



ANNUAL STATEMENT

For the Year Ended December 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

Medical Life Insurance Company

NAIC Group Code	0917 <small>(Current Period)</small>	0000 <small>(Prior Period)</small>	NAIC Company Code	86991	Employer's ID Number	34-1174729
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States of America					
Incorporated	09/13/1973		Commenced Business	11/13/1975		
Statutory Home Office	20445 Emerald Parkway, Suite 400 <small>(Street and Number)</small>			Cleveland, OH 44135 <small>(City, or Town, State and Zip Code)</small>		
Main Administrative Office	20445 Emerald Parkway, Suite 400 <small>(Street and Number)</small>					
	Cleveland, OH 44135 <small>(City or Town, State and Zip Code)</small>			(800)544-9000 <small>(Area Code) (Telephone Number)</small>		
Mail Address	20445 Emerald Parkway, Suite 400 <small>(Street and Number or P.O. Box)</small>			Cleveland, OH 44135 <small>(City, or Town, State and Zip Code)</small>		
Primary Location of Books and Records	20445 Emerald Parkway, Suite 400 <small>(Street and Number)</small>					
	Cleveland, OH 44135 <small>(City, or Town, State and Zip Code)</small>			(800)544-9000 <small>(Area Code) (Telephone Number)</small>		
Internet Website Address	www.med-life.com					
Statement Contact	Ana L Clark, 2002 <small>(Name)</small>			(216)898-0730 <small>(Area Code)(Telephone Number)(Extension)</small>		
	clarka@med-life.com <small>(E-Mail Address)</small>			(216)898-0682 <small>(Fax Number)</small>		
Policyowner Relations Contact	20445 Emerald Parkway, Suite 400 <small>(Street and Number)</small>					
	Cleveland, OH 44135 <small>(City, or Town, State and Zip Code)</small>			(800)544-9000 <small>(Area Code) (Telephone Number)(Extension)</small>		

OFFICERS

President	Larry Joseph Newsom
Secretary	Maureen Therese Mulville
Treasurer	Michael Joseph Lynch
Chief Actuary	John Wilson McKee III
Chief Financial Officer	Gerard Thomas Mallen
Vice President	Marcia Carroll Sevold
Chief Underwriter	Herman Angelo Lefevre

VICE PRESIDENTS

Marcia Carroll Sevold	John Wilson McKee III
Gerard Thomas Mallen	Michael Joseph Lynch

DIRECTORS OR TRUSTEES

Larry Joseph Newsom	Michael Joseph Lynch
Marcia Carroll Sevold	Gregory Paul Turner #
Ana Lisa Clark #	

State of Ohio
County of Cuyahoga 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) Larry Joseph Newsom _____ (Printed Name) President	_____ (Signature) Maureen Therese Mulville _____ (Printed Name) Secretary	_____ (Signature) Michael Joseph Lynch _____ (Printed Name) Treasurer
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- a. Is this an original filing? Yes[X] No[]
- b. If no, 1. State the amendment number 0
2. Date filed _____
3. Number of pages attached 0

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

E06 Schedule BA - Part 1 Invested Assets Owned - NONE

E07 Schedule BA - Part 2 Invested Assets Sold - NONE

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 Design- 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																				
31331NAE4	FEDERAL FARM CREDIT		5.840	MN	11/21/2003		0.000	999,755	1,000,000	103.9880	1,039,880	998,438	6,489	58,400	183	0	0	1PE	12/27/1993	5.860
3133MAWX3	FEDERAL HOME LOAN BANK		7.250	FA	02/15/2007		0.000	1,005,873	1,000,000	117.1250	1,171,250	1,008,900	27,188	72,500	(1,212)	0	0	1PE	04/28/2000	7.080
3133MDFZ1	FEDERAL HOME LOAN BANK		6.545	MS	03/13/2013	03/13/2003	100.000	1,000,493	1,000,000	0.0000	1,000,493	1,006,875	19,635	65,450	(3,613)	0	0	1PE	02/27/2001	6.174
3133MDKG7	FEDERAL HOME LOAN BANK		6.460	MS	03/21/2016	03/21/2003	100.000	1,000,047	1,000,000	100.9690	1,009,690	1,002,500	17,944	64,600	(1,393)	0	0	1PE	03/06/2001	6.325
3133MECG4	FEDERAL HOME LOAN BANK		6.260	AO	04/23/2014	04/23/2004	100.000	1,000,894	1,000,000	105.1880	1,051,880	1,002,188	11,824	62,600	(715)	0	0	1PE	04/09/2001	6.179
3133MH4V3	FEDERAL HOME LOAN BANK		6.324	MS	09/12/2014	09/12/2003	100.000	2,000,000	2,000,000	103.1560	2,063,120	2,000,000	38,295	126,480	0	0	0	1PE	08/21/2001	6.324
3134A1AJ9	FEDERAL HOME LOAN																			
	MORTGAGE CORP		7.800	MS	09/12/2016	09/12/2006	100.000	510,684	500,000	116.1880	580,940	523,125	11,808	39,000	(2,464)	0	0	1PE	01/15/1997	7.127
3134A1CR9	FEDERAL HOME LOAN																			
	MORTGAGE CORP		7.480	AO	10/17/2016	10/17/2006	100.000	656,892	650,000	114.5940	744,861	664,625	9,994	48,620	(1,554)	0	0	1PE	02/25/1997	7.151
3134A1FM7	FEDERAL HOME LOAN																			
	MORTGAGE CORP		7.220	MN	11/22/2021	11/22/2006	100.000	1,024,310	1,000,000	112.2190	1,122,190	1,042,440	7,822	72,200	(5,351)	0	0	1PE	04/27/1999	6.500
31359CAK1	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		5.800	JD	12/10/2003		0.000	500,136	500,000	104.1560	520,780	501,250	1,692	29,000	(158)	0	0	1PE	01/31/1994	5.765
31359MET6	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		6.400	MN	05/14/2009	05/14/2004	100.000	967,712	1,000,000	105.4380	1,054,380	958,940	8,356	64,000	3,885	0	0	1PE	08/23/2000	7.036
31359MET6	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		6.400	MN	05/14/2009	05/14/2004	100.000	958,596	1,000,000	105.4380	1,054,380	947,200	8,356	64,000	4,951	0	0	1PE	08/03/2000	7.220
31359MLD3	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		5.500	AO	10/18/2011	10/18/2004	100.000	500,975	500,000	104.6560	523,280	501,250	5,576	13,750	(275)	0	0	1PE	06/24/2002	5.380
31359MMB6	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		6.000	JJ	01/18/2012	01/18/2005	100.000	996,521	1,000,000	106.5940	1,065,940	996,250	27,167	30,000	271	0	0	1PE	04/16/2002	6.050
31359MMF7	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		5.625	FA	02/28/2012	02/28/2007	100.000	492,216	500,000	106.5310	532,655	491,790	9,609	14,609	426	0	0	1PE	04/26/2002	5.846
31359MMF7	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		5.625	FA	02/28/2012	02/28/2007	100.000	981,880	1,000,000	106.5310	1,065,310	980,938	19,219	29,219	942	0	0	1PE	05/10/2002	5.882
31359MMF7	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		5.625	FA	02/28/2012	02/28/2007	100.000	1,954,399	2,000,000	106.5310	2,130,620	1,951,562	38,438	58,438	2,836	0	0	1PE	03/07/2002	5.950
31359MMF7	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		5.625	FA	02/28/2012	02/28/2007	100.000	1,943,498	2,000,000	106.5310	2,130,620	1,940,000	38,438	58,438	3,498	0	0	1PE	03/12/2002	6.030
31359MMF7	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		5.625	FA	02/28/2012	02/28/2007	100.000	1,944,040	2,000,000	106.5310	2,130,620	1,941,180	38,438	58,438	2,860	0	0	1PE	05/14/2002	6.026
31364C6J2	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		7.000	FA	08/27/2012	08/27/2004	100.000	494,427	500,000	0.0000	494,427	493,620	12,056	35,000	385	0	0	1PE	10/27/2000	7.160
31364FW49	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		6.190	JJ	07/07/2008	07/07/2003	100.000	473,567	500,000	0.0000	473,567	464,750	14,959	30,950	3,759	0	0	1PE	07/11/2000	7.373
31364FZF1	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		6.290	AO	04/23/2008	04/23/2003	100.000	974,494	1,000,000	0.0000	974,494	966,740	11,881	62,900	3,842	0	0	1PE	11/22/2000	6.868
3136F1PE4	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		6.000	FA	02/28/2012	02/28/2003	100.000	1,000,460	1,000,000	100.6560	1,006,560	1,003,750	20,500	30,000	(3,290)	0	0	1PE	02/21/2002	5.609
3136F2QR2	FEDERAL NATIONAL																			
	MORTGAGE ASSOC		5.000	MN	11/05/2012	11/05/2003	100.000	1,000,000	1,000,000	0.0000	1,000,000	1,000,000	8,333	0	0	0	0	1PE	10/21/2002	5.000
912827L83	U.S. TREASURY NOTES		5.750	FA	08/15/2003		0.000	651,442	650,000	102.7810	668,076	668,688	14,016	37,378	(2,290)	0	0	1	09/20/1993	5.371
912827L83	U.S. TREASURY NOTES		5.750	FA	08/15/2003		0.000	499,809	500,000	102.7810	513,905	498,125	10,781	28,750	234	0	0	1	01/11/1994	5.801
0199999	Subtotal - U.S. Governments - Issuer Obligations							25,533,120	25,800,000	X X X	27,123,919	25,555,123	438,812	1,254,719	5,758	0	0	X X X	X X X	X X X

E08

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 Design- 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						
0399999 Subtotal - U.S. Governments								25,533,120	25,800,000	X X X	27,123,919	25,555,123	438,812	1,254,719	5,758	0	0	X X X	X X X	X X X
Public Utilities (Unaffiliated) - Issuer Obligations																				
037735BS5	APPALACHIAN POWER		6.600	MN	05/01/2009		0.000	476,849	500,000	112.2490	561,245	470,000	5,500	33,000	2,755	0	0	1PE	05/01/2000	7.530
059165CB4	BALTIMORE GAS & ELECTRIC		6.125	JJ	07/01/2003		0.000	499,899	500,000	101.8480	509,240	498,438	15,312	30,625	193	0	0	1PE	08/11/1993	6.167
155033BG7	CENTRAL POWER & LIGHT CO		6.875	FA	02/01/2003		0.000	499,878	500,000	100.2880	501,440	496,875	14,323	34,375	401	0	0	2PE	03/28/1994	6.969
172070BR4	CINCINNATI GAS & ELECTRIC		7.200	AO	10/01/2023	10/01/2003	103.539	981,198	1,000,000	102.6030	1,026,030	980,000	18,000	72,000	373	0	0	1PE	05/25/1999	7.377
209111CX9	CONSOLIDATED EDISON		6.250	FA	02/01/2008		0.000	1,000,000	1,000,000	112.6350	1,126,350	1,000,000	26,042	62,500	0	0	0	1PE	02/03/1998	6.250
264399CV6	DUKE ENERGY CORP 1ST & REF MORT BONDS		7.000	JJ	07/01/1933	07/01/2003	102.350	1,025,920	1,000,000	101.1250	1,011,250	1,042,500	35,000	70,000	(4,620)	0	0	1PE	01/23/1999	6.351
264399DW3	DUKE ENERGY CORP		6.250	JJ	01/15/2012		0.000	518,193	500,000	104.3670	521,835	518,750	14,323	0	(557)	0	0	1	08/13/2002	5.728
34110QAJ7	FLORIDA POWER CORP		6.770	JJ	07/01/2006		0.000	485,944	500,000	0.0000	485,944	477,375	16,925	33,850	3,379	0	0	1PE	04/28/2000	7.702
442164BT5	HOUSTON LIGHT & POWER CO		6.500	MN	04/21/2003		0.000	500,045	500,000	0.0000	500,045	503,750	5,417	32,500	(579)	0	0	2	02/16/1994	6.389
455434AY6	INDIANAPOLIS POWER & LIGHT		7.375	FA	08/01/2007		0.000	518,261	500,000	91.5310	457,655	537,875	15,365	36,875	(3,334)	0	0	3	12/01/1995	6.440
906548BK7	UNION ELECTRIC COMPANY		8.250	AO	10/15/2022	10/15/2002	103.610	1,029,476	1,000,000	104.3920	1,043,920	1,031,270	17,188	82,500	(605)	0	0	1PE	11/24/1999	7.950
3299999 Subtotal - Public Utilities (Unaffiliated) - Issuer Obligations								7,535,665	7,500,000	X X X	7,744,955	7,556,833	183,394	488,225	(2,595)	0	0	X X X	X X X	X X X
3899999 Subtotal - Public Utilities (Unaffiliated)								7,535,665	7,500,000	X X X	7,744,955	7,556,833	183,394	488,225	(2,595)	0	0	X X X	X X X	X X X
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																				
00077QAB6	ABN-AMRO MANK NV																			
	CHICAGO		7.000	AO	04/01/2008		0.000	491,448	500,000	115.1070	575,535	487,500	8,750	35,000	1,279	0	0	1PE	08/16/1999	7.395
001957AV1	AT&T CORP		6.000	MS	03/15/2009		0.000	461,558	500,000	98.8750	494,375	450,570	8,750	30,000	4,690	0	0	2	07/11/2000	7.573
008117AD5	AETNA INC		6.750	MS	09/15/2013		0.000	451,680	500,000	109.7540	548,770	446,060	9,844	33,750	2,746	0	0	1PE	11/09/2000	8.116
008117AH6	AETNA INC		7.625	FA	08/15/2026		0.000	1,237,784	1,180,000	116.2950	1,372,281	1,239,625	33,741	89,975	(918)	0	0	1PE	11/09/2000	7.190
020002AK7	ALLSTATE INSURANCE		7.200	JD	12/01/2009		0.000	518,284	500,000	115.9730	579,865	522,100	3,000	36,000	(2,038)	0	0	1PE	01/18/2001	6.533
020002AL5	ALLSTATE CORPORATION		7.875	MN	05/01/2005		0.000	996,344	1,000,000	111.7860	1,117,860	993,230	13,125	78,750	1,308	0	0	1	05/25/2000	8.042
025932AB0	AMERICAN FINANCIAL GROUP		7.125	AO	04/15/2009		0.000	495,570	500,000	93.2500	466,250	493,855	7,422	35,625	529	0	0	2PE	05/07/1999	7.300
02635KCC6	AMERICAN GENERAL FINANCE		5.900	JJ	01/03/2003		0.000	499,993	500,000	100.1040	500,520	498,370	13,521	29,500	362	0	0	1PE	01/14/1998	5.976
02635PRT2	AMERICAN GENERAL FINANCE		5.375	AO	10/01/2012		0.000	980,008	1,000,000	0.0000	980,008	979,760	13,438	0	248	0	0	1	10/15/2002	5.643
02635PSA2	AMERICAN GENERAL FINANCE		4.500	MN	11/15/2007		0.000	1,004,880	1,000,000	0.0000	1,004,880	1,005,000	4,375	0	(120)	0	0	1PE	11/21/2002	4.387
026609AM9	AMERICAN HOME PRODUCTS		6.700	MS	03/15/2011		0.000	1,507,174	1,500,000	111.4450	1,671,675	1,507,500	29,312	50,250	(326)	0	0	1	07/26/2002	6.621
035229BJ1	ANHEUSER BUSCH CO		6.750	FA	08/01/2003		0.000	500,000	500,000	103.3320	516,660	500,000	14,062	33,750	0	0	0	1PE	08/08/1996	6.750
037389AC7	AON CORP		6.700	JD	06/15/2003		0.000	500,934	500,000	100.4030	502,015	515,400	1,396	33,500	(2,064)	0	0	2	01/28/1994	6.260
046003FM6	ASSOCIATES CORP NA		6.375	MN	11/15/2005		0.000	498,982	500,000	110.0040	550,020	497,260	3,984	31,875	298	0	0	1PE	11/21/1995	6.450
054303AM4	AVON PRODUCTS, INC		7.150	MN	11/15/2009		0.000	515,959	500,000	116.8060	584,030	519,320	4,469	35,750	(1,793)	0	0	1PE	01/18/2001	6.563
059438AF8	BANC ONE CORP		7.000	JJ	07/15/2005		0.000	497,574	500,000	110.7810	553,905	493,125	16,042	35,000	834	0	0	1	08/29/1996	7.211
059438AJ0	BANC ONE CORP		7.600	MN	05/01/2007		0.000	499,378	500,000	117.2460	586,230	498,960	6,333	38,000	102	0	0	1PE	04/28/1997	7.630
060505AF1	BANK OF AMERICA		7.125	MS	09/15/2006		0.000	502,517	500,000	114.0520	570,260	503,700	10,391	35,625	(594)	0	0	1	12/06/2000	6.964
060505AF1	BANK OF AMERICA		7.125	MS	09/15/2006		0.000	501,610	500,000	114.0520	570,260	502,500	10,391	35,625	(385)	0	0	1	09/27/2000	7.020
060505AR5	BANK OF AMERICA		4.875	MS	09/15/2012		0.000	501,250	500,000	101.0790	505,395	501,250	6,500	0	0	0	0	1PE	12/17/2002	4.842
06422QAA7	BANK ONE CORP		6.000	FA	02/17/2009		0.000	964,482	1,000,000	0.0000	964,482	957,000	22,333	60,000	4,538	0	0	1PE	04/23/2001	6.715
06423AAB9	BANK ONE CORP		7.250	FA	08/15/2004		0.000	507,704	500,000	107.7500	538,750	538,960	13,594	36,250	(4,410)	0	0	1PE	02/01/1994	6.230
06423AAB9	BANK ONE CORP		7.250	FA	08/15/2004		0.000	499,680	500,000	107.7500	538,750	498,632	13,594	36,250	146	0	0	1PE	08/14/1992	7.285
06423AAB9	BANK ONE CORP		7.250	FA	08/15/2004		0.000	495,522	500,000	107.7500	538,750	479,635	13,594	36,250	2,459	0	0	1PE	07/12/1994	7.840
06423AAR4	BANK ONE CORP		4.125	MS	09/01/2007		0.000	501,738	500,000	102.8450	514,225	501,875	6,875	0	(137)	0	0	1PE	08/22/2002	4.041

E08.1

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 Design- 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						
06423AAS2	BANK ONE CORP.		5.250	JJ	01/30/2013		0.000	992,637	1,000,000	102.9360	1,029,360	992,500	9,771	0	137	0	0	1	10/22/2002	5.345
065913AA3	BANKBOSTON NA		7.000	MS	09/15/2007		0.000	515,939	500,000	113.1630	565,815	527,500	10,208	35,000	(2,848)	0	0	1PE	06/29/1998	6.205
065913AE5	BANKBOSTON NA		6.500	JD	12/19/2007		0.000	502,713	500,000	111.4780	557,390	504,570	1,083	32,500	(454)	0	0	1	05/28/1998	6.370
066044207	BANKAMERICA CAPITAL IV		7.000	Q	03/31/2028	02/24/2003	100.000	500,000	500,000	101.2000	506,000	500,000	0	35,000	0	0	0	1	02/24/1998	7.000
066050CQ6	BANKAMERICA CORPORATION		6.625	FA	08/01/2007		0.000	482,147	500,000	113.0760	565,380	474,790	13,802	33,125	3,144	0	0	1PE	07/11/2000	7.559
068056AE0	BARNETT CAP I		8.060	JD	12/12/2026	12/01/2006	104.000	531,943	500,000	112.3590	561,795	542,765	3,358	40,300	(2,574)	0	0	1	03/16/1998	7.066
073902BR8	BEAR STEARNS CO INC		7.625	JD	12/07/2009		0.000	1,002,314	1,000,000	117.7280	1,177,280	1,003,120	5,083	76,250	(254)	0	0	1PE	12/07/1999	7.580
073902BV9	BEAR STEARNS CO INC		7.800	FA	08/15/2007		0.000	1,004,386	1,000,000	117.0370	1,170,370	1,006,250	29,250	78,000	(788)	0	0	1PE	08/24/2000	7.682
078167BF9	BELL TELEPHONE COMPANY OF PA		6.125	MS	03/15/2003		0.000	499,853	500,000	100.7460	503,730	498,750	8,932	30,625	102	0	0	1PE	03/25/1993	6.159
079867AG2	BELL SOUTH TELECOMMUNICATIONS		7.500	JD	06/15/1933	06/15/2003	104.750	1,049,202	1,000,000	105.2500	1,052,500	1,064,930	3,125	75,000	(3,810)	0	0	1	04/09/1998	6.771
084423AD4	W R BERKLEY CORP		6.250	JJ	01/15/2006		0.000	993,399	1,025,000	106.6180	1,092,834	964,515	29,362	64,062	8,952	0	0	2PE	06/22/1999	7.400
093662AB0	BLOCK FINANCIAL		8.500	AO	04/15/2007		0.000	499,088	500,000	115.2370	576,185	498,750	8,854	42,500	149	0	0	2	06/02/2000	8.546
09700WFF6	BOEING CAP CORP		5.400	MN	11/30/2009		0.000	1,004,902	1,000,000	0.0000	1,004,902	1,005,000	5,100	0	(98)	0	0	1PE	11/25/2002	5.314
097014AF1	BOEING CAP CORP		5.750	FA	02/15/2007		0.000	1,020,105	1,000,000	105.6620	1,056,620	1,020,900	21,562	0	(795)	0	0	1	10/21/2002	5.200
097014AG9	BOEING CAP CORP		6.500	FA	02/15/2012		0.000	1,012,907	1,000,000	106.6210	1,066,210	1,014,000	24,375	49,833	(1,027)	0	0	1PE	11/20/2001	6.310
097023AL9	BOEING COMPANY		6.350	JD	06/15/2003		0.000	500,228	500,000	102.0900	510,450	504,375	1,323	31,750	(578)	0	0	1PE	07/14/1993	6.230
115885AJ4	BROWNING-FERRIS INDS		6.100	JJ	01/15/2003		0.000	499,962	500,000	100.0150	500,075	499,485	13,979	30,500	86	0	0	3	11/25/1997	6.122
125509AF6	CIGNA CORPORATION		7.400	JJ	01/15/2003		0.000	499,933	500,000	100.1210	500,605	496,860	16,958	37,000	400	0	0	2	01/11/1993	7.490
125509BG3	CIGNA CORPORATION		6.375	AO	10/15/2011		0.000	1,020,528	1,000,000	100.2830	1,002,830	1,022,500	13,281	63,042	(1,733)	0	0	2	11/14/2001	6.068
125509BG3	CIGNA CORPORATION		6.375	AO	10/15/2011		0.000	1,012,784	1,000,000	100.2830	1,002,830	1,014,160	13,281	63,042	(1,077)	0	0	2	10/17/2001	6.183
125509BG3	CIGNA CORPORATION		6.375	AO	10/15/2011		0.000	1,004,222	1,000,000	100.2830	1,002,830	1,004,650	13,281	63,042	(360)	0	0	2	11/20/2001	6.310
125577AM8	CIT GROUP INC		6.500	FA	02/07/2006		0.000	1,016,630	1,000,000	105.3120	1,053,120	1,017,500	26,000	0	(870)	0	0	1	10/21/2002	5.902
125581AC2	CIT GROUP INC		5.750	MS	09/25/2007		0.000	2,018,870	2,000,000	103.5880	2,071,760	2,020,000	30,667	0	(1,130)	0	0	1PE	09/19/2002	5.518
126117AC4	CNA FINANCIAL		6.250	MN	11/15/2003		0.000	496,416	500,000	99.6410	498,205	473,750	3,906	31,250	3,794	0	0	2	08/15/1995	7.100
126117AG5	CNA FINANCIAL		6.450	JJ	01/15/2008		0.000	498,522	500,000	97.9140	489,570	497,500	14,781	32,250	238	0	0	2	05/15/1998	6.519
126117AH3	CNA FINANCIAL		6.950	JJ	01/15/2018		0.000	497,775	500,000	88.7000	443,500	497,500	15,927	34,750	81	0	0	2	01/20/1999	6.998
163714AG3	CHEMICAL BANK		6.125	MN	11/01/2008		0.000	487,296	500,000	110.1210	550,605	477,500	5,104	30,625	1,724	0	0	1	03/05/1996	6.655
172967BC4	CITIGROUP INC		6.500	JJ	01/18/2011		0.000	1,011,540	1,000,000	112.2000	1,122,000	1,013,200	29,431	65,000	(1,076)	0	0	1	05/03/2001	6.314
172967BC4	CITIGROUP INC		6.500	JJ	01/18/2011		0.000	505,104	500,000	112.2000	561,000	505,810	14,715	32,500	(475)	0	0	1	06/12/2001	6.335
17303MGW3	CITICORP		7.000	JJ	07/01/2007		0.000	498,711	500,000	0.0000	498,711	498,000	17,500	35,000	236	0	0	1PE	12/06/1999	7.068
17303PAA0	CITICORP CAPITAL I		7.933	FA	02/15/2027	02/15/2007	103.870	1,066,972	1,000,000	111.5600	1,115,600	1,090,980	29,749	79,330	(5,778)	0	0	1PE	04/21/1998	6.865
191219AN4	COCA COLA ENTERPRISES		8.500	FA	02/01/2012		0.000	1,095,954	1,000,000	127.5370	1,275,370	1,117,200	35,417	85,000	(7,337)	0	0	1PE	11/17/1999	7.050
200339AD1	COMERICA BANK		7.125	JD	12/01/2013	12/01/2008	100.000	534,006	500,000	110.5470	552,735	539,720	2,550	35,625	(4,707)	0	0	1PE	10/04/2001	5.751
200339AP4	COMERICA BANK		7.250	JD	06/15/2007		0.000	513,939	500,000	112.4890	562,445	518,950	1,510	36,250	(2,622)	0	0	1PE	01/05/2001	6.518
201615DB4	COMMERCIAL CREDIT CORP		7.375	AO	04/15/2005		0.000	501,322	500,000	109.8130	549,065	504,220	7,682	36,875	(544)	0	0	1PE	09/24/1996	7.240
20846NAB1	CONSECO INC		6.800	JD	06/15/2005		0.000	125,000	1,000,000	0.0000	125,000	997,560	0	34,000	(873,619)	0	0	6	06/09/1998	6.844
219350AG0	CORNING INC.		6.300	MS	03/01/2009		0.000	965,306	1,000,000	85.0000	850,000	958,250	21,000	63,000	4,350	0	0	3	05/01/2001	7.000
219350AG0	CORNING INC.		6.300	MS	03/01/2009		0.000	941,476	1,000,000	85.0000	850,000	931,090	21,000	63,000	7,213	0	0	3	07/10/2001	7.500
22237LFJ6	COUNTRYWIDE HOME LOANS		6.700	MS	03/10/2005		0.000	974,791	1,000,000	0.0000	974,791	950,600	20,658	67,000	10,081	0	0	1PE	06/15/2000	7.968
22237LGL0	COUNTRYWIDE HOME LOANS		7.000		10/30/2018	10/30/2001	100.000	500,000	500,000	0.0000	500,000	500,000	0	35,000	0	0	0	1PE	10/30/1998	7.000
22237LGU0	COUNTRYWIDE HOME LOANS		7.000	JD	12/18/2018	12/18/2003	100.000	498,865	500,000	0.0000	498,865	498,750	1,264	35,000	37	0	0	1PE	12/18/1998	7.023
22237LMQ2	COUNTRYWIDE HOME LOANS		5.625	MN	05/15/2007		0.000	515,336	500,000	0.0000	515,336	516,500	3,516	13,906	(1,164)	0	0	1PE	08/13/2002	4.837
22541LAB9	CREDIT SUISSE FIRST																			
233835AA5	BOSTON US INC DAIMLER CHRYSLER NORTH AMERICA		6.125	MN	11/15/2011		0.000	996,641	1,000,000	103.2500	1,032,500	996,500	7,656	30,625	141	0	0	1	07/17/2002	6.173
			7.200	MS	09/01/2009		0.000	1,026,267	1,000,000	111.1740	1,111,740	1,030,000	24,000	72,000	(3,052)	0	0	2	10/05/2001	6.702

E08.2

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
233835AB3	DAIMLER CHRYSLER NORTH AMERICA		6.900	MS	09/01/2004		0.000	498,075	500,000	105.7160	528,580	495,750	11,500	34,500	1,015	0	0	2	07/27/2000	7.140
233835AD9	DAIMLER/CHRYSLER NORTH AMERICA		7.400	JJ	01/20/2005		0.000	496,924	500,000	107.7720	538,860	493,650	16,547	37,000	1,319	0	0	2PE	05/25/2000	7.726
233835AP2	DAIMLER/CHRYSLER NORTH AMERICA		7.750	JJ	01/18/2011		0.000	1,042,901	1,000,000	114.2400	1,142,400	1,049,000	35,090	77,500	(3,854)	0	0	2	05/04/2001	7.042
244217AQ8	DEERE, JOHN CAPITAL CORP		8.625	FA	08/01/2019	08/01/1997	100.000	500,000	500,000	103.7500	518,750	563,805	17,969	43,125	0	0	0	2PE	04/21/1993	5.252
254063AQ3	DILLARD DEPARTMENT STORES		7.850	AO	10/01/2012		0.000	1,077,489	1,000,000	97.0000	970,000	1,097,950	19,625	78,500	(5,479)	0	0	3	11/17/1998	6.750
254687AM8	WALT DISNEY CO		6.750	MS	03/30/2006		0.000	499,686	500,000	109.2050	546,025	499,375	8,438	33,750	65	0	0	2PE	11/04/1996	6.767
25468PAY2	WALT DISNEY CO		5.620	JD	12/01/2008	12/01/2005	100.000	959,778	1,000,000	0.0000	959,778	951,250	4,683	56,200	5,419	0	0	2	05/16/2001	6.447
257661AA6	DONALDSON LUFKIN & JENRETTE		6.875	MN	11/01/2005		0.000	497,343	500,000	109.2760	546,380	493,345	5,729	34,375	799	0	0	1PE	02/14/1997	7.080
257661AE8	DONALDSON LUFKIN & JENRETTE		6.500	AO	04/01/2008		0.000	1,007,757	1,000,000	109.2630	1,092,630	1,010,000	16,250	65,000	(1,231)	0	0	1PE	03/07/2001	6.321
260543BU6	DOW CHEMICAL		5.000	MN	11/15/2007		0.000	1,000,824	1,000,000	0.0000	1,000,824	1,000,880	5,417	0	(56)	0	0	1PE	11/21/2002	4.979
261561AB0	DRESDNER BANK NY		7.250	MS	09/15/2015		0.000	977,193	1,000,000	108.9460	1,089,460	974,090	21,146	72,500	1,036	0	0	1	08/23/1999	7.530
263534BH1	E I DUPONT DE NEMOUOR		6.750	AO	10/15/2004		0.000	500,716	500,000	108.5120	542,560	501,875	7,031	33,750	(400)	0	0	1PE	12/06/1999	6.656
26353LHF1	E I DUPONT DE NEMOUOR		6.510	MS	09/19/2005		0.000	495,297	500,000	0.0000	495,297	487,275	5,425	32,550	1,502	0	0	1PE	08/15/1996	6.890
268766AQ5	EOP OPERATING LP		6.500	JD	06/15/2004		0.000	999,111	1,000,000	104.2420	1,042,420	996,970	2,708	65,000	537	0	0	2PE	06/15/1998	6.562
27746QAB0	EASTMAN KODAK CO		7.250	JD	06/15/2005		0.000	500,551	500,000	0.0000	500,551	501,000	1,510	36,250	(208)	0	0	2PE	07/27/2000	7.198
293561AY2	ENRON CORP		6.750	MS	09/15/2004		0.000	57,500	500,000	13.0000	65,000	490,845	0	0	(42,500)	0	0	6	08/19/1996	7.050
319455BR1	FIRST CHICAGO CORP		7.625	JJ	01/15/2003		0.000	500,000	500,000	100.1510	500,755	512,350	17,474	38,125	(2,413)	0	0	1	09/18/1996	7.130
31945AAD2	FIRST CHICAGO NBD CORP, INC		6.125	FA	02/15/2006		0.000	500,000	500,000	108.7290	543,645	500,000	11,484	30,625	0	0	0	1PE	02/26/1998	6.125
345370BT6	FORD MOTOR COMPANY		6.625	AF	02/15/2028		0.000	505,161	500,000	79.8810	399,405	505,475	12,422	33,125	(80)	0	0	2PE	09/24/1998	6.540
345397RR6	FORD MOTOR CREDIT COMPANY		7.200	JD	06/15/2007		0.000	495,854	500,000	0.0000	495,854	494,070	1,500	36,000	755	0	0	2PE	07/11/2000	7.421
345397SM6	FORD MOTOR CREDIT CO		7.375	AO	10/28/2009		0.000	519,227	500,000	99.0860	495,430	522,530	6,453	36,875	(2,170)	0	0	2	06/12/2001	6.662
345397SM6	FORD MOTOR CREDIT CO		7.375	AO	10/28/2009		0.000	1,011,785	1,000,000	99.0860	990,860	1,014,240	12,906	73,750	(1,316)	0	0	2	01/18/2001	7.151
345397TS2	FORD MOTOR CREDIT CO		7.375	FA	02/01/2011		0.000	1,047,486	1,000,000	97.2390	972,390	1,053,200	30,729	73,750	(4,331)	0	0	2	08/28/2001	6.606
345402Z87	FORD MOTOR CREDIT CORP		7.000	FA	08/15/2012	08/15/2012	100.000	500,000	500,000	0.0000	500,000	500,000	1,458	35,000	0	0	0	2PE	07/30/1997	7.000
361446AC1	GATX CAPITAL CORP		7.750	JD	12/01/2006		0.000	989,988	1,000,000	92.6420	926,420	984,700	6,458	77,500	2,076	0	0	2PE	04/18/2000	8.050
362320AW3	GTE CORP		7.900	FA	02/01/2027	02/01/2007	103.950	1,042,783	1,000,000	108.0870	1,080,870	1,045,510	32,917	79,000	(685)	0	0	1PE	04/30/1998	7.506
362333AG1	GTE FLORIDA INC		6.250	MN	11/15/2005		0.000	500,000	500,000	109.5470	547,735	500,000	3,906	31,250	0	0	0	1PE	12/01/1995	6.250
362335AB7	GTE HAWAII CORPORATION		6.750	FA	02/15/2005		0.000	501,697	500,000	107.6270	538,135	507,225	12,656	33,750	(744)	0	0	1PE	04/16/1993	6.571
362337AH0	GTE NORTH INCORPORATED		6.400	FA	02/15/2005		0.000	491,228	500,000	107.9830	539,915	482,620	12,000	32,000	3,670	0	0	1PE	07/11/2000	7.302
362337AH0	GTE NORTHWEST INC		6.400	FA	02/15/2005		0.000	500,284	500,000	107.9830	539,915	500,905	12,000	32,000	(141)	0	0	1PE	12/18/1997	6.366
369622CD5	GENERAL ELECTRIC CAP CORP		7.875	MN	11/22/2004		0.000	497,197	500,000	110.8830	554,415	489,300	4,266	39,375	1,287	0	0	1PE	01/10/1995	8.193
3704248B2	GENERAL MOTORS ACCEP CORP NT		6.625	AO	10/15/2005		0.000	493,968	500,000	103.5000	517,500	484,000	6,901	33,125	1,870	0	0	2	08/13/1996	7.104
370425RT9	GENERAL MOTORS ACCEPTANCE CORP		6.750	JJ	01/15/2006		0.000	1,006,411	1,000,000	103.5620	1,035,620	1,010,000	30,938	67,500	(1,862)	0	0	2	01/05/2001	6.513
370425RX0	GENERAL MOTORS ACCEPTANCE CORP		6.825	MS	09/15/2011		0.000	495,405	500,000	99.7260	498,630	495,000	9,953	34,661	367	0	0	2	09/19/2001	6.965
370442AX3	GENERAL MOTORS CORP		6.250	AO	05/01/2005		0.000	502,806	500,000	102.3240	511,620	507,300	5,208	31,250	(1,109)	0	0	2PE	07/08/1998	5.984
370442AZ8	GENERAL MOTORS		6.750	AO	05/01/2028		0.000	990,286	1,000,000	87.0840	870,840	989,750	11,250	67,500	139	0	0	2	09/04/1998	6.830
38141GAA2	GOLDMAN SACHS GROUP		6.650	MN	05/15/2009		0.000	488,578	500,000	110.2260	551,130	484,150	4,156	33,250	1,368	0	0	1	06/18/1999	7.100

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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 or Interest	19 NAIC Design- 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						
38141GAZ7	GOLDMAN SACHS GROUP		6.875	JJ	01/15/2011		0.000	1,027,823	1,000,000	111.6240	1,116,240	1,031,000	31,510	68,750	(2,577)	0	0	1	09/18/2001	6.426
38141GAZ7	GOLDMAN SACHS GROUP		6.875	JJ	01/15/2011		0.000	1,016,880	1,000,000	111.6240	1,116,240	1,019,200	31,510	68,750	(1,552)	0	0	1	06/11/2001	6.600
38141GAZ7	GOLDMAN SACHS GROUP		6.875	JJ	01/15/2011		0.000	1,002,121	1,000,000	111.6240	1,116,240	1,002,500	31,510	68,750	(196)	0	0	1	01/22/2001	6.840
38141GCG7	GOLDMAN SACHS GROUP		5.700	MS	09/01/2012		0.000	1,019,455	1,000,000	104.0040	1,040,040	1,020,000	19,633	0	(545)	0	0	1	09/04/2002	5.437
38141GCM4	GOLDMAN SACHS GROUP		5.500	MN	11/15/2014		0.000	502,446	500,000	100.7950	503,975	502,500	3,438	0	(54)	0	0	1	11/07/2002	5.443
38141GCM4	GOLDMAN SACHS GROUP		5.500	MN	11/15/2014		0.000	500,000	500,000	100.7950	503,975	500,000	3,438	0	0	0	0	1	11/18/2002	5.500
428040BE8	HERTZ CORP		6.000	JJ	01/15/2003		0.000	499,948	500,000	99.9840	499,920	497,205	13,750	30,000	456	0	0	2PE	01/25/1996	6.099
428040BH1	HERTZ CORP		7.000	JJ	07/01/2004		0.000	500,000	500,000	100.7940	503,970	500,000	17,500	35,000	0	0	0	2PE	07/01/1997	7.000
428040BN8	HERTZ CORP		7.625	FA	08/15/2007		0.000	502,339	500,000	99.9690	499,845	503,224	14,297	38,125	(421)	0	0	2PE	10/11/2000	7.500
428040BN8	HERTZ CORP		7.625	FA	08/15/2007		0.000	499,503	500,000	99.9690	499,845	499,375	14,297	38,125	75	0	0	2PE	08/03/2000	7.647
428040BQ1	HERTZ CORP		7.400	MS	03/01/2011		0.000	1,029,424	1,000,000	94.5590	945,590	1,033,220	24,667	74,000	(2,617)	0	0	2	07/10/2001	6.920
428236AF0	HEWLETT PACKARD CO		5.500	JJ	07/01/2007		0.000	516,544	500,000	107.2490	536,245	517,500	14,132	0	(956)	0	0	1PE	09/09/2002	4.676
432848AH2	HILTON HOTELS CORP		7.950	AO	04/15/2007		0.000	518,686	500,000	103.8890	519,445	534,150	8,281	39,750	(3,643)	0	0	3	03/13/1998	6.923
432848AS8	HILTON HOTELS CORP		7.500	JD	12/15/2017		0.000	508,982	500,000	94.1880	470,940	510,090	1,562	37,500	(324)	0	0	3	02/03/1999	7.300
441812FT6	HOUSEHOLD FINANCE		7.250	MN	05/15/2006		0.000	500,000	500,000	108.7190	543,595	499,950	4,531	36,250	0	0	0	1PE	05/21/1996	7.251
441812FY5	HOUSEHOLD FINANCE		6.400	JD	06/17/2008		0.000	504,638	500,000	106.6340	533,170	507,500	1,244	32,000	(697)	0	0	1PE	06/18/1998	6.196
441812JT2	HOUSEHOLD FINANCE		6.500	JJ	01/24/2006		0.000	1,032,054	1,000,000	106.4920	1,064,920	1,035,000	28,347	0	(2,946)	0	0	1	09/04/2002	5.350
441812JV7	HOUSEHOLD FINANCE		6.750	MN	05/15/2011		0.000	1,010,548	1,000,000	107.7500	1,077,500	1,011,930	8,438	67,500	(928)	0	0	1	06/25/2001	6.582
441812JV7	HOUSEHOLD FINANCE		6.750	MN	05/15/2011		0.000	1,006,207	1,000,000	107.7500	1,077,500	1,007,070	8,438	67,500	(548)	0	0	1	06/11/2001	6.650
441812JW5	HOUSEHOLD FINANCE		6.375	AO	10/15/2011		0.000	1,003,550	1,000,000	104.5510	1,045,510	1,004,000	13,281	62,333	(304)	0	0	1	10/26/2001	6.320
44643TAA5	HUNTINGTON BANKS		6.600	JD	06/15/2018		0.000	1,019,406	1,000,000	0.0000	1,019,406	1,022,090	2,750	66,000	(721)	0	0	1PE	12/18/1998	6.400
44643TAA5	HUNTINGTON BANKS		6.600	JD	06/15/2018		0.000	452,856	500,000	0.0000	452,856	448,150	1,375	33,000	1,555	0	0	1PE	10/01/1999	7.650
44643TAA5	HUNTINGTON BANKS		6.600	JD	06/15/2018		0.000	452,856	500,000	0.0000	452,856	448,120	1,375	33,000	1,555	0	0	1PE	09/23/1999	7.650
459745EW1	INTERNATIONAL LEASE																			
459745EY7	FINANCE CORP INTERNATIONAL LEASE		5.750	AO	10/15/2006		0.000	1,025,502	1,000,000	104.8450	1,048,450	1,026,710	11,979	0	(1,208)	0	0	1PE	10/21/2002	5.000
459745FA8	FINANCE CORP INTERNATIONAL LEASE		5.750	FA	02/15/2007		0.000	522,289	500,000	104.6780	523,390	522,825	10,781	0	(536)	0	0	1	11/18/2002	4.550
46625HAJ9	J P MORGAN CHASE & CO		6.750	FA	02/01/2011		0.000	1,018,500	1,000,000	104.6910	1,046,910	1,019,750	4,688	28,438	(1,250)	0	0	1	08/21/2002	5.150
46625HAJ9	J P MORGAN CHASE & CO		6.750	FA	02/01/2011		0.000	510,383	500,000	108.7220	543,610	511,900	14,062	33,750	(957)	0	0	1	05/03/2001	6.416
46625HAJ9	J P MORGAN CHASE & CO		6.750	FA	02/01/2011		0.000	508,135	500,000	108.7220	543,610	509,250	14,062	33,750	(748)	0	0	1	06/18/2001	6.487
46625HAJ9	J P MORGAN CHASE & CO		6.750	FA	02/01/2011		0.000	1,005,504	1,000,000	108.7220	1,087,220	1,006,250	28,125	67,500	(507)	0	0	1	05/16/2001	6.660
46625HAN0	J P MORGAN CHASE & CO		6.625	MS	03/15/2012		0.000	502,582	500,000	108.3820	541,910	502,750	9,661	16,747	(168)	0	0	1PE	04/16/2002	6.548
475529AA1	JEFFERSON-PILOT CAPITAL		8.140	JJ	01/15/1946	01/15/2007	104.000	1,062,857	1,000,000	107.6520	1,076,520	1,082,640	37,308	81,400	(4,732)	0	0	1PE	03/19/1998	7.189
488396AE2	KEMPER CORP NT		6.875	MS	09/15/2003		0.000	502,830	500,000	103.4630	517,315	519,980	10,026	34,375	(3,896)	0	0	2PE	01/28/1998	6.025
492919AA3	KEY BANK - NEW YORK		7.500	MS	09/15/2008		0.000	499,549	500,000	0.0000	499,549	499,345	10,938	37,500	50	0	0	1PE	08/30/1996	7.516
492922AA7	KEY BANK OF WASHINGTON		7.125	FA	08/15/2006		0.000	498,074	500,000	0.0000	498,074	495,815	13,359	35,625	436	0	0	1PE	08/16/1996	7.244
493265AC6	KEYCORP INSTITUTIONAL																			
493265AC6	CAPITAL A KEYCORP INSTITUTIONAL		7.826	JD	12/01/2026	12/01/2006	100.000	500,000	500,000	107.2240	536,120	500,000	3,261	39,130	0	0	0	2	12/04/1996	7.826
493267AA6	CAPITAL A KEYCORP		7.826	JJ	12/01/2026	12/01/2006	103.913	480,479	500,000	107.2240	536,120	479,325	3,261	39,130	258	0	0	2	06/02/1997	8.200
494368AP8	KIMBERLY CLARK CORP		7.875	FA	02/01/2023	02/01/2003	103.850	1,039,231	1,000,000	104.2210	1,042,210	1,083,630	32,812	78,750	(10,470)	0	0	1PE	03/12/1998	6.527
499040AF0	KNIGHT RIDDER, INC		6.300	JD	12/15/2005		0.000	501,809	500,000	110.8770	554,385	505,000	1,312	31,500	(548)	0	0	1PE	01/16/1996	6.163
524908BL3	LEHMAN BROTHERS																			
524908CM0	HOLDINGS LEHMAN BROTHERS		7.375	MN	05/15/2004		0.000	997,966	1,000,000	106.5770	1,065,770	995,000	9,219	73,750	1,272	0	0	1PE	07/27/2000	7.524
524908CV0	HOLDINGS LEHMAN BROTHERS		7.875	FA	08/15/2010		0.000	1,066,043	1,000,000	118.3200	1,183,200	1,075,700	29,531	78,750	(6,452)	0	0	1	06/19/2001	6.750
	HOLDINGS		7.000	FA	02/01/2008		0.000	1,023,275	1,000,000	113.0560	1,130,560	1,030,000	29,167	70,000	(3,771)	0	0	1PE	02/27/2001	6.454

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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
52517PSC6	LEHMAN BROTHERS																			
	HOLDINGS		6.625	JJ	01/18/2012		0.000	510,552	500,000	0.0000	510,552	511,250	14,998	17,299	(698)	0	0	1	02/21/2002	6.315
532457AJ7	LILLY, ELI & COMPANY		6.250	MS	03/15/2003		0.000	499,831	500,000	100.7980	503,990	498,125	9,115	31,250	180	0	0	1	03/25/1993	6.301
532457AN8	LILLY ELI & COMPANY		6.570	JJ	01/01/2016		0.000	523,172	500,000	108.8750	544,375	527,505	16,425	32,850	(1,146)	0	0	1PE	10/16/1998	6.050
536196AB4	LION CONNECTICUT																			
	HOLDINGS		6.375	FA	08/15/2003		0.000	500,861	500,000	101.0310	505,155	503,750	11,953	31,875	(1,386)	0	0	1PE	11/01/2000	6.074
539821AM0	LOCKHEED CORP		7.875	MS	03/15/2023	03/15/2003	103.740	519,152	500,000	104.2220	521,110	530,855	11,484	39,375	(2,927)	0	0	2	05/26/1998	7.004
539821AM0	LOCKHEED CORP		7.875	MS	03/15/2023	03/15/2003	103.740	518,850	500,000	104.2220	521,110	524,975	11,484	39,375	(1,561)	0	0	2	05/15/1998	7.286
540424AK4	LOEWS CORP		6.750	JD	12/15/2006		0.000	498,853	500,000	108.0530	540,265	497,635	1,406	33,750	240	0	0	1	12/11/1996	6.816
540424AK4	LOEWS CORP		6.750	JJ	12/15/2006		0.000	494,689	500,000	108.0530	540,265	489,375	1,406	33,750	1,122	0	0	1	06/27/1997	7.061
549271AA2	LUBRIZOL CORP		7.250	JD	06/11/2025		0.000	998,844	1,000,000	104.5450	1,045,450	998,753	3,021	72,500	19	0	0	1PE	01/22/2001	7.260
549271AC8	LUBRIZOL CORP		5.875	JD	12/01/2008		0.000	508,209	500,000	104.9660	524,830	512,500	2,448	29,375	(1,147)	0	0	1PE	12/15/1998	5.545
573275AM6	MARTIN MARIETTA																			
	CORPORATION		6.500	AO	04/15/2003		0.000	500,074	500,000	101.0760	505,385	502,500	6,771	32,500	(296)	0	0	2	06/15/1993	6.429
580135BX8	MCDONALDS CORP		7.310	MN	09/15/2027	09/15/2007	100.000	1,014,030	1,000,000	102.3750	1,023,750	1,024,480	21,321	73,100	(2,470)	0	0	1PE	04/03/1998	6.951
582834AM9	MEAD CORP		7.350	MS	03/01/2017		0.000	1,073,953	1,000,000	115.0600	1,150,600	1,085,480	24,500	73,500	(3,102)	0	0	2PE	11/25/1998	6.540
585907AF5	MELLON BANK		6.500	FA	08/01/2005		0.000	499,575	500,000	110.5230	552,615	498,750	13,542	32,500	134	0	0	1PE	10/23/1995	6.533
59156RAC2	METLIFE INC.		6.125	JD	12/01/2011		0.000	1,000,000	1,000,000	107.9360	1,079,360	1,000,000	5,104	61,931	0	0	0	1	11/27/2001	6.125
592173AB4	MET LIFE		7.450	MN	11/01/2023	11/01/2003	103.180	893,662	1,000,000	105.0140	1,050,140	888,870	12,417	74,500	1,806	0	0	1PE	02/23/2000	8.550
617446AU3	MORGAN STANLEY GROUP, INC		7.500	FA	02/01/2024	02/01/2004	103.690	940,504	900,000	106.7190	960,471	963,918	28,125	67,500	(6,366)	0	0	1	12/14/1998	6.467
617446AU3	MORGAN STANLEY GROUP, INC		7.500	FA	02/01/2024	02/01/2004	103.690	104,503	100,000	106.7190	106,719	107,102	3,125	7,500	(709)	0	0	1	12/21/1998	6.465
617446DE6	MORGAN STANLEY DEAN WITTER		5.625	JJ	01/20/2004		0.000	500,739	500,000	103.0000	515,000	503,220	12,578	28,125	(681)	0	0	1	01/29/1999	5.475
617446GM5	MORGAN STANLEY DEAN WITTER		6.750	AO	04/15/2011		0.000	1,011,073	1,000,000	111.1270	1,111,270	1,012,500	14,062	67,500	(990)	0	0	1	07/10/2001	6.572
620076AH2	MOTOROLA INC		7.500	MN	05/15/2025		0.000	1,091,952	1,000,000	90.7500	907,500	1,098,710	9,375	75,000	(1,743)	0	0	2PE	08/31/1998	6.700
620076AN9	MOTOROLA INC		5.800	AO	10/15/2008		0.000	504,015	500,000	96.6250	483,125	506,250	6,042	29,000	(579)	0	0	2	11/06/1998	5.634
638585AU3	NATIONSBANK CORP		7.800	MS	09/15/2016		0.000	1,016,673	1,000,000	124.6400	1,246,400	1,018,710	22,750	78,000	(681)	0	0	1PE	10/29/1999	7.600
638612AE1	NATIONWIDE FINL SVCS		6.250	MN	11/15/2011		0.000	1,003,128	1,000,000	104.2880	1,042,880	1,003,500	7,812	61,806	(265)	0	0	1	11/15/2001	6.202
650094CC7	NEW YORK TELEPHONE CO.		7.250	FA	02/15/2014	02/15/2004	103.060	1,037,935	1,000,000	103.2500	1,032,500	1,059,940	27,188	72,500	(6,204)	0	0	1PE	02/23/1999	6.358
654106AA1	NIKE		6.375	JD	12/01/2003		0.000	501,996	500,000	104.2420	521,210	510,855	2,656	31,875	(2,092)	0	0	1	04/15/1998	5.914
655664AG5	NORDSTROM INC		5.625	JJ	01/15/2009		0.000	490,583	500,000	104.1170	520,585	486,250	12,891	28,125	1,258	0	0	1PE	04/22/1999	6.001
665815AG1	NORTHERN TELECOM LTD		6.000	MS	09/01/2003		0.000	500,170	500,000	95.0000	475,000	502,500	10,000	30,000	(312)	0	0	4	09/21/1993	5.932
674599BQ7	OCCIDENTAL PETROLEUM		7.375	MN	11/15/2008		0.000	1,012,900	1,000,000	116.8730	1,168,730	1,019,400	9,219	73,750	(1,733)	0	0	2PE	11/23/1998	7.100
708160BD7	JC PENNEY CO INC		6.125	MN	11/15/2003		0.000	499,746	500,000	101.3750	506,875	498,125	3,828	30,625	227	0	0	3	12/29/1993	6.175
70816FAE3	JC PENNEY CO INC		6.500	JD	12/15/2007		0.000	502,491	500,000	0.0000	502,491	503,930	1,354	32,500	(419)	0	0	3	02/24/1999	6.380
718507AX4	PHILIPS PETROLEUM CO		7.920	AO	04/15/2023	04/15/2003	103.960	911,648	875,000	103.6250	906,719	941,859	14,438	69,300	(7,626)	0	0	1PE	07/06/1998	6.735
724477AK0	PITNEY BOWES CREDIT CO		8.800	FA	02/15/2003		0.000	500,323	500,000	100.7720	503,860	523,325	16,500	44,000	(3,809)	0	0	1	02/08/1995	8.000
724477AN4	PITNEY BOWES CREDIT CO		5.650	JJ	01/15/2003		0.000	499,967	500,000	100.1000	500,500	499,500	12,948	28,250	9	0	0	1PE	01/16/1998	5.673
742718AV1	PROCTOR & GAMBLE		8.000	AO	10/26/2029	10/01/1996	100.000	500,000	500,000	131.5610	657,805	505,365	7,222	40,000	0	0	0	1PE	09/03/1991	7.738
743315AG8	PROGRESSIVE INSURANCE		6.600	JJ	01/15/2004		0.000	995,882	1,000,000	104.8180	1,048,180	988,110	30,250	66,000	3,658	0	0	1PE	10/25/2000	7.014
743315AK9	PROGRESSIVE INSURANCE		6.375	JJ	01/15/2012		0.000	496,505	500,000	109.2710	546,355	496,250	14,609	18,948	255	0	0	1	03/20/2002	6.478
743862AD6	PROVIDENT COMPANIES INC.		7.000	JJ	07/15/2018		0.000	1,048,413	1,000,000	88.6880	886,880	1,054,860	32,083	70,000	(1,764)	0	0	2PE	12/18/1998	6.500
755111AB7	RAYTHEON CO		6.500	JJ	07/15/2005		0.000	499,387	500,000	107.8580	539,290	498,125	14,896	32,500	208	0	0	2	07/21/1995	6.552
758110AC4	REEBOK INTERNATIONAL																			
	LIMITED		6.750	MS	09/15/2005		0.000	500,301	500,000	105.8830	529,415	501,050	9,844	33,750	(121)	0	0	2PE	10/11/1995	6.720
758940AG5	REGIONS FINANCIAL CORP		6.375	MN	05/15/2012		0.000	504,722	500,000	111.5260	557,630	505,000	3,984	15,938	(278)	0	0	1	05/10/2002	6.239
759351AC3	REINSURANCE GROUP		6.750	JD	12/15/2011		0.000	507,627	500,000	107.9580	539,790	508,000	1,406	33,375	(373)	0	0	2PE	05/10/2002	6.522

E08.5

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 Design- 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						
			Rate of	How Paid																
767754AD6 773903AA7	RITE AID CORP ROCKWELL INTERNATIONAL CORP		6.875	FA	08/15/2013		0.000	522,366	500,000	72.2500	361,250	527,715	12,891	34,375	(1,446)	0	0	5	12/07/1998	6.290
78387GAD5	SBC COMMUNICATIONS INC		6.150	JJ	01/15/2008		0.000	994,191	1,000,000	112.0030	1,120,030	992,500	28,188	61,500	947	0	0	1PE	04/03/2001	6.285
786427AC8	SAFECO CAPITAL TRUST I		8.072	MS	03/15/2011		0.000	515,910	500,000	110.2440	551,220	516,500	9,115	15,625	(590)	0	0	1	08/13/2002	5.756
78651QAG5	SAFECO CAPITAL TRUST I		8.072	MS	07/15/1937	02/01/2003	104.036	1,040,506	1,000,000	100.3910	1,003,910	1,057,330	36,997	80,720	(4,083)	0	0	2	03/13/1998	7.352
79549BCJ4	SAFECO CAPITAL TRUST I		8.570	AO	04/01/2003		0.000	501,430	500,000	0.0000	501,430	533,455	10,712	42,850	(6,228)	0	0	2PE	10/22/1996	7.250
812404AF8	SALOMON SMITH BARNEY SEARS ROEBUCK		6.250	JJ	01/05/2005		0.000	498,970	500,000	107.0140	535,070	496,925	14,323	31,250	463	0	0	1PE	01/12/1998	6.360
812404AW1	ACCEPTANCE CORP SEARS ROEBUCK		6.750	MS	09/15/2005		0.000	494,726	500,000	103.1250	515,625	485,850	9,844	33,750	1,685	0	0	2PE	08/28/1996	7.180
812404BF7	ACCEPTANCE CORP SEARS ROEBUCK		6.700	MS	09/18/2007		0.000	486,689	500,000	101.2400	506,200	480,000	9,585	33,500	2,273	0	0	2	10/21/1999	7.375
812404BG5	ACCEPTANCE CORP SEARS ROEBUCK		6.250	MN	05/01/2009		0.000	488,869	500,000	95.8500	479,250	484,375	5,208	31,250	1,364	0	0	2	05/24/1999	6.685
812404BG5	ACCEPTANCE CORP SEARS ROEBUCK		7.000	FA	02/01/2011		0.000	503,859	500,000	96.4870	482,435	504,375	14,583	35,000	(351)	0	0	2	06/18/2001	6.873
812404BH3	ACCEPTANCE CORP SEARS ROEBUCK		7.000	FA	02/01/2011		0.000	993,832	1,000,000	96.4870	964,870	992,920	29,167	70,000	541	0	0	2	05/17/2001	7.100
812404BH3	ACCEPTANCE CORP SEARS ROEBUCK		6.750	FA	08/15/2011		0.000	1,004,576	1,000,000	95.3430	953,430	1,005,000	25,312	68,250	(390)	0	0	2PE	10/24/2001	6.678
81413PAE5	ACCEPTANCE CORP SECURITY CAPITAL GROUP		6.750	FA	08/15/2011		0.000	977,310	1,000,000	95.3430	953,430	975,000	25,312	67,500	1,844	0	0	2PE	09/19/2001	7.105
824348AK2	SHERWIN-WILLIAMS		6.950	JD	06/15/2005		0.000	999,526	1,000,000	109.7480	1,097,480	998,930	2,896	69,500	154	0	0	1	06/23/1998	6.969
84349CAF4	COMPANY SOUTHERN NEW ENGLAND		6.850	FA	02/01/2007		0.000	508,881	500,000	0.0000	508,881	512,500	14,271	34,250	(1,859)	0	0	1	12/27/2000	6.347
84349CAG2	TELEPHONE SOUTHERN NEW ENGLAND		6.125	JD	12/15/2003		0.000	499,366	500,000	0.0000	499,366	495,050	1,276	30,625	606	0	0	1PE	01/12/1994	6.260
845335BR8	TELEPHONE SOUTHWESTERN BELL		7.250	JD	12/15/1933	12/15/2003	104.370	1,031,416	1,000,000	0.0000	1,031,416	1,032,500	3,021	72,500	(282)	0	0	1PE	04/09/1998	7.000
84534EEA2	TELEPHONE SOUTHWESTERN BELL		7.250	JJ	07/15/2025	07/15/2003	102.860	512,899	500,000	104.1650	520,825	513,805	16,615	36,250	(231)	0	0	1PE	06/08/1998	7.020
855083AA9	TELEPHONE STAR BANC CORP		6.650	MN	09/23/2009		0.000	500,000	500,000	0.0000	500,000	500,000	4,156	33,250	0	0	0	1PE	09/26/1997	6.650
872287AE7	TCI COMMUNICATIONS, INC.		5.875	MN	11/01/2003		0.000	1,002,926	1,000,000	103.4130	1,034,130	1,015,730	9,792	58,750	(3,442)	0	0	1PE	12/21/1998	5.500
872649AP3	TRW INC		6.875	FA	02/15/2006		0.000	497,635	500,000	105.7000	528,500	496,250	12,891	34,375	640	0	0	2PE	09/27/2000	7.042
872649BG2	TRW INC		6.250	JD	01/15/2010		0.000	498,855	500,000	100.4530	502,265	498,325	14,323	31,250	124	0	0	2PE	01/14/1998	6.290
872649BG2	TRW INC		7.125	JD	06/01/2009		0.000	490,545	500,000	111.7990	558,995	486,990	2,969	35,625	1,106	0	0	2	06/17/1999	7.500
872649BG2	TRW INC		7.125	JD	06/01/2009		0.000	490,544	500,000	111.7990	558,995	487,000	2,969	35,625	1,106	0	0	2	06/28/1999	7.500
872649BG2	TRW INC		7.125	JD	06/01/2009		0.000	478,720	500,000	111.7990	558,995	472,500	2,969	35,625	2,450	0	0	2	04/18/2000	7.984
87612EAA4	TARGET CORP		7.500	FA	02/15/2005		0.000	500,838	500,000	110.4510	552,255	501,900	14,062	37,500	(379)	0	0	1	02/23/2000	7.407
881685BC4	TEXACO CAPITAL INC		7.750	FA	02/15/1933	02/15/2003	104.640	1,046,978	1,000,000	105.1370	1,051,370	1,073,810	29,062	77,500	(6,480)	0	0	1PE	04/07/1998	6.761
886706AA8	TIG CAPITAL TRUST I		8.597	JJ	01/15/2027	01/15/2007	104.300	1,083,705	1,000,000	48.0000	480,000	1,117,500	39,403	85,970	(8,436)	0	0	4	06/26/1998	7.112
891027AF1	TORCHMARK CORP		7.875	MN	05/15/2023		0.000	1,615,552	1,500,000	111.0650	1,665,975	1,624,380	14,766	118,125	(2,467)	0	0	1PE	01/11/1999	7.150
893950204	TRANSAMERICA FINANCE CORP		7.100	Q	11/01/2028	11/03/2003	100.000	500,000	500,000	101.6000	508,000	500,000	5,917	35,500	0	0	0	1	10/27/1998	7.100
902494AF0	TYSON FOODS		7.000	MN	05/01/2018		0.000	1,008,294	1,000,000	103.8210	1,038,210	1,009,570	11,667	70,000	(302)	0	0	2	06/02/1998	6.910
912912AP7	U.S. WEST CAPITAL FUNDING		6.375	JJ	07/15/2008		0.000	500,797	500,000	64.0000	320,000	501,250	14,609	31,875	(119)	0	0	5	08/17/1998	6.340
912920AE5	US WEST COMMUNICATIONS, INC		6.125	MN	11/15/2005		0.000	499,112	500,000	92.0000	460,000	497,580	3,828	30,625	261	0	0	4	01/12/1996	6.190
913275AA1	UNITRIN, INC.		5.750	JJ	07/01/2007		0.000	517,669	500,000	105.0060	525,030	518,500	14,375	0	(831)	0	0	1PE	09/26/2002	4.866

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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						
92344GAQ9 92344RAA0	VERIZON GLOBAL FDG CORP VERIZON NEW ENGLAND		6.875	JD	06/15/2012		0.000	1,000,662	1,000,000	111.5300	1,115,300	1,000,700	2,865	33,229	(38)	0	0	1	06/24/2002	6.865
92344WAA9	GLOBAL VERIZON MARYLAND INC		6.500	MS	09/15/2011		0.000	1,016,469	1,000,000	110.4160	1,104,160	1,018,410	18,958	69,333	(1,397)	0	0	1	08/20/2001	6.250
92929QAA5	WASHINGTON MUTUAL INC		6.125	FA	03/01/2012		0.000	498,666	500,000	108.1280	540,640	498,625	10,208	15,823	41	0	0	1PE	02/21/2002	6.162
929771AB9	WMX TECHNOLOGIES		6.375	JD	12/01/2003		0.000	499,800	500,000	101.9110	509,555	498,975	2,656	31,875	170	0	0	2	08/01/1997	6.413
929771AH6	WACHOVIA CORP		6.375	AO	04/15/2003		0.000	500,407	500,000	101.3310	506,655	508,195	6,641	31,875	(1,783)	0	0	1PE	12/24/1997	6.007
939322AE3	WACHOVIA CORP		6.250	FA	08/04/2008		0.000	976,944	1,000,000	110.8230	1,108,230	970,680	25,521	62,500	3,284	0	0	1PE	01/05/2001	6.750
949746CE9	WASHINGTON MUTUAL INC		8.250	AO	04/01/2010		0.000	1,012,860	1,000,000	119.1000	1,191,000	1,016,250	20,625	82,500	(1,286)	0	0	2PE	04/18/2000	8.009
94974JAA1	WELLS FARGO & CO		6.375	FA	08/01/2011		0.000	502,211	500,000	112.0180	560,090	502,500	13,281	31,964	(192)	0	0	1	08/06/2001	6.306
976657AC0	WELLS FARGO & CO WISCONSIN ENERGY		6.500	FA	02/20/2013	02/20/2002	100.000	498,981	500,000	0.0000	498,981	498,750	11,826	32,500	66	0	0	1PE	02/20/1998	6.526
983931BQ8	CORPORATION XEROX CORP		6.500	AO	04/01/2011		0.000	1,005,800	1,000,000	110.8980	1,108,980	1,006,570	16,250	65,000	(531)	0	0	1	07/10/2001	6.406
984119AC1	XEROX CORP		8.000	JJ	01/28/2013	01/28/2000	100.000	496,124	500,000	0.0000	496,124	495,000	13,812	32,500	261	0	0	4	02/26/1998	6.606
3999999	Subtotal - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations							165,749,501	165,580,000	X X X	171,173,121	167,545,723	3,017,277	10,099,555	(1,035,308)	0	0	X X X	X X X	X X X
4599999	Subtotal - Industrial & Miscellaneous (Unaffiliated)							165,749,501	165,580,000	X X X	171,173,121	167,545,723	3,017,277	10,099,555	(1,035,308)	0	0	X X X	X X X	X X X
5499999	Subtotals - Issuer Obligations							198,818,286	198,880,000	X X X	206,041,994	200,657,678	3,639,483	11,842,499	(1,032,144)	0	0	X X X	X X X	X X X
6099999	Grand Total - Bonds							198,818,286	198,880,000	X X X	206,041,994	200,657,678	3,639,483	11,842,499	(1,032,144)	0	0	X X X	X X X	X X X

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31, Current Year

1 Cusip Identification	2 Description	3 Number of Shares	4 Par Value Per Share	5 Rate Per Share	6 Book/Adjusted Carrying Value	7 Rate Per Share Used to Obtain Fair Value	8 Fair Value	9 Actual Cost	Dividends		12 Increase (Decrease) by Adjustment	13 Increase (Decrease) by Foreign Exchange Adjustment	14 NAIC Desig- nation	15 Date Acquired
									10 Declared but Unpaid	11 Amount Received During Year				
Public Utilities (Unaffiliated)														
037735792	APPALACHIAN POWER CO	20,000.000	25.00	25.000	500,000	24.700	494,000	500,000	0	36,000	0	0	P2	03/03/1998
37333R209	GEORGIA PACIFIC TRUST IV	4,000.000	25.00	25.000	100,000	25.000	100,000	100,000	0	6,850	0	0	P1	02/24/1999
6199999	Subtotal - Public Utilities (Unaffiliated)				600,000	X X X	594,000	600,000	0	42,850	0	0	X X X	X X X
Industrial and Miscellaneous (Unaffiliated)														
00206J308	AT+T CAPITAL CORP	20,000.000	25.00	25.000	500,000	25.780	515,600	500,000	5,081	40,625	0	0	P1	12/21/1998
6399999	Subtotal - Industrial and Miscellaneous (Unaffiliated)				500,000	X X X	515,600	500,000	5,081	40,625	0	0	X X X	X X X
Parent, Subsidiaries, and Affiliates														
58465#102	MEDICAL LIFE INSURANCE AGENCY, INC.	10.000	0.10	0.100	1	0.100	1	1	0	0	0	0	P1	07/01/1986
6499999	Subtotal - Parent, Subsidiaries, and Affiliates				1	X X X	1	1	0	0	0	0	X X X	X X X
6599999	Total Preferred Stocks				1,100,001	X X X	1,109,601	1,100,001	5,081	83,475	0	0	X X X	X X X

SCHEDULE D - PART 2 - SECTION 2

Showing All COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Number of Shares	4 Book/Adjusted Carrying Value	5 Rate Per Share Used to Obtain Fair Value	6 Fair Value	7 Actual Cost	Dividends		10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 NAIC Designation (a)	13 Date Acquired
							8 Declared But Unpaid	9 Amount Received During Year				
Public Utilities (Unaffiliated)												
28336L109	EL PASO CORPORATION	100.000	696	6.960	696	6,110	0	87	(3,765)	0	L	01/07/1994
28336L109	EL PASO CORPORATION	1,600.000	11,136	6.960	11,136	20,135	0	1,384	(60,240)	0	L	04/02/1998
28336L109	EL PASO CORPORATION	1,500.000	10,440	6.960	10,440	22,597	0	1,298	(56,475)	0	L	05/25/1995
744573106	PUBLIC SERVICE ENTERPRISE GROUP	1,200.000	38,520	32.100	38,520	48,180	0	2,592	(12,108)	0	L	10/21/1998
6699999 Subtotal - Public Utilities (Unaffiliated)			60,792	X X X	60,792	97,022	0	5,360	(132,588)	0	X X X	X X X
Banks, Trust and Insurance Companies (Unaffiliated)												
06423A103	BANC ONE CORPORATION	1,100.000	40,205	36.550	40,205	28,052	0	924	(2,750)	0	L	02/25/1994
06423A103	BANC ONE CORPORATION	180.000	6,579	36.550	6,579	7,047	0	151	(450)	0	L	02/10/1998
06423A103	BANC ONE CORPORATION	700.000	25,585	36.550	25,585	35,367	0	588	(1,750)	0	L	09/26/1997
172967101	CITIGROUP INCORPORATED	1,000.000	35,190	35.190	35,190	34,964	0	700	(15,275)	0	L	10/26/1999
172967101	CITIGROUP INCORPORATED	333.000	11,718	35.190	11,718	11,660	0	233	(5,092)	0	L	08/28/2000
89420G109	TRAVELERS PROPERTY CASUALTY	57.000	835	14.650	835	0	0	0	835	0	L	08/21/2002
6799999 Subtotal - Banks, Trust and Insurance Companies (Unaffiliated)			120,112	X X X	120,112	117,088	0	2,596	(24,481)	0	X X X	X X X
Industrial and Miscellaneous (Unaffiliated)												
031162100	AMGEN INC.	1,000.000	48,340	48.340	48,340	56,930	0	0	(8,590)	0	L	01/16/2002
17275R102	CISCO SYSTEMS INC.	735.000	9,629	13.100	9,629	38,468	0	0	(3,682)	0	L	11/28/2000
194162103	COLGATE PALMOLIVE COMPANY	900.000	47,187	52.430	47,187	51,154	0	648	(4,788)	0	L	10/26/1999
291011104	EMERSON ELECTRIC COMPANY	250.000	12,713	50.850	12,713	12,566	0	389	(1,563)	0	L	01/21/1997
291011104	EMERSON ELECTRIC COMPANY	250.000	12,713	50.850	12,713	12,566	0	389	(1,563)	0	L	03/11/1997
291011104	EMERSON ELECTRIC COMPANY	650.000	33,053	50.850	33,053	38,074	0	1,011	(4,063)	0	L	09/26/1997
30231G102	EXXON MOBIL CORP	924.000	32,285	34.940	32,285	24,920	0	849	(4,029)	0	L	11/30/1999
30231G102	EXXON MOBIL CORP	924.000	32,285	34.940	32,285	24,920	0	849	(4,029)	0	L	07/19/2001
313586109	FEDERAL NATIONAL MORTGAGE	485.000	31,200	64.330	31,200	38,024	0	640	(7,357)	0	L	11/28/2000
369604103	GENERAL ELECTRIC COMPANY	790.000	19,237	24.350	19,237	38,582	0	569	(12,427)	0	L	11/28/2000
369604103	GENERAL ELECTRIC COMPANY	210.000	5,114	24.350	5,114	8,114	0	113	(3,001)	0	L	01/16/2002
428236103	HEWLETT PACKARD CO	948.000	16,457	17.360	16,457	52,871	0	227	1,859	0	L	02/11/1998
478160104	JOHNSON & JOHNSON	430.000	23,095	53.710	23,095	17,326	0	342	(2,318)	0	L	10/19/1998
478160104	JOHNSON & JOHNSON	430.000	23,095	53.710	23,095	17,326	0	342	(2,318)	0	L	06/13/2001
478160104	JOHNSON & JOHNSON	357.000	19,174	53.710	19,174	18,200	0	284	(1,924)	0	L	06/27/2001
580645109	MCGRAW-HILL INC W/PFD STK RTS	350.000	21,154	60.440	21,154	11,802	0	357	(189)	0	L	01/07/1994
580645109	MCGRAW-HILL INC W/PFD STK RTS	350.000	21,154	60.440	21,154	11,802	0	357	(189)	0	L	04/26/1996
580645109	MCGRAW-HILL INC W/PFD STK RTS	700.000	42,308	60.440	42,308	0	0	714	(378)	0	L	03/08/1999
670872100	OM GROUP INC	1,500.000	10,320	6.880	10,320	41,275	0	630	(88,965)	0	L	05/20/1996
670872100	OM GROUP INC	1,000.000	6,880	6.880	6,880	39,200	0	420	(59,310)	0	L	09/26/1997
713448108	PEPSICO INCORPORATED	1,000.000	42,220	42.220	42,220	48,830	0	445	(6,610)	0	L	01/16/2002
717081103	PFIZER INCORPORATED	435.000	13,298	30.570	13,298	18,274	0	226	(4,037)	0	L	06/27/2001
717081103	PFIZER INCORPORATED	400.000	12,228	30.570	12,228	16,330	0	208	(4,102)	0	L	01/16/2002
742718109	PROCTER & GAMBLE CO	1,500.000	128,910	85.940	128,910	34,104	0	2,370	10,215	0	L	09/26/1997
749121109	QWEST COMMUNICATIONS INT'L INC.	1,500.000	7,500	5.000	7,500	50,475	0	0	(13,695)	0	L	10/26/1999
806605101	SCHERING-PLOUGH CORPORATION	200.000	4,440	22.200	4,440	2,985	0	134	(2,722)	0	L	06/06/1997
806605101	SCHERING-PLOUGH CORPORATION	2,200.000	48,840	22.200	48,840	32,835	0	1,474	(29,942)	0	L	12/03/1998
832696405	SMUCKER J M CO	30.000	1,194	39.810	1,194	0	0	12	1,194	0	L	06/03/2002
89420G406	TRAVELERS PROPERTY CASUALTY CO	118.000	1,729	14.650	1,729	0	0	0	1,729	0	L	08/21/2002
902124106	TYCO INT'L LTD	500.000	8,540	17.080	8,540	24,025	0	19	(15,485)	0	L	01/16/2002
92343V104	VERIZON COMMUNICATIONS	2,440.000	94,550	38.750	94,550	68,280	0	3,758	(21,252)	0	L	06/30/2000
931422109	WALGREEN COMPANY	500.000	14,595	29.190	14,595	17,620	0	73	(3,025)	0	L	01/16/2002
931422109	WALGREEN COMPANY	850.000	24,812	29.190	24,812	37,209	0	124	(3,800)	0	L	11/28/2000
983024100	WYETH	800.000	29,920	37.400	29,920	24,160	0	736	(19,168)	0	L	01/21/1997

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SCHEDULE D - PART 2 - SECTION 2

Showing All COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Number of Shares	4 Book/Adjusted Carrying Value	5 Rate Per Share Used to Obtain Fair Value	6 Fair Value	7 Actual Cost	Dividends		10 Increase (Decrease) by Adjustment	11 Increase (Decrease) by Foreign Exchange Adjustment	12 NAIC Designation (a)	13 Date Acquired
							8 Declared But Unpaid	9 Amount Received During Year				
983024100	WYETH	800.000	29,920	37.400	29,920	24,160	0	736	(19,168)	0	L	05/06/1998 ..
6899999 Subtotal - Industrial and Miscellaneous (Unaffiliated)			930,086	X X X	930,086	953,405	0	19,444	(338,689)	0	X X X	X X X
Parent, Subsidiaries and affiliates												
58465#102	MEDICAL LIFE INSURANCE AGENCY, INC	200.000	251,496	1,257.478	251,496	251,496	0	0	27,736	0	U	07/01/1986 ..
.....	AMERICAN CAPITAL LIFE INSURANCE COMPANY	310,455.000	2,457,260	7.915	2,457,260	2,457,260	0	0	145,539	0	U	10/27/1995 ..
6999999 Subtotal - Parent, Subsidiaries and affiliates			2,708,755	X X X	2,708,755	2,708,755	0	0	173,274	0	X X X	X X X
7099999 Total Common Stocks			3,819,745	X X X	3,819,745	3,876,270	0	27,400	(322,484)	0	X X X	X X X
7199999 Total Preferred and Common Stocks			4,919,746	X X X	4,929,346	4,976,271	5,081	110,875	(322,484)	0	X X X	X X X

(a) For all common stocks bearing the NAIC designation "U" provide: the number of such issues0, the total \$ value (included in Column 6) of all such issues \$.....0.

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							
31359MLD3	FEDERAL NATIONAL MORTGAGE ASSOC	06/24/2002	MCDONALD & COMPANY	X X X	501,250	500,000.00	5,194
31359MMB6	FEDERAL NATIONAL MORTGAGE ASSOC	04/16/2002	MCDONALD & COMPANY	X X X	996,250	1,000,000.00	15,000
31359MMF7	FEDERAL NATIONAL MORTGAGE ASSOC	03/07/2002	MCDONALD & COMPANY	X X X	1,951,563	2,000,000.00	6,250
31359MMF7	FEDERAL NATIONAL MORTGAGE ASSOC	03/12/2002	MCDONALD & COMPANY	X X X	1,940,000	2,000,000.00	7,500
31359MMF7	FEDERAL NATIONAL MORTGAGE ASSOC	04/26/2002	MCDONALD & COMPANY	X X X	491,790	500,000.00	5,391
31359MMF7	FEDERAL NATIONAL MORTGAGE ASSOC	05/10/2002	MCDONALD & COMPANY	X X X	980,938	1,000,000.00	12,969
31359MMF7	FEDERAL NATIONAL MORTGAGE ASSOC	05/14/2002	MCDONALD & COMPANY	X X X	1,941,180	2,000,000.00	26,563
3136F1PE4	FEDERAL NATIONAL MORTGAGE ASSOC	02/21/2002	MCDONALD & COMPANY	X X X	1,003,750	1,000,000.00	0
3136F2QR2	FEDERAL NATIONAL MORTGAGE ASSOC	10/21/2002	MCDONALD & COMPANY	X X X	1,000,000	1,000,000.00	0
0399999 Subtotal - Bonds - U.S. Governments					10,806,720	11,000,000.00	78,866
Bonds - Public Utilities (Unaffiliated)							
264399DW3	DUKE ENERGY CORP	08/13/2002	FERRIS, BAKER WATTS	X X X	518,750	500,000.00	2,691
3899999 Subtotal - Bonds - Public Utilities (Unaffiliated)					518,750	500,000.00	2,691
Bonds - Industrial and Miscellaneous (Unaffiliated)							
02635PRT2	AMERICAN GENERAL FINANCE	10/15/2002	FERRIS, BAKER WATTS	X X X	979,760	1,000,000.00	2,688
02635PSA2	AMERICAN GENERAL FINANCE	11/21/2002	FERRIS, BAKER WATTS	X X X	1,005,000	1,000,000.00	0
026609AM9	AMERICAN HOME PRODUCTS	07/26/2002	FERRIS, BAKER WATTS	X X X	1,507,500	1,500,000.00	37,967
060505AR5	BANK OF AMERICA	12/17/2002	FERRIS, BAKER WATTS	X X X	501,250	500,000.00	5,755
06423AAR4	BANK ONE CORP	08/22/2002	FERRIS, BAKER WATTS	X X X	501,875	500,000.00	0
06423AAS2	BANK ONE CORP	10/22/2002	FERRIS, BAKER WATTS	X X X	992,500	1,000,000.00	146
09700WEF6	BOEING CAP CORP	11/25/2002	FERRIS, BAKER WATTS	X X X	1,005,000	1,000,000.00	300
097014AF1	BOEING CAP CORP	10/21/2002	MCDONALD & COMPANY	X X X	1,020,900	1,000,000.00	11,021
125577AM8	CIT GROUP INC	10/21/2002	MCDONALD & COMPANY	X X X	1,017,500	1,000,000.00	13,903
125581AC2	CIT GROUP INC	09/19/2002	FERRIS, BAKER WATTS	X X X	2,020,000	2,000,000.00	0
22237LMQ2	COUNTRYWIDE HOME LOANS	08/13/2002	FERRIS, BAKER WATTS	X X X	516,500	500,000.00	6,953
22541LAB9	CREDIT SUISSE FIRST BOSTON US INC	07/17/2002	FERRIS, BAKER WATTS	X X X	996,500	1,000,000.00	11,399
260543BU6	DOW CHEMICAL	11/21/2002	MCDONALD & COMPANY	X X X	1,000,880	1,000,000.00	556
38141GCG7	GOLDMAN SACHS GROUP	09/04/2002	FERRIS, BAKER WATTS	X X X	1,020,000	1,000,000.00	1,900
38141GCM4	GOLDMAN SACHS GROUP	11/07/2002	FERRIS, BAKER WATTS	X X X	502,500	500,000.00	0
38141GCM4	GOLDMAN SACHS GROUP	11/18/2002	FERRIS, BAKER WATTS	X X X	500,000	500,000.00	458
428236AF0	HEWLETT PACKARD CO	09/09/2002	FERRIS, BAKER WATTS	X X X	517,500	500,000.00	5,806
441812JT2	HOUSEHOLD FINANCE	09/04/2002	MCDONALD & COMPANY	X X X	1,035,000	1,000,000.00	8,125
459745EW1	INTERNATIONAL LEASE FINANCE CORP	10/21/2002	MCDONALD & COMPANY	X X X	1,026,710	1,000,000.00	1,438
459745EY7	INTERNATIONAL LEASE FINANCE CORP	11/18/2002	MCDONALD & COMPANY	X X X	522,825	500,000.00	7,667
459745FA8	INTERNATIONAL LEASE FINANCE CORP	08/21/2002	MCDONALD & COMPANY	X X X	1,019,750	1,000,000.00	13,594
46625HAN0	J P MORGAN CHASE & CO	04/16/2002	FERRIS, BAKER WATTS	X X X	502,750	500,000.00	3,313
52517PSC6	LEHMAN BROTHERS HOLDINGS	02/21/2002	FERRIS, BAKER WATTS	X X X	511,250	500,000.00	4,233
743315AK9	PROGRESSIVE INSURANCE	03/20/2002	FERRIS, BAKER WATTS	X X X	496,250	500,000.00	9,208
758940AG5	REGIONS FINANCIAL CORP	05/10/2002	FERRIS, BAKER WATTS	X X X	505,000	500,000.00	0
759351AC3	REINSURANCE GROUP	05/10/2002	FERRIS, BAKER WATTS	X X X	508,000	500,000.00	13,688
78387GAD5	SBC COMMUNICATIONS INC	08/13/2002	FERRIS, BAKER WATTS	X X X	516,500	500,000.00	13,108
913275AA1	UNITRIN, INC	09/26/2002	FERRIS, BAKER WATTS	X X X	518,500	500,000.00	7,188
92344GAQ9	VERIZON GLOBAL FDG CORP	06/24/2002	FERRIS, BAKER WATTS	X X X	1,000,700	1,000,000.00	1,146
92344WAA9	VERIZON MARYLAND INC	02/21/2002	FERRIS, BAKER WATTS	X X X	498,625	500,000.00	85
4599999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					24,267,025	24,000,000.00	181,641
6099997 Subtotal - Bonds - Part 3					35,592,495	35,500,000.00	263,198
6099998 Summary item from Part 5 for Bonds					0	0.00	0
6099999 Subtotal - Bonds					35,592,495	35,500,000.00	263,198
6599998 Summary Item from Part 5 for Preferred Stocks					0	X X X	0

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
Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)							
89420G109	TRAVELERS PROPERTY CASUALTY	08/21/2002 ..	SPINOFF FROM CITIGROUP	57.000	0	X X X	0
6799999 Subtotal - Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)					0	X X X	0
Common Stocks - Industrial and Miscellaneous (Unaffiliated)							
031162100	AMGEN, INC.	01/16/2002 ..	FERRIS, BAKER WATTS	1,000.000	56,930	X X X	0
369604103	GENERAL ELECTRIC COMPANY	01/16/2002 ..	FERRIS, BAKER WATTS	210.000	8,114	X X X	0
713448108	PEPSICO INCORPORATED	01/16/2002 ..	FERRIS, BAKER WATTS	1,000.000	48,830	X X X	0
717081103	PFIZER INCORPORATED	01/16/2002 ..	FERRIS, BAKER WATTS	400.000	16,330	X X X	0
832696405	SMUCKER J M CO	06/03/2002 ..	SPINOFF FROM PROCTOR & GAMBLE	30.000	0	X X X	0
89420G406	TRAVELERS PROPERTY CASUALTY	08/21/2002 ..	SPINOFF FROM CITIGROUP	118.000	0	X X X	0
902124106	TYCO INT'L LTD	01/16/2002 ..	FERRIS, BAKER WATTS	500.000	24,025	X X X	0
931422109	WALGREEN COMPANY	01/16/2002 ..	FERRIS, BAKER WATTS	500.000	17,620	X X X	0
6899999 Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					171,849	X X X	0
7099997 Subtotal - Common Stocks - Part 3					171,849	X X X	0
7099998 Summary Item from Part 5 for Common Stocks					0	X X X	0
7099999 Subtotal - Common Stocks					171,849	X X X	0
7199999 Subtotal - Preferred and Common Stocks					171,849	X X X	0
7299999 Totals					35,764,344	X X X	263,198

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	
Bonds - U.S. Governments																
3133M4LM3	FEDERAL HOME LOAN BANK	12/11/2002	CALLED	X X X	1,000,000	1,000,000.00	1,000,000	1,000,000	0	0	0	0	0	70,000	X X X	
3133M5Y95	FEDERAL HOME LOAN BANK	10/28/2002	CALLED	X X X	500,000	500,000.00	500,000	500,000	0	0	0	0	0	30,625	X X X	
3133M6U71	FEDERAL HOME LOAN BANK	06/24/2002	CALLED	X X X	500,000	500,000.00	500,000	500,000	0	0	0	0	0	16,100	X X X	
3133M6VG0	FEDERAL HOME LOAN BANK	06/24/2002	CALLED	X X X	1,000,000	1,000,000.00	1,000,000	1,000,000	0	0	0	0	0	32,500	X X X	
3134A2SL3	FEDERAL HOME LOAN MORTGAGE CORP	09/24/2002	CALLED	X X X	500,000	500,000.00	500,000	500,000	0	0	0	0	0	30,835	X X X	
3134A3D94	FEDERAL HOME LOAN MORTGAGE CORP	08/27/2002	CALLED	X X X	1,000,000	1,000,000.00	1,000,000	1,000,000	0	0	0	0	0	80,600	X X X	
3134A3MM5	FEDERAL HOME LOAN MORTGAGE CORP	04/29/2002	CALLED	X X X	1,000,000	1,000,000.00	989,970	991,225	325	0	0	8,775	8,775	32,250	X X X	
31364GB73	FEDERAL NATIONAL MORTGAGE ASSOC	04/22/2002	CALLED	X X X	1,000,000	1,000,000.00	979,650	982,253	631	0	0	17,747	17,747	35,901	X X X	
31364GCP2	FEDERAL NATIONAL MORTGAGE ASSOC	09/03/2002	CALLED	X X X	1,000,000	1,000,000.00	1,000,000	1,000,000	0	0	0	0	0	52,347	X X X	
86387RGL0	STUDENT LOAN MARKETING ASSN	08/01/2002	MATURED	X X X	750,000	750,000.00	735,000	735,000	1,264	0	0	0	0	48,750	X X X	
912827G55	U.S. TREASURY NOTES	08/15/2002	MATURED	X X X	500,000	500,000.00	483,594	500,000	1,450	0	0	0	0	27,800	X X X	
0399999 Subtotal - Bonds - U.S. Governments					8,750,000	8,750,000.00	8,688,214	8,723,478	3,670	0	0	26,522	26,522	457,708	X X X	
Bonds - Public Utilities (Unaffiliated)																
341081DG9	FLORIDA POWER & LIGHT CO.	06/10/2002	CALLED	X X X	500,000	500,000.00	496,320	498,804	262	0	0	1,196	1,196	23,776	X X X	
341081DG9	FLORIDA POWER & LIGHT CO.	06/10/2002	CALLED	X X X	500,000	500,000.00	498,725	499,550	85	0	0	450	450	23,776	X X X	
341081DG9	FLORIDA POWER & LIGHT CO.	06/10/2002	CALLED	X X X	500,000	500,000.00	502,730	500,000	0	0	0	0	0	23,776	X X X	
774347AM0	ROCKWELL INTERNATIONAL CORP	09/16/2002	MATURED	X X X	500,000	500,000.00	467,500	500,000	3,951	0	0	0	0	33,750	X X X	
3899999 Subtotal - Bonds - Public Utilities (Unaffiliated)					2,000,000	2,000,000.00	1,965,275	1,998,354	4,298	0	0	1,646	1,646	105,078	X X X	
Bonds - Industrial and Miscellaneous (Unaffiliated)																
026609AB3	AMERICAN HOME PRODUCTS	10/15/2002	MATURED	X X X	500,000	500,000.00	455,000	500,000	5,894	0	0	0	0	32,500	X X X	
053528CA1	AVCO FINANCIAL SERVICES, INC.	08/15/2002	MATURED	X X X	500,000	500,000.00	500,000	500,000	0	0	0	0	0	30,000	X X X	
066050BS3	BANKAMERICA CORP	07/15/2002	MATURED	X X X	400,000	400,000.00	396,000	400,000	326	0	0	0	0	31,000	X X X	
165087AM9	CHESAPEAKE & POTOMAC TELEPHONE	01/15/2002	MATURED	X X X	500,000	500,000.00	495,290	500,000	80	0	0	0	0	17,813	X X X	
200339AA7	COMERICA BANK, INC.	10/15/2002	MATURED	X X X	500,000	500,000.00	487,500	500,000	1,743	0	0	0	0	36,250	X X X	
253849AG8	DIGITAL EQUIPMENT	10/15/2002	MATURED	X X X	500,000	500,000.00	498,750	500,000	204	0	0	0	0	35,625	X X X	
345402Z46	FORD MOTOR CREDIT CORP	07/15/2002	CALLED	X X X	500,000	500,000.00	495,000	496,129	142	0	0	3,871	3,871	20,781	X X X	
37042WVQ1	GENERAL MOTORS ACCEP CORP	12/16/2002	MATURED	X X X	1,000,000	1,000,000.00	999,430	1,000,000	174	0	0	0	0	66,217	X X X	
44181XE9	HOUSEHOLD FINANCE	01/22/2002	CALLED	X X X	500,000	500,000.00	500,000	500,000	0	0	0	0	0	2,933	X X X	
55262CAC4	MBIA INC	10/30/2002	CALLED	X X X	519,940	500,000.00	547,350	500,000	(24,958)	0	0	19,940	19,940	41,000	X X X	
59018S5X8	MERRILL LYNCH	04/24/2002	CALLED	X X X	500,000	500,000.00	500,000	500,000	0	0	0	0	0	12,167	X X X	
59018SVP6	MERRILL LYNCH	07/30/2002	CALLED	X X X	500,000	500,000.00	500,000	500,000	0	0	0	0	0	35,750	X X X	
59018SVP6	MERRILL LYNCH	07/30/2002	CALLED	X X X	1,000,000	1,000,000.00	1,047,250	1,000,000	(7,849)	0	0	0	0	71,500	X X X	
59018SZS6	MERRILL LYNCH	02/12/2002	CALLED	X X X	500,000	500,000.00	495,000	496,582	56	0	0	3,418	3,418	16,050	X X X	
634902BE9	NATIONAL CITY BANK CLEVELAND	09/25/2002	CALLED	X X X	500,000	500,000.00	500,000	500,000	0	0	0	0	0	35,500	X X X	
63858SBK4	NATIONSBANK CORP	07/30/2002	CALLED	X X X	500,000	500,000.00	511,250	500,000	(1,921)	0	0	0	0	35,950	X X X	
644239AK1	NEW ENGLAND TELEPHONE & TELEGRAPH	03/04/2002	CALLED	X X X	1,000,000	1,000,000.00	948,230	969,943	1,015	0	0	30,057	30,057	26,031	X X X	
645767AP9	NEW JERSEY BELL TELEPHONE COMPANY	03/06/2002	CALLED	X X X	1,516,500	1,500,000.00	1,513,095	1,512,242	(154)	0	0	4,258	4,258	29,193	X X X	
694032AL7	PACIFIC BELL	07/01/2002	MATURED	X X X	500,000	500,000.00	473,415	500,000	2,329	0	0	0	0	36,250	X X X	
4599999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					11,936,440	11,900,000.00	11,862,560	11,874,896	(22,917)	0	0	61,544	61,544	612,509	X X X	
6099997 Subtotal - Bonds - Part 4					22,686,440	22,650,000.00	22,516,049	22,596,729	(14,949)	0	0	89,711	89,711	1,175,296	X X X	
6099998 Summary Item from Part 5 for Bonds					0	0.00	0	0	0	0	0	0	0	0	0	X X X
6099999 Subtotal - Bonds					22,686,440	22,650,000.00	22,516,049	22,596,729	(14,949)	0	0	89,711	89,711	1,175,296	X X X	

E12

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
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)															
910197409	UNITED DOMINION REALTY	12/23/2002	MCDONALD & COMPANY	20,000.000	560,000	500,000.00	500,000	500,000	0	0	0	60,000	60,000	X X X	42,972
6399999 Subtotal - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)					560,000	X X X	500,000	500,000	0	0	0	60,000	60,000	X X X	42,972
6599997 Subtotal - Preferred Stocks - Part 4					560,000	X X X	500,000	500,000	0	0	0	60,000	60,000	X X X	42,972
6599998 Summary Item from Part 5 for Preferred Stocks					0	X X X	0	0	0	0	0	0	0	X X X	0
6599999 Subtotal - Preferred Stocks					560,000	X X X	500,000	500,000	0	0	0	60,000	60,000	X X X	42,972
Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)															
89420G109	TRAVELERS PROPERTY CASUALTY	09/18/2002	SPINOFF	0.591	9	X X X	9	9	0	0	0	0	0	X X X	0
6799999 Subtotal - Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)					9	X X X	9	9	0	0	0	0	0	X X X	0
Common Stocks - Industrial and Miscellaneous (Unaffiliated)															
247126105	DELPHI AUTOMOTIVE SYSTEMS	01/16/2002	FERRIS, BAKER, WATTS	698.000	9,205	X X X	7,651	7,651	(1,884)	0	0	1,554	1,554	X X X	49
254687106	WALT DISNEY COMPANY	01/16/2002	FERRIS, BAKER, WATTS	450.000	9,630	X X X	9,375	9,375	51	0	0	255	255	X X X	0
254687106	WALT DISNEY COMPANY	01/16/2002	FERRIS, BAKER, WATTS	450.000	9,630	X X X	8,514	8,514	(810)	0	0	1,116	1,116	X X X	0
254687106	WALT DISNEY COMPANY	01/16/2002	FERRIS, BAKER, WATTS	1,800.000	38,519	X X X	34,725	34,725	(2,571)	0	0	3,794	3,794	X X X	0
589331107	MERCK & COMPANY INC.	01/16/2002	FERRIS, BAKER, WATTS	600.000	35,259	X X X	47,340	47,340	12,060	0	0	(12,081)	(12,081)	X X X	210
806605101	SCHERING-PLOUGH CORP	01/16/2002	FERRIS, BAKER, WATTS	760.000	25,817	X X X	11,343	11,343	(15,873)	0	0	14,474	14,474	X X X	0
806605101	SCHERING-PLOUGH CORP	01/16/2002	FERRIS, BAKER, WATTS	340.000	11,550	X X X	5,075	5,075	(7,101)	0	0	6,475	6,475	X X X	0
806605101	SCHERING-PLOUGH CORP	01/16/2002	FERRIS, BAKER, WATTS	900.000	30,573	X X X	13,433	13,433	(18,797)	0	0	17,140	17,140	X X X	0
806857108	SCHLUMBERGER LIMITED	01/16/2002	FERRIS, BAKER, WATTS	550.000	28,000	X X X	39,442	39,442	9,219	0	0	(11,442)	(11,442)	X X X	103
428236103	HEWLETT PACKARD CO	05/17/2002	SPINOFF	0.750	15	X X X	42	42	0	0	0	(27)	(27)	X X X	0
89420G406	TRAVELERS PROPERTY CASUALTY	09/18/2002	SPINOFF	0.324	6	X X X	6	6	0	0	0	0	0	X X X	0
6899999 Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					198,204	X X X	176,944	176,944	(25,704)	0	0	21,258	21,258	X X X	362
7099997 Subtotal - Common Stocks - Part 4					198,213	X X X	176,954	176,954	(25,704)	0	0	21,258	21,258	X X X	362
7099998 Summary Item from Part 5 for Common Stocks					0	X X X	0	0	0	0	0	0	0	X X X	0
7099999 Subtotal - Common Stocks					198,213	X X X	176,954	176,954	(25,704)	0	0	21,258	21,258	X X X	362
7199999 Subtotal - Preferred and Common Stocks					758,213	X X X	676,954	676,954	(25,704)	0	0	81,258	81,258	X X X	43,334
7299999 Totals					23,444,653	X X X	23,193,003	23,273,683	(40,653)	0	0	170,970	170,970	1,175,296	43,334

E12.1

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	
NONE																	
7299999 Totals							0	0	0	0	0	0	0	0	0	0	0

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 NAIC Company Code or Alien Insurer Identification Number	4 NAIC Valuation Method (See SVO Purposes and Procedures manual)	5 Do Insurer's Admitted Assets Include Intan- gible Assets connected with Holding of Such Company's Stock?	6 Total Amount of Such Intangible Assets	7 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
							8 Number of Shares	9 % of Outstanding
Common Stocks - U.S. Life Insurer								
.....	AMERICAN CAPITAL LIFE INSURANCE COMPANY	60283	iii	No	0	2,457,260	310,455,000	98.849
1199999 Subtotal - Common Stocks - U.S. Life Insurer					0	2,457,260	X X X	X X X
Common Stocks - Other Affiliates								
58465#102	MEDICAL LIFE INSURANCE AGENCY	iv	No	0	251,496	200,000	100.000
1599999 Subtotal - Common Stocks - Other Affiliates					0	251,496	X X X	X X X
1699999 Subtotal - Common Stocks					0	2,708,755	X X X	X X X
1799999 Total - Preferred and Common Stocks					0	2,708,755	X X X	X X X

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$......2,562,399.
2. Total amount of intangible assets nonadmitted \$......0.

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 6, Section 1	Stock in Lower-tier Company Owned Indirectly by Insurer on Statement Date		
				5 Number of Shares	6 % of Outstanding	
NONE						
0399999 Total - Preferred and Common Stocks				0	X X X	X X X

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENT Owned December 31, of Current Year

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	Interest		7 Maturity Date	8 Book/Adjusted Carrying Value	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment	11 Par Value	12 Actual Cost	Interest		15 Paid for Accrued Interest	16 NAIC Designation	17 Effective Rate of Interest
				5 Rate Of	6 How Paid							13 Amount Due and Accrued Dec. 31, of Current Year on Bond Not in Default	14 Gross Amount Received			
6099999 Subtotal - Bonds																
Class One Money Market Mutual Funds																
	VICTORY FUNDS - MLI TRUST	12/31/2002	KEYBANK NATIONAL ASSOCIATION	0.940	MONT	01/01/2003	8,750	0	0	8,750	8,750	0	2,182	0	1	1.094
	VICTORY FUNDS - MLI TRUST	12/31/2002	KEYBANK NATIONAL ASSOC	0.752	MONT	01/01/2003	0	0	0	0	0	0	65,821	0	1	1.127
7899999 Subtotal - Class One Money Market Mutual Funds							8,750	0	0	X X X	8,750	0	68,003	0	X X X	X X X
8099999 Total Short-term Investments							8,750	0	0	X X X	8,750	0	68,003	0	X X X	X X X

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

- 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

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	198,818,286	206,278,658	7,460,371
2. Preferred Stocks	1,100,001	1,110,000	9,999
3. TOTALS	199,918,287	207,388,658	7,470,370

(a) Amortized or book values shall not be substituted for fair values. Describe the sources or methods utilized in determining the fair values.: Interactive Data Corp., Rueters and J.J. Kenny.

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					
Key Bank National Association	Cleveland, OH	0.000	0	0	(4,347,080)
Key Bank National Association - SWEEP	Cleveland, OH	0.000	8,020	0	7,630,996
Chase Manhattan Bank	White Plains, NY	0.000	0	0	32,153
Comerica Bank	Detroit, MI	0.000	0	0	54,225
Wachovia Bank of Georgia, NA	Atlanta, GA	0.000	430	0	25,000
Bank One	Chicago, IL	0.000	0	0	1,080,429
0199998 Deposits in0 depositories that do not exceed the allowable limit in any one depository					
(See Instructions) - open depositories	X X X	0	0	0	0
0199999 Totals - Open Depositories					
	X X X	8,449	0	4,475,722	0
0299998 Deposits in0 depositories that do not exceed the allowable limit in any one depository					
(See Instructions) - suspended depositories	X X X	0	0	0	0
0299999 Totals - Suspended Depositories					
	X X X	0	0	0	0
0399999 Total Cash On Deposit					
	X X X	8,449	0	4,475,722	0
0499999 Cash in Company's Office					
	X X X	X X X	X X X	400	400
0599999 Total Cash					
	X X X	8,449	0	4,476,122	0

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

1. January	4,201,169	4. April	4,191,664	7. July	3,535,230	10. October	3,276,814
2. February	3,141,221	5. May	2,961,481	8. August	2,634,031	11. November	3,830,957
3. March	3,383,487	6. June	8,932,646	9. September	4,560,062	12. December	10,374,567

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
Arkansas						
AR00001	B	US Treasury Notes (5.750% due 08/15/03)	Ins. Dept, Little Rock, AR, RSD by Act 148 of 1959 Acts of Arkansas	250,000	250,272	256,953
AR99999	Subtotals - Arkansas			250,000	250,272	256,953
Georgia						
GA00001	O	US Treasury Money Market (1.2%)	Wachovia Bank of Georgia, NA, Atlanta, GA, RSD by Ins Code, Sect. 33-3-9	25,000	25,000	25,000
GA99999	Subtotals - Georgia			25,000	25,000	25,000
Massachusetts						
MA00001	B	US Treasury Notes (5.75% due 08/15/03)	State Treas, Boston, MA, RSD by MA Treas Ins Acct Rule 1976, MGLA 176 s32	125,000	125,136	128,476
MA99999	Subtotals - Massachusetts			125,000	125,136	128,476
North Carolina						
NC00001	B	US Treasury Notes (5.75% due 08/15/03)	State Treasurer, Raleigh, NC, RSD by Ins Code, Section 58/5/10	135,000	135,147	138,754
NC99999	Subtotals - North Carolina			135,000	135,147	138,754
New Mexico						
NM00001	B	US Treasury Notes (5.75% due 08/15/03)	Ins Dept, Santa Fe, NM RSD by Ins Code, NMSA 59A-5-19	125,000	125,136	128,476
NM99999	Subtotals - New Mexico			125,000	125,136	128,476
XX99999	Subtotals - Special Deposits Not Held for the Benefit Of All Policyholders, Claimants and Creditors of the Company			660,000	660,691	677,659
Special Deposits Held for the Benefit Of All Policyholders, Claimants and Creditors of the Company						
ZZ00001	B	US Treasury Notes (5.75% due 08/15/03)	Insurance Dept, Columbus, OH, RSD by Ins Code, Sect. 3907.07 and 3929.08	500,000	500,544	513,905
ZZ00002	B	Federal Farm Credit (5.84% due 11/21/03)	Insurance Dept, Columbus, OH, RSD by Ins Code, Sect. 3907.07 and 3929.08	750,000	749,817	779,910
ZZ00003	B	FNMA (7.00% due 08/27/12)	Insurance Dept, Columbus, OH, RSD by Ins Code, Sect. 3907.07 and 3929.08	500,000	494,427	494,427
ZZ00004	B	FHL (7.22% due 11/22/21)	Insurance Dept, Columbus, OH, RSD by Ins Code, Sect. 3907.07 and 3929.08	1,000,000	1,024,310	1,122,190
ZZ00005	B	FNMA (5.80% due 12/10/03)	Insurance Dept, Columbus, OH, RSD by Ins Code, Sect. 3907.07 and 3929.08	500,000	500,136	520,780
ZZ00006	B	FNMA (6.40% due 05/14/09)	Insurance Dept, Columbus, OH, RSD by Ins Code, Sect. 3907.07 and 3929.08	1,000,000	967,712	1,054,380
ZZ00007	B	FHL (7.80% due 09/12/16)	Insurance Dept, Columbus, OH, RSD by Ins Code, Sect. 3907.07 and 3929.08	500,000	510,685	580,940
ZZ00008	B	FHL (7.48% due 10/17/16)	Insurance Dept, Columbus, OH, RSD by Ins Code, Sect. 3907.07 and 3929.08	500,000	505,302	572,970
ZZ99999	Subtotals - Special Deposits Held for the Benefit Of All Policyholders, Claimants and Creditors of the Company			5,250,000	5,252,933	5,639,502
9999999	Totals			5,910,000	5,913,624	6,317,161

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