

**ANNUAL STATEMENT**

Including Supplements

OF THE

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of \_\_\_\_\_

in the state of \_\_\_\_\_

TO THE

Insurance Department

OF THE

STATE OF

FOR THE YEAR ENDED

December 31, 2002

FRATERNAL

2002



56375200220100100

ANNUAL STATEMENT

For the Year Ended December 31, 2002
OF THE CONDITION AND AFFAIRS OF THE

NORTH AMERICAN SWISS ALLIANCE

NAIC Group Code 0000 0000 NAIC Society Code 56375 Employer's ID Number 34-0719168
(Current Period) (Prior Period)

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

Country of Domicile UNITED STATES OF AMERICA

Incorporated: September 6, 1889 Commenced Business: September 6, 1889

Statutory Home Office: 7650 CHIPPEWA ROAD ROOM 214 BRECKSVILLE, OH 44141

Main Administrative Office: 7650 CHIPPEWA ROAD ROOM 214 BRECKSVILLE, OH 44141 440-526-2257

Mail Address: 7650 CHIPPEWA ROAD ROOM 214 BRECKSVILLE, OH 44141

Primary Location of Books and Records: 7650 CHIPPEWA ROAD ROOM 214 BRECKSVILLE, OH 44141 440-526-2257

Internet Website Address: N/A

Statement Contact: JAMES L SHEARER 260-665-2408 N/A
james.shearer3@verizon.net 000-000-0000
(E-Mail Address) (Fax Number)

Policyowner Relations Contact: 7650 CHIPPEWA ROAD ROOM 214 BRECKSVILLE, OH 44141 440-526-2257 N/A

OFFICERS

President Kurt Werner Ottiger
Secretary Joan Jean Spirko
Treasurer William George Preslock
Actuary

Vice-Presidents

Albert Heinz Peter
[Empty lines for other vice-presidents]

DIRECTORS OR TRUSTEES

William George Preslock Alois Wendelin Amstutz Harold Joseph Miller
Suzanne Lynn Sarasin Albert Heinz Peter Gloria Louise Atwell Richard Charles Hubler
Ernest Herman Bollinger Richard Herman Hardt Kurt Werner Ottiger Ferdinand Edwin Reichlin
William Perrine Walter Joe Peyer John Gustav Ochsner Marilyn Alma Kozma
Paul Berthold Padrutt Carl Hans Kunzler

State of OH
County of CUYAHOGA 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.

(Signature) (Signature) (Signature)
Kurt Werner Ottiger Joan Jean Spirko William George Preslock
(Printed Name) (Printed Name) (Printed Name)
President Secretary Treasurer

Subscribed and sworn to before me this
19TH 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

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols 1 - 2)	4 Net Admitted Assets
1. Bonds	3,054,840		3,054,840	2,874,543
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1)				
2.2 Common stocks (Schedule D, Part 2, Section 2)				181,355
3. Mortgage loans on real estate (Schedule B, Part 1):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the society (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Certificate loans and liens	8,163		8,163	8,160
6. Cash (\$ 155,846, Schedule E, Part 1) and short-term investments (\$ 0, Schedule DA, Part 2)	155,846		155,846	144,138
7. Other invested assets (Schedule BA, Part 1)				
8. Receivable for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	3,218,849		3,218,849	3,208,196
11. Reinsurance ceded:				
11.1 Amounts recoverable from reinsurers (Schedule S, Part 2)				
11.2 Commissions and expense allowances due				
11.3 Experience rating and other refunds due				
11.4 Other amounts receivable under reinsurance contracts				
12. Electronic data processing equipment and software				
13. Premiums actually collected by subordinate lodges not yet remitted to home office (excluding \$ 0 loading)				
14. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$ 0 loading)				
15. Accident and health premiums due and unpaid				
16. Investment income due and accrued	53,678		53,678	53,233
17. Net adjustment in assets and liabilities due to foreign exchange rates				
18. Receivable from subsidiaries and affiliates				
19. Amounts due from agents				
20. Other assets nonadmitted (Exhibit 9)				
21. Aggregate write-ins for other than invested assets				
22. Total assets excluding Separate Accounts business (Lines 10 to 21)	3,272,527		3,272,527	3,261,429
23. From Separate Accounts statement				
24. Total (Lines 22 and 23)	3,272,527		3,272,527	3,261,429

DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 thru 0903 + 0998) (Line 9 above)				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. Totals (Lines 2101 thru 2103 + 2198) (Line 21 above)				

<b>LIABILITIES, SURPLUS AND OTHER FUNDS</b>	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts (Exhibit 5, Line 9999999) (including \$ 1,796,308 Modco Reserve)	1,796,308	1,758,193
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 16, Col. 1) (including \$ 0 Modco Reserve)		
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Column 1) (including \$ 0 Modco Reserve)		
4. Contract claims:		
4.1 Life (Exhibit 11, Part 1, Line 4.4, Column 1 less Column 5)	3,745	2,701
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, Column 5)		
5. Refunds due and unpaid (Exhibit 4, Line 10)		
6. Provisions for refunds payable in following calendar year-estimated amounts:		
6.1 Apportioned for payment to 2003	34,382	33,479
6.2 Not yet apportioned		
7. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ 0 discount; including \$ 0 accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Lines 4 and 14)		
8. Contract liabilities not included elsewhere:		
8.1 Surrender values on canceled contracts		
8.2 Other amounts payable on reinsurance including \$ 0 assumed and \$ 0 ceded		
8.3 Interest maintenance reserve (IMR) (Page 32, Line 6)	37,213	38,500
9. Commissions to fieldworkers due or accrued - life and annuity contracts \$ 0 ; accident and health \$ 0 and deposit-type contracts funds \$ 0		
10. Commissions and expense allowances payable on reinsurance assumed		
11. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	9,789	25,773
12. Transfers to Separate Accounts due or accrued (net) (Including \$ 0 accrued for expense allowances recognized in reserves)		
13. Taxes, licenses and fees due or accrued (Exhibit 3, Line 8, Col. 6)		
14. Unearned investment income		
15. Amounts withheld or retained by Society as agent or trustee	591	560
16. Amounts held for fieldworkers' account, including \$ 0 fieldworkers' credit balances		
17. Remittances and items not allocated		
18. Net adjustment in assets and liabilities due to foreign exchange rates		
19. Liability for benefits for employees and fieldworkers if not included above		
20. Borrowed money \$ 0 and interest thereon \$ 0		
21. Miscellaneous liabilities:		
21.1 Asset valuation reserve (Page 33, Line 13, Col. 7)	13,773	44,412
21.2 Reinsurance in unauthorized companies		
21.3 Funds held under reinsurance treaties with unauthorized reinsurers		
21.4 Payable to subsidiaries and affiliates		
21.5 Drafts outstanding	500	500
21.6 Funds held under coinsurance		
21.7 Payable for securities		
22. Aggregate write-ins for liabilities		
23. Total liabilities excluding Separate Accounts business (Lines 1 to 22)	1,896,301	1,904,118
24. From Separate Accounts statement		
25. Total liabilities (Lines 23 to 24)	1,896,301	1,904,118
26. Aggregate write-ins for other than liabilities and surplus funds		
27. Surplus notes		
28. Aggregate write-ins for surplus funds	43,673	43,673
29. Unassigned funds	1,332,553	1,313,638
30. Total (Lines 26 through 29)(Page 4, Line 47)(Including \$ 0 in Separate Accounts statement)	1,376,226	1,357,311
31. TOTALS (Lines 25 + 30) (Page 2, Line 24, Col. 3)	3,272,527	3,261,429

<b>DETAILS OF WRITE-INS</b>		
2201.		
2202.		
2203.		
2298. Summary of remaining write-ins for Line 22 from overflow page		
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)		
2601.		
2602.		
2603.		
2698. Summary of remaining write-ins for Line 26 from overflow page		
2699. Totals (Lines 2601 through 2603 plus 2698) (Line 26 above)		
2801. Relief and Benevolent Funds	43,673	43,673
2802.		
2803.		
2898. Summary of remaining write-ins for Line 28 from overflow page		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	43,673	43,673

<b>SUMMARY OF OPERATIONS</b> (EXCLUDING UNREALIZED CAPITAL GAINS AND LOSSES)		1	2
		Current Year	Prior Year
1. Premiums and annuity considerations for life and accident and health policies and contracts (Exhibit 1, Part 1, Line 20.4, Col. 1)		53,970	47,847
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income (Exhibit of Net Investment Income, Line 17)		211,146	208,323
4. Amortization of Interest Maintenance Reserve (IMR) (Page 32, Line 5)		6,579	6,872
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)			
7. Reserve adjustments on reinsurance ceded			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income			
9. Totals (Lines 1 to 8.3)		271,695	263,042
10. Death benefits		34,741	22,408
11. Matured endowments		5,413	2,351
12. Annuity and old age benefits			
13. Disability, accident and health benefits, including premiums waived \$	0		
14. Surrender benefits and withdrawals for life contracts		10,695	15,665
15. Interest and adjustments on contract or deposit-type contract funds			
16. Payments on supplementary contracts with life contingencies			
17. Increase in aggregate reserve for life and accident and health contracts		38,115	35,908
18. Totals (Lines 10 to 17)		88,964	76,332
19. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1 less Column 5)		6,883	7,097
20. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2 Col. 1 less Col. 5)			
21. General insurance expenses and fraternal expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 5)		121,589	111,965
22. Insurance taxes, licenses and fees (Exhibit 3, Line 6, Cols. 1, 2, 3 and 5)		4,424	4,128
23. Increase in loading on deferred and uncollected premiums			
24. Net transfers to or (from) Separate Accounts			
25. Aggregate write-ins for deductions			
26. Totals (Lines 18 to 25)		221,860	199,522
27. Net gain from operations before refunds to members (Line 9 minus Line 26)		49,835	63,520
28. Refunds to members (Exhibit 4, Line 17, Cols. 1 + 2)		34,176	33,246
29. Net gain from operations after refunds to members and before realized capital gains (losses)(Line 27 minus Line 28)		15,659	30,274
30. Net realized capital gains (losses)(excluding \$ 5,292 transferred to the IMR)		(28,311)	(22,336)
31. Net income (Lines 29 + 30)		(12,652)	7,938
<b>SURPLUS ACCOUNT</b>			
32. Surplus December 31, prior year (Page 3, Line 30, Col. 2)		1,357,311	1,333,090
33. Net income from operations (Line 31)		(12,652)	7,938
34. Change in net unrealized capital gains (losses)		929	(15,060)
35. Change in net unrealized foreign exchange capital gain (loss)			
36. Change in nonadmitted assets and related items (Exhibit 9, Line 6, Col. 3)			
37. Change in liability for reinsurance in unauthorized companies			
38. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)			
39. Change in asset valuation reserve (Page 31, Lines 2 through 7, Line 11 plus Lines 14 & 15, Column 7)		30,638	31,344
40. Surplus (contributed to) withdrawn from Separate Accounts during period			
41. Other changes in surplus in Separate Accounts statement			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Change in surplus as a result of reinsurance			
45. Aggregate write-ins for gains and losses in surplus			
46. Net change in surplus for the year (Lines 33 through 45)		18,915	24,222
47. Surplus December 31, current year (Lines 32 + 46)(Page 3, Line 30)		1,376,226	1,357,312

<b>DETAILS OF WRITE-INS</b>			
08.301.			
08.302.			
08.303.			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page			
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)			
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)			
4501.			
4502.			
4503.			
4598. Summary of remaining write-ins for Line 45 from overflow page			
4599. Totals (Lines 4501 through 4503 plus 4598) (Line 45 above)			

**CASH FLOW**

<b>Cash from Operations</b>	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health policies and contracts	53,970	47,848
2. Charges and fees for deposit-type contracts		
3. Considerations for supplementary contracts with life contingencies		
4. Net investment income	213,570	209,998
5. Commissions and expense allowances on reinsurance ceded		
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts		
7. Aggregate write-ins for miscellaneous income		
8. TOTAL (Lines 1 to 7)	267,540	257,846
9. Death benefits	33,697	25,502
10. Matured endowments	5,413	2,351
11. Annuity and old age benefits		
12. Disability, accident and health benefits		
13. Surrender benefits and withdrawals for life contracts	10,695	15,665
14. Interest and adjustment on contract or deposit-type contract funds		
15. Payments on supplementary contracts with life contingencies		
16. TOTAL (Lines 9 to 15)	49,805	43,518
17. Commissions on premiums, annuity considerations and deposit-type contract funds	6,883	7,097
18. Commissions and expense allowances on reinsurance assumed		
19. General insurance expenses and fraternal expenses	137,573	102,038
20. Insurance taxes, licenses and fees, excluding federal income taxes	4,424	4,128
21. Net transfers to or (from) Separate Accounts		
22. Aggregate write-ins for deductions		
23. Refunds to members paid	33,274	32,929
24. TOTAL (Lines 16 to 23)	231,959	189,710
25. Net cash from operations (Line 8 minus Line 24)	35,581	68,136
<b>Cash from Investments</b>		
26. Proceeds from investments sold, matured or repaid:		
26.1 Bonds	320,988	115,910
26.2 Stocks	186,751	155,974
26.3 Mortgage loans		
26.4 Real estate		
26.5 Other invested assets		
26.6 Net gains or (losses) on cash and short-term investments		
26.7 Miscellaneous proceeds		
26.8 TOTAL (Lines 26.1 to 26.7)	507,739	271,884
27. Cost of investments acquired (long-term only):		
27.1 Bonds	498,864	108,861
27.2 Stocks	32,778	123,344
27.3 Mortgage loans		
27.4 Real estate		
27.5 Other invested assets		
27.6 Miscellaneous applications		
27.7 Total investments acquired (Lines 27.1 to 27.6)	531,642	232,205
28. Net increase (or decrease) in certificate loans and liens	3	(3,332)
29. Net cash from investments (Line 26.8 minus Line 27.7 minus Line 28)	(23,906)	43,011
<b>Cash from Financing and Miscellaneous Sources</b>		
30. Cash provided:		
30.1 Surplus notes, capital and surplus paid in		
30.2 Borrowed money \$ 0 less amounts repaid \$ 0		
30.3 Deposit on deposit-type contract funds and other liabilities without life or disability contingencies		
30.4 Other cash provided	32	
30.5 Total (Lines 30.1 to 30.4)	32	
31. Cash applied:		
31.1 Interest on indebtedness		
31.2 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies		
31.3 Other applications (net)		1,567
31.4 Total (Lines 31.1 and 31.3)		1,567
32. Net cash from financing and miscellaneous sources (Line 30.5 minus Line 31.4)	32	(1,567)
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
33. Net change in cash and short-term investments (Line 25, plus Line 29, plus Line 32)	11,707	109,580
34. Cash and short-term investments:		
34.1 Beginning of year	144,138	34,558
34.2 End of year (Line 33 plus Line 34.1)	155,845	144,138

<b>DETAILS OF WRITE-INS</b>		
0701.		
0702.		
0703.		
0798. Summary of remaining write-ins for Line 7 from overflow page		
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)		
2201.		
2202.		
2203.		
2298. Summary of remaining write-ins for Line 22 from overflow page		
2299. Totals (Lines 2201 thru 2203 plus 2298)(Line 22 above)		



**ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR**

	1	2	3	4
	Total	Life Insurance	Annuities	Supplementary Contracts
<b>Involving Life or Disability Contingencies (Reserves)</b> (Net of Reinsurance Ceded)				
1. Reserve December 31, prior year	1,758,193	1,758,193		
2. Tabular net premiums or considerations	52,372	52,372		
3. Present value of disability claims incurred				X X X
4. Tabular interest	60,189	60,189		
5. Tabular less actual reserve released				
6. Increase in reserve on account of change in valuation basis				
7. Other increases (net)				
8. Totals (Lines 1 to 7)	1,870,754	1,870,754		
9. Tabular cost	33,338	33,338		X X X
10. Reserves released by death	24,763	24,763	X X X	X X X
11. Reserves released by other terminations (net)	16,345	16,345		
12. Annuity, supplementary contract and disability payments involving life contingencies				
13. Net transfers to or (from) Separate Accounts				
14. Total deductions (Lines 9 to 13)	74,446	74,446		
15. Reserve December 31, current year	1,796,308	1,796,308		

## EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 207,571	207,723
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	1,018	792
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans	490	491
6. Cash/short-term investments	(e) 3,626	4,144
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	26	26
10. Total gross investment income	212,731	213,177
11. Investment expenses		(g) 2,031
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		
16. Total deductions (Lines 11 through 15)		2,031
17. Net investment income - (Line 10 minus Line 16)		211,146
<b>DETAILS OF WRITE-INS</b>		
0901. Dividends on stocks sold in previous year	26	26
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)	26	26
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		
(a) Includes \$ 318 accrual of discount less \$ 3,188 amortization of premium and less \$ 5,928 paid for accrued interest on purchases.		
(b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.		
(c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.		
(e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.		
(g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.		
(h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.		
(i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.		

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/Adjusted Carrying and Admitted Values	Total
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	5,292				5,292
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	(28,311)			929	(27,382)
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)	(23,019)			929	(22,090)
<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 - PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

	1 Total	Insurance				7 Fraternal	8 Expense
		2 Life Insurance	3 Individual Annuities	4 Accident and Health	5 Aggregate of All Other Lines of Business		
<b>FIRST YEAR (other than single)</b>							
1. Uncollected							
2. Deferred and accrued							
3. Deferred, accrued and uncollected:							
3.1 Direct							
3.2 Reinsurance assumed							
3.3 Reinsurance ceded							
3.4 Net (Line 1 + Line 2)							
4. Advance							
5. Line 3.4 - Line 4							
6. Collected during year:							
6.1 Direct	166	166				166	
6.2 Reinsurance assumed							
6.3 Reinsurance ceded							
6.4 Net	166	166				166	
7. Line 5 + Line 6.4	166	166				166	
8. Prior year (uncollected + deferred and accrued - advance)							
9. First year premiums and considerations:							
9.1 Direct	166	166				166	
9.2 Reinsurance assumed							
9.3 Reinsurance ceded							
9.4 Net (Line 7 - Line 8)	166	166				166	
<b>SINGLE</b>							
10. Single premiums and considerations:							
10.1 Direct	37,992	37,992				37,992	
10.2 Reinsurance assumed							
10.3 Reinsurance ceded							
10.4 Net	37,992	37,992				37,992	
<b>RENEWAL</b>							
11. Uncollected							
12. Deferred and accrued							
13. Deferred, accrued and uncollected:							
13.1 Direct							
13.2 Reinsurance assumed							
13.3 Reinsurance ceded							
13.4 Net (Line 11 + Line 12)							
14. Advance							
15. Line 13.4 - Line 14							
16. Collected during year:							
16.1 Direct	15,812	15,812				15,812	
16.2 Reinsurance assumed							
16.3 Reinsurance ceded							
16.4 Net	15,812	15,812				15,812	
17. Line 15 + Line 16.4	15,812	15,812				15,812	
18. Prior year (uncollected + deferred and accrued - advance)							
19. Renewal premiums and considerations:							
19.1 Direct	15,812	15,812				15,812	
19.2 Reinsurance assumed							
19.3 Reinsurance ceded							
19.4 Net (Line 17 - Line 18)	15,812	15,812				15,812	
<b>TOTAL</b>							
20. Total premiums and annuity considerations:							
20.1 Direct	53,970	53,970				53,970	
20.2 Reinsurance assumed							
20.3 Reinsurance ceded							
20.4 Net (Lines 9.4 + 10.4 + 19.4)	53,970	53,970				53,970	

**EXHIBIT 1 - PART 2 - REFUNDS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (direct business only)**

	1	Insurance					7	8
		2	3	4	5	6		
	Total	Life Insurance	Individual Annuities	Accident and Health	Aggregate of All Other Lines of Business	Total (Columns 2 through 5)	Fraternal	Expense
<b>REFUNDS APPLIED (included in Part 1)</b>								
21. To pay renewal premiums (Exhibit 4, Line 1)								
22. All other (Exhibit 4, Lines 2, 3 & 4)	28,381	28,381				28,381		
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>								
23. First year (other than single):								
23.1 Reinsurance ceded								
23.2 Reinsurance assumed								
23.3 Net ceded less assumed								
24. Single:								
24.1 Reinsurance ceded								
24.2 Reinsurance assumed								
24.3 Net ceded less assumed								
25. Renewal:								
25.1 Reinsurance ceded								
25.2 Reinsurance assumed								
25.3 Net ceded less assumed								
26. Totals:								
26.1 Reinsurance ceded (Page 6, Line 6)								
26.2 Reinsurance assumed								
26.3 Net ceded less assumed								
<b>COMMISSIONS INCURRED (direct business only)</b>								
27. First year (other than single)	68	68				68		
28. Single	288	288				288		
29. Renewal	6,526	6,526				6,526		
30. Deposit-type contract funds								
31. Totals (to agree with Page 6, Line 19)	6,883	6,883				6,883		

**EXHIBIT 2 - GENERAL EXPENSES**

	Insurance			4 Investment	5 Fraternal	6 Total
	1 Life	2 Accident and Health	3 Aggregate of All Other Lines of Business			
1. Rent	6,518					6,518
2. Salaries and wages	52,104				5,789	57,893
3.11 Insured benefit plans for employees						
3.12 Insured benefit plans for fieldworkers						
3.21 Uninsured benefit plans for employees						
3.22 Uninsured benefit plans for fieldworkers						
3.31 Other employee welfare	3,026				159	3,186
3.32 Other fieldworker welfare						
4.1 Legal fees and expenses						
4.2 Medical examination fees						
4.3 Inspection report fees						
4.4 Fees of public accountants and consulting actuaries	17,033					17,033
4.5 Expense of investigation and settlement of certificate claims						
5.1 Traveling expenses	2,737				304	3,041
5.2 Advertising						
5.3 Postage express, telegraph and telephone	2,161				114	2,275
5.4 Printing and stationery	4,537				504	5,042
5.5 Cost or depreciation of furniture and equipment						
5.6 Rental of equipment						
5.7 Cost or depreciation of EDP equipment and software						
5.8 Lodge supplies less \$ 0 from sales						
6.1 Books and periodicals						
6.2 Bureau and association dues	50				50	100
6.3 Insurance, except on real estate	1,634				182	1,816
6.4 Miscellaneous losses						
6.5 Collection and bank service charges						
6.6 Sundry general expenses	872				46	918
7.1 Field expense allowance						
7.2 Fieldworkers' balances charged off (less \$ 0 recovered)						
7.3 Field conferences other than local meetings						
8.1 Official publication	7,301				2,434	9,735
8.2 Expense of supreme lodge meetings	11,928				2,105	14,033
9.1 Real estate expenses						
9.2 Investment expenses not included elsewhere				2,031		2,031
9.3 Aggregate write-ins for expenses						
10. General expenses incurred	109,902			2,031	(a) 11,687	(b) 123,620
11. General expenses unpaid December 31, prior year	25,773					25,773
12. General expenses unpaid December 31, current year	9,789					9,789
13. General expenses paid during year (Lines 10 + 11 - 12)	125,886			2,031	11,687	139,604

DETAILS OF WRITE-INS						
09.301						
09.302						
09.303						
09.398 Summary of remaining write-ins for Line 9.3 from overflow page						
09.399 Totals(Lines 09.301 through 09.303 plus 09.398)(Line 9.3 above)						

(a) Show the distribution of this amount in the following categories:

1. Charitable \$ 0 ; 2. Institutional \$ 0 ; 3. Recreational and Health \$ 0 ; 4. Educational \$ 0 ;  
 5. Religious \$ 0 ; 6. Membership \$ 0 ; 7. Other \$ 0 ; 8. Total \$ 0

(b) Includes management fees of \$ 0 to affiliates and \$ 0 to non-affiliates.

**EXHIBIT 3 - TAXES, LICENSES AND FEES**

	Insurance			4 Investment	5 Fraternal	6 Total
	1 Life	2 Accident and Health	3 Aggregate of All Other Lines of Business			
1. Real estate taxes						
2. State insurance department licenses and fees	536					536
3. Other state taxes, incl. \$ 78 for employee benefits	78					78
4. U.S. Social Security taxes	3,673					3,673
5. All other taxes	138					138
6. Taxes, licenses and fees incurred	4,424					4,424
7. Taxes, licenses and fees unpaid December 31, prior year						
8. Taxes, licenses and fees unpaid December 31, current year						
9. Taxes, licenses and fees paid during year (Lines 6 + 7 - 8)	4,424					4,424

**EXHIBIT 4 - DIVIDENDS OR REFUNDS**

	1	2
	Life	Accident and Health
1. Applied to pay renewal premiums		
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions		
4. Applied to provide paid-up annuities		
5. Total (Lines 1 to 4)	28,381	
6. Paid in cash		4,893
7. Left on deposit		
8. Aggregate write-ins for dividend or refund		
9. Total (Lines 5 to 8)	33,274	
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year	34,382	
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total (Line 10 through Line 14)	34,382	
16. Total of prior line from prior year	33,480	
17. Total dividend or refunds (Lines 9 + 15 - 16)	34,176	

DETAILS OF WRITE-INS	
0801.	
0802.	
0803.	
0898. Summary of remaining write-ins for Line 8 from overflow page	
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above)	



**EXHIBIT 5 - INTERROGATORIES**

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts? YES [ ] NO [X]
- 1.2 If not, state which kind is issued PARTICIPATING
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts? YES [ ] NO [X]
- 2.2 If not, state which kind is issued PARTICIPATING
- 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? YES [ ] NO [X]  
If so, attach a statement that contains the determination procedures, answers to the interrogatories, and an actuarial opinion as described in the instructions.
- 4. Has the reporting entity any assessment or stipulated premium contracts in force? YES [ ] NO [X]  
If so, state:
  - 4.1 Amount of insurance? \$
  - 4.2 Amount of reserve? \$
  - 4.3 Basis of reserve
  - 4.4 Basis of regular assessments
  - 4.5 Basis of special assessments
  - 4.6 Assessments collected during year: \$
- 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.
- 6. Does the reporting entity hold reserves for any annuity contracts which are less than the reserves that would be held on a standard basis? YES [ ] NO [X]
- 6.1 If so, state the amount or reserve on such contracts on the basis actually held: \$
- 6.2 Which would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: \$  
Attach statement of methods employed in their valuation.
- 7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? YES [ ] NO [X]
- 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements? \$
- 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount.
- 7.3 State the amount of reserves established for this business: \$
- 7.4 Identify where the reserves are reported in the blank

**EXHIBIT 5A-CHANGES IN BASES OF VALUATION DURING THE YEAR**

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
LIFE CONTRACTS (Including supplementary contracts set upon a basis other than that used to determine benefits)(Exhibit 5)			
0199999 Subtotal (Page 7, Line 6)	X X X	X X X	
ACCIDENT AND HEALTH CONTRACTS (Exhibit 6)			
<b>NONE</b>			
0299999 Subtotal	X X X	X X X	
DEPOSIT-TYPE CONTRACTS (Exhibit 7)			
0399999 Subtotal	X X X	X X X	
9999999 TOTAL (Column 4 only)			

**NONE**

**Exhibit 6 and 7**

**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**  
**PART 1 - Liability End of Current Year**

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and Unpaid:											
1.1 Direct											
1.2 Reinsurance assumed											
1.3 Reinsurance ceded											
1.4 Net											
2. In course of settlement:											
2.1 Resisted											
2.11 Direct											
2.12 Reinsurance assumed											
2.13 Reinsurance ceded											
2.14 Net			(b)	(b)		(b)	(b)				
2.2 Other	2,470			2,470							
2.21 Direct				2,470							
2.22 Reinsurance assumed											
2.23 Reinsurance ceded											
2.24 Net	2,470		(b)	2,470	(b)	(b)	(b)		(b)	(b)	(b)
3. Incurred but unreported:											
3.1 Direct	1,275			1,275							
3.2 Reinsurance assumed											
3.3 Reinsurance ceded											
3.4 Net	1,275		(b)	1,275	(b)	(b)	(b)		(b)	(b)	(b)
4. TOTALS											
4.1 Direct	3,745			3,745							
4.2 Reinsurance assumed											
4.3 Reinsurance ceded											
4.4 Net	3,745	(a)	(a)	3,745			(a)				

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ 0 in Column 2, \$ 0 in Column 3 and \$ 0 in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$ 0 Individual Annuities \$ 0, Credit Life (Group and Individual) \$ 0, and Group Life \$ 0, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ 0, Credit (Group and Individual) Accident and Health \$ 0 and Other Accident and Health \$ 0 are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS  
PART 2 - Incurred During the Year**

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct	39,110		39,110								
1.2 Reinsurance assumed											
1.3 Reinsurance ceded											
1.4 Net	(d) 39,110		39,110								
2. Liability December 31, current year from Part 1:											
2.1 Direct	3,745		3,745								
2.2 Reinsurance assumed											
2.3 Reinsurance ceded											
2.4 Net	3,745		3,745								
3. Amounts recoverable from reinsurers December 31, current year											
4. Liability December 31, prior year:											
4.1 Direct	2,701		2,701								
4.2 Reinsurance assumed											
4.3 Reinsurance ceded											
4.4 Net	2,701		2,701								
5. Amounts recoverable from reinsurers December 31, prior year											
6. Incurred benefits:											
6.1 Direct	40,154		40,154								
6.2 Reinsurance assumed											
6.3 Reinsurance ceded											
6.4 Net	40,154		40,154								

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ \_\_\_\_\_ in Line 1.1 \$ \_\_\_\_\_ in Line 1.4.  
 \$ \_\_\_\_\_ in Line 6.1 and \$ \_\_\_\_\_ in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ 5,413 in Line 1.1 \$ 5,413 in Line 1.4.  
 \$ 5,413 in Line 6.1 and \$ 5,413 in Line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ \_\_\_\_\_ in Line 1.1 \$ \_\_\_\_\_ in Line 1.4.  
 \$ \_\_\_\_\_ in Line 6.1 and \$ \_\_\_\_\_ in Line 6.4.

(d) Includes \$ 0 premiums waived under total and permanent disability benefits.

**NONE**      **Exhibit 9**

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Accounting Practices.

The financial statements of the North American Swiss Alliance are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department. Inasmuch as the Company has no fixed assets subject to depreciation, no home office property nor any Goodwill asset item, there is no difference between the NAIC SAP and practices prescribed and permitted by the State of Ohio. Reconciliation:

	2002	2001
(1) Net income Ohio basis	(12,652)	7,938
(2) State Prescribed Practices (income)	0	0
(3) State Permitted Practices (Income)	0	0
(4) Net Income, NAIC SAP	(12,652)	7,938
(5) Statutory Surplus Ohio basis	1,376,226	1,357,311
(6) State Prescribed Practices (surplus)		
Goodwill (net)	0	0
Fixed Assets (net)	0	0
(7) State Permitted Practices (surplus)		
Home Office Property	0	0
(8) Statutory Surplus, NAIC SAP	1,376,226	1,357,311

#### B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities. It also requires the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### C. Accounting Policy.

Life premiums are recognized as income over the premium paying period of the related policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, and expense experience for the year and judgement as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.

### 2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

#### A. Material changes in accounting principles and/or correction of errors.

No material changes in accounting principles were made nor were any errors discovered.

#### B. Disclosure of Insurers Upon Initial Implementation of Codification.

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 of Ohio prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner.

Inasmuch as the Company has no items impacted by the NAIC Accounting Practices and Procedures manual, no adjustment was required in the unassigned funds (surplus) of the Company.

### 3. BUSINESS COMBINATIONS AND GOODWILL - NONE

### 4. DISCONTINUED OPERATIONS - NONE

### 5. INVESTMENTS

## NOTES TO FINANCIAL STATEMENTS

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The Company has no Mortgage Loans, Debt Restructuring, Reverse Mortgages, Loan-Backed Securities, or Repurchase Agreements.

**6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES - NONE.**

**7. INVESTMENT INCOME**

**A.** Investment income due and accrued in the financial statement. All investment income, if any, due and accrued with amounts that are over 90 days past due is excluded from surplus

**B.** The total amount excluded was zero.

**8. DERIVATIVE INSTRUMENTS - NONE**

**9. INCOME TAXES - NONE**

The Company is exempt from income taxes.

**10. INFORMATION CONCERNING PARENT SUBSIDIARIES AND AFFILIATES**

The Company has no parent, subsidiary or affiliate.

**11. DEBT - NONE**

**12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS - NONE**

**13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS**

(1) No restrictions have been placed on unassigned surplus funds. Such surplus is held for the benefit of insured members.

(2) The Company has no shareholder nor affiliates.

(3) The Company has no surplus debentures or similar obligations.

(4) The Company is not and has not been involved in any quasi-reorganization.

**14. CONTINGENCIES - NONE**

**15. LEASES - NONE**

**16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK - NONE**

**17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENT OF LIABILITIES - NONE**

**18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS - NONE**

**19. DIRECT PREMIUMS WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS - NONE**

**20. OTHER ITEMS**

The Company elected to use financial rounding in reporting amounts in this statement.

**21. EVENTS SUBSEQUENT - NONE**

**22. REINSURANCE - NONE**

**23. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION - NONE**

**24. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES - NONE**

**25. INTERCOMPANY POOLING ARRANGEMENTS - NONE**

**26. RESERVES FOR LIFE CONTRACTS AND DEPOSIT-TYPE CONTRACTS**

(1) The Company waives deduction of deferred fractional premiums on the death of the insured. All business is written on a monthly premium or single premium basis. Reserves are mid-terminal reserves, therefore no deferred premium asset is required or appropriate. Hence, no non-deduction reserve is established. Surrender values are not promised in excess of the legally computed reserves.

(2) The Company has no substandard policies in force.

(3) The Company has no policies in force for which the gross premiums is less than the net valuation premium.

(4) The Tabular Interest and Tabular Cost have been determined by formulas as described in the instructions.

(5) The Company has no funds not involving life contingencies.

(6) There are no other reserve changes.

**27. VARIABLE ANNUITIES WITH GUARANTEED LIVING BENEFITS - NONE**

**28. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT LIABILITIES BY WITHDRAWAL CHARACTERISTICS - NONE**

**29. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED - NONE**

**30. SEPARATE ACCOUNTS - NONE**

## 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				
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (including residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA				
1.512 Issued by FNMA and FHLMC				
1.513 Privately issued				
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC				
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC				
1.523 All other privately issued				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	3,054,840	94.905	3,054,840	94.905
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (includes \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ 0 including property acquired in satisfaction of debt)				
6. Policy loans	8,163	0.254	8,163	0.254
7. Receivables for securities				
8. Cash and short-term investments	155,846	4.842	155,846	4.842
9. Other invested assets				
10. Total invested assets	3,218,849	100.000	3,218,849	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 [ ] No [X]
- 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 [ ] No [ ] N/A [X]
- 1.3 State Regulating? \_\_\_\_\_
- 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 [X] No [ ]
- 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. \_\_\_\_\_ 12/31/2000
- 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. \_\_\_\_\_ 12/31/2000
- 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). \_\_\_\_\_ 04/30/2002
- 3.4 By what department or departments? OHIO \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- 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
	00000	
	00000	
	00000	
	00000	
	00000	

- 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, \_\_\_\_\_ 0 %
- 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, 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?  
NONE
- 
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? JAMES L SHEARER  
117 E MAUMEE ST, SUITE M, ANGOLA, IN 46703  
INDEPENDENT CONSULTANT
- 
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?  
NONE
- 
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [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 is 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              | \$ _____ |
| 14.12 To stockholders not officers                | \$ _____ |
| 14.13 Trustees, supreme or grand (Fraternal only) | \$ _____ |
- 14.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |          |
|---|----------|
| 14.21 To directors or other officers              | \$ _____ |
| 14.22 To stockholder not officers                 | \$ _____ |
| 14.23 Trustees, supreme or grand (Fraternal only) | \$ _____ |
- 15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the 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 the nature of each obligation.
- 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 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred					Yes [ ] No [X]	Yes [ ] No [X]
Common				X X X	X X X X X X	X X X X X X

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 SECURITIES HELD IN BROKER'S TRUST ACCOUNT  
.....  
.....

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 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 securities restricted as to sale	\$ _____
19.29 Other	\$ _____

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

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

For categories (19.21) and (19.23) above, and for any 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 Nature of Restriction	2 Description	3 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 [ ] N/A [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 Name of Custodian(s)	2 Custodian's Address
MORGAN STANLEY	BEACHWOOD OHIO

**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 [X]

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 brokers/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
1254845	STEPHEN BAUMGARTEN	2440 Chagrin Blvd, Beachwood OH 44122

**OTHER**

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 360

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
NAIC	\$ 260
OHIO FRATERNAL CONGRESS	\$ 100
	\$
	\$

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

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 department 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 department of government during the period covered by this statement.

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

**GENERAL INTERROGATORIES  
(continued)  
PART 2 - FRATERNAL 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.	\$ _____
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$ _____
1.6	Individual policies:	
	Most current three years:	
	1.61 Total Premium earned	\$ _____
	1.62 Total incurred claims	\$ _____
	1.63 Number of covered lives	\$ _____
	All years prior to most current three years:	
	1.64 Total Premium earned	\$ _____
	1.65 Total incurred claims	\$ _____
	1.66 Number of covered lives	\$ _____
1.7	Group policies:	
	Most current three years:	
	1.71 Total Premium earned	\$ _____
	1.72 Total incurred claims	\$ _____
	1.73 Number of covered lives	\$ _____
	All years prior to most current three years:	
	1.74 Total Premium earned	\$ _____
	1.75 Total incurred claims	\$ _____
	1.76 Number of covered lives	\$ _____
2.1	Does this reporting entity have Separate Accounts?	YES [ ] NO [X]
2.2	If yes, has a Separate Accounts Statement been filed with this Department?	YES [ ] NO [ ] N/A [X]
2.3	What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account?	\$ _____
2.4	State the authority under which Separate Accounts are maintained: _____	
2.5	Was any of the reporting entity's Separate Accounts business reinsured as of December 31?	YES [ ] NO [X]
2.6	Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?	YES [ ] NO [X]
3.	Is the reporting entity organized and conducted on the lodge system, with ritualistic form of work and representative form of government?	YES [ ] NO [X]
4.	How often are meetings of the subordinate branches required to be held? MONTHLY	
5.	How are the subordinate branches represented in the supreme or governing body? DELEGATES	
6.	What is the basis of representation in the governing body? ONE DELEGATE PER 150 MEMBERS OR FRACTION AND ONE DELEGATE FOR EACH ADDITIONAL 150 MEMBERS OR FRACTION OVER 150	
7.1	How often are regular meetings of the governing body held? EVERY FOUR YEARS	
7.2	When was the last regular meeting of the governing body held?	05172002
7.3	When and where will the next regular or special meeting of the governing body be held? MAY 2006, LOCATION NOT DETERMINED	
7.4	How many members of the governing body attended the last regular meeting?	35
7.5	How many of same were delegates of the subordinate branches?	25
8.	How are the expenses of the governing body defrayed? GENERAL FUND	
9.	When and by whom are the officers and directors elected? AT CONVENTION BY DELEGATES	
10.	What are the qualifications for membership? GOOD MORAL CHARACTER, GOOD HEALTH	
11.	What are the limiting ages for admission? AGES 0 THROUGH 60	
12.	What is the minimum and maximum insurance that may be issued on any one life? MINIMUM \$1,000, MAXIMUM \$5,000	
13.	Is a medical examination required before issuing a benefit certificate to applicants?	YES [ ] NO [X]
14.	Are applicants admitted to membership without filing an application with and becoming a member of a local branch by ballot and initiation?	YES [ ] NO [X]
15.1	Are notices of the payments required sent to the members?	YES [ ] NO [ ] N/A [X]
15.2	If yes, do the notices state the purpose for which the money is to be used?	YES [ ] NO [X]
16.	What proportion of first and subsequent years payments may be used for management expenses?	
	16.11 First year	\$ 80.00
	16.12 Subsequent years	\$ 20.00
17.1	Is any part of the mortuary, disability, emergency or reserve fund, or the accretions from or payments for the same, used for expenses?	YES [ ] NO [X]
17.2	If so, what amount and for what purpose? \$ 0,	
18.1	Does the reporting entity pay an old age disability benefit?	YES [ ] NO [X]
18.2	If yes, at what age does the benefit commence?	_____
19.1	Has the constitution or have the laws of the reporting entity been amended during the year?	YES [ ] NO [X]
19.2	If yes, when? _____	

**GENERAL INTERROGATORIES  
(continued)  
PART 2 - FRATERNAL INTERROGATORIES**

- |      |   |                          |
|------|---|--------------------------|
| 20.  | Have you filed with this Department all forms of benefit certificates issued, a copy of the constitution and of all the laws, rules and regulations in force at the present time?<br>If not, please do so.  | YES [ X ] NO [ ]         |
| 21.1 | State whether all or a portion of the regular insurance contributions were waived during the current year under premium-paying certificates on account of meeting attained age or membership requirements.  | YES [ ] NO [ X ]         |
| 21.2 | If so, was an additional reserve included in Exhibit 8?   | YES [ ] NO [ ] N/A [ X ] |
| 21.3 | If yes, explain .....   |                          |
| 22.1 | Has the reporting entity reinsured, amalgamated with, or absorbed any company, order, society, or association during the year?  | YES [ ] NO [ X ]         |
| 22.2 | If yes, was there any contract agreement, or understanding, written or oral, expressed or implied, by means of which any officer, director, trustee, or any other person, or firm, corporation, society or association, received or is to receive any fee, commission, emolument, or compensation of any nature whatsoever in connection with, or on account of such reinsurance, amalgamation, absorption, or transfer of membership or funds? | YES [ ] NO [ ] N/A [ X ] |
| 23.  | Has any present or former officer, director, trustee, incorporator, or any other person, or any firm, corporation, society or association, any claim of any nature whatsoever against this reporting entity, which is not included in the liabilities on Page 3 of this statement?  | YES [ ] NO [ X ]         |

## FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6. Amounts of life insurance in this exhibit should be shown in thousands (omit 000).

	1 2002	2 2001	3 2000	4 1999	5 1998
<u>Life Insurance in Force</u> (Exhibit of Life Insurance)					
1. Total (Line 20, Column 2)	4,264	4,171	4,130	4,080	4,026
<u>New Business Issued</u> (Exhibit of Life Insurance)					
2. Total (Line 2, Column 2)	72	33	55	63	67
<u>Premium Income</u> (Exhibit 1, Part 1)					
3. Life insurance - first year (Line 9.4, Column 2)	166	166	71	123	387
4. Life insurance - single and renewal (Lines 10.4 and 19.4, Column 2)	53,804	47,680	53,221	54,948	53,842
5. Annuity (Line 20.4, Column 3)					
6. Accident and health (Line 20.4, Column 4)					
7. Aggregate of all other lines of business (Line 20.4, Column 5)					
8. Total (Line 20.4, Column 1)	53,970	47,846	53,292	55,071	54,229
<u>Balance Sheet Items</u> (Pages 2 and 3)					
9. Total admitted assets excluding Separate Accounts business (Page 2, Line 22, Col. 4)	3,272,527	3,261,429	3,231,068	3,222,469	3,138,428
10. Total Liabilities excluding Separate Accounts business (Page 3, Line 23)	1,896,301	1,904,118	1,897,978	1,859,258	1,859,394
11. Aggregate reserve for life certificates and contracts (Page 3, Line 1)	1,796,308	1,758,193	1,722,285	1,688,761	1,661,974
12. Aggregate reserve for accident and health certificates (Page 3, Line 2)					
13. Deposit-type contract funds (Page 3, Line 3)					
14. Asset Valuation Reserve (Page 3, Line 21.1)	13,773	44,412	75,756	82,706	99,725
15. Surplus (Page 3, Line 30)	1,376,226	1,357,311	1,333,090	1,363,211	1,279,035
<u>Risk-Based Capital Analysis</u>					
16. Total adjusted capital	1,405,782	1,417,853	1,425,426	1,461,878	1,395,206
17. 50% of the calculated RBC amount	39,790	49,847	55,908	55,262	62,360
<u>Percentage Distribution of Assets</u> (Page 2, Col. 3) (Item No. ÷ Page 2, Line 10, Col. 3) x 100.0					
18. Bonds (Line 1)	94.9	89.6	90.6	91.4	86.5
19. Stocks (Lines 2.1 and 2.2)		5.7	7.9	7.1	9.9
20. Mortgage loans on real estate (Line 3.1 and 3.2)					
21. Real estate (Lines 4.1, 4.2 and 4.3)					
22. Certificate loans (Line 5)	0.3	0.3	0.4	0.4	0.5
23. Cash and short-term investments (Line 6)	4.8	4.5	1.1	1.1	3.1
24. Other invested assets (Line 7)					
25. Receivable for securities (Line 8)					
26. Aggregate write-ins for invested assets (Line 9)					
27. Cash and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
<u>Investments in Subsidiaries and Affiliates</u>					
28. Affiliated bonds (Schedule D Summary, Line 25, Col. 1)					
29. Affiliated preferred stock (Schedule D Summary, Line 39, Col. 1)					
30. Affiliated common stock (Schedule D Summary, Line 53, Col. 2)					
31. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Column 5, Line 11)					
32. Affiliated mortgage loans on real estate					
33. All other affiliated					
34. Total of above Lines 28 to 33					
<u>Total Nonadmitted Assets and Admitted Assets</u>					
35. Total nonadmitted assets (Page 2, Line 24, Col. 2)					
36. Total admitted assets (Page 2, Line 24, Col. 3)	3,272,527	3,261,429	3,231,068	3,222,469	3,138,428
<u>Investment Data</u>					
37. Net investment income (Exhibit of Net Investment Income, Line 17)	211,146	208,323	199,120	191,216	201,517
38. Realized capital gains (losses), net of tax and before IMR transfer	(23,019)		15,515	40,298	23,892
39. Unrealized capital gains (losses)	929	(15,060)	(37,636)	(6,454)	26,328
40. Total of above Lines 37, 38 and 39	189,056	193,263	176,999	225,060	251,737

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2002	2001	2000	1999	1998
<u>Benefits and Reserve Increases</u> (Page 6)					
41. Total certificate benefits - life (Lines 9, 10, 11, 12 and 13, Column 1 less Line 13, Column 5)	50,849	40,424	60,741	61,032	46,133
42. Total certificate benefits - accident and health (Line 13, Column 5)					
43. Increase in life reserves (Line 17, Column 2)	38,115	35,908	33,524	26,787	37,529
44. Increase in accident and health reserves (Line 17, Column 5)					
45. Refunds to members (Line 28, Column 1)	34,176	33,246	33,832	31,588	32,377
<u>Operating Percentages</u>					
46. Insurance expense percent (Page 6, Column 1, Lines 19, 20 and 21 less Line 6, Column 1 less Exhibit 2, Column 4, Line 10) ÷ (Page 6, Column 1, Line 1) X 100.0	234.3	242.7	264.5	190.3	215.8
47. Lapse percent (Exhibit of Life Insurance, Column 2, Lines 13 and 14) x 100.0 ÷ 1/2 (Lines 1 and 19, Column 2)	0.5	1.0	0.9	1.2	1.0
48. Accident and health loss percent (Schedule H, Line 3, Column 1, % Shown)					
49. Accident and health expense percent (Schedule H, Line 8, Column 1, % Shown)					
<u>Accident and Health Reserve Adequacy</u>					
50. Incurred losses on prior years' claims (Schedule H, Part 3, Line 3.1, Column 1)					
51. Prior years' liability and reserve (Schedule H, Part 3, Line 3.2, Column 1)					
<u>Net Gains from Operations After Refunds to Members by Lines of Business</u> (Page 6, Line 29)					
52. Life insurance (Column 2)	27,346	30,274	(13,698)	18,142	39,082
53. Annuity (Column 3)					
54. Supplementary contracts (Column 4)					
55. Accident and health (Column 5)					
56. Aggregate of all other lines of business (Column 6)					
57. Fraternal (Column 8)	(11,687)				
58. Expense (Column 9)					
59. Total (Column 1)	15,659	30,274	(13,698)	29,598	18,142

**EXHIBIT OF LIFE INSURANCE**

	1 Number of Certificates	2 Amount of Insurance (a)
1. In force end of prior year	2,615	4,171
2. Issued during year	35	72
3. Reinsurance assumed		
4. Revived during year		
5. Increased during year (net)		
6. Subtotals, Lines 2 to 5	35	72
7. Additions by refunds during year	X X X	77
8. Aggregate write-ins for increases		
9. Totals (Line 1 plus Line 6 to Line 8)	2,650	4,320
Deductions during year:		
10. Death	27	31
11. Maturity	4	6
12. Disability		
13. Expiry	1	
14. Surrender	16	19
15. Lapse		
16. Decreased (net)		
17. Reinsurance		
18. Aggregate write-ins for decreases		
19. Totals (Lines 10 to 18)	48	56
20. In force end of year (b) (Line 9 minus 19)	2,602	4,264
21. Reinsurance ceded end of year	X X X	
22. Line 20 minus Line 21	X X X	4,264
<b>DETAILS OF WRITE-INS</b>		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above)		
1801.		
1802.		
1803.		
1898. Summary of remaining write-ins for Line 18 from overflow page		
1899. Totals (Lines 1801 through 1803 plus 1898) (Line 18 above)		

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).  
 (b) Paid-up insurance included in the final totals of Line 20 (including additions to certificates), number of certificates 2,241 , Amount, \$ 3,857 .  
 Additional accidental death benefits included in life certificates were in amount, \$ 150 . Does the society collect any contributions from members for general expenses of the society under fully paid-up certificates? YES [ ] NO [X] If not, how are such expenses met? EXCESS INTEREST EARNINGS

**EXHIBIT OF NUMBERS OF CERTIFICATES FOR SUPPLEMENTARY CONTRACTS, ANNUITIES AND ACCIDENT & HEALTH INSURANCE**

	1 Supplementary Contracts (Involving Life Contingencies)	2 Supplementary Contracts (Not Involving Life Contingencies)	3 Individual Annuities	4 Accident & Health Insurance
1. In force end of prior year				
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. TOTALS (Lines 1 to 4)				
Deductions during year:				
6. Decreased during year (net)				
7. Reinsurance				
8. TOTALS (Lines 6 and 7)				
9. In force end of year (Line 5 minus Line 8)	<b>NONE</b>			
10. Amount on deposit				X X X
Income now payable:				
11. Amount of income payable				X X X
Deferred: fully paid:				
12. Deferred: fully paid - account balance	X X X	X X X		X X X
Deferred: not fully paid:				
13. Deferred: not fully paid - account balance	X X X	X X X		X X X

**SCHEDULE D - SUMMARY BY COUNTRY**

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

Description		1	2	3	4
		Book/Adjusted Carrying Value	Fair Value (a)	Actual Cost	Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....				
	2. Canada .....				
	3. Other Countries .....				
	4. Totals				
States, Territories and Possessions (Direct and guaranteed)	5. United States .....				
	6. Canada .....				
	7. Other Countries .....				
	8. Totals				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States .....				
	10. Canada .....				
	11. Other Countries .....				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States .....				
	14. Canada .....				
	15. Other Countries .....				
	16. Totals				
Public Utilities (unaffiliated)	17. United States .....	650,779	634,035	653,393	630,000
	18. Canada .....				
	19. Other Countries .....				
	20. Totals	650,779	634,035	653,393	630,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States .....	2,404,061	2,517,819	2,413,835	2,338,000
	22. Canada .....				
	23. Other Countries .....				
	24. Totals	2,404,061	2,517,819	2,413,835	2,338,000
Parent, Subsidiaries and Affiliates	25. Totals				
	<b>26. Total Bonds</b>	<b>3,054,840</b>	<b>3,151,854</b>	<b>3,067,228</b>	<b>2,968,000</b>
<b>PREFERRED STOCKS</b>					
Public Utilities (unaffiliated)	27. United States .....				
	28. Canada .....				
	29. Other Countries .....				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States .....				
	32. Canada .....				
	33. Other Countries .....				
	34. Totals				
Industrial and Miscellaneous (unaffiliated)	35. United States .....				
	36. Canada .....				
	37. Other Countries .....				
	38. Totals				
Parent, Subsidiaries and Affiliates	39. Totals				
	<b>40. Total Preferred Stocks</b>				
<b>COMMON STOCKS</b>					
Public Utilities (unaffiliated)	41. United States .....				
	42. Canada .....				
	43. Other Countries .....				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States .....				
	46. Canada .....				
	47. Other Countries .....				
	48. Totals				
Industrial and Miscellaneous (unaffiliated)	49. United States .....				
	50. Canada .....				
	51. Other Countries .....				
	52. Totals				
Parent, Subsidiaries and Affiliates	53. Totals				
	<b>54. Total Common Stocks</b>				
	<b>55. Total Stocks</b>				
	<b>56. Total Bonds and Stocks</b>	<b>3,054,840</b>	<b>3,151,854</b>	<b>3,067,228</b>	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ 0.

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of bonds and stocks, prior year .....	3,056,828	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3 .....	531,641	6.1 Column 17, Part 1 .....	
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1 .....	
3.1 Column 16, Part 1 .....	(2,640)	6.3 Column 11, Part 2, Section 2 .....	
3.2 Column 12, Part 2, Section 1 .....		6.4 Column 11, Part 4 .....	
3.3 Column 10, Part 2, Section 2 .....		7. Book/adjusted carrying value at end of current period .....	3,054,840
3.4 Column 10, Part 4 .....	(230)	8. Total valuation allowance .....	
4. Total gain (loss), Column 14, Part 4 .....	(23,020)	9. Subtotal (Lines 7 plus 8) .....	3,054,840
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 .....	507,739	10. Total nonadmitted amounts .....	
		11. Statement value of bonds and stocks, current period .....	3,054,840

**SCHEDULE T - DISTRIBUTION OF BUSINESS BY STATES AND TERRITORIES**  
(Adult and Juvenile Combined)

States, Etc.	1	Life Contracts			5	6
		2	3	4		
	Is Insurer Licensed? (Yes or No)	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Deposit-Type Contract Funds	Other Considerations
1. Alabama	AL	NO				
2. Alaska	AK	NO				
3. Arizona	AZ	NO				
4. Arkansas	AR	NO				
5. California	CA	YES	1,025			
6. Colorado	CO	NO	1,312			
7. Connecticut	CT	NO				
8. Delaware	DE	NO				
9. District of Columbia	DC	NO				
10. Florida	FL	NO				
11. Georgia	GA	NO				
12. Hawaii	HI	NO				
13. Idaho	ID	NO				
14. Illinois	IL	NO	1,158			
15. Indiana	IN	NO				
16. Iowa	IA	NO				
17. Kansas	KS	NO				
18. Kentucky	KY	NO	167			
19. Louisiana	LA	NO				
20. Maine	ME	NO				
21. Maryland	MD	NO				
22. Massachusetts	MA	NO				
23. Michigan	MI	NO				
24. Minnesota	MN	NO				
25. Mississippi	MS	NO				
26. Missouri	MO	NO	16			
27. Montana	MT	NO				
28. Nebraska	NE	NO				
29. Nevada	NV	NO				
30. New Hampshire	NH	NO				
31. New Jersey	NJ	YES				
32. New Mexico	NM	NO				
33. New York	NY	NO				
34. North Carolina	NC	NO				
35. North Dakota	ND	NO				
36. Ohio	OH	YES	17,067			
37. Oklahoma	OK	NO				
38. Oregon	OR	NO	24			
39. Pennsylvania	PA	NO	2,489			
40. Rhode Island	RI	NO				
41. South Carolina	SC	NO				
42. South Dakota	SD	NO				
43. Tennessee	TN	NO				
44. Texas	TX	NO				
45. Utah	UT	NO				
46. Vermont	VT	NO				
47. Virginia	VA	NO				
48. Washington	WA	NO				
49. West Virginia	WV	NO				
50. Wisconsin	WI	NO	2,331			
51. Wyoming	WY	NO				
52. American Samoa	AS	NO				
53. Guam	GU	NO				
54. Puerto Rico	PR	NO				
55. U.S. Virgin Islands	VI	NO				
56. Canada	CN	NO				
57. Aggregate Other Alien	OT	X X X				
58. Subtotal	(a) 3		25,589			
90. Reporting entity contributions for employee benefits plans	X X X					
91. Dividends or refunds applied to purchase paid-up additions and annuities	X X X		28,381			
92. Dividends or refunds applied to shorten endowment or premium paying period	X X X					
93. Premium or annuity considerations waived under disability or other contract provisions	X X X					
94. Aggregate other amounts not allocable by State	X X X					
95. Totals (Direct Business)	X X X		53,970			
96. Plus Reinsurance Assumed	X X X					
97. Totals (All Business)	X X X		53,970			
98. Less Reinsurance Ceded	X X X					
99. Totals (All Business) less Reinsurance Ceded	X X X		53,970	(b)		
<b>DETAILS OF WRITE-INS</b>						
5701.	X X X					
5702.	X X X					
5703.	X X X					
5798. Summary of remaining write-ins for Line 57 from overflow page	X X X					
5799. Total (Lines 5701 thru 5703 plus 5798) (Line 57 above)	X X X					
9401.	X X X					
9402.	X X X					
9403.	X X X					
9498. Summary of remaining write-ins for Line 94 from overflow page	X X X					
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above)	X X X					

**Explanation of basis of allocation by states, etc., of premiums and annuity considerations**

PREMIUMS ARE ALLOCATED TO THE STATE IN WHICH THE LODGE OF WHICH THE INSURED IS A MEMBER IS LOCATED

- (a) Insert the number of yes responses except for Canada and Other Alien.
- (b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10, or with Schedule H, Part 1, Column 1, Line 1 indicate which;

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

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**OVERFLOW PAGE FOR WRITE-INS**

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