



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

AMERICAN RETIREMENT LIFE INSURANCE COMPANY

NAIC Group Code 0084 0084 NAIC Company Code 88366 Employer's ID Number 59-2760189
Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio
Country of Domicile United States of America
Incorporated 05/12/1978 Commenced Business 11/27/1978
Statutory Home Office 250 East Fifth Street, Cincinnati, OH 45202
Main Administrative Office 440 Mount Rushmore Road, Rapid City, SD 57701
Mail Address Post Office Box 5420, Cincinnati, OH 45201-5420
Primary Location of Books and Records 250 East Fifth Street, Cincinnati, OH 45202
Internet Website Address www.gafri.com
Statement Contact Brian Patrick Sponaugle, bsponaugle@gafri.com, 513-412-2931
Policyowner Relations Contact Policyowner Service Department, 525 Vine Street, Cincinnati, OH 45202

OFFICERS

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

VICE PRESIDENTS

William Jack Maney II Mark Francis Muething #

DIRECTORS OR TRUSTEES

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

State of Ohio }
County of Hamilton } ss

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

Charles Richard Scheper President Mark Francis Muething Secretary Richard Lee Magoteaux Treasurer

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

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

Schedule A - Part 1

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

Schedule BA - Part 1

**NONE**

Schedule BA - Part 2

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN RETIREMENT 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	
U.S. GOVERNMENT ISSUER OBLIGATIONS																					
912827-J7-8	UNITED STATES TREASURY NOTE 6.250% DUE 2-15-2003		6.250	AF	02/15/2003		0.000	310,041	310,000	100.5940	311,841	312,152	7,319	19,375	(330)	0	0	1	04/10/1996	6.133	
912827-L8-3	UNITED STATES TREASURY NOTE 5.750% DUE 8-15-2003		5.750	AF	08/15/2003		0.000	211,069	210,000	102.7810	215,840	214,200	4,562	12,075	(1,655)	0	0	1	01/25/2001	4.908	
912827-3Z-3	UNITED STATES TREASURY NOTE 5.500% DUE 2-28-2003		5.500	AF	02/28/2003		0.000	1,663,083	1,660,000	100.6880	1,671,421	1,736,016	30,687	91,300	(18,486)	0	0	1	04/15/1999	4.340	
912827-7L-0	UNITED STATES TREASURY NOTE 4.875% DUE 2-15-2012		4.875	AF	02/15/2012		0.000	101,065	100,000	108.5940	108,594	101,109	1,842	2,438	(44)	0	0	1	07/10/2002	4.730	
0199999 - Total Bonds - U.S. Government - Issuer Obligations								2,285,258	2,280,000	XXX	2,307,696	2,363,477	44,410	125,188	(20,515)	0	0	XXX	XXX	XXX	
SINGLE CLASS MBS/ABS																					
36203V-D4-9	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #360223 6.00% DUE 2-15-2009		6.000	MTLY	02/15/2009	07/15/2008	0.000	67,848	67,848	106.1250	72,003	68,060	339	4,071	0	0	0	1	01/01/1995	6.000	
36204F-KB-9	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #368490 6.00% DUE 2-15-2009		6.000	MTLY	02/15/2009	06/15/2008	0.000	99,497	99,497	106.1250	105,591	98,284	497	5,970	0	0	0	1	01/01/1995	3.000	
362043-5W-7	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #16161 7.50% DUE 4-15-2007		7.500	MTLY	04/15/2007	10/15/2006	0.000	43,154	42,564	105.6250	44,959	44,267	266	3,192	(322)	0	0	1	01/01/1995	6.731	
362045-NP-7	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #17498 7.50% DUE 6-15-2007		7.500	MTLY	06/15/2007	02/15/2007	0.000	15,336	15,336	105.8750	16,237	15,268	96	1,150	0	0	0	1	01/01/1995	7.500	
362050-5L-6	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #22451 9.00% DUE 8-15-2008		9.000	MTLY	08/15/2008	12/15/2007	0.000	5,526	5,526	109.1250	6,031	5,471	41	497	0	0	0	1	01/01/1995	9.000	
362054-UM-8	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #25788 8.50% DUE 7-15-2008		8.500	MTLY	07/15/2008	04/15/2008	0.000	11,430	11,430	108.7500	12,430	11,047	81	972	0	0	0	1	01/01/1995	8.500	
362056-YN-7	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #27717 9.00% DUE 11-15-2008		9.000	MTLY	11/15/2008	04/15/2005	0.000	1,256	1,256	109.1250	1,370	1,243	9	113	0	0	0	1	01/01/1995	9.000	
362057-NB-3	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #28286 9.00% DUE 12-15-2008		9.000	MTLY	12/15/2008	11/15/2007	0.000	5,453	5,453	108.6250	5,923	5,476	41	491	0	0	0	1	01/01/1995	9.000	
362127-FR-8	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #90176 9.00% DUE 5-15-2009		9.000	MTLY	05/15/2009		0.000	5,904	5,904	109.3750	6,458	5,904	44	531	0	0	0	1	01/01/1995	9.000	
36220T-7D-0	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #288092 9.00% DUE 3-15-2005		9.000	MTLY	03/15/2005	02/15/2005	0.000	1,788	1,788	104.7500	1,873	1,761	13	161	0	0	0	1	01/01/1995	9.000	
36224E-DS-9	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #326013 7.00% DUE 4-15-2007		7.000	MTLY	04/15/2007	03/15/2007	0.000	69,927	69,927	107.2500	74,997	68,397	408	4,899	0	0	0	1	01/01/1995	7.000	
831641-CA-1	U.S. SMALL BUSINESS ADMINISTRATION GUARANTEED PARTICIPATION CERTIFICATE, SERIES SBIC 1996-10 B 7.71% DUE 6-01-2006		7.710	DJ	06/01/2006	12/31/2004	0.000	81,570	81,570	112.6880	91,920	81,570	271	6,278	0	0	0	1PE	06/19/1996	7.710	
0299999 - Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities								408,689	408,099	XXX	439,792	406,748	2,106	28,325	(322)	0	0	XXX	XXX	XXX	
0399999 - Total - U.S. Government Bonds								2,693,947	2,688,099	XXX	2,747,488	2,770,225	46,516	153,513	(20,837)	0	0	XXX	XXX	XXX	
SPECIAL REVENUE SINGLE CLASS MBS/ABS GENERAL																					
313614-SZ-3	FEDERAL NATIONAL MORTGAGE ASSOCIATION PASS-THROUGH POOL #50036 9.50% DUE 1-01-2003		9.500	MTLY	01/01/2003	11/25/2002	0.000	4	4	100.3750	4	4	2	0	0	0	0	1	01/01/1995	9.500	
2699999 - Total Bonds - Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities								4	4	XXX	4	4	2	0	0	0	0	0	XXX	XXX	XXX
3199999 - Total - Special Revenue Bonds								4	4	XXX	4	4	2	0	0	0	0	0	XXX	XXX	XXX

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**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN RETIREMENT LIFE INSURANCE COMPANY**

**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- ation	20 Date Acquired	21 Effective Rate of In- terest						
			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												
INDUSTRIAL AND MISCELLANEOUS ISSUER OBLIGATIONS																										
06541E-AA-0	BANK UNITED HOUSTON TEXAS MEDIUM-TERM BANK NOTE 8.00% DUE 3-15-2009		.8.000	SM	03/15/2009		0.000	526,047	500,000	115.8000	579,000	531,990	11,778	40,000	(3,259)	0	0	0	2	02/16/2001	6.952					
3999999 - Total Bonds - Industrial, Misc. - Issuer Obligations								526,047	500,000	XXX	579,000	531,990	11,778	40,000	(3,259)	0	0	0	XXX	XXX	XXX					
OTHER MULTI-CLASS RESIDENTIAL MBS																										
60935B-CT-4	THE MONEY STORE TRUST ASSET BACKED CERTIFICATE SERIES 1997-C CLASS MH-1 6.89% DUE 9-15-2018		.6.890	MTLY	09/15/2018	07/15/2003	0.000	18,191	18,191	100.0000	18,191	17,587	329	1,253	6,524	0	0	0	1PE	06/14/2000	8.435					
4299999 - Total Bonds - Industrial, Misc. - Other Multi-Class Residential Mortgage-Backed Securities								18,191	18,191	XXX	18,191	17,587	329	1,253	6,524	0	0	0	0	XXX	XXX	XXX				
4599999 - Total - Industrial and Miscellaneous Bonds								544,238	518,191	XXX	597,191	549,577	12,107	41,253	3,265	0	0	0	0	XXX	XXX	XXX				
5499999 - Total - Issuer Obligations								2,811,305	2,780,000	XXX	2,886,696	2,895,467	56,188	165,188	(23,774)	0	0	0	0	0	0	XXX	XXX	XXX		
5599999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities								408,693	408,103	XXX	439,796	406,752	2,108	28,325	(322)	0	0	0	0	0	0	0	XXX	XXX	XXX	
5699999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
5799999 - Total - Other Multi-Class Residential Mortgage-Backed Securities								18,191	18,191	XXX	18,191	17,587	329	1,253	6,524	0	0	0	0	0	0	0	XXX	XXX	XXX	
5899999 - Total - 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
5999999 - Total - Other 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
6099999 Totals								3,238,189	3,206,294	XXX	3,344,683	3,319,806	58,625	194,766	(17,572)	0	0	0	0	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 AMERICAN RETIREMENT 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															
U.S. GOVERNMENT															
36203V-D4-9	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #360223 6.00% DUE 2-15-2009	12/16/2002	PAYDOWNS		19,130	19,130	19,191	19,130	0	0		0	0	657	
36204F-KB-9	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #368490 6.00% DUE 2-15-2009	12/16/2002	PAYDOWNS		50,517	50,517	49,900	50,517	0	0		0	0	2,065	
362043-5W-7	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #16161 7.50% DUE 4-15-2007	12/16/2002	PAYDOWNS		9,297	9,297	9,669	9,297	0	0		0	0	388	
362045-NP-7	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #17498 7.50% DUE 6-15-2007	12/16/2002	PAYDOWNS		7,463	7,463	7,430	7,463	0	0		0	0	342	
362050-5L-6	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #22451 9.00% DUE 8-15-2008	12/16/2002	PAYDOWNS		2,915	2,915	2,888	2,915	0	0		0	0	95	
362054-UM-8	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #25788 8.50% DUE 7-15-2008	12/16/2002	PAYDOWNS		7,758	7,758	7,503	7,758	0	0		0	0	411	
362056-YN-7	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #27717 9.00% DUE 11-15-2008	12/16/2002	PAYDOWNS		156	156	154	156	0	0		0	0	7	
362057-NB-3	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #28286 9.00% DUE 12-15-2008	12/16/2002	PAYDOWNS		11,980	11,980	12,030	11,980	0	0		0	0	587	
362127-FR-8	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #90176 9.00% DUE 5-15-2009	12/16/2002	PAYDOWNS		3,015	3,015	3,015	3,015	0	0		0	0	150	
36220T-7D-0	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #288092 9.00% DUE 3-15-2005	12/16/2002	PAYDOWNS		726	726	714	726	0	0		0	0	36	
36224E-DS-9	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE BACKED PASS-THROUGH CERTIFICATE POOL #326013 7.00% DUE 4-15-2007	12/16/2002	PAYDOWNS		26,523	26,523	25,943	26,523	0	0		0	0	1,142	
831641-CA-1	U.S. SMALL BUSINESS ADMINISTRATION GUARANTEED PARTICIPATION CERTIFICATE, SERIES SBIC 1996-10 B 7.71% DUE 6-01-2006	12/06/2002	PAYDOWNS		5,777	5,777	5,777	5,777	0	0		0	0	393	
0399999 - Bonds - U.S. Governments					145,257	145,257	144,214	145,257	0	0	0	0	0	6,273	XXX
SPECIAL REVENUE															
313614-SZ-3	FEDERAL NATIONAL MORTGAGE ASSOCIATION PASS-THROUGH POOL #50036 9.50% DUE 1-01-2003	12/26/2002	PAYDOWNS		1,209	1,209	1,209	1,209	0	0		0	0	46	
3199999 - Bonds - Special Revenues					1,209	1,209	1,209	1,209	0	0	0	0	0	46	XXX
INDUSTRIAL AND MISCELLANEOUS															
00209A-AE-6	AT&T WIRELESS SERVICES, INC. SENIOR NOTE 7.875% DUE 3-01-2011	08/20/2002	J. P. MORGAN SECURITIES		426,250	500,000	498,255	498,435	80	0		(72,185)	(72,185)	38,500	
423328-BB-8	HELLER FINANCIAL, INC. NOTE 7.00% DUE 5-15-2002	05/15/2002	REDEEMED		300,000	300,000	308,016	300,000	(773)	0		0	0	10,500	
60935B-CT-4	THE MONEY STORE TRUST ASSET BACKED CERTIFICATE SERIES 1997-C CLASS MH-1 6.89% DUE 9-15-2018	12/16/2002	PAYDOWNS		481,811	481,811	465,812	481,811	0	0		0	0	18,568	
4599999 - Bonds - Industrial and Miscellaneous					1,208,061	1,281,811	1,272,083	1,280,246	(693)	0	0	(72,185)	(72,185)	67,568	XXX
6099997 - Bonds - Part 4					1,354,527	1,428,277	1,417,506	1,426,712	(693)	0	0	(72,185)	(72,185)	73,887	XXX
6099998 - Bonds - Part 5					0	0	0	0	0	0	0	0	0	0	XXX
6099999 - Total - Bonds					1,354,527	1,428,277	1,417,506	1,426,712	(693)	0	0	(72,185)	(72,185)	73,887	XXX

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Schedule D - Part 5

**NONE**

Schedule D - Part 6 - Section 1

**NONE**

Schedule D - Part 6 - Section 2

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN RETIREMENT LIFE INSURANCE COMPANY**

**SCHEDULE DA - PART 1**

Showing all SHORT-TERM INVESTMENTS 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 Design- nation	17 Effective Rate of Interest
				5 Rate of	6 How Paid							13 Amount Due and Accrued Dec. 31 of Current Year on Bonds Not in Default	14 Gross Amount Received			
825252-30-7...	AIM Short-term Investments Trust Treasury Portfolio	12/30/2002	The Bank of New York	.1240	Mtly	12/31/2003	3,470,095			3,470,095	3,470,095	1,860	31,572		1	.1240
7799999	Exempt Money Market Mutual Funds						3,470,095			XXX	3,470,095	1,860	31,572		XXX	XXX
8099999 Totals							3,470,095	(a)		XXX	3,470,095	1,860	31,572		XXX	XXX

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

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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 .....	6,708,284	6,814,778	106,494
2. Preferred Stocks .....	0		0
3. Totals	6,708,284	6,814,778	106,494

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

Generally market values for publicly traded investment graded bonds were obtained from Interactive Data Services, Inc., a national and municipal security pricing service; EJV Partners, L.P., a national and taxable municipal security pricing service; or Merrill Lynch Pricing Service, a national security pricing service.....

Market values for the privately placed investment grade bonds were determined by either Merrill Lynch Pricing Service or by comparison to similar investments in the public market by security analysis of American Money Management Corporation, manager of the Company's investment portfolio. Market values for preferred stocks and non-investment graded bonds were obtained from the Securities Valuation Office of the National Association of Insurance Commissioners.  
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**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	*
Bank of Santa Fe	Santa Fe, NM		2,927			
Bank of New York	New York, NY	.0.230			516	
First Union Bank	Jacksonville, FL	1.870	1,750	106	100,000	
Nations Bank	Charlotte, NC	3.000	6,961	544	75,000	
Provident Bank	Cincinnati, OH	2.200	1,896	118	100,000	
Provident Bank	Cincinnati, OH				5,789	
Wells Fargo Bank/Norwest Bank	Rapid City, SD				539,572	
0199998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories		XXX				XXX
0199999 Totals - Open Depositories		XXX	13,534	768	820,877	XXX
0399999 Total Cash on Deposit		XXX	13,534	768	820,877	XXX
0499999 Cash in Company's Office		XXX	XXX	XXX		XXX
0599999 Total Cash		XXX	13,534	768	820,877	XXX

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

1. January	598,873	4. April	786,547	7. July	880,986	10. October	738,014
2. February	913,905	5. May	781,120	8. August	688,618	11. November	775,763
3. March	892,970	6. June	828,628	9. September	752,748	12. December	820,877

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE AMERICAN RETIREMENT 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 NOTES 6.25 2-15-03	ONE NATIONAL BANK, LITTLE ROCK, AR RSD BY INS CODE, SECTION 23-63-206	110,000	110,014	110,653
GA00001	B	U.S. TREASURY NOTES 5.50 2-28-03	WACHOVIA BANK, WINSTON-SALEM, NC RSD BY INS CODE, SECTION 33-3-8	35,000	35,065	35,240
NM00001	B	U.S. TREASURY NOTES 4.875 2-15-12	WELLS FARGO BANK, SANTA FE, NM RSD BY INS CODE, SECTION 59A-5-19	100,000	101,065	108,594
NC00001	B	U.S. TREASURY NOTES 5.50 2-28-03	WACHOVIA BANK, WINSTON-SALEM, SC RSD BY INS CODE, SECTION 58-5-90	125,000	125,232	125,860
SC00001	B	U.S. TREASURY NOTES 6.25 2-15-03	BANK OF AMERICA, CHARLOTTE, NC RSD BY INS CODE, SECTION 38-9-80	150,000	150,019	150,890
SC00002	C	BANK OF AMERICA 7-3-2003	BANK OF AMERICA, CHARLOTTE, NC RSD BY INS CODE, SECTION 38-9-80	75,000	75,000	75,000
VA00001	B	U.S. TREASURY NOTES 5.75 8-15-03	SUNTRUST BANK, RICHMOND, VA RSD BY INS CODE, SECTION 38.2-1045	210,000	211,068	215,839
VA00002	B	U.S. TREASURY NOTES 6.25 2-15-03	SUNTRUST BANK, RICHMOND, VA RSD BY INS CODE, SECTION 38.2-1045	50,000	50,006	50,296
XX99999 - Total - Not All Policyholders				855,000	857,469	872,372
FL00001	C	WACHOVIA BANK DUE 11-13-2003	WACHOVIA BANK, JACKSONVILLE, FL RSD BY INS. CODE 924.411	50,000	50,000	50,000
FL00002	C	WACHOVIA BANK DUE 11-13-2003	WACHOVIA BANK, JACKSONVILLE, FL RSD BY INS. CODE 924.411	50,000	50,000	50,000
OH00001	B	U.S. TREASURY NOTES 5.50 2-28-03	THE PROVIDENT BANK, CINCINNATI, OH RSD BY INS CODE, SECTION 3907.07	1,500,000	1,502,785	1,510,320
OH00002	C	PROVIDENT BANK DUE 9-1-03	THE PROVIDENT BANK, CINCINNATI, OH RSD BY INS CODE, SECTION 3907.07	100,000	100,000	100,000
ZZ99999 - Total - All Policyholders				1,700,000	1,702,785	1,710,320
9999999 Totals				2,555,000	2,560,254	2,582,692

(a) Including \$ 275,000 cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.

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