



QUARTERLY STATEMENT  
AS OF SEPTEMBER 30, 2002  
OF THE CONDITION AND AFFAIRS OF THE

AMERICAN RETIREMENT LIFE INSURANCE COMPANY

|                                       |                                                                           |                                       |                    |                                                                                |                      |            |
|---------------------------------------|---------------------------------------------------------------------------|---------------------------------------|--------------------|--------------------------------------------------------------------------------|----------------------|------------|
| NAIC Group Code                       | 0084<br><small>(Current Period)</small>                                   | 0084<br><small>(Prior Period)</small> | NAIC Company Code  | 88366                                                                          | Employer's ID Number | 59-2760189 |
| Organized under the Laws of           | Ohio                                                                      |                                       |                    | State of Domicile or Port of Entry                                             | Ohio                 |            |
| Country of Domicile                   | United States of America                                                  |                                       |                    |                                                                                |                      |            |
| Incorporated                          | 05/12/1978                                                                |                                       | Commenced Business | 11/27/1978                                                                     |                      |            |
| Statutory Home Office                 | 250 East Fifth Street<br><small>(Street and Number)</small>               |                                       |                    | Cincinnati, OH 45202<br><small>(City or Town, State and Zip Code)</small>      |                      |            |
| Main Administrative Office            | 440 Mount Rushmore Road<br><small>(Street and Number)</small>             |                                       |                    |                                                                                |                      |            |
|                                       | Rapid City, SD 57701<br><small>(City or Town, State and Zip Code)</small> |                                       |                    | 605-348-1262<br><small>(Area Code) (Telephone Number)</small>                  |                      |            |
| Mail Address                          | Post Office Box 5420<br><small>(Street and Number or P.O. Box)</small>    |                                       |                    | Cincinnati, OH 45201-5420<br><small>(City or Town, State and Zip Code)</small> |                      |            |
| Primary Location of Books and Records | 440 Mount Rushmore Road<br><small>(Street and Number)</small>             |                                       |                    |                                                                                |                      |            |
|                                       | Rapid City, SD 57701<br><small>(City or Town, State and Zip Code)</small> |                                       |                    | 513-357-3300<br><small>(Area Code) (Telephone Number)</small>                  |                      |            |
| Internet Website Address              | www.gafri.com                                                             |                                       |                    |                                                                                |                      |            |
| Statement Contact                     | Brian Patrick Sponaugle<br><small>(Name)</small>                          |                                       |                    | 513-412-2931<br><small>(Area Code) (Telephone Number) (Extension)</small>      |                      |            |
|                                       | bsponaugle@gafri.com<br><small>(E-mail Address)</small>                   |                                       |                    | 513-412-1673<br><small>(FAX Number)</small>                                    |                      |            |
| Policyowner Relations Contact         | Charles Richard Scheper<br><small>(Street and Number)</small>             |                                       |                    | 525 Vine Street                                                                |                      |            |
|                                       | Cincinnati, OH 45202<br><small>(City or Town, State and Zip Code)</small> |                                       |                    | 513-357-3300<br><small>(Area Code) (Telephone Number) (Extension)</small>      |                      |            |

OFFICERS

|           |                         |           |                       |
|-----------|-------------------------|-----------|-----------------------|
| President | Charles Richard Scheper | Secretary | Mark Francis Muething |
| Treasurer | Richard Lee Magoteaux # | Actuary   | Richard Lee Sutton    |

VICE PRESIDENTS

|                        |                       |
|------------------------|-----------------------|
| Vincent James Granieri | William Jack Maney II |
|------------------------|-----------------------|

DIRECTORS OR TRUSTEES

|                             |                         |                       |
|-----------------------------|-------------------------|-----------------------|
| Christopher Patrick Miliano | Stephen Craig Lindner   | William Jack Maney II |
| Mark Francis Muething       | Charles Richard Scheper | David Butler Rich     |

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.

|                                    |                                    |                               |
|------------------------------------|------------------------------------|-------------------------------|
| Mark Francis Muething<br>Secretary | Richard Lee Magoteaux<br>Treasurer | Richard Lee Sutton<br>Actuary |
|------------------------------------|------------------------------------|-------------------------------|

Subscribed and sworn to before me this  
8th day of November, 2002

Erin J. Laramore  
Notary Public  
06-18-2007

# OFFICERS AND DIRECTORS WHO DID NOT OCCUPY THE INDICATED POSITION IN THE PREVIOUS ANNUAL STATEMENT.

ASSETS

|                                                                                                                                                                                      | Current Statement Date |                             |                                               | 4<br><br>December 31<br>Prior Year Net<br>Admitted Assets |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------------|-----------------------------------------------|-----------------------------------------------------------|
|                                                                                                                                                                                      | 1<br><br>Assets        | 2<br><br>Nonadmitted Assets | 3<br><br>Net Admitted Assets<br>(Cols. 1 - 2) |                                                           |
| 1. Bonds .....                                                                                                                                                                       | 3,409,630              |                             | 3,409,630                                     | 4,582,058                                                 |
| 2. Stocks:                                                                                                                                                                           |                        |                             |                                               |                                                           |
| 2.1 Preferred stocks .....                                                                                                                                                           |                        |                             |                                               |                                                           |
| 2.2 Common stocks .....                                                                                                                                                              |                        |                             |                                               |                                                           |
| 3. Mortgage loans on real estate:                                                                                                                                                    |                        |                             |                                               |                                                           |
| 3.1 First liens .....                                                                                                                                                                |                        |                             |                                               |                                                           |
| 3.2 Other than first liens .....                                                                                                                                                     |                        |                             |                                               |                                                           |
| 4. Real estate:                                                                                                                                                                      |                        |                             |                                               |                                                           |
| 4.1 Properties occupied by the company (less<br>\$ ..... encumbrances).....                                                                                                          |                        |                             |                                               |                                                           |
| 4.2 Properties held for the production of income<br>(less \$ ..... encumbrances) .....                                                                                               |                        |                             |                                               |                                                           |
| 4.3 Properties held for sale (less<br>\$ ..... encumbrances) .....                                                                                                                   |                        |                             |                                               |                                                           |
| 5. Policy loans .....                                                                                                                                                                | 6,594                  |                             | 6,594                                         | 6,304                                                     |
| 6. Premium notes, including \$ .....<br>for first year premiums .....                                                                                                                |                        |                             |                                               |                                                           |
| 7. Cash (\$ .....752,748 ) and short -term<br>investments (\$ .....3,330,375 ) .....                                                                                                 | 4,083,123              |                             | 4,083,123                                     | 2,589,925                                                 |
| 8. Other invested assets .....                                                                                                                                                       |                        |                             |                                               |                                                           |
| 9. Receivable for securities .....                                                                                                                                                   |                        |                             |                                               |                                                           |
| 10. Aggregate write-ins for invested assets .....                                                                                                                                    |                        |                             |                                               |                                                           |
| 11. Subtotals, cash and invested assets (Lines 1<br>to 10) .....                                                                                                                     | 7,499,347              |                             | 7,499,347                                     | 7,178,287                                                 |
| 12. Reinsurance ceded:                                                                                                                                                               |                        |                             |                                               |                                                           |
| 12.1 Amounts recoverable from reinsurers .....                                                                                                                                       | 206,916                |                             | 206,916                                       | 365,897                                                   |
| 12.2 Commissions and expense allowances due .....                                                                                                                                    | 6,830                  |                             | 6,830                                         | 14,781                                                    |
| 12.3 Experience rating and other refunds due .....                                                                                                                                   |                        |                             |                                               | 36,608                                                    |
| 12.4 Other amounts receivable under reinsurance contracts .....                                                                                                                      |                        |                             |                                               |                                                           |
| 13. Electronic data processing equipment and software .....                                                                                                                          |                        |                             |                                               |                                                           |
| 14. Federal and foreign income tax recoverable and interest thereon (including<br>\$ .....25,189 net deferred tax asset) .....                                                       | 128,459                | 88,445                      | 40,014                                        | 35,166                                                    |
| 15. Guaranty funds receivable or on deposit .....                                                                                                                                    |                        |                             |                                               |                                                           |
| 16. Life insurance premiums and annuity considerations deferred and<br>uncollected on in force business (less premiums on reinsurance ceded<br>and less \$ .....4,779 loading) ..... | 6,420                  |                             | 6,420                                         | (48)                                                      |
| 17. Accident and health premiums due and unpaid .....                                                                                                                                |                        |                             |                                               |                                                           |
| 18. Investment income due and accrued .....                                                                                                                                          | 28,621                 |                             | 28,621                                        | 81,167                                                    |
| 19. Net adjustment in assets and liabilities due to foreign exchange rates .....                                                                                                     |                        |                             |                                               |                                                           |
| 20. Receivable from parent, subsidiaries and affiliates .....                                                                                                                        | 270                    |                             | 270                                           |                                                           |
| 21. Amounts receivable relating to uninsured accident and health plans .....                                                                                                         |                        |                             |                                               |                                                           |
| 22. Amounts due from agents .....                                                                                                                                                    | 1,435                  | 1,435                       | 0                                             |                                                           |
| 23. Other assets nonadmitted .....                                                                                                                                                   |                        |                             |                                               |                                                           |
| 24. Aggregate write-ins for other than invested assets .....                                                                                                                         |                        |                             |                                               |                                                           |
| 25. Total assets excluding Separate Accounts business (Lines 11 to 24) .....                                                                                                         | 7,878,297              | 89,880                      | 7,788,417                                     | 7,711,859                                                 |
| 26. From Separate Accounts Statement .....                                                                                                                                           |                        |                             |                                               |                                                           |
| 27. Total (Lines 25 and 26) .....                                                                                                                                                    | 7,878,297              | 89,880                      | 7,788,417                                     | 7,711,859                                                 |
| DETAILS OF WRITE-INS                                                                                                                                                                 |                        |                             |                                               |                                                           |
| 1001. ....                                                                                                                                                                           |                        |                             |                                               |                                                           |
| 1002. ....                                                                                                                                                                           |                        |                             |                                               |                                                           |
| 1003. ....                                                                                                                                                                           |                        |                             |                                               |                                                           |
| 1098. Summary of remaining write-ins for Line 10 from overflow page .....                                                                                                            |                        |                             |                                               |                                                           |
| 1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)                                                                                                                         |                        |                             |                                               |                                                           |
| 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)                                                                                                                         |                        |                             |                                               |                                                           |

LIABILITIES, SURPLUS AND OTHER FUNDS

|                                                                                                                                                                                        | 1<br>Current<br>Statement Date | 2<br>December 31<br>Prior Year |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| 1. Aggregate reserve for Life contracts \$ .....568,958 less \$ .....included in Line 6.3<br>(including \$ ..... Modco Reserve) .....                                                  | 568,958                        | 567,119                        |
| 2. Aggregate reserve for accident and health contracts (including \$ ..... Modco Reserve) .....                                                                                        |                                |                                |
| 3. Liability for deposit-type contracts (including \$ ..... Modco Reserve) .....                                                                                                       |                                |                                |
| 4. Contract claims:                                                                                                                                                                    |                                |                                |
| 4.1 Life .....                                                                                                                                                                         | 3,000                          | 3,000                          |
| 4.2 Accident and health .....                                                                                                                                                          |                                |                                |
| 5. Policyholders' dividends \$ ..... and coupons \$ ..... due and unpaid .....                                                                                                         |                                |                                |
| 6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:                                                                            |                                |                                |
| 6.1 Dividends apportioned for payment to ..... (including \$ ..... Modco Reserve) .....                                                                                                |                                |                                |
| 6.2 Dividends not yet apportioned (including \$ ..... Modco Reserve) .....                                                                                                             |                                |                                |
| 6.3 Coupons and similar benefits (including \$ ..... Modco Reserve) .....                                                                                                              |                                |                                |
| 7. Amount provisionally held for deferred dividend policies not included in Line 6 .....                                                                                               |                                |                                |
| 8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$<br>..... discount; including \$ ..... accident and health premiums ..... | 186                            | 218                            |
| 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<br>refunds .....                                                                 |                                |                                |
| 9.3 Other amounts payable on reinsurance including \$ ..... assumed and \$ ..... ceded .....                                                                                           |                                |                                |
| 9.4 Interest Maintenance Reserve .....                                                                                                                                                 | 9,928                          | 53,985                         |
| 10. Commissions to agents due or accrued—life and annuity contracts \$ .....<br>accident and health \$ ..... and deposit-type contract funds \$ .....                                  |                                |                                |
| 11. Commissions and expense allowances payable on reinsurance assumed .....                                                                                                            |                                |                                |
| 12. General expenses due or accrued .....                                                                                                                                              | 62,204                         | 34,998                         |
| 13. Transfers to Separate Accounts due or accrued (net) (Including \$ ..... accrued for expense<br>allowances recognized in reserves) .....                                            |                                |                                |
| 14. Taxes, licenses and fees due or accrued, excluding federal income taxes .....                                                                                                      | 14,045                         | 14,045                         |
| 15. Federal and foreign income taxes, including \$ ..... (2,887) on realized capital gains (losses) (including<br>\$ ..... net deferred tax liability) .....                           | 167,957                        | 121,776                        |
| 16. Unearned investment income .....                                                                                                                                                   |                                |                                |
| 17. Amounts withheld or retained by company as agent or trustee .....                                                                                                                  | 339                            | 1,851                          |
| 18. Amounts held for agents' account, including \$ ..... 6,955 agents' credit balances .....                                                                                           | 6,955                          | 6,949                          |
| 19. Remittances and items not allocated .....                                                                                                                                          | 5,080                          | 2,488                          |
| 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 .....                                                                                                                                                     | 6,375                          | 9,320                          |
| 24.2 Reinsurance in unauthorized companies .....                                                                                                                                       |                                |                                |
| 24.3 Funds held under reinsurance treaties with unauthorized reinsurers .....                                                                                                          |                                |                                |
| 24.4 Payable to parent, subsidiaries and affiliates .....                                                                                                                              |                                |                                |
| 24.5 Drafts outstanding .....                                                                                                                                                          |                                |                                |
| 24.6 Liability for amounts held under uninsured accident and health plans .....                                                                                                        |                                |                                |
| 24.7 Funds held under coinsurance .....                                                                                                                                                |                                |                                |
| 24.8 Payable for securities .....                                                                                                                                                      |                                |                                |
| 24.9 Capital notes \$ ..... and interest thereon \$ .....                                                                                                                              |                                |                                |
| 25. Aggregate write-ins for liabilities .....                                                                                                                                          | 163,000                        | 163,000                        |
| 26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25) .....                                                                                                       | 1,008,027                      | 978,749                        |
| 27. From Separate Accounts Statement .....                                                                                                                                             |                                |                                |
| 28. Total Liabilities (Lines 26 and 27) .....                                                                                                                                          | 1,008,027                      | 978,749                        |
| 29. Common capital stock .....                                                                                                                                                         | 2,500,000                      | 2,500,000                      |
| 30. Preferred capital stock .....                                                                                                                                                      |                                |                                |
| 31. Aggregate write-ins for other than special surplus funds .....                                                                                                                     |                                |                                |
| 32. Surplus notes .....                                                                                                                                                                |                                |                                |
| 33. Gross paid in and contributed surplus .....                                                                                                                                        | 2,627,365                      | 2,627,365                      |
| 34. Aggregate write-ins for special surplus funds .....                                                                                                                                |                                |                                |
| 35. Unassigned funds (surplus) .....                                                                                                                                                   | 1,653,025                      | 1,605,745                      |
| 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) .....                                                                        | 4,280,390                      | 4,233,110                      |
| 38. Totals of Lines 29, 30 and 37 .....                                                                                                                                                | 6,780,390                      | 6,733,110                      |
| 39. Totals of Lines 28 and 38 .....                                                                                                                                                    | 7,788,417                      | 7,711,859                      |
| DETAILS OF WRITE-INS                                                                                                                                                                   |                                |                                |
| 2501. Deferred ceding commission income .....                                                                                                                                          | 163,000                        | 163,000                        |
| 2502. ....                                                                                                                                                                             |                                | 0                              |
| 2503. ....                                                                                                                                                                             |                                |                                |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....                                                                                                              |                                |                                |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....                                                                                                                     | 163,000                        | 163,000                        |
| 3101. ....                                                                                                                                                                             |                                |                                |
| 3102. ....                                                                                                                                                                             |                                |                                |
| 3103. ....                                                                                                                                                                             |                                |                                |
| 3198. Summary of remaining write-ins for Line 31 from overflow page .....                                                                                                              |                                |                                |
| 3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above) .....                                                                                                                     |                                |                                |
| 3401. ....                                                                                                                                                                             |                                |                                |
| 3402. ....                                                                                                                                                                             |                                |                                |
| 3403. ....                                                                                                                                                                             |                                |                                |
| 3498. Summary of remaining write-ins for Line 34 from overflow page .....                                                                                                              |                                |                                |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....                                                                                                                     |                                |                                |

SUMMARY OF OPERATIONS

(Excluding Unrealized Capital Gains and Losses)

|                                                                                                                                                                       | 1<br>Current Year<br>To Date | 2<br>Prior Year<br>Year to Date | 3<br>Prior Year Ended<br>December 31 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------------------------|--------------------------------------|
| 1. Premiums and annuity considerations for life and accident and health policies and contracts .....                                                                  | 24,622                       | 23,849                          | 28,678                               |
| 2. Considerations for supplementary contracts with life contingencies .....                                                                                           |                              |                                 |                                      |
| 3. Net investment income .....                                                                                                                                        | 223,975                      | 296,360                         | 382,614                              |
| 4. Amortization of Interest Maintenance Reserve (IMR) .....                                                                                                           | (2,863)                      | (1,926)                         | (2,568)                              |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses .....                                                                              |                              |                                 |                                      |
| 6. Commissions and expense allowances on reinsurance ceded .....                                                                                                      | 63,086                       | 69,853                          | 92,028                               |
| 7. Reserve adjustments on reinsurance ceded .....                                                                                                                     |                              |                                 |                                      |
| 8. Miscellaneous Income:                                                                                                                                              |                              |                                 |                                      |
| 8.1 Income from fees associated with investment management, administration and contract guarantees<br>from Separate Accounts .....                                    |                              |                                 |                                      |
| 8.2 Charges and fees for deposit-type contracts .....                                                                                                                 |                              |                                 |                                      |
| 8.3 Aggregate write-ins for miscellaneous income .....                                                                                                                |                              |                                 |                                      |
| 9. Totals (Lines 1 to 8.3) .....                                                                                                                                      | 308,820                      | 388,136                         | 500,751                              |
| 10. Death benefits .....                                                                                                                                              | 20,590                       | 8,054                           | 17,049                               |
| 11. Matured endowments (excluding guaranteed annual pure endowments) .....                                                                                            |                              |                                 |                                      |
| 12. Annuity benefits .....                                                                                                                                            | (17,680)                     | (15,944)                        | (5,365)                              |
| 13. Disability benefits and benefits under accident and health contracts .....                                                                                        |                              |                                 |                                      |
| 14. Coupons, guaranteed annual pure endowments and similar benefits .....                                                                                             |                              |                                 |                                      |
| 15. Surrender benefits and withdrawals for life contracts .....                                                                                                       | 13,341                       | 2,517                           | 2,489                                |
| 16. Group conversions .....                                                                                                                                           |                              |                                 |                                      |
| 17. Interest and adjustments on contract or deposit-type contract funds .....                                                                                         |                              |                                 |                                      |
| 18. Payments on supplementary contracts with life contingencies .....                                                                                                 |                              |                                 |                                      |
| 19. Increase in aggregate reserves for life and accident and health contracts .....                                                                                   | 1,839                        | 21,113                          | 22,239                               |
| 20. Totals (Lines 10 to 19) .....                                                                                                                                     | 18,090                       | 15,741                          | 36,413                               |
| 21. Commissions on premiums, annuity considerations, and deposit-type contract funds(direct business only) ..                                                         | 6                            | 172                             | 211                                  |
| 22. Commissions and expense allowances on reinsurance assumed .....                                                                                                   |                              |                                 |                                      |
| 23. General insurance expenses .....                                                                                                                                  | 156,457                      | 165,330                         | 211,969                              |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes .....                                                                                          | 21,816                       | 28,142                          | 41,673                               |
| 25. Increase in loading on deferred and uncollected premiums .....                                                                                                    | 1,519                        | 1,496                           | (142)                                |
| 26. Net transfers to or (from) Separate Accounts .....                                                                                                                |                              |                                 |                                      |
| 27. Aggregate write-ins for deductions .....                                                                                                                          |                              |                                 |                                      |
| 28. Totals (Lines 20 to 27) .....                                                                                                                                     | 197,888                      | 210,881                         | 290,124                              |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line<br>28) .....                                               | 110,932                      | 177,255                         | 210,627                              |
| 30. Dividends to policyholders .....                                                                                                                                  |                              |                                 |                                      |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus<br>Line 30) .....                                        | 110,932                      | 177,255                         | 210,627                              |
| 32. Federal and foreign income taxes incurred (excluding tax on capital gains) .....                                                                                  | 49,068                       | 62,449                          | 134,940                              |
| 33. Net gain from operations after dividends to policyholders and federal income taxes and before realized<br>capital gains or (losses) (Line 31 minus Line 32) ..... | 61,864                       | 114,806                         | 75,687                               |
| 34. Net realized capital gains or (losses) less capital gains tax of \$ .....(2,887) (excluding<br>taxes of \$ .....(46,920) transferred to the IMR) .....            | (22,378)                     |                                 |                                      |
| 35. Net income (Line 33 plus Line 34) .....                                                                                                                           | 39,486                       | 114,806                         | 75,687                               |
| CAPITAL AND SURPLUS ACCOUNT                                                                                                                                           |                              |                                 |                                      |
| 36. Capital and surplus, December 31, prior year .....                                                                                                                | 6,733,110                    | 6,639,926                       | 6,639,926                            |
| 37. Net income (Line 35) .....                                                                                                                                        | 39,486                       | 114,806                         | 75,687                               |
| 38. Change in net unrealized capital gains (losses) .....                                                                                                             |                              |                                 |                                      |
| 39. Change in net unrealized foreign exchange capital gain (loss) .....                                                                                               |                              |                                 |                                      |
| 40. Change in net deferred income tax .....                                                                                                                           | 4,443                        |                                 | 96,077                               |
| 41. Change in non-admitted assets and related items .....                                                                                                             | 405                          |                                 | (88,850)                             |
| 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 .....                                                                                                                           | 2,945                        | (2,727)                         | (2,844)                              |
| 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 .....                                                                                                       |                              | 13,114                          |                                      |
| 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 .....                                                                                                         |                              | (25,000)                        | 13,114                               |
| 54. Net change in capital and surplus for the year (Lines 37 through 53) .....                                                                                        | 47,279                       | 100,193                         | 93,184                               |
| 55. Capital and surplus, as of statement date (Lines 36 + 54) .....                                                                                                   | 6,780,390                    | 6,740,119                       | 6,733,110                            |
| DETAILS OF WRITE-INS                                                                                                                                                  |                              |                                 |                                      |
| 08.301. ....                                                                                                                                                          |                              |                                 |                                      |
| 08.302. ....                                                                                                                                                          |                              |                                 |                                      |
| 08.303. ....                                                                                                                                                          |                              |                                 |                                      |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page .....                                                                                          |                              |                                 |                                      |
| 08.399. TOTALS (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above) .....                                                                                          |                              |                                 |                                      |
| 2701. ....                                                                                                                                                            |                              |                                 |                                      |
| 2702. ....                                                                                                                                                            |                              |                                 |                                      |
| 2703. ....                                                                                                                                                            |                              |                                 |                                      |
| 2798. Summary of remaining write-ins for Line 27 from overflow page .....                                                                                             |                              |                                 |                                      |
| 2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above) .....                                                                                                    |                              |                                 |                                      |
| 5301. Adjustment for prior year taxes.....                                                                                                                            |                              | (25,000)                        | 0                                    |
| 5302. Adjustment to surplus due to codification.....                                                                                                                  |                              | 0                               | 13,114                               |
| 5303. ....                                                                                                                                                            |                              |                                 |                                      |
| 5398. Summary of remaining write-ins for Line 53 from overflow page .....                                                                                             |                              |                                 |                                      |
| 5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above) .....                                                                                                    |                              | (25,000)                        | 13,114                               |

CASH FLOW

|                                                                                                                      | 1<br>Current Year<br>To Date | 2<br>Prior Year Ended<br>December 31 |
|----------------------------------------------------------------------------------------------------------------------|------------------------------|--------------------------------------|
| <b>Cash from Operations</b>                                                                                          |                              |                                      |
| 1. Premiums and annuity considerations for life and accident and health contracts .....                              | 16,604                       | 30,126                               |
| 2. Charges and fees for deposit-type contracts .....                                                                 |                              |                                      |
| 3. Considerations for supplementary contracts with life contingencies .....                                          |                              |                                      |
| 4. Net investment income .....                                                                                       | 289,773                      | 385,482                              |
| 5. Commissions and expense allowances on reinsurance ceded .....                                                     | 71,038                       | 87,860                               |
| 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) .....                                                                                        | 377,415                      | 503,468                              |
| 9. Death Benefits .....                                                                                              | 20,590                       | 17,049                               |
| 10. Matured endowments .....                                                                                         |                              |                                      |
| 11. Annuity Benefits .....                                                                                           | (176,661)                    | 185,667                              |
| 12. Disability benefits and benefits under accident and health contracts .....                                       |                              |                                      |
| 13. Coupons, guaranteed annual pure endowments and similar benefits .....                                            |                              |                                      |
| 14. Surrender benefits and withdrawals for life contracts .....                                                      | (22,997)                     | 37,803                               |
| 15. Group conversions .....                                                                                          |                              |                                      |
| 16. Interest and adjustments on contract or deposit-type contract funds .....                                        |                              |                                      |
| 17. Payments on supplementary contracts with life contingencies .....                                                |                              |                                      |
| 18. Total (Lines 9 to 17) .....                                                                                      | (179,068)                    | 240,519                              |
| 19. Commissions on premiums, annuity considerations and deposit-type contract funds .....                            | 6                            | 211                                  |
| 20. Commissions and expense allowances on reinsurance assumed .....                                                  |                              |                                      |
| 21. General insurance expenses .....                                                                                 | 129,251                      | 214,969                              |
| 22. Insurance taxes, licenses and fees, excluding federal income taxes .....                                         | 21,816                       | 33,628                               |
| 23. Net transfers to or (from) Separate Accounts .....                                                               |                              |                                      |
| 24. Aggregate write-ins for deductions .....                                                                         |                              |                                      |
| 25. Total (Lines 18 to 24) .....                                                                                     | (27,996)                     | 489,328                              |
| 26. Dividends paid to policyholders .....                                                                            | 0                            | 55,427                               |
| 27. Federal income taxes (excluding tax on capital gains) .....                                                      |                              |                                      |
| 28. Total (Lines 25 to 27) .....                                                                                     | (27,996)                     | 544,755                              |
| 29. Net cash from operations (Line 8 minus Line 28) .....                                                            | 405,411                      | (41,287)                             |
| <b>Cash from Investments</b>                                                                                         |                              |                                      |
| 30. Proceeds from investments sold, matured or repaid:                                                               |                              |                                      |
| 30.1 Bonds .....                                                                                                     | 1,188,103                    | 438,447                              |
| 30.2 Stocks .....                                                                                                    |                              |                                      |
| 30.3 Mortgage loans .....                                                                                            |                              |                                      |
| 30.4 Real estate .....                                                                                               |                              |                                      |
| 30.5 Other invested assets .....                                                                                     |                              |                                      |
| 30.6 Net gains or (losses) on cash and short-term investments .....                                                  |                              |                                      |
| 30.7 Miscellaneous proceeds .....                                                                                    |                              |                                      |
| 30.8 Total investment proceeds (Lines 30.1 to 30.7) .....                                                            | 1,188,103                    | 438,447                              |
| 31. Net tax on capital gains (losses) .....                                                                          | 0                            |                                      |
| 32. Total (Line 30.8 minus Line 31) .....                                                                            | 1,188,103                    | 438,447                              |
| 33. Cost of investments acquired (long-term only):                                                                   |                              |                                      |
| 33.1 Bonds .....                                                                                                     | 101,109                      | 1,244,445                            |
| 33.2 Stocks .....                                                                                                    |                              |                                      |
| 33.3 Mortgage loans .....                                                                                            |                              |                                      |
| 33.4 Real estate .....                                                                                               |                              |                                      |
| 33.5 Other invested assets .....                                                                                     |                              |                                      |
| 33.6 Miscellaneous applications .....                                                                                |                              |                                      |
| 33.7 Total investments acquired (Lines 33.1 to 33.6) .....                                                           | 101,109                      | 1,244,445                            |
| 34. Net increase (or decrease) in policy loans and premium notes .....                                               | 289                          | (1,650)                              |
| 35. Net cash from investments (Line 32 minus Line 33.7 minus Line 34) .....                                          | 1,086,705                    | (804,348)                            |
| <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 .....                                                                                       | 2,595                        | 2,787                                |
| 36.6 Total (Lines 36.1 to 36.5) .....                                                                                | 2,595                        | 2,787                                |
| 37. Cash applied:                                                                                                    |                              |                                      |
| 37.1 Dividends to stockholders paid .....                                                                            |                              |                                      |
| 37.2 Interest on indebtedness .....                                                                                  |                              |                                      |
| 37.3 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies ..... |                              |                                      |
| 37.4 Other applications (net) .....                                                                                  | 1,512                        | 484                                  |
| 37.5 Total (Lines 37.1 to 37.4) .....                                                                                | 1,512                        | 484                                  |
| 38. Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5) .....                              | 1,083                        | 2,303                                |
| <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) .....                        | 1,493,198                    | (843,331)                            |
| 40. Cash and short-term investments:                                                                                 |                              |                                      |
| 40.1 Beginning of year .....                                                                                         | 2,589,925                    | 3,433,256                            |
| 40.2 End of period (Line 39 plus Line 40.1) .....                                                                    | 4,083,123                    | 2,589,925                            |
| <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<br>Current Year<br>to Date | 2<br>Prior Year<br>to Date | 3<br>Prior Year Ended<br>December 31 |
| 1. Industrial Life .....                                                  |                              |                            |                                      |
| 2. Ordinary Life Insurance .....                                          | 24,673                       | 20,783                     | 28,026                               |
| 3. Ordinary Individual Annuities .....                                    | 17,897                       | 44,549                     | 54,137                               |
| 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 .....                                                        | 42,570                       | 65,332                     | 82,163                               |
| 12. Deposit-Type Contracts .....                                          |                              |                            |                                      |
| 13. Total                                                                 | 42,570                       | 65,332                     | 82,163                               |
| DETAILS OF WRITE-INS                                                      |                              |                            |                                      |
| 1001. ....                                                                |                              |                            |                                      |
| 1002. ....                                                                |                              |                            |                                      |
| 1003. ....                                                                |                              |                            |                                      |
| 1098. Summary of remaining write-ins for Line 10 from overflow page ..... |                              |                            |                                      |
| 1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)              |                              |                            |                                      |

NOTES TO FINANCIAL STATEMENTS

NONE

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 [X] No [ ]  
If yes, attach an organizational chart.

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]

5.2 If yes, provide 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<br>Name of Entity | 2<br>NAIC Company Code | 3<br>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. .... 12/31/2001

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. .... 12/31/1997

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). .... 06/21/1999

7.4 By what department or departments?  
State of Ohio, Department of Insurance.....

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) ..... Yes [ ] No [X]

8.2 If yes, give full information: .....  
.....



GENERAL INTERROGATORIES

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

INVESTMENT

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

9.2 If yes, explain:  
.....

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

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

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: .....\$ .....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<br>Prior Year-End<br>Statement Value | 2<br>Current Quarter<br>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<br>Name of Custodian(s) | 2<br>Custodian Address                       |
|---------------------------|----------------------------------------------|
| The Bank of New York..... | 1 Wall Street, New York, New York 10286..... |

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

| 1<br>Name(s) | 2<br>Location(s) | 3<br>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<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>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<br>Central Registration Depository | 2<br>Name(s)                               | 3<br>Address                                      |
|--------------------------------------|--------------------------------------------|---------------------------------------------------|
| Investment Advisor.....              | American Money Management Corporation..... | 1 East Fourth Street, Cincinnati, Ohio 45201..... |

GENERAL INTERROGATORIES (continued)

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

PART 2 - LIFE & HEALTH

|      |                                                                                                                |          |        |
|------|----------------------------------------------------------------------------------------------------------------|----------|--------|
| 1.   |                                                                                                                |          | 1      |
|      | Report the statement value of mortgage loans at the end of this reporting period for the following categories: |          | Amount |
| 1.1  | Long-Term Mortgages In Good Standing                                                                           |          |        |
| 1.11 | Farm Mortgages .....                                                                                           | \$ ..... | 0      |
| 1.12 | Residential Mortgages .....                                                                                    | \$ ..... | 0      |
| 1.13 | Commercial Mortgages .....                                                                                     | \$ ..... | 0      |
| 1.14 | Total Mortgages in Good Standing .....                                                                         | \$ ..... |        |
| 1.2  | Long-Term Mortgages In Good Standing with Restructured Terms                                                   |          |        |
| 1.21 | Total Mortgages in Good Standing .....                                                                         | \$ ..... | 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.....                                              | \$ ..... |        |
| 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.....                                                                 | \$ ..... |        |
| 1.5  | Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Col. 3, Lines 3.1 plus 3.2).....               | \$ ..... |        |
| 1.6  | Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter                       |          |        |
| 1.61 | Farm Mortgages .....                                                                                           | \$ ..... | 0      |
| 1.62 | Residential Mortgages .....                                                                                    | \$ ..... | 0      |
| 1.63 | Commercial Mortgages .....                                                                                     | \$ ..... | 0      |
| 1.64 | Total Mortgages Foreclosed and Transferred to Real Estate .....                                                | \$ ..... |        |

SCHEDULE A - VERIFICATION

|                                                                                 | 1<br>First Quarter<br>Current Year | 2<br>Second Quarter<br>Current Year | 3<br>Third Quarter<br>Current Year | 4<br>Prior Year Ended<br>December 31 |
|---------------------------------------------------------------------------------|------------------------------------|-------------------------------------|------------------------------------|--------------------------------------|
| 1. Book/adjusted carrying value, beginning of period .....                      | NONE                               |                                     |                                    |                                      |
| 2. Increase (decrease) by adjustment .....                                      |                                    |                                     |                                    |                                      |
| 3. Cost of acquired .....                                                       |                                    |                                     |                                    |                                      |
| 4. Cost of additions to and permanent improvements .....                        |                                    |                                     |                                    |                                      |
| 5. Total profit (loss) on sales .....                                           |                                    |                                     |                                    |                                      |
| 6. Increase (decrease) by foreign exchange adjustment .....                     |                                    |                                     |                                    |                                      |
| 7. Amount received on sales .....                                               |                                    |                                     |                                    |                                      |
| 8. Book/adjusted carrying value at end of current period .....                  |                                    |                                     |                                    |                                      |
| 9. Total valuation allowance .....                                              |                                    |                                     |                                    |                                      |
| 10. Subtotal (Lines 8 plus 9) .....                                             |                                    |                                     |                                    |                                      |
| 11. Total nonadmitted amounts .....                                             |                                    |                                     |                                    |                                      |
| 12. Statement value, current period (Page 2, real estate lines, current period) |                                    |                                     |                                    |                                      |

SCHEDULE B - VERIFICATION

|                                                                                                                | 1<br>First Quarter<br>Current Year | 2<br>Second Quarter<br>Current Year | 3<br>Third Quarter<br>Current Year | 4<br>Prior Year Ended<br>December 31 |
|----------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|------------------------------------|--------------------------------------|
| 1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period .....           | NONE                               |                                     |                                    |                                      |
| 2. Amount loaned during period:                                                                                |                                    |                                     |                                    |                                      |
| 2.1. Actual cost at time of acquisitions .....                                                                 |                                    |                                     |                                    |                                      |
| 2.2. Additional investment made after acquisitions .....                                                       |                                    |                                     |                                    |                                      |
| 3. Accrual of discount and mortgage interest points and commitment fees .....                                  |                                    |                                     |                                    |                                      |
| 4. Increase (decrease) by adjustment .....                                                                     |                                    |                                     |                                    |                                      |
| 5. Total profit (loss) on sale .....                                                                           |                                    |                                     |                                    |                                      |
| 6. Amounts paid on account or in full during the period .....                                                  |                                    |                                     |                                    |                                      |
| 7. Amortization of premium .....                                                                               |                                    |                                     |                                    |                                      |
| 8. Increase (decrease) by foreign exchange adjustment .....                                                    |                                    |                                     |                                    |                                      |
| 9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period ..... |                                    |                                     |                                    |                                      |
| 10. Total valuation allowance .....                                                                            |                                    |                                     |                                    |                                      |
| 11. Subtotal (Lines 9 plus 10) .....                                                                           |                                    |                                     |                                    |                                      |
| 12. Total nonadmitted amounts .....                                                                            |                                    |                                     |                                    |                                      |
| 13. Statement value of mortgages owned at end of current period                                                |                                    |                                     |                                    |                                      |

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

|                                                                                               | 1<br>First Quarter<br>Current Year | 2<br>Second Quarter<br>Current Year | 3<br>Third Quarter<br>Current Year | 4<br>Prior Year Ended<br>December 31 |
|-----------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|------------------------------------|--------------------------------------|
| 1. Book/adjusted carrying value of long-term invested assets owned, beginning of period ..... | NONE                               |                                     |                                    |                                      |
| 2. Cost of acquisitions during period:                                                        |                                    |                                     |                                    |                                      |
| 2.1. Actual cost at time of acquisitions .....                                                |                                    |                                     |                                    |                                      |
| 2.2. Additional investment made after acquisitions .....                                      |                                    |                                     |                                    |                                      |
| 3. Accrual of discount .....                                                                  |                                    |                                     |                                    |                                      |
| 4. Increase (decrease) by adjustment .....                                                    |                                    |                                     |                                    |                                      |
| 5. Total profit (loss) on sale .....                                                          |                                    |                                     |                                    |                                      |
| 6. Amounts paid on account or in full during the period .....                                 |                                    |                                     |                                    |                                      |
| 7. Amortization of premium .....                                                              |                                    |                                     |                                    |                                      |
| 8. Increase (decrease) by foreign exchange adjustment .....                                   |                                    |                                     |                                    |                                      |
| 9. Book/adjusted carrying value of long-term invested assets at end of current period .....   |                                    |                                     |                                    |                                      |
| 10. Total valuation allowance .....                                                           |                                    |                                     |                                    |                                      |
| 11. Subtotal (Lines 9 plus 10) .....                                                          |                                    |                                     |                                    |                                      |
| 12. Total nonadmitted amounts .....                                                           |                                    |                                     |                                    |                                      |
| 13. Statement value of long-term invested assets at end of current period                     |                                    |                                     |                                    |                                      |

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE AMERICAN RETIREMENT 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<br>Statement<br>Value<br>Beginning<br>of Current Quarter | 2<br>Acquisitions<br>During Current Quarter | 3<br>Dispositions<br>During Current Quarter | 4<br>Non-Trading<br>Activity<br>During Current Quarter | 5<br>Statement<br>Value<br>End of<br>First Quarter | 6<br>Statement<br>Value<br>End of<br>Second Quarter | 7<br>Statement<br>Value<br>End of<br>Third Quarter | 8<br>Statement<br>Value<br>December 31<br>Prior Year |
|-------------------------------------|------------------------------------------------------------|---------------------------------------------|---------------------------------------------|--------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| <b>BONDS</b>                        |                                                            |                                             |                                             |                                                        |                                                    |                                                     |                                                    |                                                      |
| 1. Class 1 .....                    | 5,676,762                                                  | 912,224                                     | 371,911                                     | (3,957)                                                | 5,681,256                                          | 5,676,762                                           | 6,213,118                                          | 5,564,196                                            |
| 2. Class 2 .....                    | 1,026,121                                                  |                                             | 498,435                                     | (799)                                                  | 1,026,902                                          | 1,026,121                                           | 526,887                                            | 1,027,661                                            |
| 3. Class 3 .....                    |                                                            |                                             |                                             |                                                        |                                                    |                                                     |                                                    |                                                      |
| 4. Class 4 .....                    |                                                            |                                             |                                             |                                                        |                                                    |                                                     |                                                    |                                                      |
| 5. Class 5 .....                    |                                                            |                                             |                                             |                                                        |                                                    |                                                     |                                                    |                                                      |
| 6. Class 6 .....                    |                                                            |                                             |                                             |                                                        |                                                    |                                                     |                                                    |                                                      |
| 7. Total Bonds                      | 6,702,883                                                  | 912,224                                     | 870,346                                     | (4,756)                                                | 6,708,158                                          | 6,702,883                                           | 6,740,005                                          | 6,591,857                                            |
| <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 | 6,702,883                                                  | 912,224                                     | 870,346                                     | (4,756)                                                | 6,708,158                                          | 6,702,883                                           | 6,740,005                                          | 6,591,857                                            |

SCHEDULE DA - PART 1

| Short-Term Investments Owned End of Current Quarter |                                      |                |                  |                                                        |                                      |
|-----------------------------------------------------|--------------------------------------|----------------|------------------|--------------------------------------------------------|--------------------------------------|
|                                                     | 1<br>Book/Adjusted<br>Carrying Value | 2<br>Par Value | 3<br>Actual Cost | 4<br>Amount of Interest<br>Received Current<br>Quarter | 5<br>Paid for<br>Accrued<br>Interest |
| 8099999 Totals                                      | 3,330,375                            | XXX            | 3,330,375        | 11,447                                                 |                                      |

SCHEDULE DA - PART 2- Verification

| Short-Term Investments Owned                                          |                                    |                                     |                                    |                                      |
|-----------------------------------------------------------------------|------------------------------------|-------------------------------------|------------------------------------|--------------------------------------|
|                                                                       | 1<br>First Quarter<br>Current Year | 2<br>Second Quarter<br>Current Year | 3<br>Third Quarter<br>Current Year | 4<br>Prior Year Ended<br>December 31 |
| 1. Book/adjusted carrying value, beginning of period .....            | 2,009,800                          | 2,260,100                           | 2,724,260                          | 2,972,606                            |
| 2. Cost of short-term investments acquired .....                      | 1,301,050                          | 3,625,174                           | 811,115                            | 5,818,155                            |
| 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 ..... | 1,050,750                          | 3,161,014                           | 205,000                            | 6,780,961                            |
| 7. Book/adjusted carrying value, current period .....                 | 2,260,100                          | 2,724,260                           | 3,330,375                          | 2,009,800                            |
| 8. Total valuation allowance .....                                    |                                    |                                     |                                    |                                      |
| 9. Subtotal (Lines 7 plus 8) .....                                    | 2,260,100                          | 2,724,260                           | 3,330,375                          | 2,009,800                            |
| 10. Total nonadmitted amounts .....                                   |                                    |                                     |                                    |                                      |
| 11. Statement value (Lines 9 minus 10) .....                          | 2,260,100                          | 2,724,260                           | 3,330,375                          | 2,009,800                            |
| 12. Income collected during period .....                              | 9,125                              | 9,721                               | 11,447                             | 85,920                               |
| 13. Income earned during period .....                                 | 8,989                              | 10,316                              | 11,978                             | 77,686                               |

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S

NONE

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                                                                                                  | 5                              | 6                       |  |
|                                                                                                  |                                           | 2                          | 3                         |                                                                                                    |                                |                         |  |
|                                                                                                  | Is Insurer<br>Licensed?<br>(Yes or<br>No) | Life Insurance<br>Premiums | Annuity<br>Considerations | Accident and<br>Health Insurance<br>Premiums,<br>Including Policy,<br>Membership and<br>Other Fees | Deposit-Type<br>Contract Funds | Other<br>Considerations |  |
| 1. Alabama .....                                                                                 | AL                                        | Yes                        | 140                       |                                                                                                    |                                |                         |  |
| 2. Alaska .....                                                                                  | AK                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 3. Arizona .....                                                                                 | AZ                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 4. Arkansas .....                                                                                | AR                                        | Yes                        | 8,566                     | 2,815                                                                                              |                                |                         |  |
| 5. California .....                                                                              | CA                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 6. Colorado .....                                                                                | CO                                        | Yes                        | 498                       |                                                                                                    |                                |                         |  |
| 7. Connecticut .....                                                                             | CT                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 8. Delaware .....                                                                                | DE                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 9. District of Columbia .....                                                                    | DC                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 10. Florida .....                                                                                | FL                                        | Yes                        | 295                       |                                                                                                    |                                |                         |  |
| 11. Georgia .....                                                                                | GA                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 12. Hawaii .....                                                                                 | HI                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 13. Idaho .....                                                                                  | ID                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 14. Illinois .....                                                                               | IL                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 15. Indiana .....                                                                                | IN                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 16. Iowa .....                                                                                   | IA                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 17. Kansas .....                                                                                 | KS                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 18. Kentucky .....                                                                               | KY                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 19. Louisiana .....                                                                              | LA                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 20. Maine .....                                                                                  | ME                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 21. Maryland .....                                                                               | MD                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 22. Massachusetts .....                                                                          | MA                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 23. Michigan .....                                                                               | MI                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 24. Minnesota .....                                                                              | MN                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 25. Mississippi .....                                                                            | MS                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 26. Missouri .....                                                                               | MO                                        | Yes                        | 380                       |                                                                                                    |                                |                         |  |
| 27. Montana .....                                                                                | MT                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 28. Nebraska .....                                                                               | NE                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 29. Nevada .....                                                                                 | NV                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 30. New Hampshire .....                                                                          | NH                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 31. New Jersey .....                                                                             | NJ                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 32. New Mexico .....                                                                             | NM                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 33. New York .....                                                                               | NY                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 34. North Carolina .....                                                                         | NC                                        | Yes                        | 679                       | 2,099                                                                                              |                                |                         |  |
| 35. North Dakota .....                                                                           | ND                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 36. Ohio .....                                                                                   | OH                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 37. Oklahoma .....                                                                               | OK                                        | Yes                        | 903                       |                                                                                                    |                                |                         |  |
| 38. Oregon .....                                                                                 | OR                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 39. Pennsylvania .....                                                                           | PA                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 40. Rhode Island .....                                                                           | RI                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 41. South Carolina .....                                                                         | SC                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 42. South Dakota .....                                                                           | SD                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 43. Tennessee .....                                                                              | TN                                        | Yes                        | 7,227                     | 2,278                                                                                              |                                |                         |  |
| 44. Texas .....                                                                                  | TX                                        | Yes                        | 2,039                     | 10,325                                                                                             |                                |                         |  |
| 45. Utah .....                                                                                   | UT                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 46. Vermont .....                                                                                | VT                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 47. Virginia .....                                                                               | VA                                        | Yes                        |                           |                                                                                                    |                                |                         |  |
| 48. Washington .....                                                                             | WA                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 49. West Virginia .....                                                                          | WV                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 50. Wisconsin .....                                                                              | WI                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 51. Wyoming .....                                                                                | WY                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 52. American Samoa .....                                                                         | AS                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 53. Guam .....                                                                                   | GU                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 54. Puerto Rico .....                                                                            | PR                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 55. US Virgin Islands .....                                                                      | VI                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 56. Canada .....                                                                                 | CN                                        | No                         |                           |                                                                                                    |                                |                         |  |
| 57. Aggregate Other Alien .....                                                                  | OT                                        | XXX                        |                           |                                                                                                    |                                |                         |  |
| 58. Subtotal .....                                                                               | (a) 27                                    | 20,346                     | 17,897                    |                                                                                                    |                                |                         |  |
| 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                                       | 20,346                     | 17,897                    |                                                                                                    |                                |                         |  |
| 96. Plus Reinsurance Assumed .....                                                               | XXX                                       |                            |                           |                                                                                                    |                                |                         |  |
| 97. Totals (All Business) .....                                                                  | XXX                                       | 20,346                     | 17,897                    |                                                                                                    |                                |                         |  |
| 98. Less Reinsurance Ceded .....                                                                 | XXX                                       |                            | 21,640                    |                                                                                                    |                                |                         |  |
| 99. Totals (All Business) less Reinsurance Ceded .....                                           | XXX                                       | 20,346                     | (3,742)                   |                                                                                                    |                                |                         |  |
| DETAILS OF WRITE-INS                                                                             |                                           |                            |                           |                                                                                                    |                                |                         |  |
| 5701. ....                                                                                       | XXX                                       |                            |                           |                                                                                                    |                                |                         |  |
| 5702. ....                                                                                       | XXX                                       |                            |                           |                                                                                                    |                                |                         |  |
| 5703. ....                                                                                       | XXX                                       |                            |                           |                                                                                                    |                                |                         |  |
| 5798. Summary of remaining write-ins for Line 57 from overflow page .....                        | XXX                                       |                            |                           |                                                                                                    |                                |                         |  |
| 5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above) .....                               | XXX                                       |                            |                           |                                                                                                    |                                |                         |  |
| 9401. ....                                                                                       | XXX                                       |                            |                           |                                                                                                    |                                |                         |  |
| 9402. ....                                                                                       | XXX                                       |                            |                           |                                                                                                    |                                |                         |  |
| 9403. ....                                                                                       | XXX                                       |                            |                           |                                                                                                    |                                |                         |  |
| 9498. Summary of remaining write-ins for Line 94 from overflow page .....                        | XXX                                       |                            |                           |                                                                                                    |                                |                         |  |
| 9499. Totals (Lines 9401 thru 9403 plus 9498)(Line 94 above) .....                               | XXX                                       |                            |                           |                                                                                                    |                                |                         |  |

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

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



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSES

1.

Will the SVO Compliance Certification be filed with this statement?

.....Yes.....
2.

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

.....No.....

Explanations:

Not applicable

Bar Codes:

Trusteed Surplus Statement (Document Identifier 490) here:



OVERFLOW PAGE FOR WRITE-INS

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

## E04

## E04

E04

E04

E04

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE AMERICAN RETIREMENT 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<br>Identi-<br>fication                   | Description                                                                                                                  | Disposal<br>Date | Name of Purchaser       | Number of<br>Shares of<br>Stock | Consideration | Par Value | Actual Cost | Book/Adjusted<br>Carrying Value at<br>Disposal Date | Increase<br>(Decrease)<br>by<br>Adjustment | Increase<br>(Decrease)<br>by Foreign<br>Exchange<br>Adjustment | Foreign<br>Exchange<br>Gain (Loss)<br>on Disposal | Realized Gain<br>(Loss) on<br>Disposal | Total Gain<br>(Loss) on<br>Disposal | Interest on<br>Bonds<br>Received<br>During<br>Year | Dividends on<br>Stocks<br>Received<br>During<br>Year | NAIC<br>Desig-<br>nation<br>(a) |
| BONDS                                          |                                                                                                                              |                  |                         |                                 |               |           |             |                                                     |                                            |                                                                |                                                   |                                        |                                     |                                                    |                                                      |                                 |
| U.S. GOVERNMENT                                |                                                                                                                              |                  |                         |                                 |               |           |             |                                                     |                                            |                                                                |                                                   |                                        |                                     |                                                    |                                                      |                                 |
| 36203V-D4-9                                    | GOVERNMENT NATIONAL MORTGAGE<br>ASSOCIATION MORTGAGE BACKED PASS-<br>THROUGH CERTIFICATE POOL #360223<br>6.00% DUE 2-15-2009 | 09/16/2002       | PAYDOWNS                |                                 | 3,859         | 3,859     | 3,872       | 3,859                                               | .0                                         | .0                                                             | .0                                                | .0                                     | .0                                  | 160                                                |                                                      | 1                               |
| 36204F-KB-9                                    | GOVERNMENT NATIONAL MORTGAGE<br>ASSOCIATION MORTGAGE BACKED PASS-<br>THROUGH CERTIFICATE POOL #368490<br>6.00% DUE 2-15-2009 | 09/16/2002       | PAYDOWNS                |                                 | 22,338        | 22,338    | 22,065      | 22,338                                              | .0                                         | .0                                                             | .0                                                | .0                                     | .0                                  | 973                                                |                                                      | 1                               |
| 362043-5W-7                                    | GOVERNMENT NATIONAL MORTGAGE<br>ASSOCIATION MORTGAGE BACKED PASS-<br>THROUGH CERTIFICATE POOL #16161 7.50%<br>DUE 4-15-2007  | 09/16/2002       | PAYDOWNS                |                                 | 2,263         | 2,263     | 2,354       | 2,263                                               | .0                                         | .0                                                             | .0                                                | .0                                     | .0                                  | 114                                                |                                                      | 1                               |
| 362045-NP-7                                    | GOVERNMENT NATIONAL MORTGAGE<br>ASSOCIATION MORTGAGE BACKED PASS-<br>THROUGH CERTIFICATE POOL #17498 7.50%<br>DUE 6-15-2007  | 09/16/2002       | PAYDOWNS                |                                 | .850          | .850      | .845        | .850                                                | .0                                         | .0                                                             | .0                                                | .0                                     | .0                                  | .42                                                |                                                      | 1                               |
| 362050-5L-6                                    | GOVERNMENT NATIONAL MORTGAGE<br>ASSOCIATION MORTGAGE BACKED PASS-<br>THROUGH CERTIFICATE POOL #22451 9.00%<br>DUE 8-15-2008  | 09/16/2002       | PAYDOWNS                |                                 | .230          | .230      | .228        | .230                                                | .0                                         | .0                                                             | .0                                                | .0                                     | .0                                  | .14                                                |                                                      | 1                               |
| 362054-UM-8                                    | GOVERNMENT NATIONAL MORTGAGE<br>ASSOCIATION MORTGAGE BACKED PASS-<br>THROUGH CERTIFICATE POOL #25788 8.50%<br>DUE 7-15-2008  | 09/16/2002       | PAYDOWNS                |                                 | 6,176         | 6,176     | 5,971       | 6,176                                               | .0                                         | .0                                                             | .0                                                | .0                                     | .0                                  | 350                                                |                                                      | 1                               |
| 362056-YN-7                                    | GOVERNMENT NATIONAL MORTGAGE<br>ASSOCIATION MORTGAGE BACKED PASS-<br>THROUGH CERTIFICATE POOL #27717 9.00%<br>DUE 11-15-2008 | 09/16/2002       | PAYDOWNS                |                                 | .39           | .39       | .39         | .39                                                 | .0                                         | .0                                                             | .0                                                | .0                                     | .0                                  | .3                                                 |                                                      | 1                               |
| 362057-NB-3                                    | GOVERNMENT NATIONAL MORTGAGE<br>ASSOCIATION MORTGAGE BACKED PASS-<br>THROUGH CERTIFICATE POOL #28286 9.00%<br>DUE 12-15-2008 | 09/16/2002       | PAYDOWNS                |                                 | .412          | .412      | .413        | .412                                                | .0                                         | .0                                                             | .0                                                | .0                                     | .0                                  | .25                                                |                                                      | 1                               |
| 362127-FR-8                                    | GOVERNMENT NATIONAL MORTGAGE<br>ASSOCIATION MORTGAGE BACKED PASS-<br>THROUGH CERTIFICATE POOL #90176 9.00%<br>DUE 5-15-2009  | 09/16/2002       | PAYDOWNS                |                                 | .972          | .972      | .972        | .972                                                | .0                                         | .0                                                             | .0                                                | .0                                     | .0                                  | .64                                                |                                                      | 1                               |
| 36220T-7D-0                                    | GOVERNMENT NATIONAL MORTGAGE<br>ASSOCIATION MORTGAGE BACKED PASS-<br>THROUGH CERTIFICATE POOL #288092<br>9.00% DUE 3-15-2005 | 09/16/2002       | PAYDOWNS                |                                 | .184          | .184      | .181        | .184                                                | .0                                         | .0                                                             | .0                                                | .0                                     | .0                                  | .11                                                |                                                      | 1                               |
| 36224E-DS-9                                    | GOVERNMENT NATIONAL MORTGAGE<br>ASSOCIATION MORTGAGE BACKED PASS-<br>THROUGH CERTIFICATE POOL #326013<br>7.00% DUE 4-15-2007 | 09/16/2002       | PAYDOWNS                |                                 | 10,355        | 10,355    | 10,128      | 10,355                                              | .0                                         | .0                                                             | .0                                                | .0                                     | .0                                  | .444                                               |                                                      | 1                               |
| 0399999 - Bonds - U.S. Governments             |                                                                                                                              |                  |                         |                                 | 47,678        | 47,678    | 47,068      | 47,678                                              | 0                                          | 0                                                              | 0                                                 | 0                                      | 0                                   | 2,200                                              | XXX                                                  | XXX                             |
| SPECIAL REVENUE                                |                                                                                                                              |                  |                         |                                 |               |           |             |                                                     |                                            |                                                                |                                                   |                                        |                                     |                                                    |                                                      |                                 |
| 313614-SZ-3                                    | FEDERAL NATIONAL MORTGAGE ASSOCIATION<br>PASS-THROUGH POOL #50036 9.50% DUE 1-<br>01-2003                                    | 09/25/2002       | PAYDOWNS                |                                 | .263          | .263      | .263        | .263                                                | .0                                         | .0                                                             | .0                                                | .0                                     | .0                                  | .17                                                |                                                      | 1                               |
| 3199999 - Bonds - Special Revenues             |                                                                                                                              |                  |                         |                                 | .263          | .263      | .263        | .263                                                | 0                                          | 0                                                              | 0                                                 | 0                                      | 0                                   | .17                                                | XXX                                                  | XXX                             |
| INDUSTRIAL AND MISCELLANEOUS                   |                                                                                                                              |                  |                         |                                 |               |           |             |                                                     |                                            |                                                                |                                                   |                                        |                                     |                                                    |                                                      |                                 |
| 00209A-AE-6                                    | AT&T WIRELESS SERVICES, INC. SENIOR<br>NOTE 7.875% DUE 3-01-2011                                                             | 08/20/2002       | J. P. MORGAN SECURITIES |                                 | 426,250       | 500,000   | 498,255     | 498,435                                             | .80                                        | .0                                                             | .0                                                | (72,185)                               | (72,185)                            | 38,500                                             |                                                      | .2                              |
| 60935B-CT-4                                    | THE MONEY STORE TRUST ASSET BACKED<br>CERTIFICATE SERIES 1997-C CLASS MH-1<br>6.89% DUE 9-15-2018                            | 09/16/2002       | PAYDOWNS                |                                 | 118,970       | 118,970   | 115,018     | 118,970                                             | .0                                         | .0                                                             | .0                                                | .0                                     | .0                                  | 5,481                                              |                                                      | 1PE                             |
| 4599999 - Bonds - Industrial and Miscellaneous |                                                                                                                              |                  |                         |                                 | 545,220       | 618,970   | 613,273     | 617,405                                             | .80                                        | .0                                                             | .0                                                | (72,185)                               | (72,185)                            | 43,981                                             | XXX                                                  | XXX                             |
| 6099997 - Bonds - Part 4                       |                                                                                                                              |                  |                         |                                 | 593,161       | 666,911   | 660,604     | 665,346                                             | .80                                        | .0                                                             | .0                                                | (72,185)                               | (72,185)                            | 46,198                                             | XXX                                                  | XXX                             |

## SCHEDULE D - PART 4

[illegible]

## E05.1

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

# STATEMENT AS OF SEPTEMBER 30, 2002 OF THE AMERICAN RETIREMENT LIFE INSURANCE COMPANY

## SCHEDULE E - PART 1 - CASH

[illegible]