



## 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 .....	191,148,501		191,148,501	186,869,612
2. Stocks:				
2.1 Preferred stocks .....	1,600,000		1,600,000	1,600,000
2.2 Common stocks .....	4,025,424		4,025,424	4,173,040
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$..... encumbrances) .....				
4.2 Properties held for the production of income (less \$..... encumbrances) .....				
4.3 Properties held for sale (less \$..... encumbrances) .....				
5. Policy loans .....	178,720		178,720	179,609
6. Premium notes, including \$..... for first year premiums .....				
7. Cash (\$.....2,723,698) and short-term investments (\$.....) .....	2,723,698		2,723,698	3,589,454
8. Other invested assets .....				
9. Receivable for Securities .....				
10. Aggregate write-ins for invested assets .....				
11. Subtotals, cash and invested assets (Lines 1 to 10) .....	199,676,342		199,676,342	196,411,715
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers .....	1,984,448		1,984,448	2,001,519
12.2 Commissions and expense allowances due .....	17,068		17,068	13,642
12.3 Experience rating and other refunds due .....				
12.4 Other amounts receivable under reinsurance contracts .....				
13. Electronic data processing equipment and software .....	84,975		84,975	149,339
14. Federal and foreign income tax recoverable and interest thereon (including \$.....2,312,786 net deferred tax asset) .....	8,431,799	4,810,758	3,621,041	2,787,019
15. Guaranty funds receivable or on deposit .....	19,824		19,824	53,664
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$.....(136,870) loading) .....	8,351,988	300,367	8,051,621	7,188,859
17. Accident and health premiums due and unpaid .....	2,267,896	141,674	2,126,221	2,598,573
18. Investment income due and accrued .....	3,621,383		3,621,383	3,447,047
19. Net adjustment in assets and liabilities due to foreign exchange rates .....				
20. Receivable from parent, subsidiaries and affiliates .....	41,838		41,838	49,035
21. Amounts receivable relating to uninsured accident and health plans .....	130,710		130,710	124,054
22. Amounts due from agents .....				
23. Other assets nonadmitted .....	81,046	81,046		
24. Aggregate write-ins for other than invested assets .....	351,991	152,867	199,124	265,420
25. TOTAL assets excluding Separate Accounts business (Lines 11 to 24) .....	225,061,307	5,486,713	219,574,595	215,089,886
26. From Separate Accounts Statement .....				
27. TOTAL (Lines 25 and 26) .....	225,061,307	5,486,713	219,574,595	215,089,886
<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 through 1003 plus 1098) (Line 10 above) .....				
2401. Prepaid Expenses/Guaranty Funds .....	123,391	123,391		
2402. Premium/Other Deposit Funds .....	29,477	29,477		
2403. Miscellaneous Receivable .....	94		94	42,703
2498. Summary of remaining write-ins for Line 24 from overflow page .....	199,030		199,030	222,717
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) .....	351,991	152,867	199,124	265,420

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life policies and contracts \$.....35,255,727 less \$..... included in Line 6.3 (including \$..... Modco Reserve) .....	35,255,727	34,635,494
2. Aggregate reserve for accident and health contracts (including \$..... Modco Reserve) .....	8,889,948	7,859,980
3. Liability for deposit-type contracts (including \$..... Modco Reserve) .....	15,173	15,173
4. Contract claims:		
4.1 Life .....	27,607,662	27,381,551
4.2 Accident and health .....	6,422,057	6,472,313
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 & health policies and contracts received in advance less \$..... discount; including \$.....138,817 accident and health premiums .....	419,652	375,920
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....		
9.2 Provision for experience rating refunds, including \$.....55,120 A&H experience rating refunds .....	915,411	1,407,568
9.3 Other amounts payable on reinsurance; including \$..... assumed and \$..... ceded .....		
9.4 Interest Maintenance Reserve .....	148,202	112,725
10. Commissions to agents due or accrued-life and annuity contracts \$.....2,931,308, accident and health \$.....774,081 and deposit-type contract funds \$.....	3,705,389	5,378,979
11. Commissions and expense allowances payable on reinsurance assumed .....		
12. General expenses due or accrued .....	4,395,808	4,543,979
13. Transfers to Separate Accounts due or accrued (net) (Including \$..... accrued for expense allowances recognized in reserves) .....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes .....	107,190	1,442,043
15. Federal and foreign income taxes, including \$.....23,065 on realized capital gains (losses) (Including \$..... net deferred tax liability) .....		
16. Unearned investment income .....	6,996	6,996
17. Amounts withheld or retained by company as agent or trustee .....		
18. Amounts held for agents' account, including \$..... agents' credit balances .....		
19. Remittances and items not allocated .....	1,573,072	1,301,580
20. Net adjustment in assets and liabilities due to foreign exchange rates .....		
21. Liability for benefits for employees and agents if not included above .....	643,051	463,884
22. Borrowed money \$..... and interest thereon \$.....		
23. Dividends to stockholders declared and unpaid .....		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve .....	1,385,867	1,296,659
24.2 Reinsurance in unauthorized companies .....		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers .....		
24.4 Payable to parent, subsidiaries and affiliates .....	3,097,323	307,982
24.5 Drafts outstanding .....		
24.6 Liability for amounts held under uninsured accident and health plans .....	131,167	109,017
24.7 Funds held under coinsurance .....		
24.8 Payable for securities .....		
24.9 Capital notes \$..... and interest thereon \$.....		
25. Aggregate write-ins for liabilities .....	486,370	376,682
26. TOTAL Liabilities excluding Separate Accounts business (Lines 1 to 25) .....	95,206,065	93,488,525
27. From Separate Accounts Statement .....		
28. TOTAL LIABILITIES (Lines 26 and 27) .....	95,206,065	93,488,525
29. Common capital stock .....	2,622,800	2,622,800
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....		
32. Surplus Notes .....		
33. Gross paid in and contributed surplus .....	18,995,342	18,995,342
34. Aggregate write-ins for special surplus funds .....		
35. Unassigned funds (surplus) .....	102,750,388	99,983,219
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 (Lines 31 to 35, Less 36) (Including \$..... in Separate Accounts Statement) .....	121,745,730	118,978,561
38. TOTALS of Lines 29, 30 and 37 .....	124,368,530	121,601,361
39. TOTALS of Lines 28 and 38 .....	219,574,595	215,089,886
<b>DETAILS OF WRITE-INS</b>		
2501. Unclaimed Funds .....	486,370	376,682
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	486,370	376,682
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page .....		
3199. TOTALS (Lines 3101 through 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 through 3403 plus 3498) (Line 34 above) .....		

## SUMMARY OF OPERATIONS

### (Excluding Unrealized Capital Gains and Losses)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health policies and contracts	98,557,122	98,799,248	203,049,974
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	6,495,247	6,295,371	12,658,315
4. Amortization of Interest Maintenance Reserve (IMR)	7,359	4,890	11,343
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	57,633	99,154	194,034
7. Reserve adjustments on reinsurance ceded			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	6,024	30,619	66,905
9. TOTALS (Lines 1 to 8.3)	105,123,385	105,229,282	215,980,571
10. Death benefits	55,962,879	57,784,820	118,708,946
11. Matured endowments (excluding guaranteed annual pure endowments)			
12. Annuity benefits			
13. Disability benefits and benefits under accident and health contracts	20,148,263	16,683,922	31,832,499
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and other fund withdrawals for life contracts	74,263	84,600	24,243
16. Group conversions	45,000	58,098	84,045
17. Interest and adjustments on contract or deposit-type contract funds			(10,522)
18. Payments on supplementary contracts with life contingencies		(26,764)	
19. Increase in aggregate reserves for life and accident and health policies and contracts	1,650,201	824,402	3,702,594
20. TOTALS (Lines 10 to 19)	77,880,606	75,409,078	154,341,805
21. Commissions on premiums, annuity considerations, and deposit type contract funds (direct business only)	12,995,211	12,941,348	26,549,226
22. Commissions and expense allowances on reinsurance assumed			
23. General insurance expenses	7,349,027	6,292,616	13,369,453
24. Insurance taxes, licenses and fees, excluding federal income taxes	2,304,599	2,385,580	4,801,360
25. Increase in loading on deferred and uncollected premiums	(44,520)	(14,106)	(2,995)
26. Net transfers to or (from) Separate Accounts			
27. Aggregate write-ins for deductions			
28. TOTALS (Lines 20 to 27)	100,484,923	97,014,516	199,058,849
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	4,638,462	8,214,766	16,921,722
30. Dividends to policyholders			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	4,638,462	8,214,766	16,921,722
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	1,654,494	2,943,000	5,695,957
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)	2,983,968	5,271,766	11,225,765
34. Net realized capital gains or (losses) less capital gains tax of \$.....30,506 (excluding taxes of \$.....23,065 transferred to the IMR)	13,818		(162,980)
35. Net Income (Line 33 plus Line 34)	2,997,787	5,271,766	11,062,785
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
36. Capital and surplus, December 31, prior year	121,601,362	108,899,687	108,899,687
37. Net Income (Line 35)	2,997,787	5,271,766	11,062,785
38. Change in net unrealized capital gains or (losses)	(178,776)	(253,744)	(328,702)
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax	105,927		437,569
41. Change in nonadmitted assets and related items	(68,560)	(362,864)	2,393,629
42. Change in liability for reinsurance in unauthorized companies			
43. Change in reserve on account of change in valuation basis, (increase) or decrease			(342,457)
44. Change in asset valuation reserve	(89,208)	227,630	239,358
45. Change in treasury stock			
46. Surplus (contributed to) withdrawn from Separate Accounts during period			
47. Other changes in surplus in Separate Accounts Statement			
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles		1,373,213	(760,507)
50. Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in			
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance			
52. Dividends to stockholders			
53. Aggregate write-ins for gains and losses in surplus			
54. Net change in capital and surplus (Lines 37 through 53)	2,767,169	6,256,001	12,701,675
55. Capital and surplus, as of statement date (Lines 36 + 54)	124,368,531	115,155,688	121,601,362
<b>DETAILS OF WRITE-INS</b>			
08.301. Miscellaneous Income	6,024	30,619	66,905
08.302			
08.303			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page			
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	6,024	30,619	66,905
2701			
2702			
2703			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)			
5301			
5302			
5303			
5398. Summary of remaining write-ins for Line 53 from overflow page			
5399. TOTALS (Lines 5301 through 5303 plus 5398) (Line 53 above)			

**CASH FLOW**

		1 Current Year To Date	2 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1.	Premiums and annuity considerations for life and accident and health contracts .....	97,763,199	201,766,862
2.	Charges and fees for deposit-type contracts .....		
3.	Considerations for supplementary contracts with life contingencies .....		
4.	Net investment income .....	6,288,770	12,340,961
5.	Commissions and expense allowances on reinsurance ceded .....	57,633	190,503
6.	Fees associated with investment management, administration and contract guarantee from Separate Accounts .....		
7.	Aggregate write-ins for miscellaneous income .....		118
8.	TOTAL (Lines 1 to 7) .....	104,109,602	214,298,444
9.	Death benefits .....	55,302,824	116,219,545
10.	Matured endowments .....		
11.	Annuity benefits .....		
12.	Disability benefits and benefits under accident and health contracts .....	20,615,391	31,077,078
13.	Coupons, guaranteed annual pure endowments and similar benefits .....		
14.	Surrender benefits and withdrawals for life contracts .....	74,263	24,243
15.	Group conversions .....	45,000	84,045
16.	Interest and adjustments on contract or deposit-type contract funds .....		
17.	Payments on supplementary contracts with life contingencies .....		
18.	TOTAL (Lines 9 to 17) .....	76,037,478	147,404,911
19.	Commissions on premiums, annuity considerations, and deposit type contract funds .....	14,668,802	26,288,956
20.	Commissions and expense allowances on reinsurance assumed .....		
21.	General insurance expenses .....	7,497,198	12,894,017
22.	Insurance taxes, licenses and fees, excluding federal income taxes .....	3,639,452	4,109,982
23.	Net transfers to or (from) Separate Accounts .....		
24.	Aggregate write-ins for deductions .....		
25.	TOTAL (Lines 18 to 24) .....	101,842,930	190,697,866
26.	Dividends paid to policyholders .....		
27.	Federal income taxes (excluding tax on capital gains) .....		6,956,427
28.	TOTAL (Lines 25 to 27) .....	101,842,930	197,654,293
29.	Net cash from operations (Line 8 minus Line 28) .....	2,266,672	16,644,151
<b>CASH FROM INVESTMENTS</b>			
30.	Proceeds from investments sold, matured or repaid:		
30.1	Bonds .....	9,516,500	33,850,450
30.2	Stocks .....	198,197	36,733
30.3	Mortgage loans .....		
30.4	Real estate .....		
30.5	Other invested assets .....		
30.6	Net gains or (losses) on cash and short-term investments .....		
30.7	Miscellaneous proceeds .....		
30.8	TOTAL investment proceeds (Lines 30.1 to 30.7) .....	9,714,697	33,887,183
31.	Net tax on capital gains (losses) .....	7,441	(87,758)
32.	TOTAL (Line 30.8 minus Line 31) .....	9,707,256	33,974,941
33.	Cost of investments acquired (long-term only):		
33.1	Bonds .....	13,829,296	49,390,981
33.2	Stocks .....	171,849	36,474
33.3	Mortgage loans .....		
33.4	Real estate .....		
33.5	Other invested assets .....		
33.6	Miscellaneous applications .....		
33.7	TOTAL investments acquired (Lines 33.1 to 33.6) .....	14,001,145	49,427,455
34.	Net increase (or decrease) in policy loans and premium notes .....	(889)	5,837
35.	Net cash from investments (Line 32 minus Line 33.7 minus Line 34) .....	(4,292,999)	(15,458,351)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
36.	Cash provided:		
36.1	Surplus notes, capital and surplus paid in .....		
36.2	Borrowed money \$..... less amounts repaid \$..... .....		
36.3	Capital notes \$..... less amounts repaid \$..... .....		
36.4	Deposits on deposit-type contract funds and other liabilities without life or disability contingencies .....		
36.5	Other cash provided .....	1,167,227	
36.6	TOTAL (Lines 36.1 to 36.5) .....	1,167,227	
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 .....		17,410
37.4	Other applications (net) .....	6,656	2,402,260
37.5	TOTAL (Lines 37.1 and 37.4) .....	6,656	2,419,670
38.	Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5) .....	1,160,571	(2,419,670)
<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) .....	(865,756)	(1,233,870)
40.	Cash and short-term investments:		
40.1	Beginning of year .....	3,589,454	4,823,324
40.2	End of period (Line 39 plus Line 40.1) .....	2,723,698	3,589,454
<b>DETAILS OF WRITE-INS</b>			
0701.	Miscellaneous Income .....		118
0702.	.....		
0703.	.....		
0798.	Summary of remaining write-ins for Line 7 from overflow page .....		
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) .....		118
2401.	.....		
2402.	.....		
2403.	.....		
2498.	Summary of remaining write-ins for Line 24 from overflow page .....		
2499.	TOTALS (Lines 2401 through 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 .....	760,745	789,796	1,566,550
3. Ordinary individual annuities .....			
4. Credit life (group and individual) .....			
5. Group life insurance .....	56,063,747	58,387,204	120,188,156
6. Group annuities .....			
7. A & H - group .....	28,550,468	29,178,072	58,428,314
8. A & H - credit (group and individual) .....			
9. A & H - other .....	1,160,300	767,212	1,332,419
10. Aggregate of all other lines of business .....			
11. Subtotal .....	86,535,259	89,122,284	181,515,439
12. Deposit-type contracts .....			
13. Total .....	86,535,259	89,122,284	181,515,439
<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 through 1003 plus 1098) (Line 10 above) .....			

# Notes to Financial Statement

## 1. Summary of Significant Accounting Policies

The accompanying financial statements of Medical Life Insurance Company have been completed in accordance with the NAIC Accounting Practices and Procedures manual and the Annual Statement Instructions.

The preparation of these financial statements requires the use of management's estimates.

### Accounting Policies

1. Short-term investments are stated at cost
2. Bonds are stated at amortized cost, on a yield-basis amortization method.
3. Common stocks are stated at market value
4. Preferred stocks are stated at cost
5. Medical Life does not hold any mortgage loans
6. Medical Life does not hold any loan-backed securities
7. Investments in subsidiaries are accounted for on the equity method
8. Medical Life does not have any investments in joint ventures, partnerships or limited liability companies
9. Medical Life does not invest in derivative instruments
10. Medical Life does not hold a premium deficiency reserve
11. LAE reserve is established in accordance with SSAP No. 55 and is based on the estimated ultimate cost of settling claims using past experience

## 9. Income Taxes

- A. The components of the net deferred tax asset recognized in the Company's Assets, Liabilities, Surplus And Other Funds are as follows:

	<u>6/30/02</u>	<u>12/31/01</u>
Total of all deferred tax assets	\$10,260,891	10,039,396
Total of all deferred tax liabilities	<u>( 3,137,347)</u>	<u>( 3,021,779)</u>
Net DTA	7,123,544	7,017,617
Deferred tax asset non-admitted	<u>4,810,758</u>	<u>4,778,593</u>
Net Admitted DTA	<u>2,132,786</u>	<u>2,239,024</u>

Increase (Decrease) in Non-Admitted Deferred Tax Asset	32,165	( 428,106)
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- F. Medical Life Insurance Company will file a consolidated return for 2002 with it's subsidiary; American Capital Life Insurance Company.

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

- C. In accordance with SAAP No. 18, Medical Life Insurance Company has no wash sales to report for the period covered by the attached statements.

# 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: Yes[ ] No[X] N/A[ ]
- 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[X] N/A[ ]
- 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. Yes[ ] No[X]
- 4. Have there been any substantial changes in the organizational chart since the prior quarter end?  
If yes attach an organizational chart. Yes[ ] No[X]
- 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?  
If yes, attach an explanation. Yes[ ] No[X] N/A[ ]
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/1998
- 7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1998
- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 08/02/1999
- 7.4 By what department or departments?  
Ohio Department of Insurance
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes[ ] No[X]
- 8.2 If yes, give full information

## GENERAL INTERROGATORIES (continued)

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

### INVESTMENT

- 9.1 Has there been any changes 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 .....	1	
13.23 Common Stock .....	2,535,481	2,649,417
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) .....	2,535,482	2,649,417
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 in 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[X] N/A[ ]  
 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[ ] No[X]  
 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
.....	.....

- 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
.....	.....	.....

**10 General Interrogatories Part 2..... NONE**

**11 Schedule A Verification..... NONE**

**11 Schedule B Verification..... NONE**

**11 Schedule BA Verification..... NONE**

**SCHEDULE D - PART 1B**

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

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 .....	140,480,651	7,427,858	8,895,994	(4,354,196)	140,480,651	134,658,319		137,743,274
2. Class 2 .....	43,332,141			2,828,157	43,332,141	46,160,298		40,248,965
3. Class 3 .....	5,109,985			1,001,960	5,109,985	6,111,945		5,112,197
4. Class 4 .....	3,138,235			492,865	3,138,235	3,631,100		3,141,364
5. Class 5 .....	523,451			(362)	523,451	523,089		523,812
6. Class 6 .....	63,750				63,750	63,750		100,000
7. TOTAL Bonds .....	192,648,213	7,427,858	8,895,994	(31,576)	192,648,213	191,148,501		186,869,612
<b>PREFERRED STOCK</b>								
8. Class 1 .....	600,001				600,001	600,001		600,001
9. Class 2 .....	1,000,000				1,000,000	1,000,000		1,000,000
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. TOTAL Preferred Stock .....	1,600,001				1,600,001	1,600,001		1,600,001
15. TOTAL Bonds & Preferred Stock .....	194,248,214	7,427,858	8,895,994	(31,576)	194,248,214	192,748,502		188,469,613

**SCHEDULE DA - PART 1****Short - Term Investments Owned End of Current Quarter**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. TOTALS .....		X X X .....		14,507	

**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 .....		3,424,162		
2. Cost of short-term investments acquired .....	3,424,162			
3. Increase (decrease) by adjustment .....				
4. Increase (decrease) by foreign exchange adjustment .....				
5. Total profit (loss) on disposal of short-term investments .....				
6. Consideration received on disposal of short-term investments .....		3,424,162		
7. Book/adjusted carrying value, current period .....	3,424,162			
8. Total valuation allowance .....				
9. Subtotals (Lines 7 plus 8) .....	3,424,162			
10. Total nonadmitted amounts .....				
11. Statement value (Lines 9 minus 10) .....	3,424,162			
12. Income collected during period .....	19,559	14,507		224,212
13. Income earned during period .....	19,559	14,507		224,212

**14**    **Schedule DB Part F Section 1..... NONE**

**15**    **Schedule DB Part F Section 2..... NONE**

## SCHEDULE S - CEDED REINSURANCE

**Showing all new reinsurers-Current Year to Date**

1 NAIC Company Code	2 Federal ID Number	3  Name of Reinsurer	4  Location	5 Is Insurer Authorized? (Yes or No)
------------------------------	------------------------------	----------------------------	-------------------	---

**Life and annuity - affiliates**

67105 .....	41-0451140 .....	Reliastar Life Ins Co .....	20 Washington Ave. South, Minneapolis, MN 55401 .....	Yes[X] No[ ] .....
-------------	------------------	-----------------------------	--	--------------------

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**SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS****Current Year To Date - Allocated by States and Territories**

States, Etc.			Direct Business Only					
			1 Is Insurer Licensed? (Yes or No)	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	234,242		252,880				
2. Alaska AK	Yes	3,056						
3. Arizona AZ	Yes	2,032,040		962,082				
4. Arkansas AR	Yes	120,910		86,870				
5. California CA	No							
6. Colorado CO	Yes	3,815		168				
7. Connecticut CT	Yes	6,130,687		348,471				
8. Delaware DE	Yes	(22,903)		19,928				
9. District of Columbia DC	Yes	1,089,916		69,662				
10. Florida FL	Yes	452,656		305,838				
11. Georgia GA	Yes	397,239		508,781				
12. Hawaii HI	Yes	41,332		5,514				
13. Idaho ID	Yes	85,915		19,406				
14. Illinois IL	Yes	16,308		63,591				
15. Indiana IN	Yes	710,024		533,941				
16. Iowa IA	Yes	2,756,653		1,620,371				
17. Kansas KS	Yes	21,246		43,543				
18. Kentucky KY	Yes	1,487,812		1,572,065				
19. Louisiana LA	Yes	41,354		60,869				
20. Maine ME	Yes	655,558		1,841,728				
21. Maryland MD	Yes	2,341,181		1,594,902				
22. Massachusetts MA	Yes	870,983		2,798,741				
23. Michigan MI	Yes	705,905		944,517				
24. Minnesota MN	Yes							
25. Mississippi MS	Yes	119,355		30,574				
26. Missouri MO	Yes	8,107		18,211				
27. Montana MT	Yes	1,064,111		699,418				
28. Nebraska NE	Yes			19,222				
29. Nevada NV	Yes	2,063						
30. New Hampshire NH	Yes	920,649		1,728,422				
31. New Jersey NJ	Yes	432,405		183,969				
32. New Mexico NM	Yes							
33. New York NY	No							
34. North Carolina NC	Yes	4,959,306		1,782,622				
35. North Dakota ND	Yes	6,994		25,508				
36. Ohio OH	Yes	19,181,873		4,884,268				
37. Oklahoma OK	Yes	37,072		56,872				
38. Oregon OR	Yes	3,511		1,395				
39. Pennsylvania PA	Yes	3,208,267		3,173,079				
40. Rhode Island RI	Yes	777,515		252,286				
41. South Carolina SC	Yes	108,697		118,377				
42. South Dakota SD	Yes	767,733		193,100				
43. Tennessee TN	Yes	465,286		1,054,108				
44. Texas TX	Yes							
45. Utah UT	Yes	179,658		9,989				
46. Vermont VT	Yes	361,980		611,000				
47. Virginia VA	Yes	577,752		390,637				
48. Washington WA	Yes	370,186		90,846				
49. West Virginia WV	Yes	1,384,425		556,990				
50. Wisconsin WI	Yes	192,131		552,515				
51. Wyoming WY	Yes	289,023		22,590				
52. American Samoa AS	No							
53. Guam GU	No							
54. Puerto Rico PR	No							
55. U.S. Virgin Islands VI	No							
56. Canada CN	No							
57. Aggregate other alien OT	X X X							
58. SUBTOTAL	(a) 49	55,594,028		30,109,866				
90. Reporting entity contributions for employee benefits plans	X X X							
91. Dividends or refunds applied to purchase paid-up additions and annuities	X X X							
92. Dividends or refunds applied to shorten endowment or premium paying period	X X X							
93. Premium or annuity considerations waived under disability or other contract provisions	X X X							
94. Aggregate other amounts not allocatable by State	X X X							
95. TOTALS (Direct Business)	X X X	55,594,028		30,109,866				
96. Plus Reinsurance Assumed	X X X	19,231,470						
97. TOTALS (All Business)	X X X	74,825,498		30,109,866				
98. Less Reinsurance Ceded	X X X	1,905,442		5,266,723				
99. TOTALS (All Business) less Reinsurance Ceded	X X X	72,920,056		24,843,143				
<b>DETAILS OF WRITE-INS</b>								
5701	X X X							
5702	X X X							
5703	X X X							
5798. Summary of remaining write-ins for Line 57 from overflow page	X X X							
5799. TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)	X X X							
9401	X X X							
9402	X X X							
9403	X X X							
9498. Summary of remaining write-ins for Line 94 from overflow page	X X X							
9499. TOTALS (Lines 9401 through 9403 plus 9498) (Line 94 above)	X X X							

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

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

All insurer members of a Holding Company Group that has acquired and/or disposed of any domestic insurer (s) since filing the last annual or quarterly statement shall prepare a common schedule for inclusion in each of the individual quarterly statements

**PART 1 - ORGANIZATIONAL CHART**

<b>COMPANY</b>	<b>NAIC CODE</b>	<b>FEDERAL ID NUMBERS</b>	<b>DOMICILED STATE</b>	<b>PERCENTAGE OWNED BY PARENT-06/30/2002</b>
HEALTH CARE SERVICE CORPORATION	70670	36-1236610	IL	
FORT DEARBORN LIFE INSURANCE COMPANY	71129	36-2598882	IL	100.0%
MEDICAL LIFE INSURANCE COMPANY	86991	34-1174729	OH	100.0%
AMERICAN CAPITAL LIFE INSURANCE COMPANY	60283	53-0258332	DC	98.9%
MEDICAL LIFE INSURANCE AGENCY		34-1504486	OH	100.0%
BCI HMO, INC.	96814	36-3290114	IL	100.0%
DENTAL NETWORK OF AMERICA, INC.		36-3339483	DE	99.5%
HCSC PURCHASING, LLC (Formerly Advanced Recovery Management Service, LLC)		36-4186601	DE	100.0%
PREFERRED FINANCIAL CORPORATION		84-0508741	CO	100.0%
COLORADO BANKERS LIFE INSURANCE COMPANY	84786	84-0674027	CO	100.0%
INDUSTRY SAVINGS PLAN, INC.		84-0535196	CO	100.0%
HCSA, INC.		38-3190023	DE	100.0%
HALLMARK SERVICES CORPORATION		36-3808643	IL	100.0%
NICHOLD COMPANY		36-4036155	IL	100.0%
MEDLEASE COMPANY		36-4036154	IL	100.0%
HEALTH CARE CONSULTING SERVICES, INC.		36-4036151	IL	100.0%
THIRD COAST HOLDING COMPANY		36-4072990	IL	100.0%
THIRD COAST INSURANCE COMPANY	10713	36-4072992	IL	100.0%
HEALTHCARE BENEFITS, INC.		75-2158176	TX	100.0%
UNITED HEARTLAND OF ILLINOIS, INC.		36-4226186	IL	50.0%
ARIZONA/CALIFORNIA/TEXAS INTERNATIONAL, INC.		75-2618357	TX	84.7%
SOUTHWEST TEXAS HMO, INC.(d/b/a HMO Blue Texas)	95029	75-1910022	TX	100.0%
HCSC INSURANCE SERVICES COMPANY	78611	73-1350270	IL	100.0%
HMO NEW MEXICO, INC.	95598	85-0331846	NM	100.0%
MedConnect, LLC.		45-0462772	DE	100.0%

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	<u>RESPONSES</u>
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:



**OVERFLOW PAGE FOR WRITE-INS****ASSETS**

	Current Statement Date			4
	1	2	3	December 31 Prior Year Net Admitted Assets
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1-2)	
1097. Summary of remaining write-ins for Line 10 (Lines 1004 through 1096) .....				
2404. Split Dollar Cash Value .....	179,060		179,060	152,060
2405. Amount Withheld by Company as Agent or Trustee .....	19,970		19,970	70,657
2497. Summary of remaining write-ins for Line 24 (Lines 2404 through 2496) .....	199,030		199,030	222,717

**E01**    **Schedule A Part 2** ..... **NONE**

**E01**    **Schedule A Part 3** ..... **NONE**

**E02**    **Schedule B Part 1** ..... **NONE**

**E02**    **Schedule B Part 2** ..... **NONE**

**E03**    **Schedule BA Part 1** ..... **NONE**

**E03**    **Schedule BA Part 2** ..... **NONE**

## SCHEDULE D - PART 3

### Showing All Long-Term Bonds and Stocks ACQUIRED During 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)
<b>Bonds - U.S. Governments</b>								
31359MLD3 .....	FEDERAL NATIONAL MORTGAGE ASSOCIATION .....	06/24/2002 .....	MCDONALD & COMPANY .....	X X X .....	501,250 .....	500,000 .....	5,194 .....	1PE .....
31359MMB6 .....	FEDERAL NATIONAL MORTGAGE ASSOCIATION .....	04/16/2002 .....	MCDONALD & COMPANY .....	X X X .....	996,250 .....	1,000,000 .....	15,000 .....	1PE .....
31359MMF7 .....	FEDERAL NATIONAL MORTGAGE ASSOCIATION .....	04/26/2002 .....	MCDONALD & COMPANY .....	X X X .....	491,790 .....	500,000 .....	5,391 .....	1PE .....
31359MMF7 .....	FEDERAL NATIONAL MORTGAGE ASSOCIATION .....	05/10/2002 .....	MCDONALD & COMPANY .....	X X X .....	980,938 .....	1,000,000 .....	12,969 .....	1PE .....
31359MMF7 .....	FEDERAL NATIONAL MORTGAGE ASSOCIATION .....	05/14/2002 .....	MCDONALD & COMPANY .....	X X X .....	1,941,180 .....	2,000,000 .....	26,563 .....	1PE .....
0399999 Subtotal - Bonds - U.S. Governments .....					4,911,408 .....	5,000,000 .....	65,116 .....	
<b>Bonds - Industrial and Miscellaneous</b>								
46625HAN0 .....	J P MORGAN CHASE & CO .....	04/16/2002 .....	FERRIS, BAKER, WATTS .....	X X X .....	502,750 .....	500,000 .....	3,313 .....	1PE .....
758940AG5 .....	REGIONS FINANCIAL CORP .....	05/10/2002 .....	FERRIS, BAKER, WATTS .....	X X X .....	505,000 .....	500,000 .....		1PE .....
759351AC3 .....	REINSURANCE GROUP .....	05/10/2002 .....	FERRIS, BAKER, WATTS .....	X X X .....	508,000 .....	500,000 .....	13,688 .....	1PE .....
92344GAQ9 .....	VERIZON GLOBAL FDG CORP .....	06/24/2002 .....	FERRIS, BAKER, WATTS .....	X X X .....	1,000,700 .....	1,000,000 .....	1,146 .....	1PE .....
4599999 Subtotal - Bonds - Industrial and Miscellaneous .....					2,516,450 .....	2,500,000 .....	18,146 .....	
6099997 Subtotal - Bonds - Part 3 .....					7,427,858 .....	7,500,000 .....	83,262 .....	
6099998 Summary Item for Bonds Bought and Sold This Quarter .....								
6099999 Subtotal - Bonds .....					7,427,858 .....	7,500,000 .....	83,262 .....	
6599998 Summary Item for Preferred Stock Bought and Sold This Quarter .....								
7099998 Summary Item for Common Stock Bought and Sold This Quarter .....						X X X .....		
7199999 Subtotal - Preferred and Common Stock .....						X X X .....		
7299999 Total - Bonds, Preferred and Common Stock .....					7,427,858 .....	X X X .....	83,262 .....	

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

E04

## SCHEDULE D - PART 4

Showing All Long-Term Bonds and Stocks 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 Desig- nation (a)
<b>Bonds - U.S. Governments</b>																
31364GB73	FEDERAL NATIONAL MORTGAGE ASSOC	04/22/2002	CALLED	X X X	1,000,000	1,000,000	979,650	982,253	631			17,747	17,747	35,901	X X X	1
3134A3MM5	FEDERAL HOME LOAN MORTGAGE CORP	04/29/2002	CALLED	X X X	1,000,000	1,000,000	989,970	991,225	325			8,775	8,775	32,250	X X X	1
3133M6U71	FEDERAL HOME LOAN BANK	06/24/2002	CALLED	X X X	500,000	500,000	500,000	500,000						16,100	X X X	1
3133M6VG0	FEDERAL HOME LOAN BANK	06/24/2002	CALLED	X X X	1,000,000	1,000,000	1,000,000	1,000,000						32,500	X X X	1
0399999	Subtotal - Bonds - U.S. Governments				3,500,000	3,500,000	3,469,620	3,473,478	956			26,522	26,522	116,751	X X X	X X X
<b>Bonds - Public Utilities</b>																
341081DG9	FLORIDA POWER & LIGHT CO	06/10/2002	CALLED	X X X	500,000	500,000	496,320	498,804	262			1,196	1,196	23,776	X X X	1
341081DG9	FLORIDA POWER & LIGHT CO	06/10/2002	CALLED	X X X	500,000	500,000	498,725	499,550	85			450	450	23,776	X X X	1
341081DG9	FLORIDA POWER & LIGHT CO	06/10/2002	CALLED	X X X	500,000	500,000	502,730	500,000						23,776	X X X	1
3899999	Subtotal - Bonds - Public Utilities				1,500,000	1,500,000	1,497,775	1,498,354	347			1,646	1,646	71,328	X X X	X X X
<b>Bonds - Industrial and Miscellaneous</b>																
59018S5X8	MERRILL LYNCH	04/24/2002	CALLED	X X X	500,000	500,000	500,000	500,000						12,167	X X X	1
4599999	Subtotal - Bonds - Industrial and Miscellaneous				500,000	500,000	500,000	500,000						12,167	X X X	X X X
6099997	Subtotal - Bonds - Part 4				5,500,000	5,500,000	5,467,395	5,471,832	1,303			28,168	28,168	200,246	X X X	X X X
6099998	Summary Item for Bonds Bought and Sold This Quarter															
6099999	Subtotal - Bonds				5,500,000	5,500,000	5,467,395	5,471,832	1,303			28,168	28,168	200,246	X X X	X X X
6599998	Summary Item for Preferred Stock Bought and Sold This Quarter															
<b>Common Stock - Industrial and Miscellaneous</b>																
204493100	COMPAQ COMPUTER CORP	05/17/2002	EXCHANGE	0.750	15	X X X	42	42				(27)	(27)	X X X		L
6899999	Subtotal - Common Stock - Industrial and Miscellaneous				15	X X X	42	42				(27)	(27)	X X X		X X X
7099997	Subtotal - Common Stock - Part 4				15	X X X	42	42				(27)	(27)	X X X		X X X
7099998	Summary Item for Common Stock Bought and Sold This Quarter															
7099999	Subtotal - Common Stock				15	X X X	42	42				(27)	(27)	X X X		X X X
7199999	Subtotal - Preferred and Common Stock				15	X X X	42	42				(27)	(27)	X X X		X X X
7299999	Total - Bonds, Preferred and Common Stock				5,500,015	X X X	5,467,437	5,471,874	1,303			28,141	28,141	200,246		X X X

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

**E06 Schedule DB Part A Section 1..... NONE**

**E06 Schedule DB Part B Section 1..... NONE**

**E07 Schedule DB Part C Section 1..... NONE**

**E07 Schedule DB Part D Section 1..... NONE**

**SCHEDULE E - PART 1 - CASH****Month End Depository Balances**

1		2	3	4	Book Balance at End of Each Month			8
					During Current Quarter			
Depository		Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	5	6	7	*
					First Month	Second Month	Third Month	
<b>open depositories</b>								
Key Bank National Association	Cleveland, OH .....				(3,993,575)	(6,571,705)	(3,939,084)	
Key Bank National Association - SWEEP .....	Cleveland, OH .....		1,285		1,725,017	635,858	5,402,366	
Chase Manhattan Bank .....	White Plains, NY .....				30,539	30,539	31,624	
Comerica Bank .....	Detroit, MI .....				43,946	43,946	45,508	
Wachovia Bank of Georgia, NA .....	Atlanta, GA .....		112		25,000	25,000	25,000	
Bank of America .....	Chicago, IL .....				627,422	627,422	627,422	
American National Bank .....	Chicago, IL .....				441,587	688,221	530,461	
0199998 Deposits in .....								
depositories which do not exceed the allowable limit in any one depository (See Instructions) - open depositories .....		X X X						
0199999 Totals - Open Depositories .....		X X X	1,397		(1,100,063)	(4,520,719)	2,723,298	
0299998 Deposits in .....								
depositories which do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories .....		X X X						
0299999 Totals - Suspended Depositories .....		X X X						
0399999 Total Cash On Deposit .....		X X X	1,397		(1,100,063)	(4,520,719)	2,723,298	
0499999 Cash in Company's Office .....		X X X	X X X	X X X	400	400	400	
0599999 Total Cash .....		X X X	1,397		(1,099,663)	(4,520,319)	2,723,698	

**TSS-1**    **Trusteed Surplus Affidavit** ..... **NONE**

**TSS-2**    **Trusteed Surplus Assets** ..... **NONE**

**TSS-2**    **Trusteed Surplus Assets (Cont.)** ..... **NONE**

**TSS-3**    **Trusteed Surplus Liabilities** ..... **NONE**

**TSS-1, TSS-2, TSS-3**



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