 0703 plus 0798) (Line 7 above) .....		
2401. ....		
2402. ....		
2403. ....		
2498. Summary of remaining write-ins for Line 24 from overflow page .....		
2499. TOTALS (Lines 2401 thru 2403 plus 2498) (Line 24 above) .....		

**EXHIBIT 1**

**DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Industrial Life .....			
2. Ordinary Life Insurance .....	74,128,365	56,192,886	137,684,287
3. Ordinary Individual Annuities .....	41,148	53,520	71,968
4. Credit Life (Group & Individual) .....			
5. Group Life Insurance .....			
6. Group Annuities .....			
7. A & H - Group .....			
8. A & H - Credit (Group & Individual) .....			
9. A & H - Other .....			
10. Aggregate of All Other Lines of Business .....			
11. Subtotal .....	74,169,513	56,246,406	137,756,254
12. Deposit-Type Contracts .....			
13. Total	74,169,513	56,246,406	137,756,254
<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 Financial Statements of U.S. Financial Life Insurance Company ("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 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. The National Association of Insurance Commissioners' (NAIC) *Accounting and Procedures* manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio. There are no material differences between accounting practices prescribed or permitted by NAIC SAP and by the State of Ohio.

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

C. Wash Sales

The Company did not sell any securities during the quarter ended June 30, 2002 that were reacquired within 30 days of the sale date.

**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. .... 12/31/2000
- 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. .... 12/31/2000
- 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). .... 09/10/2001
- 7.4 By what department or departments?  
.....
  
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) ..... Yes [ ] No [X]
- 8.2 If yes, give full information:  
.....

**GENERAL INTERROGATORIES**

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

**INVESTMENT**

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

9.2 If yes, explain:  
.....

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

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

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

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

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

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds .....	\$ .....	\$ .....
13.22 Preferred Stock .....	\$ .....	\$ .....
13.23 Common Stock .....	\$ .....	\$ .....
13.24 Short-term Investments .....	\$ .....	\$ .....
13.25 Mortgages, Loans or Real Estate .....	\$ .....	\$ .....
13.26 All Other .....	\$ .....	\$ .....
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26).....	\$ .....	\$ .....
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
USBank.....	425 Walnut Street, Cincinnati, OH 45201.....

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
107713.....	MONEY Life Insurance Company.....	1740 Broadway, New York, NY 10019.....

STATEMENT AS OF JUNE 30, 2002 OF THE U.S. FINANCIAL 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 Amount
Report the statement value of mortgage loans at the end of this reporting period for the following categories:	
1.1 Long-Term Mortgages In Good Standing	
1.11 Farm Mortgages .....	\$ ..... 205,612
1.12 Residential Mortgages .....	\$ ..... 0
1.13 Commercial Mortgages .....	\$ ..... 0
1.14 Total Mortgages in Good Standing .....	<u>\$ ..... 205,612</u>
1.2 Long-Term Mortgages In Good Standing with Restructured Terms	
1.21 Total Mortgages in Good Standing .....	\$ ..... 0
1.3 Long-Term Mortgages Loans Upon which Interest is Overdue more than Three Months	
1.31 Farm Mortgages .....	\$ ..... 0
1.32 Residential Mortgages .....	\$ ..... 0
1.33 Commercial Mortgages .....	\$ ..... 0
1.34 Total Mortgages with Interest Overdue more than Three Months.....	<u>\$ ..... 0</u>
1.4 Long-Term Mortgages Loans in Process of Foreclosure	
1.41 Farm Mortgages .....	\$ ..... 0
1.42 Residential Mortgages .....	\$ ..... 0
1.43 Commercial Mortgages .....	\$ ..... 0
1.44 Total Mortgages in Process of Foreclosure.....	<u>\$ ..... 0</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).....	\$ ..... 205,612
1.6 Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
1.61 Farm Mortgages .....	\$ ..... 0
1.62 Residential Mortgages .....	\$ ..... 0
1.63 Commercial Mortgages .....	\$ ..... 0
1.64 Total Mortgages Foreclosed and Transferred to Real Estate .....	<u>\$ ..... 0</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	210,000	210,000		
2. Amount loaned during period:				
2.1. Actual cost at time of acquisitions				210,000
2.2. Additional investment made after acquisitions				
3. Accrual of discount and mortgage interest points and commitment fees				
4. Increase (decrease) by adjustment		23		
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period		2,311		
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	210,000	207,712		210,000
10. Total valuation allowance	(2,100)	(2,100)		(2,100)
11. Subtotal (Lines 9 plus 10)	207,900	205,612		207,900
12. Total nonadmitted amounts				
13. Statement value of mortgages owned at end of current period	207,900	205,612		207,900

**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	<b>NONE</b>			
2. Cost of acquisitions during period:				
2.1. Actual cost at time of acquisitions				
2.2. Additional investment made after acquisitions				
3. Accrual of discount				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book/adjusted carrying value of long-term invested assets at end of current period				
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)				
12. Total nonadmitted amounts				
13. Statement value of long-term invested assets at end of current period				

STATEMENT AS OF JUNE 30, 2002 OF THE U.S. FINANCIAL 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 .....	140,834,996	3,936,803	1,881,700	(8,943,523)	140,834,996	133,946,576		128,547,023
2. Class 2 .....	43,242,312	4,486,045	535,352	7,414,659	43,242,312	54,607,664		38,962,024
3. Class 3 .....	2,868,033			579	2,868,033	2,868,612		2,867,521
4. Class 4 .....	614,000				614,000	614,000		614,000
5. Class 5 .....	1,117,256			2,264	1,117,256	1,119,520		1,115,023
6. Class 6 .....				645,000		645,000		
7. Total Bonds	188,676,597	8,422,848	2,417,052	(881,021)	188,676,597	193,801,372		172,105,591
<b>PREFERRED STOCK</b>								
8. Class 1 .....								
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	188,676,597	8,422,848	2,417,052	(881,021)	188,676,597	193,801,372		172,105,591

**SCHEDULE DA - PART 1**

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Statement Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999 Totals	<b>NONE</b>				

**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 .....				10,816,442
2. Cost of short-term investments acquired .....				
3. Increase (decrease) by adjustment .....				(10,816,442)
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 .....				
7. Book/adjusted carrying value, current period .....				
8. Total valuation allowance .....				
9. Subtotal (Lines 7 plus 8) .....				
10. Total nonadmitted amounts .....				
11. Statement value (Lines 9 minus 10) .....				
12. Income collected during period .....				
13. Income earned during period .....				

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 U.S. FINANCIAL LIFE INSURANCE COMPANY

**SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS**

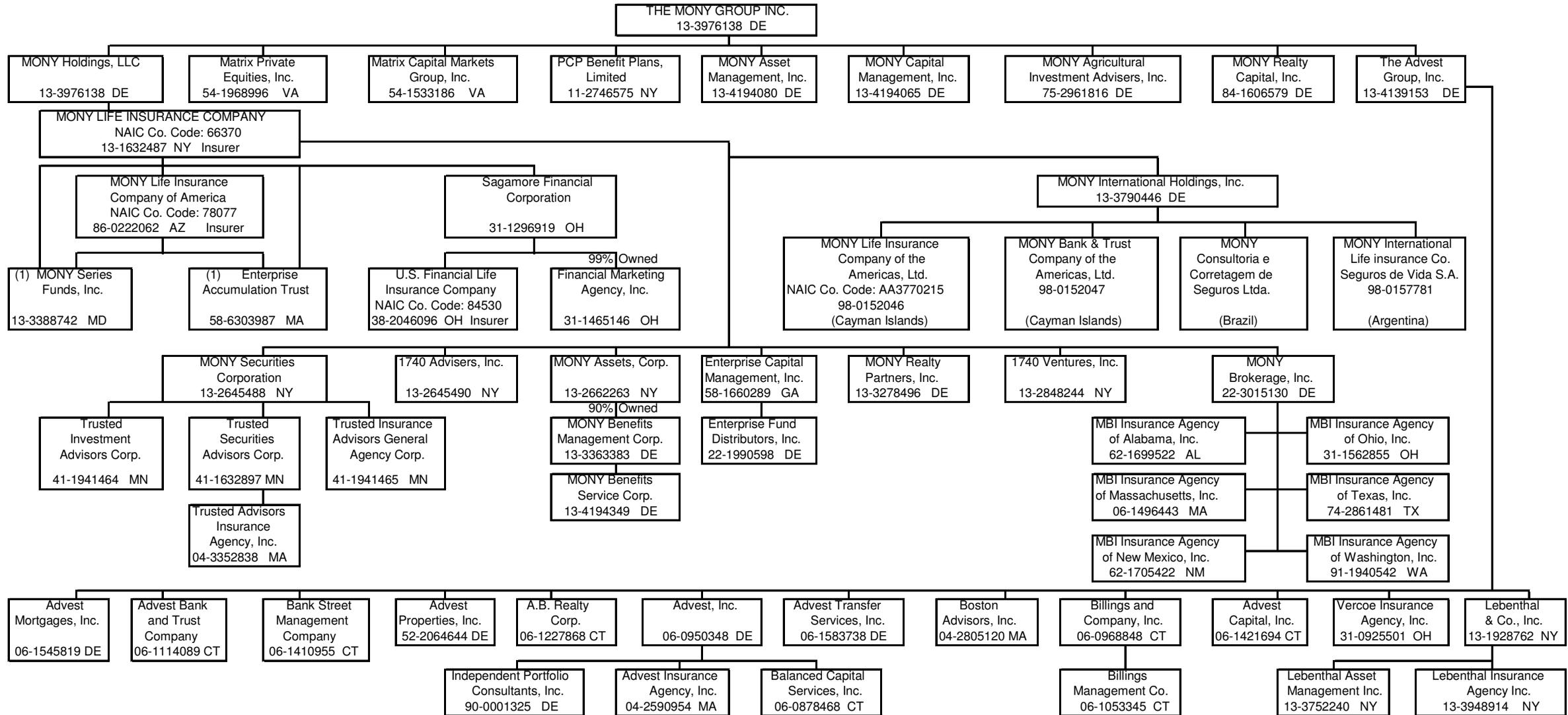
During Current Year to Date - Allocated by States and Territories

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			
Is Insurer Licensed? (Yes or No)						
1. Alabama	AL	Yes	1,485,528			
2. Alaska	AK	Yes	58,580			
3. Arizona	AZ	Yes	859,900			
4. Arkansas	AR	Yes	496,335			
5. California	CA	Yes	6,012,265			
6. Colorado	CO	Yes	1,513,774			
7. Connecticut	CT	Yes	1,848,533			
8. Delaware	DE	Yes	157,637			
9. District of Columbia	DC	No	49,372			
10. Florida	FL	Yes	5,785,564	4,000		
11. Georgia	GA	Yes	2,522,837	2,000		
12. Hawaii	HI	Yes	179,710			
13. Idaho	ID	No	26,093	73		
14. Illinois	IL	Yes	3,141,961	2,250		
15. Indiana	IN	Yes	1,722,030	8,832		
16. Iowa	IA	Yes	1,126,099			
17. Kansas	KS	Yes	982,244			
18. Kentucky	KY	Yes	1,646,035	2,000		
19. Louisiana	LA	Yes	1,106,624			
20. Maine	ME	Yes	326,164			
21. Maryland	MD	Yes	1,225,299			
22. Massachusetts	MA	Yes	2,433,335			
23. Michigan	MI	Yes	3,759,914	20,018		
24. Minnesota	MN	Yes	239,490			
25. Mississippi	MS	Yes	1,337,128			
26. Missouri	MO	Yes	1,550,522			
27. Montana	MT	Yes	303,400			
28. Nebraska	NE	Yes	358,300			
29. Nevada	NV	No	210,348			
30. New Hampshire	NH	Yes	559,679			
31. New Jersey	NJ	Yes	1,689,049			
32. New Mexico	NM	Yes	342,914			
33. New York	NY	No	1,364,774			
34. North Carolina	NC	Yes	3,212,943	200		
35. North Dakota	ND	Yes	386,848			
36. Ohio	OH	Yes	6,008,873			
37. Oklahoma	OK	Yes	743,934			
38. Oregon	OR	Yes	842,664			
39. Pennsylvania	PA	Yes	4,083,767			
40. Rhode Island	RI	Yes	418,517			
41. South Carolina	SC	Yes	1,441,946	1,050		
42. South Dakota	SD	Yes	628,812			
43. Tennessee	TN	Yes	2,363,797	600		
44. Texas	TX	Yes	6,406,175			
45. Utah	UT	Yes	371,720			
46. Vermont	VT	No	51,166			
47. Virginia	VA	Yes	226,099			
48. Washington	WA	Yes	1,305,771			
49. West Virginia	WV	Yes	170,667			
50. Wisconsin	WI	Yes	1,778,771			
51. Wyoming	WY	Yes	436,992			
52. American Samoa	AS	No				
53. Guam	GU	No	708			
54. Puerto Rico	PR	No	2,103	125		
55. US Virgin Islands	VI	No	2,794			
56. Canada	CN	No	13,033			
57. Aggregate Other Alien	OT	XXX	2,294			
58. Subtotal	(a) 46		77,321,831	41,148		
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		77,321,831	41,148		
96. Plus Reinsurance Assumed	XXX					
97. Totals (All Business)	XXX		77,321,831	41,148		
98. Less Reinsurance Ceded	XXX		49,572,320			
99. Totals (All Business) less Reinsurance Ceded	XXX		27,749,510	41,148		
<b>DETAILS OF WRITE-INS</b>						
5701. Mexico	XXX		1,308			
5702. Other Alien	XXX					
5703. Other Alien	XXX		986			
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		2,294			
9401. Summary of remaining write-ins for Line 94 from overflow page	XXX					
9402. Summary of remaining write-ins for Line 94 from overflow page	XXX					
9403. Summary of remaining write-ins for Line 94 from overflow page	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.

STATEMENT AS OF JUNE 30, 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY

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



Each subsidiary is 100% owned by its immediate parent unless indicated to the contrary.

(1) MONY Series Fund, Inc. and Enterprise Accumulation Trust are controlled by MONY Life Insurance Company and MONY Life Insurance Company of America, jointly. Ownership interests vary depending upon the value of unit trusts held by these entities.

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSES

1. Will the SVO Compliance Certification be filed with this statement?

.....Yes.....

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

.....No.....

**Explanations:**

**Bar Codes:**

Trusteed Surplus Statement (Document Identifier 490) here:



**OVERFLOW PAGE FOR WRITE-INS**

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Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

Schedule BA - Part 1

**NONE**

Schedule BA - Part 2

**NONE**

STATEMENT AS OF JUNE 30, 2002 OF THE U.S. FINANCIAL 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								
GOVERNMENTS								
UNITED STATES								
912827-7F-3	UNITED STATES TREASURY 3.500 11/15/2006	04/29/2002	CREDIT SUISSE FIRST BOSTON CORP		962,813	1,000,000	16,050	1
0399996	- Bonds - U.S. Government				962,813	1,000,000	16,050	XXX
0399999	- Total - Bonds - U.S. Government				962,813	1,000,000	16,050	XXX
1099997	- Bonds - All Other Governments - Canada				0	0	0	XXX
1099998	- Bonds - All Other Governments - Other Countries				0	0	0	XXX
1099999	- Total - Bonds - All Other Government				0	0	0	XXX
1799996	- Bonds - States, Territory, Poss - United States				0	0	0	XXX
1799997	- Bonds - States, Territory, Poss - Canada				0	0	0	XXX
1799998	- Bonds - States, Territory, Poss - Other Countries				0	0	0	XXX
1799999	- Total - Bonds - States, Territories and Possessions				0	0	0	XXX
2499996	- Bonds - Political Subdivision - United States				0	0	0	XXX
2499997	- Bonds - Political Subdivision - Canada				0	0	0	XXX
2499998	- Bonds - Political Subdivision - Other Countries				0	0	0	XXX
2499999	- Total - Bonds - Political Subdivisions				0	0	0	XXX
3199996	- Bonds - Special Revenues - United States				0	0	0	XXX
3199997	- Bonds - Special Revenues - Canada				0	0	0	XXX
3199998	- Bonds - Special Revenues - Other Countries				0	0	0	XXX
3199999	- Total - Bonds - Special Revenue				0	0	0	XXX
PUBLIC UTILITIES (UNAFFILIATED)								
UNITED STATES								
68233D-AC-1	ONCOR ELECTRIC DELIVERY CORPORATE 7.000 05/01/2032	05/01/2002	LEHMAN BROTHERS INC		985,470	1,000,000		27
3899996	- Bonds - Public Utilities - United States				985,470	1,000,000	0	XXX
3899997	- Bonds - Public Utilities - Canada				0	0	0	XXX
3899998	- Bonds - Public Utilities - Other Countries				0	0	0	XXX
3899999	- Total - Bonds - Public Utilities				985,470	1,000,000	0	XXX
INDUSTRIAL & MISC. (UNAFFIL)								
UNITED STATES								
00184A-AE-5	AOL TIME WARNER INC CORPORATE 6.150 05/01/2007	04/03/2002	MORGAN JP CHASE		996,850	1,000,000		2
172967-BL-4	CITIGROUP INC CORPORATE 6.625 06/15/2032	05/30/2002	SALOMON/SMITH BARNEY		986,510	1,000,000		1Z
441812-JZ-8	HOUSEHOLD FINANCE CORP. CORPORATE 7.625 05/17/2032	05/15/2002	DEUTSCHE BANK SECURITIES		988,640	1,000,000		1Z
90390M-AP-5	USA EDUCATION INC 5.625 04/10/2007	04/03/2002	BANK OF AMERICA SECURITIES		998,840	1,000,000		1Z
90807E-AF-2	UNION PLANTERS BANK 5.125 06/15/2007	06/04/2002	MORGAN JP CHASE		1,495,065	1,500,000		2Z
920355-AA-2	VALSPAR CORP 6.000 05/01/2007	05/31/2002	MORGAN JP CHASE		1,008,660	1,000,000	5,833	2
4599996	- Bonds - Industrial and Misc - United States				6,474,565	6,500,000	5,833	XXX
4599997	- Bonds - Industrial and Misc - Canada				0	0	0	XXX
4599998	- Bonds - Industrial and Misc - Other Countries				0	0	0	XXX
4599999	- Total - Bonds - Industrial, Misc.				6,474,565	6,500,000	5,833	XXX
4699999	- Total - Bonds - Credit Tenant Loans				0	0	0	XXX
5399996	- Bonds - Parent, Subs & Affiliate - United States				0	0	0	XXX
5399997	- Bonds - Parent, Subs & Affiliate - Canada				0	0	0	XXX
5399998	- Bonds - Parent, Subs & Affiliate - Other Countries				0	0	0	XXX
5399999	- Total - Bonds - Parent, Subsidiaries, Affiliates				0	0	0	XXX
6099997	- Total - Bonds - Part 3				8,422,848	8,500,000	21,883	XXX
6099999	- Total - Bonds				8,422,848	8,500,000	21,883	XXX
6199999	- Total - Preferred Stocks - Public Utilities				0	XXX	0	XXX
6299999	- Total - Preferred Stocks - Banks, Trusts, Insurance				0	XXX	0	XXX
6399999	- Total - Preferred Stocks - Industrial, Misc.				0	XXX	0	XXX
6499999	- Total - Preferred Stocks - Parent, Subsidiaries, Affiliates				0	XXX	0	XXX
6599997	- Total - Preferred Stocks - Part 3				0	XXX	0	XXX
6599999	- Total - Preferred Stocks				0	XXX	0	XXX
6699999	- Total - Common Stocks - Public Utilities				0	XXX	0	XXX
6799999	- Total - Common Stocks - Banks, Trusts, Insurance				0	XXX	0	XXX
6899999	- Total - Common Stocks - Industrial, Misc.				0	XXX	0	XXX
6999999	- Total - Common Stocks - Parent, Subsidiaries, Affiliates				0	XXX	0	XXX

E04

STATEMENT AS OF JUNE 30, 2002 OF THE U.S. FINANCIAL 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 <sup>(a)</sup>
7099997 - Total	- Common Stocks - Part 3				0	XXX	0	XXX
7099999 - Total	- Common Stocks				0	XXX	0	XXX
7199999 - Total	- Preferred and Common Stocks				0	XXX	0	XXX
7299999 - Totals					8,422,848	XXX	21,883	XXX

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

E04.1

STATEMENT AS OF JUNE 30, 2002 OF THE U.S. FINANCIAL 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																
GOVERNMENTS																
UNITED STATES																
36213E-PQ-3	GNMA 6.000 12/01/2031	06/01/2002	MBS PAYDOWN		49,602	49,602	49,443	49,443	159	0	0	0	0	899		1PE
0399996	- Bonds - U.S. Government				49,602	49,602	49,443	49,443	159	0	0	0	0	899	XXX	XXX
0399999	- Bonds - U.S. Governments				49,602	49,602	49,443	49,443	159	0	0	0	0	899	XXX	XXX
1099997	- Bonds - All Other Governments - Canada				0	0	0	0	0	0	0	0	0	0	XXX	XXX
1099998	- Bonds - All Other Governments - Other Countries				0	0	0	0	0	0	0	0	0	0	XXX	XXX
1099999	- Bonds - All Other Governments				0	0	0	0	0	0	0	0	0	0	XXX	XXX
1799996	- Bonds - States, Territory, Poss - United States				0	0	0	0	0	0	0	0	0	0	XXX	XXX
1799997	- Bonds - States, Territory, Poss - Canada				0	0	0	0	0	0	0	0	0	0	XXX	XXX
1799998	- Bonds - States, Territory, Poss - Other Countries				0	0	0	0	0	0	0	0	0	0	XXX	XXX
1799999	- Bonds - States, Territories and Possessions				0	0	0	0	0	0	0	0	0	0	XXX	XXX
2499996	- Bonds - Political Subdivisions - United States				0	0	0	0	0	0	0	0	0	0	XXX	XXX
2499997	- Bonds - Political Subdivisions - Canada				0	0	0	0	0	0	0	0	0	0	XXX	XXX
2499998	- Bonds - Political Subdivisions - Other Countries				0	0	0	0	0	0	0	0	0	0	XXX	XXX
2499999	- Bonds - Political Subdivisions				0	0	0	0	0	0	0	0	0	0	XXX	XXX
DELAWARE																
172953-RG-8	CMSI 2000-2 A2 6.500 09/01/2002	06/28/2002	MBS PAYDOWN		522,471	522,471	453,244	505,423	17,048	0	0	0	0	13,984		1PE
TOTAL DELAWARE					522,471	522,471	453,244	505,423	17,048	0	0	0	0	13,984	XXX	XXX
31358E-JG-8	FNR 1990-61 H 7.000 06/01/2020	06/13/2002	VARIOUS		44,554	44,554	38,658	43,916	638	0	0	0	0	1,329		1
31358E-QE-5	FNR 1990-77 D 9.000 05/01/2020	06/13/2002	VARIOUS		81,595	81,595	83,992	81,692	(97)	0	0	0	0	3,143		1
31358J-SN-2	FNR 1991-123 EB 8.000 09/01/2021	06/13/2002	VARIOUS		28,791	28,791	29,402	28,827	(37)	0	0	0	0	1,039		1PE
31358L-JB-3	FNR 692-7 JQ 8.500 12/01/2021	06/13/2002	VARIOUS		25,985	25,985	26,505	26,027	(43)	0	0	0	0	982		1PE
31358N-CM-2	FNR 1992-82 E 7.000 11/01/2005	06/13/2002	VARIOUS		46,294	46,294	41,990	45,754	540	0	0	0	0	1,401		1PE
31358R-EU-3	FNR 1992-202 J 7.500 05/01/2003	06/13/2002	VARIOUS		194,530	194,530	183,891	193,224	1,306	0	0	0	0	6,319		1PE
31358T-L5-6	FNR 1993-33 H 6.750 03/01/2003	06/13/2002	VARIOUS		80,885	80,885	80,607	80,784	101	0	0	0	0	2,461		1PE
31359D-JG-9	FNR 1993-156 B 6.500 05/01/2002	06/10/2002	MBS PAYDOWN		96,837	96,837	93,478	95,394	1,443	0	0	0	0	2,216		1PE
TOTAL DISTRICT OF COLUMBIA					599,470	599,470	578,523	595,620	3,851	0	0	0	0	18,890	XXX	XXX
312903-KT-3	FHR 116 G 8.500 08/01/2017	06/13/2002	MBS PAYDOWN		85,018	85,018	87,064	85,115	(97)	0	0	0	0	2,974		1
312905-WS-7	FHR 1074 H 8.500 09/01/2018	06/13/2002	MBS PAYDOWN		37,931	37,931	38,819	37,982	(52)	0	0	0	0	1,245		1PE
312909-A4-6	FHR 1255 H 8.500 03/01/2013	06/13/2002	MBS PAYDOWN		102,796	102,796	107,936	103,023	(226)	0	0	0	0	3,499		1PE
31340Y-FN-4	FHR 19 F 8.500 01/01/2019	06/13/2002	MBS PAYDOWN		37,330	37,330	38,590	37,363	(33)	0	0	0	0	1,310		1
3199996	- Bonds - Special Revenues - United States				1,385,017	1,385,017	1,304,176	1,364,526	20,491	0	0	0	0	41,902	XXX	XXX
3199997	- Bonds - Special Revenues - Canada				0	0	0	0	0	0	0	0	0	0	XXX	XXX
3199998	- Bonds - Special Revenues - Other Countries				0	0	0	0	0	0	0	0	0	0	XXX	XXX
3199999	- Bonds - Special Revenues				1,385,017	1,385,017	1,304,176	1,364,526	20,491	0	0	0	0	41,902	XXX	XXX
PUBLIC UTILITIES (UNAFFILIATED)																
UNITED STATES																
266228-CB-9	DUQUESNE LIGHT CORPORATE 6.625 06/15/2004	06/10/2002	SECURITY CALLED BY ISSUER at 99.879		499,698	500,000	499,398	499,637	61	0	0	0	0	13,250		2PE
293561-AT-3	ENRON CORPORATION CORPORATE 6.750 07/01/2005	05/31/2002	REDUCTION IN BASIS ADJUSTMENT		0	0	0	100,000	(100,000)	0	0	0	0	0		6

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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)
341081-DG-9	FLORIDA POWER & LIGHT CORPORATE 6.875 04/01/2004	06/13/2002	SECURITY CALLED BY ISSUER at 100.00		250,000	250,000	253,125	250,000	0	0	0	0	0	8,594		1PE
3899996	- Bonds - Public Utilities - United States				749,698	750,000	752,523	849,637	(99,939)	0	0	0	0	21,844	XXX	XXX
3899997	- Bonds - Public Utilities - Canada				0	0	0	0	0	0	0	0	0	0	XXX	XXX
3899998	- Bonds - Public Utilities - Other Countries				0	0	0	0	0	0	0	0	0	0	XXX	XXX
3899999	- Bonds - Public Utilities				749,698	750,000	752,523	849,637	(99,939)	0	0	0	0	21,844	XXX	XXX
INDUSTRIAL & MISC. (UNAFFIL) UNITED STATES																
31331F-AG-6	FEDERAL EXPRESS CORP. CORPORATE 7.530 09/23/2006	03/23/2002	SINKING FUND REDEMPTION		35,654	35,654	33,730	35,638	16	0	0	0	0	1,342		2
36157N-CW-2	GE CAPITAL MORTGAGE SERVICES, INC. 7.000 09/01/2027	04/15/2002	VARIOUS		197,081	197,081	183,100	194,962	2,119	0	0	0	0	6,265		1PE
39804H-AY-4	GREYHOUND FINANCIAL CORPORATE 7.820 01/27/2003	06/28/2002	PRIOR YEAR INCOME		0	0	0	0	0	0	0	0	0	18		6
552673-AM-7	MCI WORLDCOM, INC. CORPORATE 7.500 08/20/2004	06/30/2002	REDUCTION IN BASIS ADJUSTMENT		0	0	0	593,046	(593,046)	0	0	0	0	0		6
552673-AQ-8	MCI WORLDCOM, INC. CORPORATE 7.750 04/01/2007	06/30/2002	REDUCTION IN BASIS ADJUSTMENT		0	0	0	283,912	(283,912)	0	0	0	0	0		6
4599996	- Bonds - Industrial and Misc - United States				232,734	232,734	216,830	1,107,558	(874,824)	0	0	0	0	7,625	XXX	XXX
4599997	- Bonds - Industrial and Misc - Canada				0	0	0	0	0	0	0	0	0	0	XXX	XXX
4599998	- Bonds - Industrial and Misc - Other Countries				0	0	0	0	0	0	0	0	0	0	XXX	XXX
4599999	- Bonds - Industrial and Miscellaneous				232,734	232,734	216,830	1,107,558	(874,824)	0	0	0	0	7,625	XXX	XXX
4699999	- Bonds - Credit Tenant Loans				0	0	0	0	0	0	0	0	0	0	XXX	XXX
5399996	- Bonds - Parent, Subs & Affiliate - United States				0	0	0	0	0	0	0	0	0	0	XXX	XXX
5399997	- Bonds - Parent, Subs & Affiliate - Canada				0	0	0	0	0	0	0	0	0	0	XXX	XXX
5399998	- Bonds - Parent, Subs & Affiliate - Other Countries				0	0	0	0	0	0	0	0	0	0	XXX	XXX
5399999	- Bonds - Parent, Subsidiaries and Affiliates				0	0	0	0	0	0	0	0	0	0	XXX	XXX
6099997	- Bonds - Part 4				2,417,052	2,417,354	2,322,972	3,371,165	(954,112)	0	0	0	0	72,271	XXX	XXX
6099999	- Total - Bonds				2,417,052	2,417,354	2,322,972	3,371,165	(954,112)	0	0	0	0	72,271	XXX	XXX
6199999	- Preferred Stocks - Public Utilities				0	XXX	0	0	0	0	0	0	0	XXX	0	XXX
6299999	- Preferred Stocks - Banks, Trust and Insurance Companies				0	XXX	0	0	0	0	0	0	0	XXX	0	XXX
6399999	- Preferred Stocks - Industrial and Miscellaneous				0	XXX	0	0	0	0	0	0	0	XXX	0	XXX
6499999	- Preferred Stocks - Parent, Subsidiaries and Affiliates				0	XXX	0	0	0	0	0	0	0	XXX	0	XXX
6599997	- Preferred Stocks - Part 4				0	XXX	0	0	0	0	0	0	0	XXX	0	XXX
6599999	- Total - Preferred Stocks				0	XXX	0	0	0	0	0	0	0	XXX	0	XXX
6699999	- Common Stocks - Public Utilities				0	XXX	0	0	0	0	0	0	0	XXX	0	XXX
6799999	- Common Stocks - Banks, Trust and Insurance Companies				0	XXX	0	0	0	0	0	0	0	XXX	0	XXX
6899999	- Common Stocks - Industrial and Miscellaneous				0	XXX	0	0	0	0	0	0	0	XXX	0	XXX
6999999	- Common Stocks - Parent, Subsidiaries and Affiliates				0	XXX	0	0	0	0	0	0	0	XXX	0	XXX
7099997	- Common Stocks - Part 4				0	XXX	0	0	0	0	0	0	0	XXX	0	XXX
7099999	- Total - Common Stocks				0	XXX	0	0	0	0	0	0	0	XXX	0	XXX
7199999	- Total - Preferred and Common Stocks				0	XXX	0	0	0	0	0	0	0	XXX	0	XXX
7299999	Totals				2,417,052	XXX	2,322,972	3,371,165	(954,112)	0	0	0	0	72,271	0	XXX

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





