



LIFE AND ACCIDENT AND HEALTH COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2002
OF THE CONDITION AND AFFAIRS OF THE

U.S. FINANCIAL LIFE INSURANCE COMPANY

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

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

Country of Domicile United States of America

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

Statutory Home Office 10290 Alliance Road, Cincinnati, OH 45242

Main Administrative Office 10290 Alliance Road, Cincinnati, OH 45242, 513-686-2000

Mail Address 10290 Alliance Road, Cincinnati, OH 45242

Primary Location of Books and Records 10290 Alliance Road, Cincinnati, OH 45242, 513-686-2026

Internet Website Address www.usfli.com

Statement Contact S. Vincent Zink, 513-686-2026, vzink@mail.usfli.com

Policyowner Relations Contact 10290 Alliance Road, Cincinnati, OH 45242, 513-686-2000

OFFICERS

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

VICE PRESIDENTS

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

DIRECTORS OR TRUSTEES

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

State of Ohio } ss
County of Hamilton }

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

Paul Peter Aniskovich
President

Loren Gail Lee
Secretary

Samuel Vincent Zink
Treasurer

Subscribed and sworn to before me this
21st day of February, 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

Cheryl Kocher
Notary Public
9/1/2004

Schedule A - Part 1

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**SCHEDULE B - PART 1**

Showing all Mortgage Loans OWNED December 31 of Current Year

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Book Value/Recorded Investment Excluding Accrued Interest	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Value of Land and Buildings	11 Date of Last Appraisal or Valuation
	2 City	3 State								
60001	Arkansas County	AR		06/15/2001	7.700	205,332			466,750	05/18/2001
0199999 - Mortgages in good standing - Farm Mortgages										
						205,332	0	0	466,750	XXX
0299999 - Mortgages in good standing - Residential Mortgages - Insured or Guaranteed										
						0	0	0	0	XXX
0399999 - Mortgages in good standing - Residential Mortgages - All Other										
						0	0	0	0	XXX
0499999 - Mortgages in good standing - Commercial Mortgages - Insured or Guaranteed										
						0	0	0	0	XXX
0599999 - Mortgages in good standing - Commercial Mortgages - All Other										
						0	0	0	0	XXX
0699999 - Mortgages in good standing not shown in Lines 0199999 thru 0599999										
						0	0	0	0	XXX
0799999 - Total - Mortgages in Good Standing										
						205,332	0	0	466,750	XXX
0899999 - Restructured mortgages - Farm Mortgages										
						0	0	0	0	XXX
0999999 - Restructured mortgages - Residential Mortgages - Insured or Guaranteed										
						0	0	0	0	XXX
1099999 - Restructured mortgages - Residential Mortgages - All Other										
						0	0	0	0	XXX
1199999 - Restructured mortgages - Commercial Mortgages - Insured or Guaranteed										
						0	0	0	0	XXX
1299999 - Restructured mortgages - Commercial Mortgages - All Other										
						0	0	0	0	XXX
1399999 - Restructured mortgages not shown in Lines 0899999 thru 1299999										
						0	0	0	0	XXX
1499999 - Total - Restructured Mortgages										
						0	0	0	0	XXX
1599999 - Mortgages with overdue interest over 90 days - Farm Mortgages										
						0	0	0	0	XXX
1699999 - Mortgages with overdue interest over 90 days - Residential Mortgages - Insured or Guaranteed										
						0	0	0	0	XXX
1799999 - Mortgages with overdue interest over 90 days - Residential Mortgages - All Other										
						0	0	0	0	XXX
1899999 - Mortgages with overdue interest over 90 days - Commercial Mortgages - Insured or Guaranteed										
						0	0	0	0	XXX
1999999 - Mortgages with overdue interest over 90 days - Commercial Mortgages - All Other										
						0	0	0	0	XXX
2099999 - Mortgages with overdue interest over 90 days not shown in Lines 1599999 thru 1999999										
						0	0	0	0	XXX
2199999 - Total - Mortgages w/overdue interest over 90 days, not in the process of foreclosure										
						0	0	0	0	XXX
2299999 - Mortgages in the process of foreclosure - Farm Mortgages										
						0	0	0	0	XXX
2399999 - Mortgages in the process of foreclosure - Residential - Insured or Guaranteed										
						0	0	0	0	XXX
2499999 - Mortgages in the process of foreclosure - Residential - All Other										
						0	0	0	0	XXX
2599999 - Mortgages in the process of foreclosure - Commercial Mortgages - Insured or Guaranteed										
						0	0	0	0	XXX
2699999 - Mortgages in the process of foreclosure - Commercial Mortgages - All Other										
						0	0	0	0	XXX
2799999 - Mortgages in the process of foreclosure not shown on Lines 2299999 thru 2699999										
						0	0	0	0	XXX
2899999 - Total - Mortgages in the process of foreclosure										
						0	0	0	0	XXX
9999999 Totals										
						205,332	0	0	466,750	XXX

General Interrogatory:

- 1. Mortgages in good standing .....\$ ..... unpaid taxes .....\$ ..... interest due and unpaid.
- 2. Restructured mortgages .....\$ ..... unpaid taxes .....\$ ..... interest due and unpaid.
- 3. Mortgages with overdue interest over 90 days not in process of foreclosure .....\$ ..... unpaid taxes .....\$ ..... interest due and unpaid.
- 4. Mortgages in process of foreclosure .....\$ ..... unpaid taxes .....\$ ..... interest due and unpaid.

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Schedule B - Part 2

**NONE**

Schedule BA - Part 1

**NONE**

Schedule BA - Part 2

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY

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 Dec. 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 Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest											
GOVERNMENTS																															
ISSUER OBLIGATIONS																															
UNITED STATES																															
3133M5-QB-9	FEDERAL HOME LOAN BANK		5.125	MS	09/15/2003			986,656	1,000,000		1,026,880	940,200	15,090	51,250	17,876				03/28/2000	7.103											
3134A3-YM-2	FREDDIE MAC		6.250	JJ	07/15/2004			992,045	1,000,000		1,071,250	978,550	28,819	62,500	4,749				12/22/1999	6.803											
31359M-EX-7	FANNIE MAE		6.500	FA	08/15/2004			1,003,327	1,000,000		1,078,130	1,008,960	24,556	65,000	(1,893)				09/23/1999	6.281											
31359M-KR-3	FANNIE MAE		5.250	FA	08/14/2006			997,482	1,000,000		1,023,750	996,640	19,979	52,500	615				08/09/2001	5.327											
31359M-LN-1	FANNIE MAE		4.000	MN	11/17/2006			965,487	1,000,000		1,023,750	956,875	4,889	40,111	7,899				11/27/2001	4.990											
31359M-LY-7	FANNIE MAE		6.000	JD	12/21/2011			996,725	1,000,000		1,063,440	996,450	1,667	60,000	268				12/13/2001	6.048											
3136F0-KY-7	FANNIE MAE		5.550	MN	05/16/2006			994,804	1,000,000		1,014,380	992,640	6,938	55,500	1,360				05/18/2001	5.721											
912810-CC-0	UNITED STATES TREASURY		8.375	FA	08/15/2008			389,742	450,000		469,265	404,280	51,987	12,563	7,242				01/03/1985	11.692											
912810-DY-1	UNITED STATES TREASURY		8.750	MN	05/15/2017			3,106,588	3,000,000		4,337,820	3,138,143	132,146	237,461	(3,748)				11/15/1999	8.322											
912810-EH-7	UNITED STATES TREASURY		7.875	FA	02/15/2021			6,777,298	5,000,000		6,860,950	6,780,469	148,726		(3,171)				12/11/2002	4.894											
912827-3Q-3	UNITED STATES TREASURY		5.750	MN	11/30/2002						0.0000		28,750						08/24/2000												
912827-6J-6	UNITED STATES TREASURY		5.750	FA	08/15/2010			4,590,821	4,000,000		4,598,760	4,605,000	86,875		(14,179)				10/11/2002	3.523											
912827-7F-3	UNITED STATES TREASURY		3.500	MN	11/15/2006			967,877	1,000,000		1,040,630	962,813	14,169	25,375	5,064				04/29/2002	4.412											
912827-7L-0	UNITED STATES TREASURY		4.875	FA	02/15/2012			22,105,735	21,000,000		22,804,740	22,132,578	386,688	268,125	(26,843)				10/03/2002	4.167											
TOTAL UNITED STATES								44,874,587	41,450,000	XXX	47,413,745	44,819,802	951,279	930,385	(4,761)	0	0	XXX	XXX	XXX											
0199999 - Total Bonds - U.S. Government - Issuer Obligations								44,874,587	41,450,000	XXX	47,413,745	44,819,802	951,279	930,385	(4,761)	0	0	XXX	XXX	XXX											
SINGLE MBS/ABS																															
UNITED STATES																															
36201N-K9-0	GNMA		6.000	MTLY	11/15/2032	11/01/2032	100.000	5,170,105	4,994,812	0.0000	5,170,105	5,170,410	24,974	24,974	(488)				11/18/2002	5.660											
36213E-PQ-3	GNMA		6.000	MTLY	12/15/2031	12/01/2031	100.000	3,151,375	3,161,359	0.0000	3,151,375	3,151,232	15,988	161,307	678				02/21/2002	6.015											
3837H0-B9-3	GNMA		7.000	MTLY	08/01/2010	01/01/2005	100.000	992,878	1,000,000	0.0000	992,878	984,063	11,667	64,167	2,545				01/15/1997	7.274											
3837H0-QK-2	GNMA		7.000	MTLY	06/01/2026	07/01/2025	100.000	973,981	1,000,000	0.0000	973,981	964,375	11,667	64,167	3,589				08/02/1996	7.426											
3837H2-YH-6	GOVERNMENT NATL MORTGAGE ASSN		6.000	MTLY	08/20/2029	03/01/2005	100.000	967,875	1,000,000	0.0000	967,875	927,500	10,000	60,000	23,315				03/22/2000	8.200											
TOTAL UNITED STATES								11,256,214	11,156,171	XXX	11,256,214	11,197,580	74,296	374,615	29,639	0	0	XXX	XXX	XXX											
0299999 - Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities								11,256,214	11,156,171	XXX	11,256,214	11,197,580	74,296	374,615	29,639	0	0	XXX	XXX	XXX											
0399996 - Bonds - U.S. Government								56,130,801	52,606,171	XXX	58,669,959	56,017,382	1,025,575	1,305,000	24,878	0	0	XXX	XXX	XXX											
0399999 - Total - U.S. Government Bonds								56,130,801	52,606,171	XXX	58,669,959	56,017,382	1,025,575	1,305,000	24,878	0	0	XXX	XXX	XXX											
OTHER GOVERNMENTS																															
ISSUER OBLIGATIONS																															
OTHERS																															
465410-AX-6	REPUBLIC OF ITALY		5.250	A0	04/05/2006			996,633	1,000,000		1,072,790	995,060	38,792	26,250	922				03/29/2001	5.364											
TOTAL OTHERS								996,633	1,000,000	XXX	1,072,790	995,060	38,792	26,250	922	0	0	XXX	XXX	XXX											
0499999 - Total Bonds - All Other Government - Issuer Obligations								996,633	1,000,000	XXX	1,072,790	995,060	38,792	26,250	922	0	0	XXX	XXX	XXX											
0599999 - Total Bonds - All Other Government - SCMB/AB Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX								
0699999 - Total Bonds - All Other Government - Defined Multi-Class Residential Mortgage-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX							
0799999 - Total Bonds - All Other Government - Other Multi-Class Residential Mortgage-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX						
0899999 - Total Bonds - All Other Government - Defined Multi-Class Commercial Mortgage-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX					
0999999 - Total Bonds - All Other Government - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX				
1099997 - Bonds - All Other Governments - Canada								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX				
1099998 - Bonds - All Other Governments - Other Countries								996,633	1,000,000	XXX	1,072,790	995,060	38,792	26,250	922	0	0	XXX	XXX	XXX											
1099999 - Total - All Other Government Bonds								996,633	1,000,000	XXX	1,072,790	995,060	38,792	26,250	922	0	0	XXX	XXX	XXX											
1199999 - Total Bonds - States, Territories and Possessions - Issuer Obligations								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX					
1299999 - Total Bonds - States, Territories and Possessions - Single Class Mortgage-Backed/Asset-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX				
1399999 - Total Bonds - States, Territories and Possessions - Defined Multi-Class Residential Mortgage-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX				
1499999 - Total Bonds - States/Terr./ Poss. - Other Multi-Class Residential Mortgage-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX			
1599999 - Total Bonds - States/Terr./ Poss. - Defined Multi-Class Commercial Mortgage-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX			
1699999 - Total Bonds - States, Territories, Possessions - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX		
1799996 - Bonds - States, Territory, Poss - United States								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX		
1799997 - Bonds - States, Territory, Poss - Canada								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
1799998 - Bonds - States, Territory, Poss - Other Countries								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY

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 Dec. 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 Dec. 31 Current Year, on Bonds in	NAIC Designation	Date Acquired	Effective Rate of Interest	
1799999	- Total - States, Territories and Possessions							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
1899999	- Total Bonds - Political Subdivisions - Issuer Obligations							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
1999999	- Total Bonds - Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
2099999	- Total Bonds - Political Subdivisions - Defined Multi-Class Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
2199999	- Total Bonds - Political Subdivisions - Other Multi-Class Residential Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
2299999	- Total Bonds - Political Subdivisions - Defined Multi-Class Commercial Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
2399999	- Total Bonds - Political Subdivisions - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
2499996	- Bonds - Political Subdivision - United States							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
2499997	- Bonds - Political Subdivision - Canada							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
2499998	- Bonds - Political Subdivision - Other Countries							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
2499999	- Total - Political Subdivisions Bonds							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
880591-DN-9	TENNESSEE VALLEY AUTHORITY		5.625	JJ	01/18/2011			994,322	1,000,000	110.0200	1,100,160	993,290	25,469	56,250	542	0	0	0	1PE	01/09/2001	5.714
	TOTAL UNITED STATES							994,322	1,000,000	XXX	1,100,160	993,290	25,469	56,250	542	0	0	0	XXX	XXX	XXX
563469-DH-5	MANITOBA PROVINCE OF		6.125	JJ	01/19/2004			987,697	1,000,000	104.6100	1,046,090	959,460	27,563	61,250	10,888	0	0	0	1	03/29/2000	7.365
683234-JM-1	ONTARIO PROVINCE OF		7.000	FA	08/04/2005			1,013,308	1,000,000	0.0000	1,013,308	1,022,360	28,583	70,000	(4,581)	0	0	0	1	12/01/2000	6.434
748148-QR-7	QUEBEC PROVINCE CANADA CORPORATE		7.500	MS	09/15/2029			1,244,148	1,000,000	124.7200	1,247,150	1,244,290	22,083		(142)	0	0	0	1	12/11/2002	5.707
	TOTAL CANADA							3,245,153	3,000,000	XXX	3,306,548	3,226,110	78,229	131,250	6,165	0	0	0	XXX	XXX	XXX
2599999	- Total Bonds - Special Revenue - Issuer Obligations							4,239,475	4,000,000	XXX	4,406,708	4,219,400	103,698	187,500	6,707	0	0	0	XXX	XXX	XXX
2699999	- Total Bonds - Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
312903-KT-3	FHR 116 G		8.500	MTLY	12/15/2020	08/01/2017		447,782	447,782	0.0000	447,782	458,557	10,403	31,209	(5,176)	0	0	0	1PE	06/24/1994	7.818
312905-WS-7	FHR 1074 H		8.500	MTLY	01/01/2021	09/01/2018		211,129	211,129	0.0000	211,129	216,077	5,059	14,782	(2,733)	0	0	0	1PE	07/22/1994	7.745
312909-A4-6	FHR 1255 H		8.500	MTLY	04/01/2022	03/01/2013		636,346	636,346	0.0000	636,346	668,163	15,739	44,196	(14,552)	0	0	0	1PE	04/14/1994	7.244
312912-V5-4	FHR 11411 J		7.000	MTLY	02/01/2022	03/01/2006		1,168,723	1,196,000	0.0000	1,168,723	1,085,370	20,930	69,767	24,618	0	0	0	1PE	11/04/1992	8.809
3133T4-F9-2	FHR 1702 TE		7.000	MTLY	10/01/2023	05/01/2010		1,001,088	1,000,000	0.0000	1,001,088	1,003,750	23,333	58,333	(473)	0	0	0	1PE	03/07/1996	6.906
3133T6-M8-1	FHR 1835 D		6.000	MTLY	04/01/2026	03/01/2025		965,334	1,000,000	0.0000	965,334	937,500	15,000	50,000	10,996	0	0	0	1PE	11/26/1997	7.075
31340Y-FN-4	FHR 19 F		8.500	MTLY	02/15/2020	01/01/2019		332,092	332,092	0.0000	332,092	343,300	8,287	22,992	(4,849)	0	0	0	1PE	06/09/1994	7.505
31358E-JG-8	FNR 1990-61 H		7.000	MTLY	06/01/2020			187,428	216,017	0.0000	187,428	187,428	1,425	14,989	(11,681)	0	0	0	1PE	11/08/1991	9.100
31358E-QE-5	FNR 1990-77 D		9.000	MTLY	06/01/2020	05/01/2020		408,749	408,749	0.0000	408,749	420,756	3,764	36,590	(4,269)	0	0	0	1PE	10/14/1994	8.096
31358J-SN-2	FNR 1991-123 EB		8.000	MTLY	09/01/2021			182,027	182,027	0.0000	182,027	185,895	1,404	14,503	(1,506)	0	0	0	1PE	09/14/1992	7.381
31358L-JB-3	FNR G92-7 JQ		8.500	MTLY	01/01/2022	12/01/2021		185,900	185,900	0.0000	185,900	189,618	1,516	15,717	(2,163)	0	0	0	1PE	09/07/1994	7.738
31358N-CM-2	FNR 1992-82 E		7.000	MTLY	04/01/2022	11/01/2005		144,759	159,597	0.0000	144,759	144,759	1,133	11,075	(7,582)	0	0	0	1PE	05/18/1992	8.474
31358R-EU-3	FNR 1992-202 J		7.500	MTLY	04/01/2020	05/01/2003		60,433	63,929	0.0000	60,433	60,433	4,202	4,671	3,674	0	0	0	1PE	11/04/1992	8.261
31358R-G9-8	FNR 1992-214 C		6.850	MTLY	03/01/2009	06/01/2007		984,232	1,000,000	0.0000	984,232	953,281	5,708	68,500	7,457	0	0	0	1PE	07/10/1996	7.786
31358T-L5-6	FNR 1993-33 H		6.750	MTLY	09/01/2008	03/01/2003		21,586	21,661	0.0000	21,586	21,586	1,220	1,428	304	0	0	0	1PE	10/16/1995	6.729
31359A-BT-5	FNR 1993-71 PL		6.500	MTLY	05/01/2008			785,554	800,000	0.0000	785,554	770,000	5,420	52,000	2,891	0	0	0	1PE	11/07/1995	7.082
31359D-6L-2	FNR 1993-178 PK		6.500	MTLY	09/01/2023			966,253	1,000,000	0.0000	966,253	955,938	5,417	65,000	3,743	0	0	0	1PE	07/21/1997	7.007
31359D-JG-9	FNR 1993-156 B		6.500	MTLY	04/01/2018					0.0000			2,632			0	0	0	1PE	08/31/1995	
31359H-B8-6	FNR 1994-82 B		8.000	MTLY	03/01/2017					0.0000			892			0	0	0	1PE	04/22/1994	
31359H-GL-2	FNR 1994-36 J		6.500	MTLY	06/01/2023	04/01/2010		1,000,000	1,000,000	0.0000	1,000,000	1,000,313	5,417	65,000		0	0	0	1PE	09/24/1997	6.441
31359H-Y4-0	FNR G94-5 VC		7.000	MTLY	06/01/2009					0.0000			468			0	0	0	1PE	07/28/1995	
31359L-SG-6	FNR 1996-12 H		6.500	MTLY	11/01/2013	01/01/2006		988,144	1,000,000	0.0000	988,144	972,188	5,417	65,000	5,164	0	0	0	1PE	08/14/1997	7.022
31359P-LJ-3	FNR 1997-26 L		6.600	MTLY	04/01/2012			969,762	1,000,000	0.0000	969,762	930,000	5,500	66,000	8,408	0	0	0	1PE	05/21/1997	8.013
	TOTAL UNITED STATES							11,647,321	11,861,229	XXX	11,647,321	11,504,912	150,286	771,752	12,271	0	0	0	XXX	XXX	XXX
2799999	- Total Bonds - Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities							11,647,321	11,861,229	XXX	11,647,321	11,504,912	150,286	771,752	12,271	0	0	0	XXX	XXX	XXX
2899999	- Total Bonds - Special Revenue - Other Multi-Class Residential Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
2999999	- Total Bonds - Special Revenue - Defined Multi-Class Commercial Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
3099999	- Total Bonds - Special Revenue - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
3199996	- Bonds - Special Revenue - United States							12,641,643	12,861,229	XXX	12,747,481	12,498,202	175,755	828,002	12,813	0	0	0	XXX	XXX	XXX
3199997	- Bonds - Special Revenue - Canada							3,245,153	3,000,000	XXX	3,306,548	3,226,110	78,229	131,250	6,165	0	0	0	XXX	XXX	XXX
3199998	- Bonds - Special Revenue - Other Countries							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
3199999	- Total - Special Revenue Bonds							15,886,796	15,861,229	XXX	16,054,029	15,724,312	253,984	959,252	18,978	0	0	0	XXX	XXX	XXX
041033-BY-6	ARKANSAS POWER & LIGHT CORPORATE		6.650	FA	08/01/2005			499,415	503,630	100.7300	497,940	497,940	13,854	33,250	201	0	0	0	2PE	08/09/1993	6.700
15361G-AG-0	CENTRAL HUDSON GAS & ELECTRIC		5.870	JJ	03/28/2007			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	29,350	15,164		0	0	0	1PE	03/25/2002	5.870
172474-AF-5	CINERGY CORP		6.125	AO	04/15/2004			999,576	1,000,000	102.3100	1,023,080	998,520	12,931	61,250	308	0	0	0	2	04/13/1999	6.160

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY

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 Dec. 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 Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest							
209111-EA-7	CONSOLIDATED EDISON OF NY CORPORATE		4.875	FA	02/01/2013			1,996,499	2,000,000	0.0000	1,996,499	1,996,460	3,250		39			1Z	12/12/2002	4.897							
210371-AH-3	CONSTELLATION ENERGY GRP CORPORATE		7.000	JJ	03/28/2007			996,641	1,000,000	105.1000	1,051,010	995,660	17,500	35,972	981			2	03/21/2002	7.096							
462416-AM-0	IOWA ELEC LIGHT & POWER CORPORATE		6.000	AO	10/01/2008			500,239	500,000	107.0300	535,140	500,485	22,500	15,000	(34)			1PE	09/27/1993	5.990							
604110-AN-6	MINNESOTA POWER & LIGHT COMPA CORPORATE		7.750	JD	06/01/2007	06/01/2005	100.000	501,706	500,000	101.4900	507,430	505,425	3,229	38,750	(621)			2PE	05/04/1995	7.593							
604110-AQ-9	MINNESOTA POWER & LIGHT COMPANY		7.000	MS	03/01/2008			495,400	500,000	108.1600	540,780	491,875	11,667	35,000	712			2PE	02/26/1997	7.216							
637432-CQ-6	NATIONAL RURAL UTILITIES		6.000	MN	05/15/2006			996,751	1,000,000	109.0900	1,090,910	995,400	7,667	60,000	844			1	05/16/2001	6.108							
677347-BJ-4	OHIO EDISON CO CORPORATE		8.625	MS	09/15/2003			507,191	500,000	103.2300	516,130	578,428	12,698	43,125	(9,682)			2PE	08/30/1993	6.496							
68233D-AC-1	ONCOR ELECTRIC DELIVERY CORPORATE		7.000	MN	05/01/2032			985,549	1,000,000	99.9900	999,860	985,470	11,667	34,028	79			2Z	05/01/2002	7.118							
709068-AV-2	PENNSYLVANIA POWER CO. CORPORATE		6.625	JJ	01/01/2004			275,000	275,000	102.8200	282,744	275,000	9,109	18,219				2	07/01/1993	6.625							
717537-CY-8	PHILADELPHIA ELECTRIC CO.		6.625	MS	03/01/2003			500,441	500,000	100.6400	503,210	519,435	11,042	33,125	(2,580)			1PE	08/27/1993	6.080							
723484-AB-7	PINNACLE WEST CAPITAL CORP CORPORATE		6.400	AO	04/01/2006			995,099	1,000,000	101.8100	1,018,100	992,830	16,000	64,000	1,313			2	03/27/2001	6.570							
744448-AY-7	PUBLIC SERVICE CO. OF COLORAD CORPORATE		8.125	MS	03/01/2004			506,052	500,000	104.1600	520,780	537,628	13,542	40,623	(4,824)			2PE	07/12/1996	7.019							
842634-AE-7	SOUTHERN COMPANY CAPITAL FUNDING		5.300	FA	02/01/2007			998,621	1,000,000	105.9100	1,059,080	998,350	22,083	26,500	271			1	01/29/2002	5.338							
927804-CE-2	VIRGINIA ELEC & PWR CO CORPORATE		7.625	JJ	07/01/2007			522,059	500,000	115.7500	578,755	551,855	19,063	38,125	(4,100)			1	08/11/1993	6.479							
976657-AD-8	WISCONSIN ENERGY CORP		5.500	JD	12/01/2008			1,994,222	2,000,000	107.9000	2,158,000	1,993,280	9,167	113,361	880			1PE	11/13/2001	5.558							
TOTAL UNITED STATES								15,270,461	15,275,000	XXX	15,885,138	15,414,041	246,319	705,492	(16,213)	0	0	0	XXX	XXX	XXX						
3299999 - Total Bonds - Public Utilities - Issuer Obligations								15,270,461	15,275,000	XXX	15,885,138	15,414,041	246,319	705,492	(16,213)	0	0	0	0	XXX	XXX	XXX					
3399999 - Total Bonds - Public Utilities - Single Class Mortgage-Backed/Asset-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX				
3499999 - Total Bonds - Public Utilities - Defined Multi-Class Residential Mortgage-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX			
3599999 - Total Bonds - Public Utilities - Other Multi-Class Residential Mortgage-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX		
3699999 - Total Bonds - Public Utilities - Defined Multi-Class Commercial Mortgage-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
3799999 - Total Bonds - Public Utilities - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX
3899996 - Bonds - Public Utilities - United States								15,270,461	15,275,000	XXX	15,885,138	15,414,041	246,319	705,492	(16,213)	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
3899997 - Bonds - Public Utilities - Canada								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX
3899998 - Bonds - Public Utilities - Other Countries								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX
3899999 - Total - Public Utilities Bonds								15,270,461	15,275,000	XXX	15,885,138	15,414,041	246,319	705,492	(16,213)	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
00184A-AE-5	AOL TIME WARNER INC CORPORATE		6.150	MN	05/01/2007			997,305	1,000,000	103.8830	1,038,830	996,850	10,250	34,679	455			2	04/03/2002	6.222							
002824-AM-2	ABBOTT LABORATORIES		5.625	JJ	07/01/2006			1,007,260	1,000,000	109.3230	1,093,230	1,009,710	28,125	55,625	(1,838)			1	08/08/2001	5.395							
00949T-AA-8	AIRTOUCH COMMUNICATIONS (VODAFONE GROUP)		7.500	JJ	07/15/2006			1,060,687	1,000,000	114.0710	1,140,710	1,076,040	34,583	75,000	(15,085)			1	12/19/2001	5.586							
013104-AE-4	ALBERTSONS INC CORPORATE		6.950	FA	08/01/2009			998,803	1,000,000	110.9600	1,109,610	998,350	28,958	69,500	139			2PE	07/22/1999	6.973							
020039-AG-8	ALLTEL CORP CORPORATE		6.750	MS	09/15/2005			500,000	500,000	109.8600	549,300	500,000	26,813	16,867				1PE	09/06/1995	6.750							
030096-AG-6	AMERICAN STORES(ALBERTSON'S)		7.900	MN	05/01/2017			999,672	1,000,000	121.5500	1,215,450	999,610	13,167	79,000	12			2	04/29/1997	7.904							
032511-AG-2	ANADARKO PETROLEUM CORP		5.875	AO	10/15/2003			1,002,204	1,000,000	103.2570	1,032,570	1,006,850	12,403	58,750	(2,666)			2	03/07/2001	5.585							
035229-BH-5	ANHEUSER-BUSCH COMPANIES INC CORPORATE		7.000	JD	12/01/2025			911,001	1,000,000	107.3700	1,073,710	903,750	5,833	70,000	1,365			1PE	09/06/1996	7.843							
03746A-AA-8	APACHE FINANCE CANADA		7.750	JD	12/15/2029			1,081,146	1,000,000	124.6500	1,246,450	1,082,400	14,860	77,500	(989)			1PE	07/27/2001	7.072							
038222-AD-7	APPLIED MATERIALS INC CORPORATE		7.125	AO	10/15/2017			994,140	1,000,000	114.3100	1,143,070	993,160	15,042	71,250	217			1PE	10/09/1997	7.190							
043413-AD-5	ASARCO INC(GRUPO MEXICO)		7.375	FA	02/01/2003			749,212	750,000	75.0000	562,500	693,750	23,047	55,313	9,190			5	01/09/1995	8.690							
046003-FA-2	ASSOCIATES CORP OF NA		7.750	FA	02/15/2005			1,010,310	1,000,000	110.0600	1,100,590	1,022,440	29,278	77,500	(4,350)			1	12/17/1999	7.217							
048395-AA-5	ATLANTIC COAST AIRLINES CORPORATE		7.200	JJ	01/01/2014			426,851	426,851	0.0000	426,851	426,851	25,337	20,999				2	09/19/1997	7.198							
053807-AJ-2	AVNET INC		8.000	MN	11/15/2006			993,748	1,000,000	96.0500	960,500	992,260	10,222	79,778	1,327			2PE	11/13/2001	8.192							
054937-AD-9	BB&T CORPORATION CORPORATE		4.750	AO	10/01/2012			990,613	1,000,000	100.3590	1,003,590	990,410	12,799	49,688	203			1	09/17/2002	4.872							
060716-BR-7	BANK OF BOSTON		6.625	FA	02/01/2004			746,217	750,000	104.2000	781,530	727,808	20,703	49,688	3,188			1PE	02/06/1995	7.062							
064057-AM-4	BANK OF NEW YORK		6.625	JD	06/15/2003			500,364	500,000	102.2460	511,230	505,785	1,472	33,125	(764)			1	11/29/1993	6.460							
06606N-AH-7	BANKAMERICA CORP.		5.750	MS	03/01/2004			982,339	1,000,000	0.0000	982,339	950,230	19,167	57,500	14,022			1PE	08/02/2000	7.360							
079857-AG-3	BELLSOUTH TELECOM INC. CORPORATE		7.750	FA	02/15/2010			998,283	1,000,000	118.4000	1,184,020	997,810	29,278	77,500	175			1PE	02/11/2000	7.782							
079860-AD-4	BELLSOUTH TELECOM INC. CORPORATE		6.875	AO	10/15/2031			993,552	1,000,000	112.0900	1,120,880	993,500	14,514	66,840	51			1	10/22/2001	6.927							
097023-AE-5	BOEING CO CORPORATE		8.750	MS	09/15/2031			1,103,919	1,000,000	130.0300	1,300,330	1,106,010	25,764	87,500	(952)			1PE	06/06/2000	7.835							
10138M-AA-3	PEPSI BOTTLING GROUP LLC CORPORATE		4.625	MN	11/15/2012			1,998,370	2,000,000	0.0000	1,998,370	1,998,100	11,819		270			1Z	11/07/2002	4.630							
10513Q-BD-2	BB&T CORPORATION CORPORATE		4.875	JJ	01/15/2013			995,480	1,000,000	0.0000	995,480	995,480	1,083					1Z	12/17/2002	4.932							
110122-AG-3	BRISTOL-MYERS SQUIBB CO		5.750	AO	10/01/2011			998,303	1,000,000	106.4900	1,064,850	998,090	14,375	57,979	213			1Z	02/08/2002	5.775							
12189T-AN-4	BURLINGTON NORTHERN RAILROAD CORPORATE		6.750	MS	03/15/2029			888,566	1,000,000	109.2700	1,092,690	884,660	19,875	67,500	1,288			2PE	10/05/1999	7.750							
14149Y-AB-4	CARDINAL HEALTH INC		6.000	JJ	01/15/2006			730,779	750,000	109.6700	822,510	701,465	20,750	45,000	5,462			1	07/15/1996	6.931							

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY

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 Dec. 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 Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest
16161A-AP-3	CHASE MANHATTAN CORP CORPORATE		6.500	JJ	01/15/2007			1,000,551	1,000,000	0.0000	1,000,551	998,685	27,083	65,000	(261)			1PE	03/02/1999	6.483
16161A-BQ-0	CHASE MANHATTAN CORP CORPORATE		7.125	JD	06/15/2009			515,530	500,000	110.9000	554,515	523,315	1,583	35,625	(1,881)			1PE	03/26/1998	6.528
166760-AA-6	CHEVRONTXACO CORP		3.500	MS	09/17/2007			995,784	1,000,000	101.8000	1,017,950	995,530	10,792		254			1	09/04/2002	3.598
171875-AD-9	CINCINNATI BELL CORPORATE		6.300	JD	12/01/2028			1,018,658	1,000,000	72.2900	722,890	1,019,730	5,250	63,000	(288)			3	11/24/1998	6.155
17248R-AC-0	CINGULAR WIRELESS		5.625	JD	12/15/2006			997,064	1,000,000	105.1400	1,051,360	996,380	2,500	56,719	656			1	12/06/2001	5.709
172967-BL-4	CITIGROUP INC CORPORATE		6.625	JD	06/15/2032			986,620	1,000,000	109.1700	1,091,730	986,510	2,944	34,781	110			1	05/30/2002	6.730
191219-BE-3	COCA COLA ENTERPRISE CORPORATE		6.750	MS	09/15/2028			1,057,838	1,000,000	111.5900	1,115,890	1,060,980	19,875	67,500	(887)			1PE	12/11/1998	6.293
197677-AB-3	COLUMBIA/HCA HEALTHCARE		7.150	MS	03/30/2004			738,478	750,000	103.4500	775,898	687,098	13,555	53,625	8,432			3	01/17/1995	8.476
205887-AW-2	CONAGRA INC		7.875	MS	09/15/2010			1,052,226	1,000,000	120.9300	1,209,320	1,061,840	23,188	78,750	(4,971)			2	12/13/2000	6.987
22237L-ND-0	COUNTRYWIDE HOME LOANS		4.250	JD	12/19/2007			995,658	1,000,000	0.0000	995,658	995,630	1,750		28			1	12/12/2002	4.348
22237U-AB-8	COUNTRYWIDE HOME LOANS		6.850	JD	06/15/2004					0.0000			34,250					1	08/02/1999	
224399-AH-8	CRANE CO CORPORATE		8.500	MS	03/15/2004			751,729	750,000	107.6200	807,158	758,220	18,771	63,750	(1,330)			2PE	07/11/1996	8.283
239753-BN-5	TARGET CORP		7.250	MS	09/01/2004			252,264	250,000	108.0700	270,185	261,483	6,042	18,125	(1,246)			1	04/08/1993	6.666
239753-BQ-8	TARGET CORP		6.625	MS	03/01/2003			250,083	250,000	100.7000	251,743	253,615	5,521	16,561	(484)			1PE	07/01/1993	6.420
247025-AD-1	DELL COMPUTER CORPORATE		6.550	AO	04/15/2008			1,017,825	1,000,000	112.4200	1,124,170	1,028,330	13,828	65,500	(2,775)			2PE	10/27/1998	6.150
247126-AA-3	DELPHI AUTO SYSTEMS CORP CORPORATE		6.125	MN	05/01/2004			997,625	1,000,000	97.5000	975,000	998,730	10,208	61,250	262			2PE	04/28/1999	6.155
248019-AC-5	DELUXE CORP CORPORATE		5.000	JD	12/15/2012			993,712	1,000,000	0.0000	993,712	993,690	3,056		22			1	12/04/2002	5.081
25468P-BA-3	WALT DISNEY CO CORPORATE		5.125	JD	12/15/2003			977,453	1,000,000	0.0000	977,453	922,860	2,278	51,250	21,951			2	05/09/2000	7.618
263534-BH-1	DU PONT (E1) DE NEMOURS & CO		6.750	AO	10/15/2004			1,002,023	1,000,000	108.5100	1,085,120	1,004,000	14,250	67,500	(1,033)			1PE	11/28/2000	6.628
263534-BK-4	DU PONT (E1) DE NEMOURS & CO		4.750	MN	11/15/2012			999,920	1,000,000	0.0000	999,920	999,920	6,465					1	11/04/2002	4.751
277432-AA-8	EASTMAN CHEMICAL CORPORATE		6.375	JJ	01/15/2004			748,253	750,000	103.8200	778,628	739,865	22,047	47,813	1,566			1	07/19/1996	6.604
277460-AC-8	EASTMAN KODAK CO		6.375	JD	06/15/2006			998,638	1,000,000	0.0000	998,638	998,100	2,833	63,750	342			2	06/21/2001	6.420
291011-AL-8	EMERSON ELECTRIC CO		7.875	JD	06/01/2005			998,943	1,000,000	112.3800	1,123,800	997,970	6,563	78,750	383			1PE	05/18/2000	7.924
293562-AE-4	EOG RESOURCES INC		6.000	JD	12/15/2008			976,309	1,000,000	107.8800	1,078,790	971,520	2,667	60,000	3,168			2	06/14/2001	6.486
298785-CL-8	EUROPEAN INVESTMENT BANK		4.875	MS	09/06/2006			996,811	1,000,000	107.2100	1,072,050	995,800	15,573	48,750	772			1	08/29/2001	4.971
302491-AK-1	FMC CORPORATION CORPORATE		6.375	MS	09/01/2003			499,888	500,000	100.8000	504,000	498,715	10,625	31,873	160			3	08/30/1993	6.410
31331F-AG-6	FEDERAL EXPRESS CORP CORPORATE		7.530	MS	09/23/2006			316,910	322,391	0.0000	316,910	304,991	6,608	24,276	3,433			2	01/05/1995	8.754
316774-AX-6	FIFTH THIRD BANK		6.750	JJ	07/15/2005			1,013,973	1,000,000	109.9000	1,099,000	1,023,150	31,125	67,500	(4,941)			1	01/29/2001	6.147
317928-AA-7	FINOVA CAPITAL CORP		7.500	MN	11/15/2009			40,500	150,000	34.5000	51,750	150,000			(73,500)			4	08/21/2001	7.497
319356-AE-1	CLOROX CO (FIRST BRANDS CORP)		7.250	MS	03/01/2007			1,073,954	1,000,000	110.7800	1,107,820	1,090,200	24,167	72,500	(15,434)			1PE	12/06/2001	5.250
337162-AD-3	FIRST TENN NATL CORPORATE		6.750	MN	11/15/2005			503,873	500,000	109.3000	546,480	510,845	4,313	33,750	(1,192)			2	12/05/1995	6.450
345370-BX-7	FORD MOTOR CO CORPORATE		6.500	FA	08/01/2018			698,639	700,000	81.4900	570,423	698,439	18,958	45,500	49			2	07/24/1998	6.520
345397-GV-9	FORD MOTOR CREDIT CORPORATE		6.750	MN	05/15/2005			301,232	300,000	100.9800	302,928	304,518	12,713	10,125	(466)			2PE	11/29/1993	6.560
369626-UU-6	GENERAL ELECTRIC CAPITAL CORP		7.500	MN	05/15/2005			997,355	1,000,000	0.0000	997,355	994,920	9,583	75,000	983			1	05/10/2000	7.624
370334-AS-3	GENERAL MILLS		6.000	FA	02/15/2012			1,993,765	2,000,000	108.7600	2,175,280	1,993,360	45,333	58,000	405			2	02/13/2002	6.045
370425-QS-2	GENERAL MOTORS ACCEPTANCE CORP		6.125	JJ	01/22/2008			946,010	1,000,000	100.7500	1,007,500	928,300	27,052	61,250	8,514			2	11/02/2000	7.425
381317-AM-8	GOLDEN WEST FINANCIAL		5.500	FA	08/08/2006			997,423	1,000,000	107.8700	1,078,670	996,550	21,847	55,000	633			1Z	08/14/2001	5.580
38142E-AC-2	GOLDMAN SACHS GROUP L.P. CORPORATE		7.875	JJ	01/15/2003			500,259	500,000	100.1600	500,790	546,425	34,700	29,531	(6,537)			1	12/22/1993	6.500
38238Q-AM-8	GOODRICH (BF) CORPORATE		6.800	FA	02/01/2018			1,001,824	1,000,000	0.0000	1,001,824	1,002,050	28,333	68,000	(68)			2PE	02/20/1998	6.781
39804H-AY-4	GREYHOUND FINANCIAL CORPORATE		7.820	MS	01/27/2003					0.0000			19,532					6	07/01/1993	
415864-AG-2	HARSCO CORP CORPORATE		6.000	MS	09/15/2003			498,882	500,000	102.4200	512,080	488,110	8,833	30,000	1,507			1PE	12/22/1993	6.330
428040-AY-5	HERTZ CORP CORPORATE		6.375	AO	10/15/2005			250,346	250,000	97.1100	242,765	251,135	3,365	15,938	(110)			2	10/18/1993	6.320
438506-AH-0	HONEYWELL INC CORPORATE		8.625	AO	04/15/2006			763,481	750,000	117.1200	878,430	782,085	13,656	64,688	(3,499)			1PE	07/15/1996	7.976
441812-GA-6	HOUSEHOLD FINANCE CORP CORPORATE		6.375	FA	08/01/2010			1,002,194	1,000,000	105.6100	1,056,100	1,002,900	26,563	63,750	(219)			1	10/27/1998	6.338
441812-JZ-8	HOUSEHOLD FINANCE CORP CORPORATE		7.625	MN	05/17/2032			988,683	1,000,000	111.9400	1,119,400	988,640	9,319	37,066	43			1	05/15/2002	7.723
459056-QA-8	INTL BK FOR RECONS & DEV		7.000	JJ	01/27/2005			997,688	1,000,000	110.4700	1,104,690	994,940	29,944	70,000	1,002			1PE	01/20/2000	7.122
459056-QG-5	INTL BK FOR RECONS & DEV		5.000	MS	03/28/2006			998,791	1,000,000	0.0000	998,791	998,320	12,917	50,000	335			1PE	09/04/2001	5.041
459200-AS-0	INTL BUSINESS MACHINES CORP CORPORATE		6.500	JJ	01/15/2028			1,048,358	1,000,000	105.5000	1,055,000	1,051,260	29,972	65,000	(803)			1	12/04/1998	6.120
45974V-YH-5	INTERNATIONAL LEASE FINANCE		5.650	AO	08/15/2006			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	11,928	56,500				1PE	08/14/2001	5.649
460690-AK-6	INTERPUBLIC GROUP COS. INC		7.875	AO	10/15/2005			998,230	1,000,000	95.4300	954,330	997,060	16,625	78,750	547			2	10/17/2000	7.947
472318-AG-9	JEFFERIES GROUP CORPORATE		7.500	FA	08/15/2007			748,859	750,000	110.0900	825,698	747,969	21,250	56,250	200			2PE	03/04/1998	7.540
478366-AK-3	JOHNSON CONTROLS INC		5.000	MN																

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY

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 Dec. 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 Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest
55259P-AB-2	MARSHALL & ILSLEY CORP.		6.375	MS	09/01/2011			995,208	1,000,000	0.0000	995,208	994,650	21,250	64,990	415			1	08/17/2001	6.448
577778-BJ-1	MAY DEPARTMENT STORES CO	CORPORATE	5.950	MN	11/01/2008			1,006,099	1,000,000	108.1800	1,081,800	1,009,350	9,917	59,500	(856)			2PE	10/30/1998	5.825
57859H-BT-0	MAYTAG CORP.		6.875	JD	12/01/2006			2,000,000	2,000,000	0.0000	2,000,000	2,000,000	11,458	137,882				1	11/27/2001	6.875
58003Q-AQ-0	MCDERMOTT INC.	CORPORATE	7.570	MN	03/28/2005			508,549	500,000	0.0000	508,549	532,695	4,836	37,850	(3,401)			3	10/19/1993	6.740
582834-AM-9	MEAD CORPORATION	CORPORATE	7.350	MS	03/01/2017			753,423	750,000	115.0600	862,950	754,060	18,375	55,125	(135)			2PE	02/26/1997	7.298
58550H-AA-2	MELLON BANK NA		7.375	MN	05/15/2007			2,145,074	2,000,000	0.0000	2,145,074	2,174,120	18,847	147,500	(28,508)			1PE	12/19/2001	5.486
589331-AE-7	MERCK & CO INC	CORPORATE	5.950	JD	12/01/2028			880,829	1,000,000	105.7400	1,057,400	875,530	4,958	59,500	1,615			1PE	06/09/1999	6.948
590188-JK-5	MERRILL LYNCH & CO INC.		6.375	AO	10/15/2008			1,011,102	1,000,000	111.0000	1,110,010	1,016,948	13,458	63,750	(1,554)			1PE	10/30/1998	6.144
617446-DW-6	MORGAN STANLEY DEAN WITTER		7.750	JD	06/15/2005			1,000,000	1,000,000	111.5700	1,115,710	1,000,000	3,444	77,500				1	06/06/2000	7.750
617446-HD-4	MORGAN STANLEY & CO.	CORPORATE	7.250	AO	04/01/2032			1,000,000	1,000,000	113.9300	1,139,310	999,030	18,125	35,847	970			1	03/27/2002	7.248
629527-AS-1	NABISCO INC		6.850	JD	06/15/2005			994,325	1,000,000	110.8100	1,108,070	990,300	3,044	68,500	2,047			1	12/19/2000	7.106
638585-AN-9	NATIONSBANK CORP	CORPORATE	7.750	FA	08/15/2015			1,027,972	1,000,000	123.0100	1,230,080	1,034,440	29,278	77,500	(1,305)			1PE	02/07/1997	7.405
655844-AM-0	NORFOLK SOUTHERN CORP		8.375	MN	05/15/2005			998,458	1,000,000	112.9000	1,129,010	997,040	10,701	83,750	565			2PE	05/17/2000	8.448
66938F-JU-9	NORWEST CORP	CORPORATE	6.750	JD	12/15/2027			994,076	1,000,000	0.0000	994,076	993,660	3,000	67,500	89			1PE	12/18/1997	6.800
674599-BU-8	OCCIDENTAL PETROLEUM CORP		5.875	JJ	11/15/2007			1,002,489	1,000,000	108.1100	1,081,090	1,002,950	27,090	35,740	(379)			2	11/30/2001	5.805
67461F-FR-3	OCCIDENTAL PETROLEUM CORP		4.000	MN	01/30/2007			997,377	1,000,000	0.0000	997,377	997,330	4,444					2Z	11/18/2002	4.059
68066X-AA-3	OLIN CORP	CORPORATE	7.110	JD	06/01/2005			754,627	750,000	0.0000	754,627	765,000	4,444	53,325	(1,706)			2PE	06/20/1995	6.829
693476-AR-4	PNC FUNDING CORP.		5.750	FA	08/01/2006			998,786	1,000,000	107.0500	1,070,450	998,370	23,958	57,500	297			1PE	07/25/2001	5.788
71343X-AA-2	PEPSIAMERICAS INC		5.950	FA	02/15/2006			998,680	1,000,000	0.0000	998,680	997,950	22,478	59,500	374			1	05/03/2001	5.997
716597-AB-5	PETROLEUM GEO-SERVICES	CORPORATE	6.625	JD	03/30/2010			290,000	1,000,000	29.0000	290,000	995,810		66,250	(707,206)			4	03/30/1998	6.682
718507-BQ-8	PHILLIPS PETROLEUM CORP	CORPORATE	8.750	MN	05/25/2018			747,190	750,000	125.1400	938,565	746,558	6,563	65,625	260			1	05/18/2000	8.820
74005P-AH-7	PRAXAIR INC	CORPORATE	6.500	MS	03/01/2008			997,998	1,000,000	112.7200	1,127,210	997,420	21,667	65,000	316			2	03/02/2001	6.546
742651-CQ-3	US GOVERNMENT - PEFCO		7.650	MN	05/15/2006			2,000,000	2,000,000	116.5900	2,331,880	2,000,000	96,050	76,500				1PE	05/17/2000	7.650
742718-BX-6	PROCTER & GAMBLE CO.		4.300	FA	08/15/2008			999,450	1,000,000	105.6100	1,056,060	999,410	17,200		40			1	07/31/2002	4.311
743917-AN-6	PRUDENTIAL INSURANCE CORP	CORPORATE	6.375	JJ	07/23/2006			999,211	1,000,000	107.1800	1,071,790	998,430	27,979	63,750	192			2	07/16/1998	6.400
755111-AJ-0	RAYTHEON COMPANY	CORPORATE	6.750	MS	03/15/2018			998,115	1,000,000	104.8000	1,047,950	997,780	19,875	67,500	69			1	03/27/1998	6.770
775741-AJ-0	ROLLINS TRUCK LEASING		6.750	AO	04/05/2006			1,061,850	1,000,000	111.2700	1,112,740	1,082,030	16,125	67,500	(17,161)			1PE	10/23/2001	4.682
78387G-AF-0	SBC COMMUNICATIONS INC		5.750	MN	05/02/2006			996,829	1,000,000	0.0000	996,829	995,450	9,424	57,500	838			1	04/24/2001	5.856
86787G-AA-0	SUNTRUST BANK ATLANTA		7.250	MS	09/15/2006			997,933	1,000,000	0.0000	997,933	996,630	21,347	72,500	470			1PE	10/26/2000	7.315
872649-BL-1	TRW (NORTHROP GRUMMAN)		7.625	MS	03/15/2006			1,499,081	1,500,000	110.8500	1,662,750	1,498,635	34,630	114,375	244			2	03/07/2001	7.647
87612E-AG-1	TARGET CORP.		5.400	AO	10/01/2008			1,035,975	1,000,000	108.0500	1,080,470	1,038,240	13,500	27,000	(2,265)			1PE	07/23/2002	4.679
883203-BC-4	TEXTRON INC		6.375	JJ	07/15/2004			998,503	1,000,000	103.9500	1,039,520	995,620	29,396	63,750	897			1	07/21/1999	6.479
88731E-AK-6	TIME WARNER ENT.	CORPORATE	7.250	MS	09/01/2008			1,029,483	1,000,000	106.0000	1,060,000	1,046,800	24,167	72,500	(4,167)			2	03/27/1998	6.617
89233P-MW-3	TOYOTA MOTOR CREDIT CORP.		5.650	JJ	01/15/2007			998,717	1,000,000	0.0000	998,717	998,290	26,053	58,069	279			1	06/27/2001	5.686
902494-AA-1	TYSON FOODS, INC.	CORPORATE	6.750	JD	06/01/2005			748,282	750,000	107.4700	806,055	744,375	4,219	50,625	633			2PE	06/14/1995	6.854
90333W-AA-6	U.S. BANK N.A.	CORPORATE	6.375	FA	08/01/2011			1,019,771	1,000,000	0.0000	1,019,771	1,021,260	26,563	31,875	(1,489)			1	02/08/2002	6.076
90390M-AP-5	USA EDUCATION INC.		5.625	AO	04/10/2007			998,989	1,000,000	0.0000	998,989	998,840	12,656	28,125	149			1Z	04/03/2002	5.652
904764-AG-2	UNILEVER CAPITAL CORP		7.125	MN	11/01/2010			997,102	1,000,000	118.0300	1,180,300	996,510	11,875	71,250	268			1	10/23/2000	7.174
904764-AH-0	UNILEVER CAPITAL CORP		5.900	MN	11/15/2032			1,484,406	1,500,000	0.0000	1,484,406	1,484,385	12,046		21			1	11/04/2002	5.975
907770-BF-7	UNOCAL CORP.		7.350	JD	06/15/2009			524,047	500,000	115.5500	577,760	529,605	1,633	36,750	(2,923)			2	01/08/2001	6.428
907818-AZ-1	UNION PACIFIC CORPORATION	CORPORATE	7.000	FA	02/01/2016			498,223	500,000	116.6000	583,010	497,755	14,583	35,000	81			2PE	01/23/1996	7.042
907834-AB-1	ANADARKO PETROLEUM CORP		7.500	AO	10/15/2026			745,966	750,000	114.8100	861,075	745,658	11,875	56,250	60			2PE	10/10/1996	7.549
90807E-AF-2	UNION PLANTERS BANK		5.125	JD	06/15/2007			1,495,581	1,500,000	0.0000	1,495,581	1,495,065	3,417	40,146	516			1	06/04/2002	5.200
911308-AA-2	UNITED PARCEL SERVICE OF AMER	CORPORATE	8.375	AO	04/01/2020			2,402,289	2,000,000	130.1800	2,603,580	2,421,090	41,875	167,500	(12,471)			1	09/06/2001	6.428
913017-BC-2	UNITED TECHNOLOGIES CORP	CORPORATE	7.125	MN	11/15/2010			995,912	1,000,000	117.3000	1,173,400	995,140	9,104	71,250	375			1	11/09/2000	7.194
920355-AA-2	VALSPAR CORP.		6.000	MN	05/01/2007			1,007,830	1,000,000	106.3500	1,063,460	1,008,660	10,000		(830)			2	05/31/2002	5.793
92344S-AC-4	VERIZON WIRELESS INC.		5.375	JD	12/15/2006			995,723	1,000,000	104.4700	1,044,690	994,740	2,389	53,451				1	12/13/2001	5.497
929771-AM-5	WACHOVIA CORP	CORPORATE	6.150	MS	03/15/2009			919,003	1,000,000	110.3400	1,103,380	899,210	18,108	61,500	9,814			1PE	11/28/2000	7.823
931142-BE-2	WAL-MART	CORPORATE	6.875	FA	08/10/2009			999,579	1,000,000	117.8000	1,177,970	999,300	26,927	68,750	49			1PE	10/08/1999	6.883
931142-BR-3	WAL-MART STORES INC.		4.375	JJ	07/12/2007			1,038,060	1,000,000	105.4200	1,054,210	1,040,190	20,538		(2,130)			1	09/17/2002	3.460
939322-AD-5	WASHINGTON MUTUAL INC		7.500	FA	08/15/2006			1,002,												

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**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 Dec. 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 Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest	
984121-AU-7	XEROX CORP CORPORATE		7.150	FA	08/01/2004			604,109	600,000	96.5000	579,000	624,626	17,875	42,900	(2,470)					0.607	
	TOTAL UNITED STATES							130,370,953	130,749,242	XXX	138,516,211	131,529,517	2,292,780	7,445,260	(1,169,794)	0	0	XXX	XXX	XXX	
012873-AG-0	ALBERTA ENERGY CO LTD		7.650	MS	09/15/2010			1,047,386	1,000,000	117.9600	1,179,560	1,056,130	22,525	76,500	(4,540)			2PE	12/19/2000	6.848	
136375-BG-6	CANADIAN NATIONAL RAILWAYS CORPORATE		7.375	AO	10/15/2031			1,075,697	1,000,000	121.2900	1,076,250	1,076,250	15,569	77,642	(563)			2PE	02/08/2002	6.774	
655422-AM-5	NORANDA INC. CORPORATE		8.125	JD	06/15/2004			744,692	750,000	103.4500	775,860	724,770	2,708	60,938	3,287			2PE	02/02/1995	8.653	
884903-AP-0	THOMSON CORPORATION		5.750	FA	02/01/2008			996,264	1,000,000	108.7100	1,087,050	995,670	23,958	29,868	594			1	01/16/2002	5.836	
	TOTAL CANADA							3,864,039	3,750,000	XXX	4,255,350	3,852,820	64,760	244,948	(1,222)	0	0	XXX	XXX	XXX	
143658-AD-4	CARNIVAL CORP CORPORATE		7.700	JJ	07/15/2004			744,365	750,000	102.3800	767,813	724,223	26,629	57,750	3,306			1PE	02/09/1995	8.230	
233835-AN-7	DAIMLERCHRYSLER NA HLDG		7.250	JJ	01/18/2006			1,024,303	1,000,000	109.7100	1,097,080	1,034,720	32,826	72,500	(7,019)			2	06/20/2001	6.360	
TT3421-97-7	BP AMOCO PLC CORPORATE		6.000	JUN	06/09/2008			908,035	1,000,000	0.0000	908,035	875,777	33,667	60,000	13,066			1	05/17/2000	8.164	
767201-AA-4	RIO TINTO FINANCE LTD		5.750	JJ	07/03/2006			2,010,719	2,000,000	109.2500	2,184,980	2,014,130	56,861	115,319	(2,706)			1	09/06/2001	5.579	
	TOTAL OTHERS							4,687,422	4,750,000	XXX	4,957,908	4,648,850	149,983	305,569	6,647	0	0	XXX	XXX	XXX	
3999999	Total Bonds - Industrial, Misc. - Issuer Obligations							138,922,414	139,249,242	XXX	147,729,469	140,031,187	2,507,523	7,995,777	(1,164,369)	0	0	XXX	XXX	XXX	
501673-AA-5	L.A. ARENA FUNDING, LLC ABS		7.656	JD	12/15/2026	12/15/2021	100.000	979,851	979,851	0.0000	979,851	979,851	7,361	73,989	0			1	04/13/1999	7.774	
	TOTAL UNITED STATES							979,851	979,851	XXX	979,851	979,851	7,361	73,989	0	0	0	XXX	XXX	XXX	
4099999	Total Bonds - Industrial, Misc. - Single Class Mortgage-Backed/Asset-Backed Securities							979,851	979,851	XXX	979,851	979,851	7,361	73,989	0	0	0	XXX	XXX	XXX	
36157N-CW-2	GE CAPITAL MORTGAGE SERVICES, INC		7.000	MTLY	10/25/2027	09/01/2027	100.000	234,166	252,045	0.0000	234,166	234,166	6,051	17,402	11,371			1PE	05/30/2000	11.339	
172953-RG-8	CMSI 2000-2 A2		6.500	MTLY	05/25/2030			210,218	210,218	0.0000	210,218	182,364	11,461	6,773	14,280			1PE	05/30/2000	6.500	
68937R-F6-1	NORWEST ASSET SECURITIES CORP CMO NON AG		7.000	MTLY	09/01/2029	05/01/2012	100.000	685,830	704,871	0.0000	685,830	665,360	49,341	14,695	40,346			1	07/28/1999	8.431	
	TOTAL UNITED STATES							1,130,214	1,167,134	XXX	1,130,214	1,081,890	17,512	73,516	40,346	0	0	XXX	XXX	XXX	
4199999	Total Bonds - Industrial, Misc. - Defined Multi-Class Residential Mortgage-Backed Securities							1,130,214	1,167,134	XXX	1,130,214	1,081,890	17,512	73,516	40,346	0	0	XXX	XXX	XXX	
4299999	Total Bonds - Industrial, Misc. - Other Multi-Class Residential Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
22540A-FV-5	CLASS B 1998-C1		6.590	MTLY	05/17/2040	06/17/2008	100.000	1,262,551	1,250,000	0.0000	1,262,551	1,265,625	10,068	75,510	(2,071)			1	06/22/2001	6.332	
921796-LE-6	SERIES 2001-B, CLASS A-4		6.620	MTLY	06/07/2027	08/07/2014	100.000	999,915	1,000,000	0.0000	999,915	999,901	4,413	66,200	8			1	08/22/2001	6.622	
	TOTAL UNITED STATES							2,262,466	2,250,000	XXX	2,262,466	2,265,526	14,481	141,710	(2,063)	0	0	XXX	XXX	XXX	
4399999	Total Bonds - Industrial, Misc. - Defined Multi-Class Commercial Mortgage-Backed Securities							2,262,466	2,250,000	XXX	2,262,466	2,265,526	14,481	141,710	(2,063)	0	0	XXX	XXX	XXX	
4499999	Total Bonds - Industrial, Misc. - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
4599996	Bonds - Industrial and Misc - United States							134,743,484	135,146,227	XXX	142,888,742	135,856,784	2,332,134	7,734,475	(1,131,511)	0	0	XXX	XXX	XXX	
4599997	Bonds - Industrial and Misc - Canada							3,864,039	3,750,000	XXX	4,255,350	3,852,820	64,760	244,948	(1,222)	0	0	XXX	XXX	XXX	
4599998	Bonds - Industrial and Misc - Other Countries							4,687,422	4,750,000	XXX	4,957,908	4,648,850	149,983	305,569	6,647	0	0	XXX	XXX	XXX	
4599999	Total - Industrial and Miscellaneous Bonds							143,294,945	143,646,227	XXX	152,102,000	144,358,454	2,546,877	8,284,992	(1,126,086)	0	0	XXX	XXX	XXX	
4699999	Total Bonds - Credit Tenant Loans							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
4799999	Total Bonds - Parent, Subsidiaries, Affiliates - Issuer Obligations							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
4899999	Total Bonds - Parent, Subsidiaries, Affiliates - Single Class Mortgage-Backed/Asset-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
4999999	Total Bonds - Parent, Subsidiaries, Affiliates - Defined Multi-Class Residential Mortgage-Backed/Asset-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5099999	Total Bonds - Parent, Subsidiaries, Affiliates - Other Multi-Class Residential Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5199999	Total Bonds - Parent, Subsidiaries, Affiliates - Defined Multi-Class Commercial Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5299999	Total Bonds - Parent, Subsidiaries, Affiliates - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5399996	Bonds - Parent, Subs & Affiliate - United States							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5399997	Bonds - Parent, Subs & Affiliate - Canada							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5399998	Bonds - Parent, Subs & Affiliate - Other Countries							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5399999	Total - Parent, Subsidiaries and Affiliates							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5499999	Total - Issuer Obligations							204,303,570	200,974,242	XXX	216,507,849	205,479,490	3,847,611	9,845,404	(1,177,714)	0	0	XXX	XXX	XXX	
5599999	Total - Single Class Mortgage-Backed/Asset-Backed Securities							12,236,065	12,136,022	XXX	12,236,065	12,177,431	81,657	448,604	29,639	0	0	XXX	XXX	XXX	
5699999	Total - Defined Multi-Class Residential Mortgage-Backed Securities							12,777,535	13,028,363	XXX	12,777,535	12,586,802	167,798	845,268	52,617	0	0	XXX	XXX	XXX	
5799999	Total - Other Multi-Class Residential Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5899999	Total - Defined Multi-Class Commercial Mortgage-Backed Securities							2,262,466	2,250,000	XXX	2,262,466	2,265,526	14,481	141,710	(2,063)	0	0	XXX	XXX	XXX	
5999999	Total - Other Multi-Class Commercial Mortgage-Backed Securities							0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX
6099999	Totals							231,579,636	228,388,627	XXX	243,783,915	232,509,249	4,111,547	11,280,986	(1,097,521)	0	0	XXX	XXX	XXX	

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Schedule D - Part 2 - Section 1

**NONE**

Schedule D - Part 2 - Section 2

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**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
<b>BONDS</b>							
<b>GOVERNMENTS</b>							
<b>UNITED STATES</b>							
36201N-K9-0	GNMA 6.000 11/01/2032	11/18/2002	MORGAN JP CHASE		5,175,781	5,000,000	15,833
36213E-PQ-3	GNMA 6.000 12/01/2031	02/21/2002	MORGAN JP CHASE		3,325,967	3,336,654	13,903
912810-EH-7	UNITED STATES TREASURY 7.875 02/15/2021	12/11/2002	DEUTSCHE BANK SECURITIES		6,780,469	5,000,000	127,327
912827-6J-6	UNITED STATES TREASURY 5.750 08/15/2010	10/11/2002	MERRILL LYNCH		4,605,000	4,000,000	38,125
912827-7F-3	UNITED STATES TREASURY 3.500 11/15/2006	04/29/2002	CREDIT SUISSE FIRST BOSTON CORP		962,813	1,000,000	16,050
912827-7L-0	UNITED STATES TREASURY 4.875 02/15/2012	10/03/2002	VARIOUS		22,132,578	21,000,000	202,128
0399996	- Bonds - U.S. Government				42,982,607	39,336,654	413,365
0399999	- Total - Bonds - U.S. Government				42,982,607	39,336,654	413,365
1099997	- Bonds - All Other Governments - Canada				0	0	0
1099998	- Bonds - All Other Governments - Other Countries				0	0	0
1099999	- Total - Bonds - All Other Government				0	0	0
1799996	- Bonds - States, Territory, Poss - United States				0	0	0
1799997	- Bonds - States, Territory, Poss - Canada				0	0	0
1799998	- Bonds - States, Territory, Poss - Other Countries				0	0	0
1799999	- Total - Bonds - States, Territories and Possessions				0	0	0
2499996	- Bonds - Political Subdivision - United States				0	0	0
2499997	- Bonds - Political Subdivision - Canada				0	0	0
2499998	- Bonds - Political Subdivision - Other Countries				0	0	0
2499999	- Total - Bonds - Political Subdivisions				0	0	0
<b>SPECIAL REVENUE &amp; SPECIAL ASSESS.</b>							
<b>CANADA</b>							
748148-QR-7	QUEBEC PROVINCE CANADA CORPORATE 7.500 09/15/2029	12/11/2002	UBS SECURITIES		1,244,290	1,000,000	18,958
3199996	- Bonds - Special Revenues - United States				0	0	0
3199997	- Bonds - Special Revenues - Canada				1,244,290	1,000,000	18,958
3199998	- Bonds - Special Revenues - Other Countries				0	0	0
3199999	- Total - Bonds - Special Revenue				1,244,290	1,000,000	18,958
<b>PUBLIC UTILITIES (UNAFFILIATED)</b>							
<b>UNITED STATES</b>							
15361G-AG-0	CENTRAL HUDSON GAS & ELECTRIC 5.870 03/28/2007	03/25/2002	MORGAN JP CHASE		1,000,000	1,000,000	
209111-EA-7	CONSOLIDATED EDISON OF NY CORPORATE 4.875 02/01/2013	12/12/2002	SALOMON/SMITH BARNEY		1,996,460	2,000,000	
210371-AH-3	CONSTELLATION ENERGY GRP CORPORATE 7.000 03/28/2007	03/21/2002	SALOMON/SMITH BARNEY		995,660	1,000,000	
68233D-AC-1	ONCOR ELECTRIC DELIVERY CORPORATE 7.000 05/01/2032	05/01/2002	LEHMAN BROTHERS INC		985,470	1,000,000	
842634-AE-7	SOUTHERN COMPANY CAPITAL FUNDING 5.300 02/01/2007	01/29/2002	GOLDMAN SACHS		998,350	1,000,000	
3899996	- Bonds - Public Utilities - United States				5,975,940	6,000,000	0
3899997	- Bonds - Public Utilities - Canada				0	0	0
3899998	- Bonds - Public Utilities - Other Countries				0	0	0
3899999	- Total - Bonds - Public Utilities				5,975,940	6,000,000	0
<b>INDUSTRIAL &amp; MISC. (UNAFFIL)</b>							
<b>UNITED STATES</b>							
00184A-AE-5	AOL TIME WARNER INC CORPORATE 6.150 05/01/2007	04/03/2002	MORGAN JP CHASE		996,850	1,000,000	
054937-AD-9	BB&T CORPORATION CORPORATE 4.750 10/01/2012	09/17/2002	BEAR STEARNS		990,410	1,000,000	
10138M-AA-3	PEPSI BOTTLING GROUP LLC CORPORATE 4.625 11/15/2012	11/07/2002	CREDIT SUISSE FIRST BOSTON CORP		1,998,100	2,000,000	
10513Q-BD-2	BB&T CORPORATION CORPORATE 4.875 01/15/2013	12/17/2002	BEAR STEARNS		995,480	1,000,000	
110122-AG-3	BRISTOL-MYERS SQUIBB CO 5.750 10/01/2011	02/08/2002	CREDIT SUISSE FIRST BOSTON CORP		998,090	1,000,000	
166760-AA-6	CHEVROTEXACO CORP 3.500 09/17/2007	09/04/2002	GOLDMAN SACHS		995,530	1,000,000	21,563
172967-BL-4	CITIGROUP INC CORPORATE 6.625 06/15/2032	05/30/2002	SALOMON/SMITH BARNEY		986,510	1,000,000	
22237L-ND-0	COUNTRYWIDE HOME LOANS 4.250 12/19/2007	12/12/2002	LEHMAN BROTHERS INC		995,630	1,000,000	
248019-AC-5	DELUXE CORP CORPORATE 5.000 12/15/2012	12/04/2002	GOLDMAN SACHS		993,690	1,000,000	
263534-BK-4	DU PONT (EI) DE NEMOURS & CO 4.750 11/15/2012	11/04/2002	GOLDMAN SACHS		999,920	1,000,000	
370334-AS-3	GENERAL MILLS 6.000 02/15/2012	02/13/2002	DEUTSCHE BANK SECURITIES		1,993,360	2,000,000	
441812-JZ-8	HOUSEHOLD FINANCE CORP. CORPORATE 7.625 05/17/2032	05/15/2002	DEUTSCHE BANK SECURITIES		988,640	1,000,000	
617446-HD-4	MORGAN STANLEY & CO. CORPORATE 7.250 04/01/2032	03/27/2002	MORGAN STANLEY/DEAN WITTER		999,030	1,000,000	
67461F-FR-3	OCCIDENTAL PETROLEUM CORP 4.000 11/30/2007	11/18/2002	BANK OF AMERICA SECURITIES		997,330	1,000,000	
742718-BX-6	PROCTER & GAMBLE CO 4.300 08/15/2008	07/31/2002	MORGAN JP CHASE		999,410	1,000,000	
87612E-AG-1	TARGET CORP 5.400 10/01/2008	07/23/2002	GOLDMAN SACHS		1,038,240	1,000,000	17,250
90333W-AA-6	U.S. BANK N.A. CORPORATE 6.375 08/01/2011	02/08/2002	MORGAN JP CHASE		1,021,260	1,000,000	2,125
90390M-AP-5	USA EDUCATION INC 5.625 04/10/2007	04/03/2002	BANK OF AMERICA SECURITIES		998,840	1,000,000	
904764-AH-0	UNILEVER CAPITAL CORP 5.900 11/15/2032	11/04/2002	MORGAN JP CHASE		1,484,385	1,500,000	
90807E-AF-2	UNION PLANTERS BANK 5.125 06/15/2007	06/04/2002	MORGAN JP CHASE		1,495,065	1,500,000	

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**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
920355-AA-2	VALSPAR CORP 6.000 05/01/2007	05/31/2002	MORGAN JP CHASE		1,008,660	1,000,000	5,833
931142-BR-3	WAL-MART STORES INC 4.375 07/12/2007	09/17/2002	GOLDMAN SACHS		1,040,190	1,000,000	8,264
136375-BG-6	CANADIAN NATIONAL RAILWAYS CORPORATE 7.375 10/15/2031	02/08/2002	CREDIT SUISSE FIRST BOSTON CORP		1,076,250	1,000,000	28,066
884903-AP-0	THOMSON CORPORATION 5.750 02/01/2008	01/16/2002	SALOMON/SMITH BARNEY		995,670	1,000,000	
4599996	- Bonds - Industrial and Misc - United States				25,014,620	25,000,000	55,035
4599997	- Bonds - Industrial and Misc - Canada				2,071,920	2,000,000	28,066
4599998	- Bonds - Industrial and Misc - Other Countries				0	0	0
4599999	- Total - Bonds - Industrial, Misc				27,086,540	27,000,000	83,101
4699999	- Total - Bonds - Credit Tenant Loans				0	0	0
5399996	- Bonds - Parent, Subs & Affiliate - United States				0	0	0
5399997	- Bonds - Parent, Subs & Affiliate - Canada				0	0	0
5399998	- Bonds - Parent, Subs & Affiliate - Other Countries				0	0	0
5399999	- Total - Bonds - Parent, Subsidiaries, Affiliates				0	0	0
6099997	- Total - Bonds - Part 3				77,289,377	73,336,654	515,424
6099998	- Total - Bonds - Part 5				1,000,000	1,000,000	0
6099999	- Total - Bonds				78,289,377	74,336,654	515,424
6199999	- Total - Preferred Stocks - Public Utilities				0	XXX	0
6299999	- Total - Preferred Stocks - Banks, Trusts, Insurance				0	XXX	0
6399999	- Total - Preferred Stocks - Industrial, Misc				0	XXX	0
6499999	- Total - Preferred Stocks - Parent, Subsidiaries, Affiliates				0	XXX	0
6599997	- Total - Preferred Stocks - Part 3				0	XXX	0
6599998	- Total - Preferred Stocks - Part 5				0	XXX	0
6599999	- Total - Preferred Stocks				0	XXX	0
6699999	- Total - Common Stocks - Public Utilities				0	XXX	0
6799999	- Total - Common Stocks - Banks, Trusts, Insurance				0	XXX	0
6899999	- Total - Common Stocks - Industrial, Misc				0	XXX	0
6999999	- Total - Common Stocks - Parent, Subsidiaries, Affiliates				0	XXX	0
7099997	- Total - Common Stocks - Part 3				0	XXX	0
7099998	- Total - Common Stocks - Part 5				0	XXX	0
7099999	- Total - Common Stocks				0	XXX	0
7199999	- Total - Preferred and Common Stocks				0	XXX	0
7299999	Totals				78,289,377	XXX	515,424

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**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															
GOVERNMENTS															
UNITED STATES															
36201N-K9-0	GNMA 6.000 11/01/2032	12/01/2002	MBS PAYDOWN		5,189	5,189	5,371	5,189					0	26	
36213E-PQ-3	GNMA 6.000 12/01/2031	12/01/2002	MBS PAYDOWN		175,296	175,296	174,734	175,270	26				0	6,002	
912827-30-3	UNITED STATES TREASURY 5.750 11/30/2002	11/30/2002	MATURITY		1,000,000	1,000,000	990,313	995,988	4,012				0	28,750	
0399996	- Bonds - U.S. Government				1,180,484	1,180,484	1,170,418	1,176,446	4,038	0	0	0	0	34,778	XXX
0399999	- Bonds - U.S. Governments				1,180,484	1,180,484	1,170,418	1,176,446	4,038	0	0	0	0	34,778	XXX
1099997	- Bonds - All Other Governments - Canada				0	0	0	0	0	0	0	0	0	0	XXX
1099998	- Bonds - All Other Governments - Other Countries				0	0	0	0	0	0	0	0	0	0	XXX
1099999	- Bonds - All Other Governments				0	0	0	0	0	0	0	0	0	0	XXX
1799996	- Bonds - States, Territory, Poss - United States				0	0	0	0	0	0	0	0	0	0	XXX
1799997	- Bonds - States, Territory, Poss - Canada				0	0	0	0	0	0	0	0	0	0	XXX
1799998	- Bonds - States, Territory, Poss - Other Countries				0	0	0	0	0	0	0	0	0	0	XXX
1799999	- Bonds - States, Territories and Possessions				0	0	0	0	0	0	0	0	0	0	XXX
2499996	- Bonds - Political Subdivisions - United States				0	0	0	0	0	0	0	0	0	0	XXX
2499997	- Bonds - Political Subdivisions - Canada				0	0	0	0	0	0	0	0	0	0	XXX
2499998	- Bonds - Political Subdivisions - Other Countries				0	0	0	0	0	0	0	0	0	0	XXX
2499999	- Bonds - Political Subdivisions				0	0	0	0	0	0	0	0	0	0	XXX
SPECIAL REVENUE & SPECIAL ASSESS.															
UNITED STATES															
172953-RG-8	CMSI 2000-2 A2 6.500 09/01/2002	09/13/2002	MBS PAYDOWN		789,782	789,782	685,136	759,424	30,358				0	22,450	
312903-KT-3	FHR 116 G 8.500 08/01/2017	11/20/2002	MBS PAYDOWN		199,894	199,894	204,704	200,172	(278)				0	6,937	
312905-WS-7	FHR 1074 H 8.500 09/01/2018	11/20/2002	MBS PAYDOWN		112,627	112,627	115,267	112,814	(187)				0	3,969	
312909-A4-6	FHR 1255 H 8.500 03/01/2013	11/20/2002	MBS PAYDOWN		340,840	340,840	357,882	341,804	(964)				0	11,989	
31340Y-FN-4	FHR 19 F 8.500 01/01/2019	11/20/2002	MBS PAYDOWN		101,618	101,618	105,047	101,780	(162)				0	4,053	
31358E-JG-8	FNR 1990-61 H 7.000 06/01/2020	12/15/2002	MBS PAYDOWN		143,300	143,300	124,336	141,803	1,497				0	4,578	
31358E-OE-5	FNR 1990-77 D 9.000 05/01/2020	12/15/2002	MBS PAYDOWN		185,019	185,019	190,454	185,339	(320)				0	7,287	
31358J-SN-2	FNR 1991-123 EB 8.000 09/01/2021	12/15/2002	MBS PAYDOWN		109,882	109,882	112,217	110,067	(184)				0	4,190	
31358L-JB-3	FNR G92-7 JQ 8.500 12/01/2021	12/15/2002	MBS PAYDOWN		100,034	100,034	102,035	100,289	(255)				0	4,171	
31358N-CM-2	FNR 1992-82 E 7.000 11/01/2005	12/15/2002	MBS PAYDOWN		157,924	157,924	143,242	156,663	1,260				0	4,854	
31358R-EU-3	FNR 1992-202 J 7.500 05/01/2003	12/15/2002	MBS PAYDOWN		936,071	936,071	884,879	933,211	2,860				0	37,799	
31358T-L5-6	FNR 1993-33 H 6.750 03/01/2003	12/15/2002	MBS PAYDOWN		352,610	352,610	351,398	351,690	921				0	17,099	
31359D-JG-9	FNR 1993-156 B 6.500 05/01/2002	06/10/2002	MBS PAYDOWN		367,890	367,890	355,129	365,199	2,691				0	4,834	
31359H-B8-6	FNR 1994-82 B 8.000 01/01/2002	01/25/2002	MBS PAYDOWN		96,623	96,623	98,193	96,623					0	644	
748148-AH-6	QUEBEC PROVINCE CANADA 5.500 04/11/2006	12/11/2002	UBS SECURITIES		1,078,940	1,000,000	997,630	997,934	422			80,584	80,584	64,931	
3199996	- Bonds - Special Revenues - United States				3,994,115	3,994,115	3,829,919	3,956,878	37,237	0	0	0	0	134,853	XXX
3199997	- Bonds - Special Revenues - Canada				1,078,940	1,000,000	997,630	997,934	422	0	0	80,584	80,584	64,931	XXX
3199998	- Bonds - Special Revenues - Other Countries				0	0	0	0	0	0	0	0	0	0	XXX
3199999	- Bonds - Special Revenues				5,073,055	4,994,115	4,827,549	4,954,812	37,659	0	0	80,584	80,584	199,784	XXX

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**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	
PUBLIC UTILITIES (UNAFFILIATED)																
UNITED STATES																
03774B-AN-3	APPALACHIAN POWER CO CORPORATE 6.850 06/01/2003	07/31/2002	SECURITY CALLED BY ISSUER		500,000	500,000	502,500	500,000					.0	.17,125		
172070-BN-3	CINCINNATI GAS & ELECTRIC CO CORPORATE 7.250 09/01/2002	09/01/2002	MATURITY		750,000	750,000	702,998	744,632	5,368				.0	54,375		
266228-CB-9	DUQUESNE LIGHT CORPORATE 6.625 06/15/2004	06/10/2002	SECURITY CALLED BY ISSUER		499,698	500,000	499,398	499,637	.61				.0	13,250		
293561-AT-3	ENRON CORPORATION CORPORATE 6.750 07/01/2005	12/04/2002	VARIOUS		663	500,000	488,535	100,000	(100,000)			663	663			
341081-DG-9	FLORIDA POWER & LIGHT CORPORATE 6.875 04/01/2004	06/13/2002	SECURITY CALLED BY ISSUER		250,000	250,000	253,125	250,000					.0	8,594		
3899996 - Bonds - Public Utilities - United States					2,000,361	2,500,000	2,446,555	2,094,269	(94,571)	0	0	663	663	93,344	XXX	
3899997 - Bonds - Public Utilities - Canada					0	0	0	0	0	0	0	0	0	0	0	XXX
3899998 - Bonds - Public Utilities - Other Countries					0	0	0	0	0	0	0	0	0	0	0	XXX
3899999 - Bonds - Public Utilities					2,000,361	2,500,000	2,446,555	2,094,269	(94,571)	0	0	663	663	93,344	XXX	
INDUSTRIAL & MISC. (UNAFFIL)																
UNITED STATES																
048395-AA-5	ATLANTIC COAST AIRLINES CORPORATE 7.200 01/01/2014	07/31/2002	VARIOUS		10,363	10,363	10,363	10,363					.0	137		
121897-WR-9	BURLINGTON NORTHERN SANTA FE 7.000 08/01/2002	08/01/2002	MATURITY		500,000	500,000	519,300	501,603	(1,603)				.0	35,000		
14911R-AC-3	CATERPILLAR FIN SERV 6.875 08/01/2004	10/22/2002	MERRILL LYNCH		1,069,290	1,000,000	996,210	997,884	630			70,776	70,776	84,792		
22237U-AB-8	COUNTRYWIDE HOME LOANS 6.850 06/15/2004	12/12/2002	LEHMAN BROTHERS INC		1,061,580	1,000,000	990,400	994,812	1,925			64,843	64,843	34,631		
228255-AF-2	CROWN CORK & SEAL CO INC CORPORATE 8.375 01/15/2005	12/11/2002	CREDIT SUISSE FIRST BOSTON CORP		660,938	750,000	748,388	375,000				285,938	285,938	26,346		
31331F-AG-6	FEDERAL EXPRESS CORP. CORPORATE 7.530 09/23/2006	09/23/2002	SINKING FUND REDEMPTION		73,138	73,138	69,191	72,907	231				.0	4,165		
36157N-CW-2	GE CAPITAL MORTGAGE SERVICES, INC. 7.000 09/01/2027	12/15/2002	VARIOUS		697,971	697,971	648,459	681,767	16,204				.0	27,152		
38141M-EC-1	GOLDMAN SACHS GROUP L.P. CORPORATE 7.200 10/24/2012	10/24/2002	SECURITY CALLED BY ISSUER		500,000	500,000	500,000	500,000					.0	36,000		
39804H-AY-4	GREYHOUND FINANCIAL CORPORATE 7.820 01/27/2003	06/28/2002	PRIOR YEAR INCOME			.0							.0	.18		
428040-AU-3	HERTZ CORP CORPORATE 7.625 08/01/2002	08/01/2002	MATURITY		250,000	250,000	266,608	251,370	(1,370)				.0	19,063		
501673-AA-5	L.A. ARENA FUNDING, LLC ABS 7.656 12/15/2021	12/15/2002	MBS PAYDOWN		20,149	20,149	20,149	20,149					.0	1,521		
552673-AM-7	MCI WORLDCOM, INC. CORPORATE 7.500 08/20/2004	11/12/2002	VARIOUS		452,500	1,000,000	1,069,750	1,028,018	(778,018)			202,500	202,500	37,500		
552673-AQ-8	MCI WORLDCOM, INC. CORPORATE 7.750 04/01/2007	08/21/2002	VARIOUS		120,000	500,000	498,800	498,893	(283,892)			(95,000)	(95,000)	19,375		
66937R-F6-1	NORWEST ASSET SECURITIES CORP CMO NON A 7.000 05/01/2012	12/01/2002	MBS PAYDOWN		295,129	295,129	278,585	292,314	2,815				.0	20,659		
751277-AM-6	RALSTON PURINA CORPORATE 9.250 10/15/2009	03/19/2002	MORGAN JP CHASE		917,753	750,000	774,375	766,709	(339)			151,382	151,382	30,255		
817565-AK-0	SERVICE CORP INT CORPORATE 6.875 10/01/2007	12/11/2002	LEHMAN BROTHERS INC		915,000	1,000,000	979,760	500,000				415,000	415,000	14,323		
887389-AB-0	TIMKEN CORP CORPORATE 7.250 08/20/2002	08/20/2002	MATURITY		250,000	250,000	257,575	250,672	(672)				.0	18,377		
762426-AA-2	RHONE POULENC RORER CORPORATE 7.750 01/15/2002	02/06/2002	VARIOUS		750,000	750,000	725,625	749,825	175				.0	29,063		
4599996 - Bonds - Industrial and Misc - United States					7,793,810	8,596,750	8,627,912	7,742,462	(1,044,090)	0	0	1,095,438	1,095,438	409,313	XXX	
4599997 - Bonds - Industrial and Misc - Canada					0	0	0	0	0	0	0	0	0	0	0	XXX
4599998 - Bonds - Industrial and Misc - Other Countries					750,000	750,000	725,625	749,825	175	0	0	0	0	29,063	XXX	
4599999 - Bonds - Industrial and Miscellaneous					8,543,810	9,346,750	9,353,537	8,492,287	(1,043,915)	0	0	1,095,438	1,095,438	438,376	XXX	
4699999 - Bonds - Credit Tenant Loans					0	0	0	0	0	0	0	0	0	0	0	XXX
5399996 - Bonds - Parent, Subs & Affiliate - United States					0	0	0	0	0	0	0	0	0	0	0	XXX

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**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
5399997	- Bonds - Parent, Subs & Affiliate - Canada				0	0	0	0	0	0	0	0	0	0	XXX
5399998	- Bonds - Parent, Subs & Affiliate - Other Countries				0	0	0	0	0	0	0	0	0	0	XXX
5399999	- Bonds - Parent, Subsidiaries and Affiliates				0	0	0	0	0	0	0	0	0	0	XXX
6099997	- Bonds - Part 4				16,797,709	18,021,349	17,798,058	16,717,814	(1,096,789)	0	0	1,176,685	1,176,685	766,282	XXX
6099998	- Bonds - Part 5				1,088,080	1,000,000	1,000,000	1,000,000	0	0	0	88,080	88,080	48,653	XXX
6099999	- Total - Bonds				17,885,789	19,021,349	18,798,058	17,717,814	(1,096,789)	0	0	1,264,765	1,264,765	814,935	XXX
6199999	- Preferred Stocks - Public Utilities				0	XXX	0	0	0	0	0	0	0	XXX	0
6299999	- Preferred Stocks - Banks, Trust and Insurance Companies				0	XXX	0	0	0	0	0	0	0	XXX	0
6399999	- Preferred Stocks - Industrial and Miscellaneous				0	XXX	0	0	0	0	0	0	0	XXX	0
6499999	- Preferred Stocks - Parent, Subsidiaries and Affiliates				0	XXX	0	0	0	0	0	0	0	XXX	0
6599997	- Preferred Stocks - Part 4				0	XXX	0	0	0	0	0	0	0	XXX	0
6599998	- Preferred Stocks - Part 5				0	XXX	0	0	0	0	0	0	0	XXX	0
6599999	- Total - Preferred Stocks				0	XXX	0	0	0	0	0	0	0	XXX	0
6699999	- Common Stocks - Public Utilities				0	XXX	0	0	0	0	0	0	0	XXX	0
6799999	- Common Stocks - Banks, Trust and Insurance Companies				0	XXX	0	0	0	0	0	0	0	XXX	0
6899999	- Common Stocks - Industrial and Miscellaneous				0	XXX	0	0	0	0	0	0	0	XXX	0
6999999	- Common Stocks - Parent, Subsidiaries and Affiliates				0	XXX	0	0	0	0	0	0	0	XXX	0
7099997	- Common Stocks - Part 4				0	XXX	0	0	0	0	0	0	0	XXX	0
7099998	- Common Stocks - Part 5				0	XXX	0	0	0	0	0	0	0	XXX	0
7099999	- Total - Common Stocks				0	XXX	0	0	0	0	0	0	0	XXX	0
7199999	- Total - Preferred and Common Stocks				0	XXX	0	0	0	0	0	0	0	XXX	0
7299999	Totals				17,885,789	XXX	18,798,058	17,717,814	(1,096,789)	0	0	1,264,765	1,264,765	814,935	0

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**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 Identification	Description	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	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
0399996	- Bonds - U.S. Government					0	0	0	0	0	0	0	0	0	0	0
0399999	- Bonds - U.S. Governments					0	0	0	0	0	0	0	0	0	0	0
1099997	- Bonds - All Other Governments - Canada					0	0	0	0	0	0	0	0	0	0	0
1099998	- Bonds - All Other Governments - Other Countries					0	0	0	0	0	0	0	0	0	0	0
1099999	- Bonds - All Other Governments					0	0	0	0	0	0	0	0	0	0	0
1799996	- Bonds - States, Territories and Possessions - United States					0	0	0	0	0	0	0	0	0	0	0
1799997	- Bonds - States, Territories and Possessions - Canada					0	0	0	0	0	0	0	0	0	0	0
1799998	- Bonds - States, Territories and Possessions - Other Countries					0	0	0	0	0	0	0	0	0	0	0
1799999	- Bonds - States, Territories and Possessions					0	0	0	0	0	0	0	0	0	0	0
2499996	- Bonds - Political Subdivisions - United States					0	0	0	0	0	0	0	0	0	0	0
2499997	- Bonds - Political Subdivisions - Canada					0	0	0	0	0	0	0	0	0	0	0
2499998	- Bonds - Political Subdivisions - Other Countries					0	0	0	0	0	0	0	0	0	0	0
2499999	- Bonds - Political Subdivisions					0	0	0	0	0	0	0	0	0	0	0
3199996	- Bonds - Special Revenue - United States					0	0	0	0	0	0	0	0	0	0	0
3199997	- Bonds - Special Revenue - Canada					0	0	0	0	0	0	0	0	0	0	0
3199998	- Bonds - Special Revenue - Other Countries					0	0	0	0	0	0	0	0	0	0	0
3199999	- Bonds - Special Revenue					0	0	0	0	0	0	0	0	0	0	0
3899996	- Bonds - Public Utilities - United States					0	0	0	0	0	0	0	0	0	0	0
3899997	- Bonds - Public Utilities - Canada					0	0	0	0	0	0	0	0	0	0	0
3899998	- Bonds - Public Utilities - Other Countries					0	0	0	0	0	0	0	0	0	0	0
3899999	- Bonds - Public Utilities					0	0	0	0	0	0	0	0	0	0	0
BONDS																
INDUSTRIAL & MISC. (UNAFFIL)																
UNITED STATES																
484168-AA-7	KANEB PIPE LINE OPERATING PRTN 7.750	02/15/2002	BANK OF AMERICA SECURITIES	10/02/2002	BANK OF AMERICA SECURITIES	1,000,000	1,000,000	1,088,080	1,000,000				88,080	88,080	48,653	
4599996	- Bonds - Industrial and Miscellaneous - United States					1,000,000	1,000,000	1,088,080	1,000,000	0	0	0	88,080	88,080	48,653	0
4599997	- Bonds - Industrial and Miscellaneous - Canada					0	0	0	0	0	0	0	0	0	0	0
4599998	- Bonds - Industrial and Miscellaneous - Other Countries					0	0	0	0	0	0	0	0	0	0	0
4599999	- Bonds - Industrial and Miscellaneous					1,000,000	1,000,000	1,088,080	1,000,000	0	0	0	88,080	88,080	48,653	0
4699999	- Bonds - Credit Tenant Loans					0	0	0	0	0	0	0	0	0	0	0
5399996	- Bonds - Parent, Subs and Affiliates - United States					0	0	0	0	0	0	0	0	0	0	0
5399997	- Bonds - Parent, Subs and Affiliates - Canada					0	0	0	0	0	0	0	0	0	0	0
5399998	- Bonds - Parent, Subs and Affiliates - Other Countries					0	0	0	0	0	0	0	0	0	0	0
5399999	- Bonds - Parent, Subs and Affiliates					0	0	0	0	0	0	0	0	0	0	0
6099998	- Total - Bonds					1,000,000	1,000,000	1,088,080	1,000,000	0	0	0	88,080	88,080	48,653	0
6199999	- Preferred Stocks - Public Utilities					XXX	0	0	0	0	0	0	0	0	0	0
6299999	- Preferred Stocks - Banks, Trust and Insurance Companies					XXX	0	0	0	0	0	0	0	0	0	0
6399999	- Preferred Stocks - Industrial and Miscellaneous					XXX	0	0	0	0	0	0	0	0	0	0
6499999	- Preferred Stocks - Parent, Subs and Affiliates					XXX	0	0	0	0	0	0	0	0	0	0
6599998	- Total - Preferred Stocks					XXX	0	0	0	0	0	0	0	0	0	0
6699999	- Common Stocks - Public Utilities					XXX	0	0	0	0	0	0	0	0	0	0
6799999	- Common Stocks - Banks, Trust and Insurance Companies					XXX	0	0	0	0	0	0	0	0	0	0
6899999	- Common Stocks - Industrial and Miscellaneous					XXX	0	0	0	0	0	0	0	0	0	0
6999999	- Common Stocks - Parent, Subs and Affiliates					XXX	0	0	0	0	0	0	0	0	0	0
7099998	- Total - Common Stocks					XXX	0	0	0	0	0	0	0	0	0	0
7199999	- Total - Preferred and Common Stocks						0	0	0	0	0	0	0	0	0	0
7299999	Totals						1,000,000	1,088,080	1,000,000	0	0	0	88,080	88,080	48,653	0

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Schedule D - Part 6 - Section 1

**NONE**

Schedule D - Part 6 - Section 2

**NONE**

Schedule DA - Part 1

**NONE**

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part A - Section 2

**NONE**

Schedule DB - Part A - Section 3

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part B - Section 2

**NONE**

Schedule DB - Part B - Section 3

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Part C - Section 3

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DB - Part D - Section 3

**NONE**

Schedule DB - Part E - Section 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	2	3
	Statement (Admitted) Value	Fair Value (a)	Excess of Statement over Fair Value(-), or Fair Value over Statement (+)
1. Bonds .....	231,579,636	247,976,253	16,396,617
2. Preferred Stocks .....	0		0
3. Totals	231,579,636	247,976,253	16,396,617

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

Fair Market Value of Public Long-Term Bonds was determined by an independent pricing service where available or by an outside brokerage house.....

Fair Market Value of Private Long-Term Bonds was determined by using a scheduled cash flow, coupon and quality of the bond then applying the appropriate market discount rate of a bond with similar characteristics.....

Fair Market Value of Short-Term Bonds is equal to Statement Value.....



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE U.S. FINANCIAL LIFE INSURANCE COMPANY**

**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
AR00001	B	U.S. Treasury Bond 8.750% May 15, 2017 Federal Book Entry Form	Bank of America, NA, AR - Insurance Department - Arkansas RSD BY STAT ANN SECTION 66-2703	150,000	155,329	219,845
AR99999 -				150,000	155,329	219,845
GA00001	B	U.S. Treasury Bonds 8.375% August 15, 2008 Physical - Registered Form	Wachovia Bank, NA NC - Georgia Insurance Commissioner - State Compliance, Ins Code Section 33-2-32 (A)	50,000	43,305	52,953
GA99999 -				50,000	43,305	52,953
MA00001	B	U.S. Treasury Bonds 8.375% August 15, 2008 Federal Book Entry Form	Investors Bank & Trust Company, MA general laws - Chapter 175 Sec 185	100,000	86,609	105,906
MA99999 -				100,000	86,609	105,906
NV00001	B	U.S. Treasury Note 4.875% February 15, 2010	US Bank, OH - Nevada Division of Insurance - NRS 682B.015	200,000	210,531	220,376
NV99999 -				200,000	210,531	220,376
NH00001	B	Alltel Corporation 6.750% September 15, 2005	Citizens Bank New Hampshire, NH - Insurance Commissioner - State of New Hampshire	500,000	500,000	500,000
NH99999 -				500,000	500,000	500,000
NM00001	B	U.S. Treasury Bond 8.750% May 15, 2017 Federal Book Entry Form	Wells Fargo Bank New Mexico, NM Insurance Commissioner - State of New Mexico	100,000	103,553	146,563
NM99999 -				100,000	103,553	146,563
NC00001	B	U.S. Treasury Bond 8.750% May 15, 2017 Federal Book Entry Form	Wachovia Bank, NA, NC - NC Insurance Commissioner - Insurance Code Section 58-5-50	150,000	155,329	219,845
NC99999 -				150,000	155,329	219,845
XX99999 - Total - Not All Policyholders				1,250,000	1,254,656	1,465,488
FL00001	B	U.S. Treasury Bond 8.750% May 15, 2017 Federal Book Entry Form	First Union National Bank - State Treasurer of Florida	200,000	207,106	293,126
FL99999 -				200,000	207,106	293,126
OH00001	B	U.S. Treasury Bond 8.750% May 15, 2017	US Bank, OH - Ohio Department of Insurance - Rsd by Ins Code Section 3901.53	2,400,000	2,485,270	3,517,512
OH00002	B	U.S. Treasury Bond 8.375% August 15, 2008	US Bank, OH - Ohio Department of Insurance - Rsd by Ins Code Section 3901.53	300,000	259,828	317,718
OH00003	B	Goldman Sachs Group 7.875% January 15, 2003	US Bank, OH - Ohio Department of Insurance - Rsd by Ins Code Section 3901.53	250,000	250,130	250,130
OH00004	B	Xerox Corp 7.150% August 15, 2004	US Bank, OH - Ohio Department of Insurance - Rsd by Ins Code Section 3901.53	600,000	604,109	604,109
OH00005	B	Ford Motor Credit 6.750% May 15, 2005	US Bank, OH - Ohio Department of Insurance - Rsd by Ins Code Section 3901.53	300,000	301,232	301,232
OH00006	B	Iowa Electric Power 6.000% October 15, 2008	US Bank, OH - Ohio Department of Insurance - Rsd by Ins Code Section 3901.53	500,000	500,239	500,239
OH00007	0	Proceeds of U.S. Treasury Notes 5.750% November 30, 2002	US Bank, OH - Ohio Department of Insurance - Rsd by Ins Code Section 3901.53	1,000,000	1,000,000	1,000,000
OH99999 -				5,350,000	5,400,808	6,490,940
ZZ99999 - Total - All Policyholders				5,550,000	5,607,914	6,784,066
9999999 Totals				6,800,000	6,862,570	8,249,554

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

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