



ANNUAL STATEMENT

For the Year Ended December 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

MCKINLEY LIFE INSURANCE COMPANY

NAIC Group Code	1204 <small>(Current Period)</small>	1204 <small>(Prior Period)</small>	NAIC Company Code	77216	Employer's ID Number	341624818
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States of America					
Incorporated	08/15/1989		Commenced Business	11/01/1989		
Statutory Home Office	2600 SIXTH STREET SW <small>(Street and Number)</small>			CANTON, OH 44710 <small>(City, or Town, State and Zip Code)</small>		
Main Administrative Office	2600 SIXTH STREET SW <small>(Street and Number)</small>					
	CANTON, OH 44710 <small>(City or Town, State and Zip Code)</small>			(330)363-4057 <small>(Area Code) (Telephone Number)</small>		
Mail Address	2600 SIXTH STREET SW <small>(Street and Number or P.O. Box)</small>			CANTON, OH 44710 <small>(City, or Town, State and Zip Code)</small>		
Primary Location of Books and Records	2600 SIXTH STREET SW <small>(Street and Number)</small>					
	CANTON, OH 44710 <small>(City, or Town, State and Zip Code)</small>			(330)363-4057 <small>(Area Code) (Telephone Number)</small>		
Internet Website Address						
Statement Contact	JEFFREY ALAN SCHEATZLE <small>(Name)</small>			(330)363-4057 <small>(Area Code)(Telephone Number)(Extension)</small>		
	JSCHAEATZLE@AULTMAN.COM <small>(E-Mail Address)</small>			(330)438-2911 <small>(Fax Number)</small>		
Policyowner Relations Contact						
	<small>(City, or Town, State and Zip Code)</small>			<small>(Area Code) (Telephone Number)(Extension)</small>		

OFFICERS

President RICK L HAINES
 Secretary WILLIAM S ALFORD DO #
 Treasurer CHRISTOPHER E REMARK #
 Executive Vice President EDWARD J ROTH

VICE PRESIDENTS

DIRECTORS

RAYMOND L CANDAGE M.D.
 JOHN B HUMPHREY JR., M.D.
 GREGORY HABAN M.D.
 EDWARD J ROTH III
 RICK L HAINES

WILLIAM A HAMMERSTROM
 WILLIAM S ALFORD D.O
 CHRISTOPHER E REMARK
 EILEEN W GOOD
 MICHAEL A RICH M.D.

State of Ohio
 County of Stark ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the 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 manuals 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) RICK L HAINES _____ (Printed Name) PRESIDENT	_____ (Signature) GEORGE E FILM _____ (Printed Name) CONTROLLER	_____ (Signature) _____ (Printed Name)
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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 _____

Subscribed and sworn to before me this _____
 day of _____, 2003

 (Notary Signature)

E01 Schedule A - Part 1 Real Estate Owned -..... NONE

E02 Schedule A - Part 2 Real Estate Aquired -..... NONE

E03 Schedule A - Part 3 Real Estate Sold -..... NONE

E04 Schedule B - Part 1 Mortgage Loans Owned -..... NONE

E05 Schedule B - Part 2 Mortgage Loans Sold -..... NONE

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31, Current Year

1 Number of Units and Description	Location		4 Name of Vendor	5 Date Acquired	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment
	2 City	3 State							
Oil and Gas Production Payments									
Investment in Subsidiary - McKinley Life Insurance Agency 01/01/1995	980		980		
0199999 Subtotal - Oil and Gas Production Payments					980		980		
9999999 Totals					980		980		

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Year

1	Location		4	5	6	7	8	9	10	11	12	13
Number of Units and Description	2	3	Name of Purchaser or Nature of Disposition	Date Acquired	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book/Adjusted Carrying Value Less Encumbrances at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale
	City	State										
NONE												
999999 Totals												

SCHEDULE D - PART 1

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

1 CUSIP Identification	2 Description	3 *	Interest		6 Maturity Date	7 Option Date	8 Option Call Price	9 Book/ Adjusted Carrying Value	10 Par Value	11 Rate Used to Obtain Fair Value	12 Fair Value	13 Actual Cost	Interest		16 Increase (Decrease) by Adjustment	17 Increase (Decrease) by Foreign Exchange Adjustment	18 Amount of Interest Due and Accrued Dec. 31 Current year, on Bonds in Default as to Principal or Interest	19 NAIC Desig- nation	20 Date Acquired	21 Effective Rate of Interest
			4 Rate of	5 How Paid									14 Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	15 Gross Amount Received During Year						
U.S. Governments - Issuer Obligations																				
912803AD5	US TREASURY STRIPPED		7.875	NM	05/15/2005			225,856	165,000	0.9590	158,245	122,163	45,425		(29,647)		45,425	1	12/15/1998	7.875
912827U83	US TREASURY NOTES		6.500	AF	08/15/2005			701,949	700,000	1.1190	783,125	724,453	16,810	45,500	(840)		16,810	1	10/13/2000	6.875
9128275N8	US TREASURY NOTES		6.000	AF	08/15/2009			504,962	500,000	1.1630	581,250	505,977	13,417	30,000	112		13,417	1	10/16/2000	6.000
31359MEM1	FEDERAL NTL MTG ASSOC		5.125	FA	02/13/2004			1,166,395	1,175,000	1.0420	1,224,573	1,137,825	22,247	60,219	9,212		22,247	1	11/29/1999	5.125
31359MDW0	FEDERAL NTL MTG ASSOC		5.750	JD	06/15/2005			446,346	450,000	1.0910	490,784	459,410	863	25,875	1,688		863	1	06/11/2001	5.750
31359MGM9	FEDERAL NTL MTG ASSOC		6.000	DJ	12/15/2005			508,867	500,000	1.0350	517,611	514,894	1,000	30,000	(3,376)		1,000	1	05/22/2000	6.000
31359MHB2	FEDERAL NTL MTG ASSOC		5.500	FA	02/15/2006			262,313	250,000	1.0830	270,703	267,432	5,080	13,750	(4,429)		5,080	1	11/14/2001	5.500
3134A3M78	FEDERAL NTL MTG ASSOC		6.625	SM	09/15/2009			647,363	650,000	1.1730	762,327	643,729	12,321	43,063	433		12,321	1	05/22/2000	6.625
9128273E0	US TREASURY NOTES		6.125	AF	08/15/2007			810,172	775,000	1.1490	890,770	782,223	17,537	47,469	(8,448)		17,537	1	09/27/1999	6.125
3134A4GW8	FEDERAL HM LOAN MTG CORP		4.500	AF	08/15/2004			947,230	925,000	1.0460	967,781	954,542	15,378	41,625	(7,312)		15,378	1	03/13/2002	4.500
3134A4LX0	FEDERAL HM LOAN MTG CORP		3.250	NM	11/15/2004			1,684,819	1,700,000	1.0280	1,748,348	1,675,496	6,599	55,250	9,323		6,599	1	01/11/2002	3.250
3133MMXQ1	FEDERAL NTL MTG ASSOC		4.625	AO	04/15/2005			524,791	500,000	1.0600	530,155	526,660	4,689	23,125	(1,869)		4,689	1	11/19/2002	4.625
31359MGM9	FEDERAL NTL MTG ASSOC		6.000	DJ	12/15/2005			383,521	350,000	1.2100	423,501	386,436	700	21,000	(2,915)		700	1	10/09/2002	6.000
31359MHB2	FEDERAL NTL MTG ASSOC		5.500	FA	02/15/2006			541,076	500,000	1.0990	549,609	544,452	10,160	27,500	(3,376)		10,160	1	10/09/2002	5.500
31359MLH4	FEDERAL NTL MTG ASSOC		4.375	OA	10/18/2006			622,113	625,000	1.0670	666,790	621,265	5,545	27,344	848		5,545	1	01/16/2002	4.375
31359MLH4	FEDERAL NTL MTG ASSOC		4.375	OA	10/18/2006			49,487	50,000	1.0040	50,188	49,348	444	2,188	139		444	1	02/11/2002	4.375
3134A3M78	FEDERAL NTL MTG ASSOC		6.625	FA	09/15/2009			751,696	700,000	1.0860	760,158	752,172	12,607	34,125	(476)		12,607	1	12/23/2002	6.625
3134A3M78	FEDERAL NTL MTG ASSOC		6.625	FA	09/15/2009			58,773	50,000	1.1750	58,773	58,773						1	12/31/2002	6.625
0199999	Subtotal - U.S. Governments - Issuer Obligations							10,837,730	10,565,000	X X X	11,434,691	10,727,249	190,821	528,031	(40,932)		190,822	X X X	X X X	X X X
0399999	Subtotal - U.S. Governments							10,837,730	10,565,000	X X X	11,434,691	10,727,249	190,821	528,031	(40,932)		190,822	X X X	X X X	X X X
5499999	Subtotals - Issuer Obligations							10,837,730	10,565,000	X X X	11,434,691	10,727,249	190,821	528,031	(40,932)		190,822	X X X	X X X	X X X
6099999	Grand Total - Bonds							10,837,730	10,565,000	X X X	11,434,691	10,727,249	190,821	528,031	(40,932)		190,822	X X X	X X X	X X X

E09 **Schedule D - Part 2 Sn 1 Prfrd Stocks Owned - NONE**

E10 **Schedule D - Part 2 Sn 2 Common Stocks Owned - 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. Governments							
3134A4GW8	FEDERAL HM LOAN MTG CORP	01/16/2002 ..	FIRSTMERT TRUST COMPANY	X X X	410,500	400,000.00	6,650
3134A4GW8	FEDERAL HM LOAN MTG CORP	03/13/2002 ..	FIRSTMERIT TRUST COMPANY	X X X	126,171	125,000.00	2,078
3134A4GW8	FEDERAL HM LOAN MTG CORP	10/09/2002 ..	FIRSTMERIT TRUST COMPANY	X X X	417,871	400,000.00	6,650
3134A4LX0	FEDERAL HM LOAN MTG CORP	01/11/2002 ..	FIRSTMERIT TRUST COMPANY	X X X	1,675,496	1,700,000.00	6,599
3133MMXQ1	FEDERAL NTL MTG ASSOC	11/19/2002 ..	FIRSTMERIT TRUST COMPANY	X X X	526,660	500,000.00	4,689
31359MGM9	FEDERAL NTL MTG ASSOC	10/09/2002 ..	FIRSTMERIT TRUST COMPANY	X X X	386,436	350,000.00	700
31359MHB2	FEDERAL NTL MTG ASSOC	10/09/2002 ..	FIRSTMERIT TRUST COMPANY	X X X	544,452	500,000.00	10,160
31359MLH4	FEDERAL NTL MTG ASSOC	01/16/2002 ..	FIRSTMERIT TRUST COMPANY	X X X	621,265	625,000.00	5,545
31359MLH4	FEDERAL NTL MTG ASSOC	02/11/2002 ..	FIRSTMERIT TRUST COMPANY	X X X	49,348	50,000.00	444
9128277L0	FEDERAL NTL MTG ASSOC	12/23/2002 ..	FIRSTMERIT TRUST COMPANY	X X X	752,172	700,000.00	12,607
3134A3M78	FEDERAL NTL MTG ASSOC	12/31/2002 ..	FIRSTMERIT TRUST COMPANY	X X X	58,773	50,000.00	975
0399999 Subtotal - Bonds - U.S. Governments					5,569,143	5,400,000.00	57,097
6099997 Subtotal - Bonds - Part 3					5,569,143	5,400,000.00	57,097
6099998 Summary item from Part 5 for Bonds					506,836	500,000.00	5,833
6099999 Subtotal - Bonds					6,075,979	5,900,000.00	62,931
6599998 Summary Item from Part 5 for Preferred Stocks						X X X	
7099998 Summary Item from Part 5 for Common Stocks						X X X	
7199999 Subtotal - Preferred and Common Stocks						X X X	
7299999 Totals					6,075,979	X X X	62,931

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Book/Adjusted Carrying Value at Disposal Date	10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Interest on Bonds Received During Year	16 Dividends on Stocks Received During Year
Bonds - U.S. Governments															
31359MFF5	FEDERAL NTL MTG ASSOC	01/15/2002	FIRSTMERIT TRUST COMPANY	X X X	900,000	900,000.00	901,872	900,000							X X X
3134A4HG2	FEDERAL HM LOAN MTG CORP	12/23/2002	FIRSTMERIT TRUST COMPANY	X X X	213,164	210,000.00	211,083	210,418	(612)			2,746	2,746	7,350	X X X
912827U83	US TREASURY NOTES	01/16/2002	FIRSTMERIT TRUST COMPANY	X X X	1,682,293	1,510,000.00	1,659,717	1,656,728				116,565	116,565		X X X
912827X80	US TREASURY NOTES	01/17/2002	FIRSTMERIT TRUST COMPANY	X X X	111,238	100,000.00	104,844	102,935	486			8,304	8,304		X X X
9128275N8	US TREASURY NOTES	11/15/2002	FIRSTMERIT TRUST COMPANY	X X X	545,000	545,000.00	597,073	573,518	(5,314)			(28,518)	(28,518)	42,919	X X X
912810BZ0	US TREASURY NOTES	01/17/2002	FIRSTMERIT TRUST COMPANY	X X X	540,996	500,000.00	505,977	505,074	112			35,922	35,922		X X X
0399999	Subtotal - Bonds - U.S. Governments				3,992,692	3,765,000.00	3,980,565	3,948,673	(5,329)			135,019	135,019	50,269	X X X
6099997	Subtotal - Bonds - Part 4				3,992,692	3,765,000.00	3,980,565	3,948,673	(5,329)			135,019	135,019	50,269	X X X
6099998	Summary Item from Part 5 for Bonds				507,536	500,000.00	506,836	502,772				4,763	4,763	17,500	X X X
6099999	Subtotal - Bonds				4,500,227	4,265,000.00	4,487,401	4,451,445	(5,329)			139,782	139,782	67,769	X X X
6599998	Summary Item from Part 5 for Preferred Stocks						X X X							X X X	
7099998	Summary Item from Part 5 for Common Stocks						X X X							X X X	
7199999	Subtotal - Preferred and Common Stocks						X X X							X X X	
7299999	Totals				4,500,227		4,487,401	4,451,445	(5,329)			139,782	139,782	67,769	

SCHEDULE D - PART 5

Showing All Long-Term Bonds and Stocks ACQUIRED During 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	Consider- ation	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 - U.S. Governments																
3134A4HG2	FEDERAL HM LOAN MTG CORP	01/17/2002	FIRSTMERIT TRUST COMPANY	12/23/2002	FIRSTMERIT TRUST COMPANY	500,000.000	506,836	507,536	502,772				4,763	4,763	17,500	5,833
0399999 Subtotal - Bonds - U.S. Governments						500,000.000	506,836	507,536	502,772				4,763	4,763	17,500	5,833
6099998 Subtotal - Bonds						500,000.000	506,836	507,536	502,772				4,763	4,763	17,500	5,833
7299999 Totals							506,836	507,536	502,772				4,763	4,763	17,500	5,833

E14	Schedule D - Part 6 Sn 1 -	NONE
E14	Schedule D - Part 6 Sn 2 -	NONE
E15	Schedule DA - Part 1 ST Investments Owned -	NONE
E16	Schedule DB - Part A Sn 1 Opt/Cap/Floor Owned -	NONE
E16	Schedule DB - Part A Sn 2 Opt/Cap/Floor Aquired -	NONE
E17	Schedule DB - Part A Sn 3 Opt/Cap/Floor Term -	NONE
E17	Schedule DB - Part B Sn 1 Opt/Cap/Floor In-force -	NONE
E18	Schedule DB - Part B Sn 2 Opt/Cap/Floor Written -	NONE
E18	Schedule DB - Part B Sn 3 Opt/Cap/Floor Term -	NONE
E19	Schedule DB - Part C Sn 1 Col/Swap/Frwr Open -	NONE
E19	Schedule DB - Part C Sn 2 Col/Swap/Frwr Opened -	NONE
E20	Schedule DB - Part C Sn 3 Col/Swap/Frwr Term -	NONE
E20	Schedule DB - Part D Sn 1 Futures Contracts Open -	NONE
E21	Schedule DB - Part D Sn 2 Futures Contracts Opened -	NONE
E21	Schedule DB - Part D Sn 3 Futures Contracts Term -	NONE
E22	Schedule DB - Part E Sn 1 Counterparty Exposure -	NONE
E23	Schedule DM -	NONE

SCHEDULE E - PART 1 - CASH

1	2	3	4	5	6
Depository	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
open depositories					
FIRST MERIT BANK - TRUST	CANTON, OHIO	1.100	2,352	59,097	
BANK ONE OPERATING	AKRON, OHIO			1,244,647	
FIRST MERIT	CANTON, OHIO			1,016,348	
0199998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories					
	X X X				***
0199999 Totals - Open Depositories					
	X X X	2,352		2,320,092	***
0299998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories					
	X X X				***
0299999 Totals - Suspended Depositories					
	X X X				***
0399999 Total Cash On Deposit					
	X X X	2,352		2,320,092	***
0499999 Cash in Company's Office					
	X X X	X X X	X X X		***
0599999 Total Cash					
	X X X	2,352		2,320,092	***

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

1. January	2,320,323	4. April	1,880,495	7. July	1,149,210	10. October	40,501
2. February	2,472,954	5. May	676,846	8. August	1,050,335	11. November	647,502
3. March	3,485,680	6. June	1,563,082	9. September	1,900,839	12. December	1,945,689

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
Alberta						
AB00001	B	US TNTS 7.875 DUE 11/2007	OHIO DEPT OF INSURANCE REQ BY OHIO REV CODE	100,000	100,000	100,000
AB99999	Subtotals - Alberta			100,000	100,000	100,000
Ohio						
OH00001	B	USTNTS 7.875% DUE 11/2007	OHIO DEPT OF INSURANCE REQ BY OHIO REV CODE			
OH99999	Subtotals - Ohio					
XX99999	Subtotals - Special Deposits Not Held for the Benefit Of All Policyholders, Claimants and Creditors of the Company			100,000	100,000	100,000
9999999	Totals			100,000	100,000	100,000

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