



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2002
OF THE CONDITION AND AFFAIRS OF THE
CENTRAL BENEFITS ASSURANCE COMPANY

NAIC Group Code 0759 (Current Period) 0759 (Prior Period) NAIC Company Code 18465 Employer's ID Number 31-1125378

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

Country of Domicile United States of America

Incorporated 01/11/1985 Commenced Business 10/01/1985

Statutory Home Office 716 Mt. Airyshire Blvd. (Street and Number) Columbus, OH 43235 (City or Town, State and Zip Code)

Main Administrative Office 716 Mt. Airyshire Blvd. (Street and Number) Columbus, OH 43235 (City or Town, State and Zip Code) 614-797-5200 (Area Code) (Telephone Number)

Mail Address P.O. Box 16526 (Street and Number or P.O. Box) Columbus, OH 43215 (City or Town, State and Zip Code)

Primary Location of Books and Records 716 Mt. Airyshire Blvd. (Street and Number) Columbus, OH 43235 (City or Town, State and Zip Code) 614-797-5184 (Area Code) (Telephone Number)

Internet Website Address www.centralbenefits.com

Statement Contact Aaron R Hibbs (Name) 614-797-5184 (Area Code) (Telephone Number) (Extension) ahibbs@cenben.com (E-mail Address) 614-797-5106 (Fax Number)

Policyowner Relations Contact 716 Mt. Airyshire Blvd (Street and Number) Columbus, OH 43235 (City or Town, State and Zip Code) 614-797-5200 (Area Code) (Telephone Number) (Extension)

OFFICERS

President John Bertram Reinhardt Jr. Secretary William Charles Mechling
Treasurer Joseph Henry Hoffman

VICE PRESIDENTS

Ted Michael Georges William Charles Mechling Scott Matthew Vandergriff
Joseph Henry Hoffman

DIRECTORS OR TRUSTEES

John Bertram Reinhardt Jr. Ted Michael Georges William Charles Mechling
Joseph Henry Hoffman Scott Matthew Vandergriff

State of Ohio } ss
County of Franklin }

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.

John Bertram Reinhardt President William Charles Mechling Secretary Joseph Henry Hoffman Treasurer

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

a. Is this an original filing? Yes [ X ] No [ ]
b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY**

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds .....	2,513,747		2,513,747	2,512,857
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1) .....	0		0	0
2.2 Common stocks (Schedule D, Part 2, Section 2) .....	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....0 Schedule E, Part 1) and short-term investments(\$ .....217,092 Schedule DA, Part 2) .....	217,092		217,092	67,239
6. Other invested assets (Schedule BA) .....	0		0	0
7. Receivable for securities .....			0	0
8. Aggregate write-ins for invested assets .....	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	2,730,839	0	2,730,839	2,580,096
10. Agents' balances or uncollected premiums:				
10.1 Premiums and agents' balances in course of collection .....			0	0
10.2 Premiums, agents' balances and installments booked but deferred and not yet due (Including \$ ..... earned but unbilled premiums) .....			0	0
10.3 Accrued retrospective premiums .....			0	0
11. Funds held by or deposited with reinsured companies .....			0	0
12. Bills receivable, taken for premiums .....			0	0
13. Amounts receivable under high deductible policies .....			0	0
14. Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part 3, Cols. 7 and 8) .....			0	0
15. Federal and foreign income tax recoverable and interest thereon (including \$ ..... net deferred tax asset) .....			0	0
16. Guaranty funds receivable or on deposit .....			0	0
17. Electronic data processing equipment and software .....			0	0
18. Interest, dividends and real estate income due and accrued .....	52,079		52,079	44,221
19. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
20. Receivable from parent, subsidiaries and affiliates .....			0	0
21. Amount due from/to protected cells .....			0	0
22. Equities and deposits in pools and associations .....			0	0
23. Amounts receivable relating to uninsured accident and health plans .....			0	0
24. Other assets nonadmitted (Exhibit 1) .....			0	0
25. Aggregate write-ins for other than invested assets .....	0	0	0	0
26. Total assets excluding protected cell assets (Lines 9 through 25) .....	2,782,918	0	2,782,918	2,624,317
27. Protected cell assets .....			0	0
28. TOTALS (Lines 26 and 27)	2,782,918	0	2,782,918	2,624,317
<b>DETAILS OF WRITE-INS</b>				
0801. ....				
0802. ....				
0803. ....				
0898. Summary of remaining write-ins for Line 8 from overflow page .....	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above) .....	0	0	0	0
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) .....	0	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8) .....	0	0
2. Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	0	0
3. Loss adjustment expenses (Part 2A, Line 34, Column 9) .....	0	0
4. Commissions payable, contingent commissions and other similar charges .....	0	0
5. Other expenses (excluding taxes, licenses and fees) .....	0	0
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	0	0
7. Federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) (including \$ ..... net deferred tax liability) .....	0	0
8. Borrowed money \$ ..... and interest thereon \$ .....	0	0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ .....)	0	0
10. Advance premiums .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....	0	0
11.2 Policyholders .....	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	0	0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....	0	0
14. Amounts withheld or retained by company for account of others .....	0	0
15. Remittances and items not allocated .....	0	0
16. Provision for reinsurance (Schedule F, Part 7) .....	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0
18. Drafts outstanding .....	0	0
19. Payable to parent, subsidiaries and affiliates .....	0	0
20. Payable for securities .....	0	0
21. Liability for amounts held under uninsured accident and health plans .....	0	0
22. Capital Notes \$ ..... and interest thereon \$ .....	0	0
23. Aggregate write-ins for liabilities .....	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	0	0
25. Protected cell liabilities .....		
26. Total liabilities (Lines 24 and 25) .....	0	0
27. Aggregate write-ins for special surplus funds .....	0	0
28. Common capital stock .....	1,000,000	1,000,000
29. Preferred capital stock .....	0	0
30. Aggregate write-ins for other than special surplus funds .....	0	0
31. Surplus notes .....	0	0
32. Gross paid in and contributed surplus .....	1,782,918	1,624,317
33. Unassigned funds (surplus) .....	0	0
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ .....)	0	0
34.2 ..... shares preferred (value included in Line 29 \$ .....)	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 38) .....	2,782,918	2,624,317
36. TOTALS (Page 2, Line 28, Col. 3) .....	2,782,918	2,624,317
<b>DETAILS OF WRITE-INS</b>		
2301. ....		
2302. ....		
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above) .....	0	0
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) .....	0	0
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above) .....	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY**

**UNDERWRITING AND INVESTMENT EXHIBIT STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 34, Column 4) .....	0	0
<b>DEDUCTIONS</b>		
2. Losses incurred (Part 2, Line 34, Column 7) .....	0	0
3. Loss expenses incurred (Part 3, Line 25, Column 1) .....	0	0
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	0	0
5. Aggregate write-ins for underwriting deductions .....	0	0
6. Total underwriting deductions (Lines 2 through 5) .....	0	0
7. Net income of protected cells .....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7) .....	0	0
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	158,601	77,682
10. Net realized capital gains or (losses) (Exhibit of Capital Gains (Losses)) .....	0	10,290
11. Net investment gain or (loss) (Lines 9 + 10) .....	158,601	87,972
<b>OTHER INCOME</b>		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ ..... ) .....		0
13. Finance and service charges not included in premiums .....		0
14. Aggregate write-ins for miscellaneous income .....	0	0
15. Total other income (Lines 12 through 14) .....	0	0
16. Net income before dividends to policyholders and before federal and foreign income taxes (Lines 8 + 11 + 15) .....	158,601	87,972
17. Dividends to policyholders .....		0
18. Net income, after dividends to policyholders but before federal and foreign income taxes (Line 16 minus Line 17) .....	158,601	87,972
19. Federal and foreign income taxes incurred .....		0
20. Net income (Line 18 minus Line 19) (to Line 22) .....	158,601	87,972
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 38, Column 2) .....	2,624,317	0
<b>GAINS AND (LOSSES) IN SURPLUS</b>		
22. Net income (from Line 20) .....	158,601	87,972
23. Net unrealized capital gains or (losses) .....		0
24. Change in net unrealized foreign exchange capital gain (loss) .....		0
25. Change in net deferred income tax .....		0
26. Change in nonadmitted assets (Exhibit 1, Line 5, Col. 3) .....	0	0
27. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....	0	0
28. Change in surplus notes .....		0
29. Surplus (contributed to) withdrawn from protected cells .....		0
30. Cumulative effect of changes in accounting principles .....		0
31. Capital changes:		
31.1. Paid in .....		1,000,000
31.2. Transferred from surplus (Stock Dividend) .....		0
31.3. Transferred to surplus .....		0
32. Surplus adjustments:		
32.1. Paid in .....		1,536,345
32.2. Transferred to capital (Stock Dividend) .....		0
32.3. Transferred from capital .....		0
33. Net remittances from or (to) Home Office .....		0
34. Dividends to stockholders (cash) .....		0
35. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1) .....	0	0
36. Aggregate write-ins for gains and losses in surplus .....	0	0
37. Change in surplus as regards policyholders for the year (Lines 22 through 36) .....	158,601	2,624,317
38. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 37) (Page 3, Line 35) .....	2,782,918	2,624,317
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	0	0
1401. ....		
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above) .....	0	0
3601. ....		
3602. ....		
3603. ....		
3698. Summary of remaining write-ins for Line 36 from overflow page .....	0	0
3699. Totals (Lines 3601 thru 3603 plus 3698) (Line 36 above) .....	0	0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY**

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	0	0
2. Loss and loss adjustment expenses paid (net of salvage and subrogation) .....	0	0
3. Underwriting expenses paid .....	0	0
4. Other underwriting income (expenses) .....	0	0
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	0	0
6. Net investment income .....	149,853	37,536
7. Other income (expenses):		
7.1 Agents' balances charged off .....	0	0
7.2 Net funds held under reinsurance treaties .....	0	0
7.3 Net amount withheld or retained for account of others .....	0	0
7.4 Aggregate write-ins for miscellaneous items .....	0	0
7.5 Total other income (Lines 7.1 to 7.4) .....	0	0
8. Dividends to policyholders on direct business, less \$ ..... dividends on reinsurance assumed or ceded (net) .....	0	0
9. Federal and foreign income taxes (paid) recovered .....	0	0
10. Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) .....	149,853	37,536
<b>Cash from Investments</b>		
11. Proceeds from investments sold, matured or repaid:		
11.1 Bonds .....	0	1,541,367
11.2 Stocks .....	0	0
11.3 Mortgage loans .....	0	0
11.4 Real estate .....	0	0
11.5 Other invested assets .....	0	0
11.6 Net gains or (losses) on cash and short-term investments .....	0	0
11.7 Miscellaneous proceeds .....	0	0
11.8 Total investment proceeds (Lines 11.1 to 11.7) .....	0	1,541,367
12. Cost of investments acquired (long-term only):		
12.1 Bonds .....	0	4,048,009
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Miscellaneous applications .....	0	0
12.7 Total investments acquired (Lines 12.1 to 12.6) .....	0	4,048,009
13. Net Cash from investments (Line 11.8 minus Line 12.7) .....	0	(2,506,642)
<b>Cash from Financing and Miscellaneous Sources</b>		
14. Cash provided:		
14.1 Surplus notes, capital and surplus paid in .....	0	2,536,345
14.2 Capital notes \$ ..... less amounts repaid \$ .....	0	0
14.3 Net transfers from affiliates .....	0	0
14.4 Borrowed funds received .....	0	0
14.5 Other cash provided .....	0	0
14.6 Total (Lines 14.1 to 14.5) .....	0	2,536,345
15. Cash applied:		
15.1 Dividends to stockholders paid .....	0	0
15.2 Net transfers to affiliates .....	0	0
15.3 Borrowed funds repaid .....	0	0
15.4 Other applications .....	0	0
15.5 Total (Lines 15.1 to 15.4) .....	0	0
16. Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) .....	0	2,536,345
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
17. Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16) .....	149,853	67,239
18. Cash and short-term investments:		
18.1 Beginning of year .....	67,239	0
18.2 End of year (Line 17 plus Line 18.1) .....	217,092	67,239
<b>DETAILS OF WRITE-INS</b>		
07.401 .....		
07.402 .....		
07.403 .....		
07.498 Summary of remaining write-ins for Line 7.4 from overflow page .....	0	0
07.499 Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above) .....	0	0

Part 1  
**NONE**

Part 1A  
**NONE**

Part 1B  
**NONE**

Part 2  
**NONE**

Part 2A  
**NONE**

Part 3  
**NONE**

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 148,836	156,625
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e) 1,976	1,976
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	150,812	158,601
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		0
17. Net Investment Income - (Line 10 minus Line 16)		158,601
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash/Short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)					
<b>NONE</b>					
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)					

**EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS**

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) Decrease
1. Summary of Items Page 2, Lines 10 to 17 and 19 to 23, Column 2 .....			
2. Other Nonadmitted Assets:			
2.1 Bills receivable .....			
2.2 Furniture, equipment and supplies .....			
2.3 Leasehold improvements .....			
2.4 Loans on personal security, endorsed or not .....			
3. Total (Lines 2.1 to 2.4) .....			
4. Aggregate write-ins for other assets .....			
5. Total (Line 1 plus Lines 3 and 4)			
0401. ....			
0402. ....			
0403. ....			
0498. Summary of remaining write-ins for Line 4 from overflow page .....			
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)			

**NONE**

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Accounting Policies

The accompanying financial statements of Central Benefits Assurance Company (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the Insurance Department of the State of Ohio.

Although the Company was incorporated in January, 1985 and commenced business in October, 1985, it has been dormant since 1986. The most recent annual statement filing was made for 1985. In May, 2001, the parent company (Central Benefits Mutual Insurance Company) reactivated the Company.

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the State prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual effective January 1, 2001, subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner.

### 2. Accounting Changes and Corrections of Errors

Not applicable

### 3. Business Combinations and Goodwill

Not applicable.

### 4. Discontinued Operations

Not applicable.

### 5. Investments

#### A. Mortgage Loans

Not applicable.

#### B. Debt Restructuring

Not applicable.

#### C. Reverse Mortgages

Not applicable.

#### D. Loan-Backed Securities

(1) The Company has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date.

(2) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.

(3) The Company uses Conning Asset Management as its investment manager. Conning uses the NAIC Securities Valuation Office (SVO) pricing service in determining the market value of the Company's loan-backed securities. In the event that no SVO value exists for a security, Conning records the book value as the market value.

(4) Not applicable.

#### E. Repurchase Agreements

Not applicable.

### 6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable.

### 7. Investment Income

A. Due and accrued income is excluded from investment income on bonds where collection of interest is uncertain.

B. No such income was excluded from investment income in 2002.

### 8. Derivative Instruments

Not applicable.

### 9. Income Taxes

A. Not applicable.

B. Not applicable.

## NOTES TO FINANCIAL STATEMENTS

C. Not applicable.

D. Not applicable.

E. Not applicable.

F. The Company will file a consolidated federal income tax return with the following entities: Central Benefits Mutual Insurance Company (parent), Central Benefits National Life Insurance Company, Central Benefits Holding Company, Central Benefits Plan, Inc., Central Benefits Administrators, Inc. and Central Benefits Managed Care Corporation.

The parent intends to use a method of allocation based upon separate calculations as though each subsidiary filed a separate return, including credits for net losses. The method of allocation between companies is subject to written agreement.

### 10. Information Concerning Parent, Subsidiaries and Affiliates

A.-E. Not applicable.

F. The parent allocates administrative costs in accordance with generally accepted accounting principals based on claims, contracts, productive hours and other relevant statistical data to the Company.

G. All outstanding shares of the Company are owned by the parent, Central Benefits Mutual Insurance Company, a mutual life insurance company domiciled in the District of Columbia.

### 11. Debt

Not applicable.

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Not applicable.

### 13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) The Company has 1,000 shares authorized, and 1,000 shares issued and outstanding of common stock. The par value of the stock is \$1,000 per share.

(2) The Company has no preferred stock authorized or outstanding.

(3) The payment of dividends is subject to Section 3901.34 of the Ohio Insurance Code in that any dividend to shareholders cannot reduce surplus to an amount less than 50% of the capital stock of the company. Management has no present plans to recommend to the Board of Directors the declaration of a cash dividend to its shareholder.

(4-12) Not applicable.

### 14. Contingencies

Not applicable.

### 15. Leases

Not applicable.

### 16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not applicable.

### 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable.

### 18. Gain or Loss from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

Not applicable.

### 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

### 20. Other Items

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

**21. Events Subsequent**

Not applicable.

**22. Reinsurance**

Not applicable.

**23. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

Not applicable.

**24. Change in Incurred Losses and Loss Adjustment Expenses**

Not applicable.

**25. Intercompany Pooling Arrangements**

Not applicable.

**26. Structured Settlements**

Not applicable.

**27. High Deductibles**

Not applicable.

**28. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

Not applicable.

**29. Asbestos/Environmental Reserves**

Not applicable.

**30. Subscriber Savings Accounts**

Not applicable.

**31. Financial Guaranty Insurance Exposures**

Not applicable.

**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. Treasury securities .....	2,513,747	92.050	2,513,747	92.050
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....		0.000		0.000
1.22 Issued by U.S. government sponsored agencies .....		0.000		0.000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities) .....		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations .....		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....		0.000		0.000
1.43 Revenue and assessment obligations .....		0.000		0.000
1.44 Industrial development and similar obligations .....		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA .....		0.000		0.000
1.512 Issued by FNMA and FHLMC .....		0.000		0.000
1.513 Privately issued .....		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC .....		0.000		0.000
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC .....		0.000		0.000
1.523 All other privately issued .....		0.000		0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....		0.000		0.000
2.2 Unaffiliated foreign securities .....		0.000		0.000
2.3 Affiliated securities .....		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds .....		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated .....		0.000		0.000
3.22 Unaffiliated .....		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....		0.000		0.000
3.32 Unaffiliated .....		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated .....		0.000		0.000
3.42 Unaffiliated .....		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated .....		0.000		0.000
3.52 Unaffiliated .....		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development .....		0.000		0.000
4.2 Agricultural .....		0.000		0.000
4.3 Single family residential properties .....		0.000		0.000
4.4 Multifamily residential properties .....		0.000		0.000
4.5 Commercial loans .....		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company .....		0.000	0	0.000
5.2 Property held for the production of income (includes \$ ..... of property acquired in satisfaction of debt) .....		0.000	0	0.000
5.3 Property held for sale (\$ ..... including property acquired in satisfaction of debt) .....		0.000	0	0.000
6. Policy loans .....		0.000		0.000
7. Receivables for securities .....		0.000	0	0.000
8. Cash and short-term investments .....	217,092	7.950	217,092	7.950
9. Other invested assets .....		0.000		0.000
10. Total invested assets	2,730,839	100.000	2,730,839	100.000

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [ X ] No [ ] NA [ ]
- 1.3 State Regulating? ..... Ohio.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....  
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....
- 3.4 By what department or departments? No Financial Report has been made yet, when a report is made it will be with the Ohio Department of Insurance .....
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? ..... Yes [ ] No [ X ]
- 4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? ..... Yes [ ] No [ X ]
- 4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....
.....	.....	.....

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) ..... Yes [ ] No [ X ]
- 6.2 If yes, give full information: .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [ X ]
- 7.2 If yes,
- 7.21 State the percentage of foreign control; .....
- 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity
.....	.....
.....	.....

# GENERAL INTERROGATORIES

(continued)

- 8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
- 9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
- 10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ X ]
- 10.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ X ]
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] NA [ X ]

## BOARD OF DIRECTORS

- 11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? ..... Yes [ X ] No [ ]
- 12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? ..... Yes [ X ] No [ ]
- 13. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or likely to conflict with the official duties of such person? ..... Yes [ X ] No [ ]

## FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
  - 14.11 To directors or other officers .. \$ .....0
  - 14.12 To stockholders not officers ... \$ .....0
  - 14.13 Trustees, supreme or grand (Fraternal only) ..... \$ .....0
- 14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
  - 14.21 To directors or other officers ... \$ .....0
  - 14.22 To stockholders not officers .... \$ .....0
  - 14.23 Trustees, supreme or grand (Fraternal only) ..... \$ .....0
- 15.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? ..... Yes [ ] No [ X ]
- 15.2 If yes, state the amount thereof at December 31 of the current year:
  - 15.21 Rented from others ..... \$ .....
  - 15.22 Borrowed from others ..... \$ .....
  - 15.23 Leased from others ..... \$ .....
  - 15.24 Other ..... \$ .....

Disclose in Notes to Financial Statements the nature of each of these obligations.
- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? ..... Yes [ ] No [ X ]
- 16.2 If answer is yes,
  - 16.21 Amount paid as losses or risk adjustment ..... \$ .....
  - 16.22 Amount paid as expenses ..... \$ .....
  - 16.23 Other amounts paid ..... \$ .....

# GENERAL INTERROGATORIES

(continued)  
INVESTMENT

17. List the following capital stock information for the reporting entity:

Class	1	2	3	4	5		6	
	Number of Shares Authorized	Number of Shares Outstanding	Par Value Per Share	Redemption Price if Callable	Is Dividend Rate Limited?		Are Dividends Cumulative?	
					Yes	No	Yes	No
Preferred	0	0	0.000		[ ]	[ ]	[ ]	[ ]
Common	1,000	1,000	1,000.000	XXX	XXX	XXX	XXX	XXX

18.1. Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 2 - Special Deposits? ..... Yes [ ] No [ X ]

18.2 If no, give full and complete information relating thereto:

Physical possession of investments is held by Bank One, Columbus, Ohio under a custodial agreement with the company.

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 2 - Special Deposits; or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1) ..... Yes [ ] No [ X ]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21	Loaned to others	\$.....
19.22	Subject to repurchase agreements	\$.....
19.23	Subject to reverse repurchase agreements	\$.....
19.24	Subject to dollar repurchase agreements	\$.....
19.25	Subject to reverse dollar repurchase agreements	\$.....
19.26	Pledged as collateral	\$.....
19.27	Placed under option agreements	\$.....
19.28	Letter stock or other securities restricted as to sale	\$.....
19.29	Other	\$.....

19.3 For each category above, if any of these assets are held by others, identify by whom held:

19.31	.....	19.35	.....
19.32	.....	19.36	.....
19.33	.....	19.37	.....
19.34	.....	19.38	.....
		19.39	.....

For categories (19.21) and (19.23) above, and for any other securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4 For category (19.28) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....	.....	.....
.....	.....	.....

20.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes [ ] No [ X ]

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ] NA [ X ]  
If no, attach a description with this statement.

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? ..... Yes [ ] No [ X ]

21.2. If yes, state the amount thereof at December 31 of the current year. .... \$.....

22. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [ X ] No [ ]

22.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
Bank One.....	1111 Polaris Parkway, Suite 2N, Columbus, OH 43240.....
.....	.....

## GENERAL INTERROGATORIES

(continued)  
INVESTMENT

22.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year?..... Yes [  ] No [  ]

22.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

22.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address

### OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?..... \$.....0

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
	\$ .....
	\$ .....
	\$ .....

24.1 Amount of payments for legal expenses, if any?..... \$.....0

24.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	\$ .....
	\$ .....
	\$ .....

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ .....

25.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$ .....
	\$ .....
	\$ .....

**GENERAL INTERROGATORIES**

(continued)

**PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [ X ]
- 1.2 If yes, indicate premium earned on U. S. business only ..... \$ .....
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ .....
- 1.31 Reason for excluding  
.....
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. .... \$ .....0
- 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. .... \$ .....0
- 1.6 Individual policies:
  - Most current three years:
    - 1.61 Total premium earned ..... \$ .....0
    - 1.62 Total incurred claims ..... \$ .....0
    - 1.63 Number of covered lives ..... \$ .....0
  - All years prior to most current three years:
    - 1.64 Total premium earned ..... \$ .....0
    - 1.65 Total incurred claims ..... \$ .....0
    - 1.66 Number of covered lives ..... \$ .....0
- 1.7 Group policies:
  - Most current three years:
    - 1.71 Total premium earned ..... \$ .....0
    - 1.72 Total incurred claims ..... \$ .....0
    - 1.73 Number of covered lives ..... \$ .....0
  - All years prior to most current three years:
    - 1.74 Total premium earned ..... \$ .....0
    - 1.75 Total incurred claims ..... \$ .....0
    - 1.76 Number of covered lives ..... \$ .....0
- 2.1 Does the reporting entity issue both participating and non-participating policies? ..... Yes [ ] No [ X ]
- 2.2 If yes, state the amount of calendar year net premiums written on:
  - 2.21 Participating policies ..... \$ .....
  - 2.22 Non-participating policies ..... \$ .....
- 3. For Mutual Reporting Entities and Reciprocal Exchanges Only:
  - 3.1 Does the reporting entity issue assessable policies? ..... Yes [ ] No [ X ]
  - 3.2 Does the reporting entity issue non-assessable policies? ..... Yes [ ] No [ X ]
  - 3.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? ..... %
  - 3.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums? ..... \$ .....0
- 4. For Reciprocal Exchanges Only:
  - 4.1 Does the Exchange appoint local agents? ..... Yes [ ] No [ X ]
  - 4.2 If yes, is the commission paid:
    - 4.21 Out of Attorney's-in-fact compensation ..... Yes [ ] No [X] NA [ ]
    - 4.22 As a direct expense of the Exchange ..... Yes [ ] No [ ] NA [X]
- 4.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?  
.....
- 4.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? ..... Yes [ ] No [ X ]
- 4.5 If yes, give full information  
.....
- 5.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? .....
- 5.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process. ....
- 5.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....
- 5.4 Does the reporting entity carry catastrophe reinsurance protection, with provision for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? ..... Yes [ ] No [ X ]
- 5.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.  
.....
- 6.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract which includes a provision which would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provision)? ..... Yes [ ] No [ X ]
- 6.2 If yes, indicate the number of reinsurance contracts containing such provisions: .....

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY & CASUALTY INTERROGATORIES (continued)**

- 7.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?..... Yes [ ] No [ X ]
- 7.2 If yes, give full information .....
8. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?..... Yes [ ] No [ ] NA [ X ]
- 9.1 Has this reporting entity guaranteed policies issued by any other entity and now in force?..... Yes [ ] No [ X ]
- 9.2 If yes, give full information .....
- 10.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 10.11 Unpaid losses..... \$ .....
- 10.12 Unpaid underwriting expenses (including loss adjustment expenses)..... \$ .....
- 10.2 Of the amount on Line 10.3 of the assets schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds..... \$ .....
- 10.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?..... Yes [ ] No [ ] NA [ X ]
- 10.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 10.41 From..... %
- 10.42 To..... %
- 10.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?..... Yes [ ] No [ X ]
- 10.6 If yes, state the amount thereof at December 31 of the current year:
- 10.61 Letters of credit..... \$ .....
- 10.62 Collateral and other funds..... \$ .....
- 11.1 What amount of installment notes is owned and now held by the reporting entity?..... \$ .....
- 11.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year?..... Yes [ ] No [ X ]
- 11.3 If yes, what amount?..... \$ .....
- 12.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):..... \$ .....
- 12.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?..... Yes [ ] No [ X ]
- 12.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of this amount. ....
- 13.1 Has this reporting entity guaranteed any financed premium accounts?..... Yes [ ] No [ X ]
- 13.2 If yes, give full information .....
- 14.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?..... Yes [ ] No [ X ]
- 14.11 Name of real estate holding company .....
- 14.12 Number of parcels involved .....
- 14.13 Total book/adjusted carrying value ..... \$ .....
- 14.2 If yes, provide explanation:
- 15.1 Does the reporting entity write any warranty business?..... Yes [ ] No [ X ]
- If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
15.11 Home .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
15.12 Products .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
15.13 Automobile .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
15.14 Other* .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....

\* Disclose type of coverage:

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY**

**FIVE-YEAR HISTORICAL DATA**

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2002	2 2001	3 2000	4 1999	5 1998
<b>Gross Premiums Written</b> (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
2. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
5. Non-proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	0	0
6. Total (Line 34)	0	0	0	0	0
<b>Net Premiums Written</b> (Page 8, Part 1B, Col. 6)					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
11. Non-proportional Reinsurance Lines (Lines 30, 31 & 32)	0	0	0	0	0
12. Total (Line 34)	0	0	0	0	0
<b>Statement of Income</b> (Page 4)					
13. Net Underwriting Gain (Loss) (Line 8)	0	0	0	0	0
14. Net Investment Gain (Loss) (Line 11)	158,601	87,972	0	0	0
15. Total Other Income (Line 15)	0	0	0	0	0
16. Dividends to Policyholders (Line 17)	0	0	0	0	0
17. Federal and Foreign Income Taxes Incurred (Line 19)	0	0	0	0	0
18. Net Income (Line 20)	158,601	87,972	0	0	0
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total Admitted Assets excluding Protected Cell (Page 2, Line 26, Col. 3)	2,782,918	2,624,317	0	0	0
20. Agents' Balances or Uncollected Premiums (Page 2, Col. 3)					
20.1 In Course of Collection (Line 10.1)	0	0	0	0	0
20.2 Deferred and not yet due (Line 10.2)	0	0	0	0	0
20.3 Accrued Retrospective Premiums (Line 10.3)	0	0	0	0	0
21. Total Liabilities excluding Protected Cell (Page 3, Line 24)	0	0	0	0	0
22. Losses (Page 3, Lines 1 and 2)	0	0	0	0	0
23. Loss Adjustment Expenses (Page 3, Line 3)	0	0	0	0	0
24. Unearned premiums (Page 3, Line 9)	0	0	0	0	0
25. Capital Paid Up (Page 3, Lines 28 & 29)	1,000,000	1,000,000	0	0	0
26. Surplus as Regards Policyholders (Page 3, Line 35)	2,782,918	2,624,317	0	0	0
<b>Risk-Based Capital Analysis</b>					
27. Total Adjusted Capital	2,782,918	2,624,317	0	0	0
28. Authorized Control Level Risk-Based Capital	855	336	0	0	0
<b>Percentage Distribution of Cash and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 9, Col. 3) x 100.0					
29. Bonds (Line 1)	92.1	97.4	0.0	0.0	0.0
30. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	0.0
31. Mortgage Loans on Real Estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
32. Real Estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
33. Cash and Short-Term Investments (Line 5)	7.9	2.6	0.0	0.0	0.0
34. Other Invested Assets (Line 6)	0.0	0.0	0.0	0.0	0.0
35. Receivable for Securities (Line 7)	0.0	0.0	0.0	0.0	0.0
36. Aggregate Write-Ins for Invested Assets (Line 8)	0.0	0.0	0.0	0.0	0.0
37. Cash and Invested Assets (Line 9)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
38. Affiliated Bonds (Schedule D, Summary, Line 25, Col. 1)	0	0	0	0	0
39. Affiliated Preferred Stocks (Schedule D, Summary, Line 39, Col. 1)	0	0	0	0	0
40. Affiliated Common Stocks (Schedule D, Summary, Line 53, Col. 2)	0	0	0	0	0
41. Affiliated Short-Term Investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)	0	0	0	0	0
42. Affiliated Mortgage Loans on Real Estate	0	0	0	0	0
43. All Other Affiliated	0	0	0	0	0
44. Total of above Lines 38 to 43	0	0	0	0	0
45. Percentage of Investments in Parent, Subsidiaries and Affiliates to Surplus as Regards Policyholders (Line 44 above divided by Page 3, Col. 1, Line 35 x 100.0)	0.0	0.0	0.0	0.0	0.0

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
<b>Capital and Surplus Accounts (Page 4)</b>					
46. Net Unrealized Capital Gains (Losses) (Line 23) .....	0	0	0	0	0
47. Dividends to Stockholders (Line 34) .....	0	0	0	0	0
48. Change in surplus as regards policyholders for the year (Line 37) .....	158,601	2,624,317	0	0	0
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
49. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	0	0	0	0	0
50. Property Lines (Lines 1, 2, 9, 12, 21 & 26) .....	0	0	0	0	0
51. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) .....	0	0	0	0	0
52. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33) .....	0	0	0	0	0
53. Non-Proportional Reinsurance Lines (Lines 30, 31 & 32) .....	0	0	0	0	0
54. Total (Line 34) .....	0	0	0	0	0
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
55. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	0	0	0	0	0
56. Property Lines (Lines 1, 2, 9, 12, 21 & 26) .....	0	0	0	0	0
57. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) .....	0	0	0	0	0
58. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33) .....	0	0	0	0	0
59. Non-Proportional Reinsurance Lines (Lines 30, 31 & 32) .....	0	0	0	0	0
60. Total (Line 34) .....	0	0	0	0	0
<b>Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0</b>					
61. Premiums Earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
62. Losses Incurred (Line 2) .....	0.0	0.0	0.0	0.0	0.0
63. Loss Expenses Incurred (Line 3) .....	0.0	0.0	0.0	0.0	0.0
64. Other Underwriting Expenses Incurred (Line 4) .....	0.0	0.0	0.0	0.0	0.0
65. Net Underwriting gain (loss) (Line 8) .....	0.0	0.0	0.0	0.0	0.0
<b>Other Percentages</b>					
66. Other Underwriting Expenses to Net Premiums Written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0) .....	0.0	0.0	0.0	0.0	0.0
67. Losses and Loss Expenses Incurred to Premiums Earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	0.0	0.0	0.0	0.0	0.0
68. Net Premiums Written to Policyholders' Surplus (Page 8, Part 1B, Col. 6, Line 34 divided by Page 3, Line 35, Col. 1 x 100.0) .....	0.0	0.0	0.0	0.0	0.0
<b>One Year Loss Development (000 omitted)</b>					
69. Development in Estimated Losses and Loss Expenses Incurred Prior to Current Year (Schedule P - Part 2 - Summary, Line 12, Col. 11) .....	0	0	0	0	0
70. Percent of Development of Loss and Loss Expenses Incurred to Policyholders' Surplus of Previous Year End (Line 69 above divided by Page 4, Line 21, Col. 1 x 100.0) .....	0.0	0.0	0.0	0.0	0.0
<b>Two Year Loss Development (000 omitted)</b>					
71. Development in Estimated Losses and Loss Expenses Incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .....	0	0	0	0	0
72. Percent of Development of Loss and Loss Expenses Incurred to Reported Policyholders' Surplus of Second Previous Year End (Line 71 above divided by Page 4, Line 21, Col. 2 x 100.0) .....	0.0	0.0	0.0	0.0	0.0

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE CENTRAL BENEFITS ASSURANCE COMPANY**

**SCHEDULE D - SUMMARY BY COUNTRY**

**Long-Term Bonds and Stocks OWNED December 31 of Current Year**

Description	1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>				
Governments (Including all obligations guaranteed by governments)	1. United States ..... 2,513,747	2,599,008	2,510,743	2,500,000
	2. Canada ..... 0	0	0	0
	3. Other Countries ..... 0	0	0	0
	4. Totals ..... 2,513,747	2,599,008	2,510,743	2,500,000
States, Territories and Possessions (Direct and guaranteed)	5. United States ..... 0	0	0	0
	6. Canada ..... 0	0	0	0
	7. Other Countries ..... 0	0	0	0
	8. Totals ..... 0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States ..... 0	0	0	0
	10. Canada ..... 0	0	0	0
	11. Other Countries ..... 0	0	0	0
	12. Totals ..... 0	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States ..... 0	0	0	0
	14. Canada ..... 0	0	0	0
	15. Other Countries ..... 0	0	0	0
	16. Totals ..... 0	0	0	0
Public Utilities (unaffiliated)	17. United States ..... 0	0	0	0
	18. Canada ..... 0	0	0	0
	19. Other Countries ..... 0	0	0	0
	20. Totals ..... 0	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States ..... 0	0	0	0
	22. Canada ..... 0	0	0	0
	23. Other Countries ..... 0	0	0	0
	24. Totals ..... 0	0	0	0
Parent, Subsidiaries and Affiliates	25. Totals ..... 0	0	0	0
	26. <b>Total Bonds</b> ..... 2,513,747	2,599,008	2,510,743	2,500,000
<b>PREFERRED STOCKS</b>				
Public Utilities (unaffiliated)	27. United States ..... 0	0	0	
	28. Canada ..... 0	0	0	
	29. Other Countries ..... 0	0	0	
	30. Totals ..... 0	0	0	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States ..... 0	0	0	
	32. Canada ..... 0	0	0	
	33. Other Countries ..... 0	0	0	
	34. Totals ..... 0	0	0	
Industrial and Miscellaneous (unaffiliated)	35. United States ..... 0	0	0	
	36. Canada ..... 0	0	0	
	37. Other Countries ..... 0	0	0	
	38. Totals ..... 0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals ..... 0	0	0	
	40. <b>Total Preferred Stocks</b> ..... 0	0	0	
<b>COMMON STOCKS</b>				
Public Utilities (unaffiliated)	41. United States ..... 0	0	0	
	42. Canada ..... 0	0	0	
	43. Other Countries ..... 0	0	0	
	44. Totals ..... 0	0	0	
Banks, Trust and Insurance Companies (unaffiliated)	45. United States ..... 0	0	0	
	46. Canada ..... 0	0	0	
	47. Other Countries ..... 0	0	0	
	48. Totals ..... 0	0	0	
Industrial and Miscellaneous (unaffiliated)	49. United States ..... 0	0	0	
	50. Canada ..... 0	0	0	
	51. Other Countries ..... 0	0	0	
	52. Totals ..... 0	0	0	
Parent, Subsidiaries and Affiliates	53. Totals ..... 0	0	0	
	54. <b>Total Common Stocks</b> ..... 0	0	0	
	55. <b>Total Stocks</b> ..... 0	0	0	
	56. <b>Total Bonds and Stocks</b> ..... 2,513,747	2,599,008	2,510,743	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ .....501,193 .

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of bonds and stocks, prior year ..... 2,512,857	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3 ..... 0	6.1 Column 17, Part 1 ..... 0
3. Increase (decrease) by adjustment:	6.2 Column 13, Part 2, Sec. 1 ..... 0
3.1 Column 16, Part 1 ..... 891	6.3 Column 11, Part 2, Sec. 2 ..... 0
3.2 Column 12, Part 2, Sec. 1 ..... 0	6.4 Column 11, Part 4 ..... 0
3.3 Column 10, Part 2, Sec. 2 ..... 0	
3.4 Column 10, Part 4 ..... 0	7. Book/adjusted carrying value at end of current period ..... 2,513,748
4. Total gain (loss), Col. 14, Part 4 ..... 0	8. Total valuation allowance ..... 0
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 ..... 0	9. Subtotal (Lines 7 plus 8) ..... 2,513,748
	10. Total nonadmitted amounts ..... 0
	11. Statement value of bonds and stocks, current period ..... 2,513,748

Schedule P - Part 1 - Summary

**NONE**

Schedule P - Part 2 - Summary

**NONE**

Schedule P - Part 3 - Summary

**NONE**

Schedule P - Part 4 - Summary

**NONE**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	0	0	0	0	0	0	0	0
2. Alaska	AK	0	0	0	0	0	0	0	0
3. Arizona	AZ	0	0	0	0	0	0	0	0
4. Arkansas	AR	0	0	0	0	0	0	0	0
5. California	CA	0	0	0	0	0	0	0	0
6. Colorado	CO	0	0	0	0	0	0	0	0
7. Connecticut	CT	0	0	0	0	0	0	0	0
8. Delaware	DE	0	0	0	0	0	0	0	0
9. District of Columbia	DC	0	0	0	0	0	0	0	0
10. Florida	FL	0	0	0	0	0	0	0	0
11. Georgia	GA	0	0	0	0	0	0	0	0
12. Hawaii	HI	0	0	0	0	0	0	0	0
13. Idaho	ID	0	0	0	0	0	0	0	0
14. Illinois	IL	0	0	0	0	0	0	0	0
15. Indiana	IN	0	0	0	0	0	0	0	0
16. Iowa	IA	0	0	0	0	0	0	0	0
17. Kansas	KS	0	0	0	0	0	0	0	0
18. Kentucky	KY	0	0	0	0	0	0	0	0
19. Louisiana	LA	0	0	0	0	0	0	0	0
20. Maine	ME	0	0	0	0	0	0	0	0
21. Maryland	MD	0	0	0	0	0	0	0	0
22. Massachusetts	MA	0	0	0	0	0	0	0	0
23. Michigan	MI	0	0	0	0	0	0	0	0
24. Minnesota	MN	0	0	0	0	0	0	0	0
25. Mississippi	MS	0	0	0	0	0	0	0	0
26. Missouri	MO	0	0	0	0	0	0	0	0
27. Montana	MT	0	0	0	0	0	0	0	0
28. Nebraska	NE	0	0	0	0	0	0	0	0
29. Nevada	NV	0	0	0	0	0	0	0	0
30. New Hampshire	NH	0	0	0	0	0	0	0	0
31. New Jersey	NJ	0	0	0	0	0	0	0	0
32. New Mexico	NM	0	0	0	0	0	0	0	0
33. New York	NY	0	0	0	0	0	0	0	0
34. North Carolina	NC	0	0	0	0	0	0	0	0
35. North Dakota	ND	0	0	0	0	0	0	0	0
36. Ohio	OH	Yes	0	0	0	0	0	0	0
37. Oklahoma	OK	0	0	0	0	0	0	0	0
38. Oregon	OR	0	0	0	0	0	0	0	0
39. Pennsylvania	PA	0	0	0	0	0	0	0	0
40. Rhode Island	RI	0	0	0	0	0	0	0	0
41. South Carolina	SC	0	0	0	0	0	0	0	0
42. South Dakota	SD	0	0	0	0	0	0	0	0
43. Tennessee	TN	0	0	0	0	0	0	0	0
44. Texas	TX	0	0	0	0	0	0	0	0
45. Utah	UT	0	0	0	0	0	0	0	0
46. Vermont	VT	0	0	0	0	0	0	0	0
47. Virginia	VA	0	0	0	0	0	0	0	0
48. Washington	WA	0	0	0	0	0	0	0	0
49. West Virginia	WV	0	0	0	0	0	0	0	0
50. Wisconsin	WI	0	0	0	0	0	0	0	0
51. Wyoming	WY	0	0	0	0	0	0	0	0
52. American Samoa	AS	0	0	0	0	0	0	0	0
53. Guam	GU	0	0	0	0	0	0	0	0
54. Puerto Rico	PR	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	0	0	0	0	0	0	0	0
56. Canada	CN	0	0	0	0	0	0	0	0
57. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0
58. Totals	(a) 1	0	0	0	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>									
5701.	XXX								
5702.	XXX								
5703.	XXX								
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX	0	0	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX	0	0	0	0	0	0	0	0

(a) Insert the number of yes responses except for Canada and Other Alien.

Explanation of basis of allocation of premiums by states, etc.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**

**CENTRAL BENEFITS CORPORATE STRUCTURE**

