



ANNUAL STATEMENT

For the Year Ended December 31, 2002
of the Condition and Affairs of the

APPALACHIAN LIFE INSURANCE COMPANY

NAIC Group Code..... 137, 137 (Current Period) (Prior Period) NAIC Company Code..... 72591 Employer's ID Number..... 55-0343849

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

Country of Domicile US

Incorporated..... July 30, 1948

Commenced Business..... November 1, 1948

Statutory Home Office 65 East State Street, Suite 2100 Columbus OH 43215-4260
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 5250 South Sixth Street Road Springfield IL 62703 877-881-1777
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P O Box 5147 Springfield IL 62705-5147
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 5250 South Sixth Street Road Springfield IL 62703 877-881-1777
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.unitedrustgroup.com

Statement Contact Theodore Clayton Miller 877-881-1777
(Name) (Area Code) (Telephone Number) (Extension)

accounting@unitedrustgroup.com 217-241-6578
(E-Mail Address) (Fax Number)

Policyowner Relations Contact 5250 South Sixth Street Springfield IL 62703 800-323-0050
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

President Randall Lanier Attkisson Treasurer Theodore Clayton Miller
Secretary Theodore Clayton Miller Actuary Wilfred Joseph Albracht

VICE PRESIDENTS

Michael Keith Borden Joyce Marie Copp Patricia Grace Fowler Theodore Clayton Miller
James Patrick Rousey Brad Marshall Wilson

DIRECTORS OR TRUSTEES

Randall Lanier Attkisson Jesse Thomas Correll John W Croswell Dennis Thomas Ditto
Robert Woodson Teater

State of.....Illinois
County of.....Sangamon

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)
Randall Lanier Attkisson

(Printed Name)
President

(Signature)
Theodore Clayton Miller

(Printed Name)
Secretary

(Signature)
Theodore Clayton Miller

(Printed Name)
Treasurer

Subscribed and sworn to before me this

...6th.....day ofFebruary....., 2003

a. Is this an original filing? Yes [X] No []

- b. If no:
1. State the amendment number
 2. Date filed.....
 3. Number of pages attached.....

Sch. A-Pt. 1
NONE

Sch. A-Pt. 2
NONE

Sch. A-Pt. 3
NONE

Sch. B-Pt. 1
NONE

SCHEDULE B - PART 2

Showing all Mortgage Loans SOLD, Transferred or Paid in Full During the Year

1	Location		4	5	6	7	8	9	10	11	12	13
Loan Number	2	3	Loan Type	Date Acquired	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book Value/Recorded Investment Excluding Accrued Interest at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale
Mortgages Sold												
2550558.....	Huntington.....	WV.....		04/28/1978..	28,536	0	0	24,904	24,904	0	0	0
0299999. Total - Mortgages Sold.....					28,536	0	0	24,904	24,904	0	0	0
9999999. Totals.....					28,536	0	0	24,904	24,904	0	0	0

Sch. BA-Pt. 1
NONE

Sch. BA-Pt. 2
NONE

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued December 31, Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest
U.S. Government - Issuer Obligations																				
312924 BB 8..	FHLMC MTN.....		5.375	FA...	08/16/2006	08/16/2004	100.000	500,997	500,000	105.6560	528,280	501,765	10,078	26,875	(574)	0	0	1PE	08/24/2001	5.245
312924 FC 2..	FHLMC MTN.....		5.250	MS...	09/06/2006			499,833	500,000	100.6560	503,280	499,780	8,385	26,250	40	0	0	1PE	08/29/2001	5.260
3133M8 C2 8..	FHLB BOND.....		5.575	MS...	03/26/2004			498,772	500,000	104.8750	524,375	495,625	7,356	27,875	932	0	0	1PE	05/06/1999	5.783
3133MB Y9 2..	FHLB BOND.....		6.875	FA...	08/15/2005			517,394	500,000	112.3130	561,565	526,990	12,986	34,375	(6,029)	0	0	1PE	05/17/2001	5.434
3133MD GF 4..	FHLB-BOND.....		5.600	MS...	03/07/2005	03/07/2003	100.000	500,220	500,000	100.8125	504,063	502,266	8,867	28,000	(1,156)	0	0	1PE	03/09/2001	5.357
3133MG KQ 8..	FHLB-BOND.....		5.570	FA...	02/16/2007	08/16/2004	100.000	500,000	500,000	106.2500	531,250	500,000	10,444	27,850	0	0	0	1PE	07/24/2001	5.570
3133MG NH 5..	FHLB-BOND.....		5.320	FA...	02/21/2006	02/21/2003	100.000	500,000	500,000	100.4690	502,345	500,000	9,606	26,600	0	0	0	1PE	07/31/2001	5.320
3133MG QF 6..	FHLB-BOND.....		5.450	FA...	02/27/2007			499,515	500,000	102.7190	513,595	499,375	9,386	27,250	101	0	0	1PE	08/08/2001	5.476
912827 5S 7..	US Treasury Note.....		5.875	MN...	11/15/2004			469,386	450,000	108.0000	486,000	475,406	4,901	11,750	(6,020)	0	0	1PE	06/03/2002	3.477
912827 6N 7..	US Treasury Note.....		5.750	MN...	11/15/2005			419,349	400,000	110.5310	442,124	423,188	2,986	11,500	(3,839)	0	0	1PE	05/22/2002	3.951
912827 7M 8..	US Treasury Note.....		3.000	FA...	02/29/2004			399,969	400,000	102.0000	408,000	399,953	4,033	6,000	16	0	0	1PE	05/22/2002	3.007
912827 S8 6..	US Treasury Note.....		7.500	FA...	02/15/2005			152,530	150,000	112.1250	168,188	155,508	4,250	11,250	(1,077)	0	0	1PE	01/19/2000	6.635
912827 T8 5..	US Treasury Note.....		6.500	MN...	05/15/2005			425,030	400,000	111.0000	444,000	431,125	3,376	13,000	(6,095)	0	0	1PE	05/22/2002	3.718
912828 AD 2..	US Treasury Note.....		3.250	MN...	05/31/2004			300,403	300,000	102.6560	307,968	300,563	840	4,875	(159)	0	0	1PE	06/03/2002	3.152
0199999	U.S. Government - Issuer Obligations.....							6,183,398	6,100,000	XXX	6,425,033	6,211,544	97,494	283,450	(23,860)	0	0	XXX	XXX	XXX
0399999	Total - U.S. Government.....							6,183,398	6,100,000	XXX	6,425,033	6,211,544	97,494	283,450	(23,860)	0	0	XXX	XXX	XXX
Political Subdivisions of States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																				
West Virginia																				
12681C AM 6..	Cabell County WV Board Education.....		6.600	MN...	05/01/2004			251,486	250,000	107.0180	267,545	260,158	2,750	16,500	(1,038)	0	0	1	11/08/1991	6.130
	West Virginia.....							251,486	250,000	XXX	267,545	260,158	2,750	16,500	(1,038)	0	0	XXX	XXX	XXX
	Total States and US.....							251,486	250,000	XXX	267,545	260,158	2,750	16,500	(1,038)	0	0	XXX	XXX	XXX
1899999	Political Subdivisions of States, Territories & Possessions - Issuer Obligations.....							251,486	250,000	XXX	267,545	260,158	2,750	16,500	(1,038)	0	0	XXX	XXX	XXX
2499999	Total - Political Subdivisions of States, Territories & Possessions (Direct and Guaranteed).....							251,486	250,000	XXX	267,545	260,158	2,750	16,500	(1,038)	0	0	XXX	XXX	XXX
Totals																				
5499999	Total - Issuer Obligations.....							6,434,884	6,350,000	XXX	6,692,578	6,471,702	100,244	299,950	(24,898)	0	0	XXX	XXX	XXX
6099999	Grand Total - Bonds.....							6,434,884	6,350,000	XXX	6,692,578	6,471,702	100,244	299,950	(24,898)	0	0	XXX	XXX	XXX

EOB

Sch. D-Pt. 2-Sn. 1
NONE

Sch. D-Pt. 2-Sn. 2
NONE

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends
Bonds - U.S. Government							
912827 5S 7.....	US Treasury Note.....	06/03/2002....	Morgan Keegan.....		475,406	450,000	671
912827 6N 7.....	US Treasury Note.....	05/22/2002....	Morgan Keegan.....		423,188	400,000	500
912827 7M 8.....	US Treasury Note.....	05/22/2002....	Morgan Keegan.....		399,953	400,000	2,739
912827 T8 5.....	US Treasury Note.....	05/22/2002....	Morgan Keegan.....		431,125	400,000	565
912828 AD 2.....	US Treasury Note.....	06/03/2002....	Morgan Keegan.....		300,563	300,000	107
0399999.	Total - Bonds - U.S. Government.....				2,030,235	1,950,000	4,582
6099997.	Total - Bonds - Part 3.....				2,030,235	1,950,000	4,582
6099998.	Total - Bonds - Summary Item from Part 5.....				1,962,058	1,890,000	30,595
6099999.	Total - Bonds.....				3,992,293	3,840,000	35,177
Common Stocks - Industrial and Miscellaneous							
United States							
20539A 10 5.....	Computer Services, Inc. KY.....	01/07/2002....	HILLIARD LYONS, INC.....	16,087.000	0		0
	United States.....				0	XXX	0
6899999.	Total - Common Stocks - Industrial & Miscellaneous.....				0	XXX	0
7099997.	Total - Common Stocks - Part 3.....				0	XXX	0
7099999.	Total - Common Stocks.....				0	XXX	0
7199999.	Total - Preferred and Common Stocks.....				0	XXX	0
7299999.	Total - Bonds, Preferred and Common Stocks.....				3,992,293	XXX	35,177

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
Bonds - U.S. Government															
3133M7 LL 8.....	FEDERAL HOME LN BKS DEB.....	12/27/2002	UG/APPL Coins Agreement.....		544,605	550,000	529,749	544,605	4,460	0	0	0	0	40,049	
3133M8 CM 4.....	FHLB-BOND.....	10/01/2002	UG/APPL Coins Agreement.....		251,323	250,000	251,875	251,323	(140)	0	0	0	0	14,955	
912827 2W 1.....	US Treasury Note.....	05/31/2002	MATURITY.....		400,000	400,000	406,938	400,000	(2,062)	0	0	0	0	13,000	
912827 3G 5.....	US Treasury Note.....	09/03/2002	MATURITY.....		400,000	400,000	406,938	400,000	(2,810)	0	0	0	0	25,000	
912827 3Q 3.....	US Treasury Note.....	11/30/2002	MATURITY.....		300,000	300,000	303,656	300,000	(1,773)	0	0	0	0	17,250	
912827 F4 9.....	US Treasury Note.....	05/15/2002	MATURITY.....		300,000	300,000	307,031	300,000	(436)	0	0	0	0	11,250	
912827 G5 5.....	US Treasury Note.....	08/15/2002	MATURITY.....		50,000	50,000	50,750	50,000	(94)	0	0	0	0	3,188	
0399999.	Total - Bonds - U.S. Government.....				2,245,928	2,250,000	2,256,937	2,245,928	(2,855)	0	0	0	0	124,692	XXX
Bonds - Political Subdivisions of States															
Illinois															
850527 CC 4.....	Springfield IL Municipal Bonds.....	10/01/2002	UG/APPL Coins Agreement.....		95,497	100,000	28,605	95,497	6,041	0	0	0	0	0	
850705 AU 8.....	Springfield, IL Tax Inc Muni Rev.....	10/01/2002	UG/APPL Coins Agreement.....		254,796	255,000	254,095	254,796	126	0	0	0	0	21,197	
	Illinois.....				350,293	355,000	282,700	350,293	6,167	0	0	0	0	21,197	XXX
Minnesota															
60415M YW 8.....	MN State Housing Fin Agy-Tax Resid.....	04/23/2002	CALLED @ 100.000000.....		90,000	90,000	90,000	90,000	0	0	0	0	0	3,799	
	Minnesota.....				90,000	90,000	90,000	90,000	0	0	0	0	0	3,799	XXX
Nevada															
641271 SU 6.....	Nevada Hsg Div Single Family Mtg.....	10/01/2002	VARIOUS.....		145,000	145,000	145,000	145,000	0	0	0	0	0	9,649	
	Nevada.....				145,000	145,000	145,000	145,000	0	0	0	0	0	9,649	XXX
Oregon															
68607E TL 7.....	Oregon State Tax Alt Energy Ser D.....	10/01/2002	UG/APPL Coins Agreement.....		251,532	250,000	255,463	251,532	(1,206)	0	0	0	0	24,219	
	Oregon.....				251,532	250,000	255,463	251,532	(1,206)	0	0	0	0	24,219	XXX
Pennsylvania															
725299 R7 8.....	Pittsburgh PA Urban Redev. Auth.....	10/01/2002	VARIOUS.....		145,000	145,000	145,000	145,000	0	0	0	0	0	8,167	
	Pennsylvania.....				145,000	145,000	145,000	145,000	0	0	0	0	0	8,167	XXX
Texas															
88275F EN 5.....	Texas State Dept Housing Comm Aff.....	10/01/2002	VARIOUS.....		180,000	180,000	180,000	180,000	0	0	0	0	0	11,277	
	Texas.....				180,000	180,000	180,000	180,000	0	0	0	0	0	11,277	XXX
Virginia															
457951 AT 8.....	Innovative Tech Authority Va Lease.....	10/01/2002	UG/APPL Coins Agreement.....		220,609	220,000	222,339	220,609	(314)	0	0	0	0	14,278	
92813A U9 0.....	Virginia State Hsg. Dev. Auth.....	10/01/2002	UG/APPL Coins Agreement.....		265,839	265,000	266,942	265,839	(206)	0	0	0	0	16,445	
	Virginia.....				486,448	485,000	489,281	486,448	(520)	0	0	0	0	30,723	XXX
West Virginia															
126817 AW 5.....	Cabell Putnam Wayne County WV.....	10/01/2002	VARIOUS.....		20,000	20,000	20,000	20,000	0	0	0	0	0	1,291	
483672 AW 1.....	Kanawha Cnty W VA Sgl Fam Mtg Rev.....	10/01/2002	UG/APPL Coins Agreement.....		10,000	10,000	10,000	10,000	0	0	0	0	0	578	
956553 JU 6.....	WV General Obligation Series E.....	10/01/2002	UG/APPL Coins Agreement.....		247,997	250,000	247,168	247,997	154	0	0	0	0	15,354	
956622 SM 7.....	WV ST HOSP FIN AUTH.....	10/01/2002	UG/APPL Coins Agreement.....		158,353	170,000	154,178	158,353	1,294	0	0	0	0	6,658	
956626 HU 2.....	West Virginia St Hsg Dev Fd.....	02/07/2002	CALLED @ 100.000000.....		250,000	250,000	247,013	247,522	7	0	0	2,478	2,478	9,938	
978328 BF 8.....	Wood Co WV St Joseph Hospital.....	10/01/2002	UG/APPL Coins Agreement.....		18,998	20,000	17,494	18,998	113	0	0	0	0	1,719	
978365 AW 4.....	Wood Cnty W VA Sgl Fam Res Mtg Rev.....	10/01/2002	UG/APPL Coins Agreement.....		10,000	10,000	10,000	10,000	0	0	0	0	0	780	
	West Virginia.....				715,348	730,000	705,853	712,870	1,568	0	0	2,478	2,478	36,318	XXX
	Total States and US.....				2,363,621	2,380,000	2,293,297	2,361,143	6,009	0	0	2,478	2,478	145,349	XXX
2499999.	Total - Bonds - Political Subdivisions.....				2,363,621	2,380,000	2,293,297	2,361,143	6,009	0	0	2,478	2,478	145,349	XXX
Bonds - Special Revenue and Special Assessment															
District of Columbia															
31364G YB 9.....	FNMA MTN.....	03/12/2002	CALLED @ 100.000000.....		250,000	250,000	250,000	250,000	0	0	0	0	0	7,500	
31364K 5P 1.....	FNMA MTN.....	03/15/2002	CALLED @ 100.000000.....		500,000	500,000	499,531	499,657	27	0	0	343	343	13,250	
31364K 6Y 1.....	FNMA MTN.....	03/22/2002	CALLED @ 100.000000.....		500,000	500,000	500,000	500,000	0	0	0	0	0	13,000	
	District of Columbia.....				1,250,000	1,250,000	1,249,531	1,249,657	27	0	0	343	343	33,750	XXX
United States															
31283K A7 3.....	FHLMC GOLD POOL G10930.....	10/01/2002	VARIOUS.....		444,003	444,446	443,960	443,992	67	0	0	0	0	18,248	

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SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
312915 QC 8	FHLMC 1491 GA CMO	10/01/2002	VARIOUS		418,216	417,735	421,064	418,125	(1,807)	0	0	0	0	14,587	
313398 N9 6	FHLMC CMO 2334 QC	10/01/2002	UG/APPL Coins Agreement		502,544	500,000	505,781	502,539	(2,179)	0	0	0	0	25,000	
313399 XN 2	FHLMC CMO 2360 PD	10/01/2002	UG/APPL Coins Agreement		507,649	500,000	510,156	507,644	(1,860)	0	0	0	0	25,000	
3133MH YX 6	FHLB CMO 5S-08 1	10/01/2002	VARIOUS		500,000	500,000	500,000	500,000	0	0	0	0	0	18,072	
3133TC UL 0	FHLMC CMO 2034 PE	10/01/2002	UG/APPL Coins Agreement		502,952	500,000	505,078	502,946	(1,393)	0	0	0	0	26,042	
3133TE VL 5	FHLMC CMO SERIES 2083 PD PAC	10/01/2002	UG/APPL Coins Agreement		250,143	250,000	250,508	250,139	(116)	0	0	0	0	13,542	
3133TH M8 7	FHLMC REMIC CMO SERIES 2112 PD PAC	10/01/2002	UG/APPL Coins Agreement		489,307	500,000	483,281	489,300	1,622	0	0	0	0	25,000	
3133TR 2X 2	FHLMC CMO 2274 PV	10/01/2002	VARIOUS		378,979	378,039	381,465	378,913	(2,129)	0	0	0	0	12,592	
3133TR TL 9	FHLMC CMO Series2300 CL-QA	10/01/2002	VARIOUS		428,614	428,614	428,614	428,614	142	0	0	0	0	18,305	
31359R VF 6	FNMA CMO SERIES 1998-2 KD	10/01/2002	VARIOUS		246,901	246,808	248,504	246,848	(1,393)	0	0	0	0	7,347	
313921 KM 9	FNMA CMO 2001-52 PB	10/01/2002	UG/APPL Coins Agreement		509,398	500,000	511,875	509,389	(2,043)	0	0	0	0	25,000	
313921 UT 3	FNMA CMO 2001-53 YB	10/01/2002	VARIOUS		475,434	473,762	478,425	475,384	(2,606)	0	0	0	0	20,805	
313921 YR 3	FNMA CMO 2001-53 LH	10/01/2002	VARIOUS		505,417	500,000	508,164	505,410	(2,125)	0	0	0	0	22,917	
	U.S.				6,159,557	6,139,404	6,176,875	6,159,243	(15,820)	0	0	0	0	272,457	XXX
	Total States and US				7,409,557	7,389,404	7,426,406	7,408,900	(15,793)	0	0	343	343	306,207	XXX
3199999	Total - Bonds - Special Revenue & Assessment				7,409,557	7,389,404	7,426,406	7,408,900	(15,793)	0	0	343	343	306,207	XXX
Bonds - Public Utilities															
United States															
01028Q AB 4	Alabama Gas Corporation MTN	10/01/2002	UG/APPL Coins Agreement		244,345	250,000	215,573	244,345	3,976	0	0	0	0	14,323	
020039 AF 0	Alltel Corporation	10/01/2002	UG/APPL Coins Agreement		249,353	250,000	246,600	249,353	351	0	0	0	0	18,125	
07261L AT 9	Bay States Gas Company MTN	10/01/2002	UG/APPL Coins Agreement		246,481	250,000	223,173	246,481	2,997	0	0	0	0	17,500	
155033 BF 9	Central Power & Light Company	10/01/2002	UG/APPL Coins Agreement		250,026	250,000	252,015	250,026	(253)	0	0	0	0	15,625	
165123 AJ 9	Chesapeake & Potomac Tel Co W VA	10/01/2002	UG/APPL Coins Agreement		998,678	1,000,000	981,520	998,678	1,963	0	0	0	0	53,106	
451380 AU 3	Idaho Power Company	10/01/2002	UG/APPL Coins Agreement		251,025	250,000	255,410	251,025	(573)	0	0	0	0	20,889	
505588 AR 4	Laclede Gas Company	10/01/2002	UG/APPL Coins Agreement		254,083	250,000	265,715	254,083	(1,501)	0	0	0	0	18,653	
650094 BY 0	New York Telephone Company	10/01/2002	UG/APPL Coins Agreement		247,022	250,000	224,988	247,022	2,800	0	0	0	0	15,911	
694308 FA 0	Pacific Gas & Electric Company	10/01/2002	UG/APPL Coins Agreement		245,000	250,000	231,390	246,647	7,500	0	0	0	0	13,021	
709051 CB 0	Pennsylvania Power & Light	10/01/2002	UG/APPL Coins Agreement		248,222	250,000	240,175	248,222	1,026	0	0	0	0	18,620	
781681 AS 0	Rural Elec Corp Grantor	10/01/2002	VARIOUS		163,365	163,365	171,534	163,365	(5,923)	0	0	0	0	14,193	
927804 CB 8	Virginia Electric Power Company	10/01/2002	UG/APPL Coins Agreement		251,899	250,000	260,515	251,899	(1,097)	0	0	0	0	21,667	
	United States				3,649,499	3,663,365	3,568,608	3,651,146	11,266	0	0	0	0	241,633	XXX
3899999	Total - Bonds - Public Utilities				3,649,499	3,663,365	3,568,608	3,651,146	11,266	0	0	0	0	241,633	XXX
Bonds - Industrial and Miscellaneous															
United States															
035229 BK 8	Anheuser Busch Cos., Inc	10/01/2002	UG/APPL Coins Agreement		250,477	250,000	252,413	250,477	(376)	0	0	0	0	15,469	
046753 WC 9	Atchinson Topeka & Santa Fe Eq	10/01/2002	UG/APPL Coins Agreement		270,481	266,000	287,019	270,481	(2,153)	0	0	0	0	19,673	
173034 GM 5	Citicorp	10/01/2002	UG/APPL Coins Agreement		431,925	400,000	439,188	431,925	(6,542)	0	0	0	0	24,628	
239753 CG 9	Dayton Hudson MTN	09/25/2002	MATURITY		250,000	250,000	284,068	250,000	(3,899)	0	0	0	0	19,153	
31945N AB 8	First Chicago NBD Corp MTN	10/01/2002	UG/APPL Coins Agreement		210,511	200,000	212,672	210,511	(1,947)	0	0	0	0	19,588	
499040 AF 0	Knight Ridder, Inc	10/01/2002	UG/APPL Coins Agreement		246,074	250,000	241,145	246,074	917	0	0	0	0	12,513	
57978Q AN 0	McCormick & Co. Inc MTN	10/01/2002	UG/APPL Coins Agreement		252,472	250,000	258,485	252,472	(1,069)	0	0	0	0	24,219	
724477 AK 0	Pitney Bowes Credit Corp Note	10/01/2002	UG/APPL Coins Agreement		250,945	250,000	271,320	250,945	(2,600)	0	0	0	0	24,811	
78643A AP 1	Safeco Corporation MTN	09/18/2002	MATURITY		250,000	250,000	241,298	250,000	977	0	0	0	0	13,309	
867914 AQ 6	Suntrust Bks Inc	10/01/2002	UG/APPL Coins Agreement		204,235	200,000	204,818	204,235	(525)	0	0	0	0	10,417	
879868 AD 9	Temple Inland, Inc	10/01/2002	UG/APPL Coins Agreement		246,871	250,000	237,425	246,871	1,252	0	0	0	0	18,931	
962166 AP 9	Weyerhaeuser Company	10/01/2002	UG/APPL Coins Agreement		250,869	250,000	272,128	250,869	(2,758)	0	0	0	0	26,396	
984121 AT 0	Xerox Corporation	04/15/2002	MATURITY		250,000	250,000	258,743	250,000	(420)	0	0	0	0	10,156	
	United States				3,364,860	3,316,000	3,460,722	3,364,860	(19,143)	0	0	0	0	239,263	XXX
4599999	Total - Bonds - Industrial & Miscellaneous				3,364,860	3,316,000	3,460,722	3,364,860	(19,143)	0	0	0	0	239,263	XXX
6099997	Total - Bonds - Part 4				19,033,465	18,998,769	19,005,970	19,031,977	(20,516)	0	0	2,821	2,821	1,057,144	XXX
6099998	Total - Bonds - Summary Item from Part 5				1,955,867	1,890,000	1,962,058	1,955,862	(6,191)	0	0	0	0	77,261	XXX

E12.1

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
6099999	Total - Bonds				20,989,332	20,888,769	20,968,028	20,987,839	(26,707)	0	0	2,821	2,821	1,134,405	XXX
Preferred Stocks - Banks, Trust and Insurance Companies															
United States															
81311X 20 0	Second Bancorp Cap TR I	10/01/2002	UG/APPL Coins Agreement	50,000.000	500,000	0.00	500,000	500,000	0	0	0	0	0		33,750
	United States				500,000	0.00	500,000	500,000	0	0	0	0	0	XXX	33,750
6299999	Total - Preferred Stocks - Banks, Trust & Insurance Companies				500,000	0.00	500,000	500,000	0	0	0	0	0	XXX	33,750
6599997	Total - Preferred Stocks - Part 4				500,000	0.00	500,000	500,000	0	0	0	0	0	XXX	33,750
6599999	Total - Preferred Stocks				500,000	0.00	500,000	500,000	0	0	0	0	0	XXX	33,750
Common Stocks - Industrial and Miscellaneous															
United States															
20539A 10 5	Computer Services, Inc. KY	10/01/2002	UG/APPL Coins Agreement	32,174.000	394,643		394,643	394,643	(128,184)	0	0	0	0		10,617
640376 10 9	Thomas Nelson, Inc.	10/01/2002	UG/APPL Coins Agreement	48,800.000	425,010		425,010	425,010	(116,670)	0	0	0	0		0
	United States				819,653	XXX	819,653	819,653	(244,854)	0	0	0	0	XXX	10,617
6899999	Total - Common Stocks - Industrial & Miscellaneous				819,653	XXX	819,653	819,653	(244,854)	0	0	0	0	XXX	10,617
Common Stocks - Parent, Subsidiaries and Affiliates															
United States															
003770 10 4	Abraham Lincoln Insurance Company	10/01/2002	UG/APPL Coins Agreement	600,000.000	2,998,962		3,400,000	3,400,000	94,830	0	0	0	0		0
632990 00 8	National Brokers Inc.	08/16/2002	Dissolution	4.000	35,922		9,302	9,302	9,302	0	0	26,620	26,620		0
	United States				3,034,884	XXX	3,409,302	3,409,302	104,132	0	0	26,620	26,620	XXX	0
6999999	Total - Common Stocks - Parent, Subsidiaries and Affiliates				3,034,884	XXX	3,409,302	3,409,302	104,132	0	0	26,620	26,620	XXX	0
7099997	Total - Common Stocks - Part 4				3,854,537	XXX	4,228,955	4,228,955	(140,722)	0	0	26,620	26,620	XXX	10,617
7099999	Total - Common Stocks				3,854,537	XXX	4,228,955	4,228,955	(140,722)	0	0	26,620	26,620	XXX	10,617
7199999	Total - Preferred and Common Stocks				4,354,537	XXX	4,728,955	4,728,955	(140,722)	0	0	26,620	26,620	XXX	44,367
7299999	Total - Bonds, Preferred and Common Stocks				25,343,869	XXX	25,696,983	25,716,794	(167,429)	0	0	29,441	29,441	1,134,405	44,367

E12.2

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identifi- cation	Description	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - Special Revenue and Special Assessment																
United States																
3133TG T6 6.....	FHLMC CMO 2091 PF.....	08/08/2002	COMPASS BANK.....	10/01/2002	UG/APPL Coins Agreement..	500,000	517,891	517,248	517,243	(643)	0	0	0	0	5,000	1,000
	U.S.....					500,000	517,891	517,248	517,243	(643)	0	0	0	0	5,000	1,000
	Total States and US.....					500,000	517,891	517,248	517,243	(643)	0	0	0	0	5,000	1,000
3199999.	Total - Bonds - Special Revenue & Assessment.....					500,000	517,891	517,248	517,243	(643)	0	0	0	0	5,000	1,000
Bonds - Industrial and Miscellaneous																
United States																
31945N AB 8.....	First Chicago NBD Corp MTN.....	03/19/2002	Morgan Keegan.....	10/01/2002	UG/APPL Coins Agreement..	390,000	411,392	408,814	408,814	(2,578)	0	0	0	0	20,106	11,906
8447HB AC 6....	Southtrust BK N A Birmingham.....	05/08/2002	Morgan Keegan.....	10/01/2002	UG/APPL Coins Agreement..	1,000,000	1,032,775	1,029,805	1,029,805	(2,970)	0	0	0	0	52,155	17,689
	United States.....					1,390,000	1,444,167	1,438,619	1,438,619	(5,548)	0	0	0	0	72,261	29,595
4599999.	Total - Bonds - Industrial & Miscellaneous.....					1,390,000	1,444,167	1,438,619	1,438,619	(5,548)	0	0	0	0	72,261	29,595
6099998.	Total - Bonds.....					1,890,000	1,962,058	1,955,867	1,955,862	(6,191)	0	0	0	0	77,261	30,595
7299999.	Total - Bonds, Preferred and Common Stocks.....					XXX	1,962,058	1,955,867	1,955,862	(6,191)	0	0	0	0	77,261	30,595

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identifi- cation	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 NAIC Company Code or Alien Insurer Identification Number	4 NAIC Valuation Method (See SVO Purposes and Procedures manual)	5 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	6 Total Amount of Such Intangible Assets	7 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
							8 Number of Shares	9 % of Outstanding

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$.....0.
2. Total amount of intangible assets nonadmitted \$.....0.

NONE

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identifi- cation	2 Name of Lower-tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 6, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding

NONE

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 CUSIP Identifi- cation	2 Description	3 Date Acquired	4 Name of Vendor	Interest		7 Maturity Date	8 Book/Adjusted Carrying Value	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Par Value	12 Actual Cost	Interest		15 Paid for Accrued Interest	16 NAIC Desig- nation	17 Effective Rate of Interest
				5 Rate of	6 How Paid							13 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	14 Gross Amount Received			
Exempt Money Market Mutual Funds																
United States																
S99990 21 0..	Aim Short Term Inv Co Treasury #2.....	12/31/2002	Bank of New York.....	1.238	MON	01/01/2004	317,315	0	0	317,315	317,315	322	3,775	0	1	1.238
	United States.....						317,315	0	0	317,315	317,315	322	3,775	0	XXX	XXX
7799999.	Exempt Money Market Mutual Funds.....						317,315	0	0	317,315	317,315	322	3,775	0	XXX	XXX
8099999.	Grand Total - Short-Term Investments.....						317,315	(a)0	0	317,315	317,315	322	3,775	0	XXX	XXX

(a) Includes \$.....0 other than accrual of discount and amortization of premium.

**Sch. DB-Pt. A-Sn. 1
NONE**

**Sch. DB-Pt. A-Sn. 2
NONE**

**Sch. DB-Pt. A-Sn. 3
NONE**

**Sch. DB-Pt. B-Sn. 1
NONE**

**Sch. DB-Pt. B-Sn. 2
NONE**

**Sch. DB-Pt. B-Sn. 3
NONE**

**Sch. DB-Pt. C-Sn. 1
NONE**

**Sch. DB-Pt. C-Sn. 2
NONE**

**Sch. DB-Pt. C-Sn. 3
NONE**

**Sch. DB-Pt. D-Sn. 1
NONE**

**Sch. DB-Pt. D-Sn. 2
NONE**

**Sch. DB-Pt. D-Sn. 3
NONE**

**Sch. DB-Pt. E-Sn. 1
NONE**

SCHEDULE DM

For bonds and preferred stocks owned as of December 31, state the aggregate statement (admitted) value, the aggregate fair value, and the aggregate difference, if any, between them.

	1 Statement (Admitted) Value	2 Fair Value (a)	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
1. Bonds.....	6,752,201	7,009,893	257,692
2. Preferred stocks.....	0	0	0
3. Totals.....	6,752,201	7,009,893	257,692

(a) Amortized or book values shall not be substituted for fair values. Describe the sources or methods utilized in determining the fair values.

Bank of New York

Wall Street Journal

SCHEDULE E - PART 1 - CASH

1 Depository	2 Rate of Interest	3 Amount of Interest Received During Year	4 Amount of Interest Accrued December 31 of Current Year	5 Balance	6 *
Open Depositories					
Bank One..... Springfield, Il.....	0.600	584	0	70,534	XXX
First Southern National Bank..... Stanford, KY.....	1.070	23,013	0	2,179,719	XXX
First Southern Nat'l Bank Money Market..... Stanford, KY.....	1.070	3,571	0	255,639	XXX
Deposits in 3 depositories.....	0.000	0	0	44,876	XXX
	0.000	0	0	0	XXX
0199999. Total - Open Depositories.....	XXX	27,168	0	2,550,768	XXX
0399999. Total Cash on Deposit.....	XXX	27,168	0	2,550,768	XXX
0599999. Total Cash.....	XXX	27,168	0	2,550,768	XXX

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January.....	1,574,820	4. April.....	2,883,393	7. July.....	1,833,357	10. October.....	3,139,179
2. February.....	1,235,684	5. May.....	759,950	8. August.....	1,571,050	11. November.....	2,816,884
3. March.....	2,451,017	6. June.....	694,447	9. September.....	2,872,600	12. December.....	2,550,768

SCHEDULE E - PART 2 - SPECIAL DEPOSITS

1 Line Number	2 Type	3 Description of Deposit	4 Where Deposited and Purpose of Deposit	5 Par or Book Value	6 Statement Value (a)	7 Fair Value
SPECIAL DEPOSITS WHICH ARE NOT FOR THE BENEFIT OF ALL POLICYHOLDERS						
Arkansas						
AR00001.	B.	Cabell Cnty WV Board of Ed 6.00%	AR Ins Dept, USbank, AR Code Ann. 23-63-206.	250,000	251,486	267,545
AR99999.	Arkansas			250,000	251,486	267,545
Oklahoma						
OK00001.	B.	USTNTS 7.5000%	OK Ins Dept. Bank of Oklahoma, OK RSD by INS CODE 36-613 (B).	300,000	300,403	307,968
OK99999.	Oklahoma			300,000	300,403	307,968
XX99999.	Total - All Special Deposits NOT Held for Benefit of all Policyholders, Claimants, & Creditors of the Company...			550,000	551,889	575,513
SPECIAL DEPOSITS WHICH ARE FOR THE BENEFIT OF ALL POLICYHOLDERS						
Georgia						
GA00001.	B.	Georgia Insurance Department		50,000	52,154	54,000
GA99999.	Georgia			50,000	52,154	54,000
Ohio						
OH00001.	B.	Ohio Department of Insurance		1,600,000	1,661,580	1,726,124
OH99999.	Ohio			1,600,000	1,661,580	1,726,124
West Virginia						
WV00001.	B.	West Virginia Insurance Department		150,000	152,530	168,187
WV99999.	West Virginia			150,000	152,530	168,187
ZZ99999.	Total - All Special Deposits Held for Benefit of all Policyholders, Claimants, & Creditors of the Company			1,800,000	1,866,264	1,948,311
9999999.	Totals			2,350,000	2,418,153	2,523,824

(a) Includes \$.....0 cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.