

# ANNUAL STATEMENT

OF THE

COLONIAL INSURANCE COMPANY

of CUYAHOGA COUNTY

In the State of OHIO

TO THE

## Insurance Department

OF THE

## STATE OF OHIO

FOR THE YEAR ENDED  
DECEMBER 31, 2002

2002

ASSESSMENT LIFE AND ACCIDENT

# 2002

# INSTRUCTIONS TO ASSOCIATIONS

- (1) Please acknowledge the RECEIPT OF THE BLANKS directly as they arrive.
- (2) DATE OF FILING: The statement is required to be filed on or before March 1st. This date is fixed by statute, and no extension of time can be granted.
- (3) The NAME OF THE ASSOCIATION must be plainly written or stamped at the top of all pages and schedules (and duplicate schedules) and also upon all inserted schedules and loose sheets.
- (4) PRINTED STATEMENTS or copies produced by some duplicating process, in lieu of hand-written or typewritten statements on the actual blanks furnished by this Department, will be accepted if (1) bound in covers similar in color to the blanks furnished by this Department; (2) printed or duplicated by a process resulting in permanent black characters on a good grade of paper of light color; (3) such statements and all supporting schedules contain all the information required, with the same headings and footnotes, and are of the same size and arrangement, page for page, column for column, and line for line, as in the blanks supplied by this Department, unless the company is otherwise instructed.
- (5) BLANK SCHEDULES will not be accepted as meaning anything. If no entries are to be made, write "None" or "Nothing" across the schedule in question.
- (6) CHECK MARKS will not be accepted as answers to interrogatories.
- (7) The BOOK VALUE of Real Estate, Bonds and Stocks, and the amount loaned on Mortgages and Collateral Securities entered as Ledger Assets, Page 4, must in all cases prove with the book value of the preceding year after taking into consideration the items affecting them as shown on pages 2 and 3 and the corresponding schedules.
- (8) The various lines on pages 2, 3 and 4 carrying INTEREST, RENT, PROFIT AND LOSS ITEMS, DEPRECIATION, APPRECIATION, ETC., must check with the data relating to the same transactions as set forth in the appropriate schedules.
- (9) Market values of stocks and bonds not quoted in the stock exchange sheets or in lists published by large stock and bond houses. The determination of these values will be materially expedited if each insurance association owning or loaning on any such security will send to the Valuation of Securities Subcommittee, N.A.I.C., 67 Wall Street, New York, New York 10005, a copy of the financial statement of such corporation for the end of the last fiscal year as soon as possible after the end of the calendar year.
- (10) Associations should report all bonds and stocks owned or held as collateral at the market rates promulgated by the National Association of Insurance Commissioners.
- (11) An association OCCUPYING ITS OWN BUILDING, in whole or in part, should enter an adequate rent for its own occupancy in Schedule A, and also on pages 2 and 3.
- (12) The schedules of BONDS AND STOCKS should be grouped in the following order and each group arranged alphabetically. (The listing in Groups 2, 3 and 4 should be alphabetical by State.)

## BONDS

1. Governments (including all obligations guaranteed by governments)
2. States, Territories and Possessions (direct and guaranteed)
3. Political Subdivisions of States, Territories and Possessions (direct and guaranteed)
4. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions
5. Railroads
6. Public Utilities
7. Industrial and Miscellaneous

When bonds are "SERIAL" issues, give amount maturing each year.

## STOCKS

1. Railroads (a) preferred (b) common
2. Public Utilities (a) preferred (b) common
3. Banks, Trust and Insurance Companies (a) preferred (b) common
4. Industrial and Miscellaneous (a) preferred (b) common

- (13) BANK BALANCES: In compiling Schedule N enter bank balances *not* on interest December 31st before those on interest and show sub-footing of each class to agree with amounts stated in Items 6 and 7, Page 4. Deposits in private banks or banking firms not under governmental supervision are to be specifically marked with the word "PRIVATE", as provided in the note printed at the foot of Schedule N.
- (14) EXCHANGES OF ASSETS are required to be identified by the abbreviation "ex" followed by a numeral in parentheses after a description of the asset disposed of and the asset acquired.
- (15) CREDIT FOR INTEREST DUE AND ACCRUED on bonds in default as to Principal or interest should not be taken in "Interest due and accrued", Non-Ledger Assets. No credit will be allowed for anticipated or declared dividends on stocks except in the case of the declared and unpaid dividends on stocks which have been sold ex-dividend by the association prior to December 31st.
- (16) PROFIT AND LOSS entries must be itemized and should be entered GROSS in both Income and Disbursements; general expense items must also be itemized and entered in sufficient detail to indicate their precise nature.
- (17) If the Annual Statement and Schedules do not contain the information asked for in the blank, or not prepared as requested above, they will not be accepted by this department.

# ANNUAL STATEMENT

For the Year Ended December 31, 20 02

OF THE CONDITION AND AFFAIRS OF THE

COLONIAL INSURANCE COMPANY

Home Office 140 PUBLIC SQ. SUITE 310, CLEVELAND OHIO 44114-2270  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office (216) 861-5970  
(Area Code) (Telephone Number)

Organized under the Laws of the State of OHIO, made to the

**INSURANCE DEPARTMENT OF THE STATE OF**

Pursuant to the Laws Thereof

## OFFICERS

President KATHLEEN M. DELANEY Vice-President SANDRA COBB

Secretary NANCY J. HOLZ Treasurer NANCY J. HOLZ

Actuary ACTUARIAL MANAGEMENT RESOURCES

Incorporated NOVEMBER 4, 1899 Commenced Business NOVEMBER 4, 1899

Date of Admission into NOVEMBER 4, 1899

Atty. for Service of Process in the STATE OF OHIO

FORRESTER & KOVANDA

Address } 140 PUBLIC SQ. SUITE 711  
CLEVELAND OH 44114

COLONIAL INSURANCE COMPANY

(Write or stamp name of Association)

	1 Mortuary Fund	2 Reserve Fund	3 Disability Fund	4	5	6 Expense Fund	7 Totals
I—Balance from Previous Year .....		4,000,000				4,429,304	8,429,304

II—INCOME

1. Membership fees .....							
2. First year's assessments or premiums .....							
3. Subsequent years' assessments or premiums .....		3057574				5435687	8493261
4. Medical examiners' fees actually received.....							
5. Other payments by applicants and members (give items and amounts) .....							
6. _____							
7. _____							
8. _____							
9. Total received from applicants and members (items 1 to 8) .....		3057574				5435687	8493261
10. Deduct payments returned to applicants and members .....		54566				97006	151572
11. Net amount received from applicants and members...		3003008				5338681	8341689
12. Gross interest on mortgage loans, per Schedule B, less \$ _____ accrued interest on mortgages acquired during year of report.....							
13. Gross interest on collateral loans, per Schedule C.....							
14. Gross interest on bonds \$ <u>448,925</u> less \$ <u>5,261</u> accrued interest on bonds acquired during year of report, per Schedule D.....		443664					443664
14A. Gross dividends on stocks \$ _____ less \$ _____ accrued dividends on stock acquired during the year, per Schedule D.....							
15. Gross interest on deposits in trust companies and banks, per Schedule N.....		9555					9555
16. Gross interest from all other sources .....							
17. Gross income from association's property including \$ _____ for association's occupancy of its own buildings (less \$ _____ interest on incumbrances), per Schedule A.....							
18. From all other sources (give items and amounts)							
19. <u>MISCELLANEOUS</u>		4809					4809
20. _____							
21. _____							
22. _____							
23. _____							
24. _____							
25. *Borrowed money gross \$ _____ less amount repaid \$ _____							
26. From agents' balances previously charged off.....							
27. Gross profit on sale or maturity of ledger assets, viz: (a) Real estate .....							
(b) Bonds, per Schedule D.....							
(c) Stocks, per Schedule D: (c.1) Preferred stocks .....							
(c.2) Common stocks .....							
28. Gross increase, by adjustment, in book value of ledger assets, viz: (a) Real estate .....							
(b) Bonds, per Schedule D (including \$ <u>7,411</u> for accrual of discount).....		7411					7411
(c) Stocks, per Schedule D: (c.1) Preferred stocks .....							
(c.2) Common stocks .....							
29. TOTAL INCOME (items 11 to 28).....		3468447				5338681	8807128
30. Amounts carried forward (sum of balance from previous year and item 29).....		7468447				9707985	17230432

31. Gross amount of membership fees required or represented by applications .....

32. Gross amount of medical examiners' fees .....

\*Association is at liberty to briefly state transaction, so that explanation can be carried as footnote in department report.

# COLONIAL INSURANCE COMPANY

Form 5

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE

(Write or stamp name of Association)

3

	1 Mortuary Fund	2 Reserve Fund	3 Disability Fund	4	5	6 Expense Fund	7 Totals
Amounts brought forward.....	\$	\$ 7,468,447	\$	\$	\$	\$ 9,707,985	\$ 17,236,432

### III—DISBURSEMENTS

1. Death claims.....							
2. Permanent disability claims.....							
3. Sick and accident claims.....		6107367					6107367
4. Old age benefits.....							
5. Other payments to members (give items and amounts)							
6. <u>WAIVER OF PREMIUM EXPENSE</u>		818776					818776
7. <u>CLAIMS NETWORK ADMIN FEE</u>		1837					1837
8. ....							
9. ....							
10. Total payments to members (items 1 to 9).....		6425500					6425500
11. Expense of investigation and settlement of policy claims including \$ _____ legal expense.....						9621	9621
12. Commissions and fees paid to agents on account of first year's fees, dues, assessments or premiums.....						8563	8563
13. Commissions and fees paid to agents on account of subsequent years' fees, dues, assessments or premiums.....						1230061	1230061
14. Salaries of managers or agents not paid by commissions.....							
15. Salaries of officers and trustees, No. <u>4</u> .....						148624	148624
16. Other compensation of officers and trustees.....						4500	4500
17. Salaries and other compensation of committees.....							
18. Salaries of office employees, No. <u>11</u> .....						233128	233128
19. Other compensation of office employees.....							
20. Salaries and fees paid to medical examiners.....							
21. Traveling and other expenses of officers, trustees and committees.....						2933	2933
22. Traveling and other expenses of managers and agents..							
23. Collection and remittance of fees, dues, assessments and premiums.....							
24. Insurance Department fees and licenses.....						60931	60931
25. Other licenses and fees (give items and amounts)							
26. ....							
27. ....							
28. Taxes on assessments or premiums.....							
29. Other taxes (give items and amounts) <u>FRANCHISE</u>						200	200
30. <u>PAYROLL TAXES</u>						29708	29708
31. ....							
32. Rent including \$ <u>0</u> for association's occupancy of its own buildings.....						59076	59076
32A. General office maintenance and expense.....						84731	84731
33. Advertising, printing and stationery.....						15302	15302
34. Postage, express, telegraph and telephone.....						57635	57635
35. Legal expense not included in item No. 11.....						69433	69433
36. Repairs and expenses on real estate other than taxes..							
37. Furniture and equipment... <u>DEPRECIATION</u> .....						7768	7768
38. All other disbursements (give items and amounts):							
39. <u>EMPLOYEE LIFE &amp; HEALTH INSURANCE</u>						74829	74829
40. <u>OUTSIDE PROCESSORS</u>						52773	52773
41. <u>PROFESSIONAL FEES</u>						53583	53583
42. Borrowed money repaid gross \$ _____ less amount borrowed \$ _____							
43. Interest on borrowed money.....							
44. Agents' balances charged off.....							
45. Gross loss on sale or maturity of ledger assets, viz:							
(a) Real estate.....							
(b) Bonds, per Schedule D.....							
(c) Stocks, per Schedule D:							
(c.1) Preferred stocks.....							
(c.2) Common stocks.....							
46. Gross decrease, by adjustment, in book value of ledger assets, viz:							
(a) Real estate.....							
(b) Bonds, per Schedule D (including \$ _____ for amortization of premiums).....							
(c) Stocks, per Schedule D:							
(c.1) Preferred stocks.....							
(c.2) Common stocks.....							
47. TOTAL DISBURSEMENTS (items 10 to 46).....		6425500				2120599	8630899
48. Balance before transfers (deduct item 47 from amount brought forward).....		1042917				7562586	8605533
49. Increase by transfers.....		3957053					3957053
50. Balance.....		3000000				7562586	12562586
51. Decrease by transfers.....						3957053	3957053
52. Balance.....		3000000				3605533	8605533

### \*SUMMARY OF TRANSFERS

Date of transfer	From the		To the		Amount
	Fund	Fund	Fund	Fund	
1. <u>12-31-02</u>	<u>EXPENSE</u>		<u>RESERVE</u>		3957,053
2. ....					
3. ....					
4. ....					
5. ....					
6. ....					
7. ....					
8. ....					
9. ....					
10. ....					
11. ....					
12. ....					

\*Quote Sections or Chapters of the Association's By-Laws or other authority permitting such transfers as have been made.





VI—Schedule of Membership, Amount of Insurance, Mortuary Receipts, Number of Deaths and Losses at Attained Age

Attained Age	Number of Members December 31 of Current Year	Amount of Insurance	Received in Mortuary Assessments During the Year	Number of Deaths Reported During the Year	Death Losses Reported During the Year
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					
56					
57					
58					
59					
60					
61					
62					
63					
64					
65					
66					
67					
68					
69					
70					
71					
72					
73					
74					
75					
76					
77					
78					
79					
80					
81					
82					
83					
84					
85					
and over					
Total					

NONE

NOTE: Associations providing both death and disability benefits should omit from this schedule all statistics relating to disability insurances. Associations that do not promise natural death benefits should not fill out this schedule.

VII—EXHIBIT OF POLICIES OR CERTIFICATES

	TOTAL BUSINESS OF THE YEAR		BUSINESS IN OHIO DURING YEAR	
	Number	Amount	Number	Amount
1. Policies or certificates in force December 31 of previous year, as per line 7, last statement.....	5,042		5,042	
2. Policies or certificates written during the year .....	0		0	
3. Policies or certificates revived during the year .....	153		153	
4. Policies or certificates increased during the year .....	.....		.....	
5. TOTALS .....	5,195		5,195	
6. Deduct terminated or decreased during the year (total of lines 8 to 11 inclusive) .....	830		830	
7. Total policies or certificates in force December 31 of current year .....	4,365		4,365	
8. Policies or certificates terminated by death reported during the year .....	322		322	
9. Policies or certificates terminated by lapses reported during the year .....	498		498	
10. Policies or certificates terminated by OTHER reported during the year .....	10		10	
11. Policies or certificates decreased during the year .....	.....		.....	

12. Received during the year from members in ..... Mortuary, \$.....; Reserve \$3,003,008;  
 Disability, \$.....; Sick and accident, \$.....; Expense, \$5,338,681... Total \$8,341,689.  
 Total amount paid during the year to policyholders in OHIO \$6,425,500

\*Accident and health associations need not fill the amount columns in this exhibit.

VIII—EXHIBIT OF DEATH CLAIMS

	TOTAL CLAIMS		CLAIMS	
	Number	Amount	Number	Amount
13. Claims unpaid December 31 of previous year, as per line 21, last statement .....				
14. Claims reported during the year (including commuted value only of instalment policies or certificates) .....				
15. Interest addition on account of instalment claims .....				
16. TOTALS .....				
17. Claims paid during the year .....				
18. Balance .....				
19. Saved by compromising or scaling down claims during the year .....				
20. Claims rejected during the year .....				
21. *Claims unpaid December 31 of current year .....				

NONE

\*Should include all claims reported in items 1, 2, 3, 4 and 6 of Schedule V.

IX—EXHIBIT OF PERMANENT DISABILITY CLAIMS

	TOTAL CLAIMS		CLAIMS	
	Number	Amount	Number	Amount
22. Claims unpaid December 31 of previous year, as per line 30, last statement .....				
23. Claims reported during the year (including commuted value only of instalment policies or certificates) .....				
24. Interest addition on account of instalment claims .....				
25. TOTALS .....				
26. Claims paid during the year .....				
27. Balance .....				
28. Saved by compromising or scaling down claims during the year .....				
29. Claims rejected during the year .....				
30. *Claims unpaid December 31 of current year .....				

NONE

\*Should include all claims reported in items 8, 9, 10 and 11 of Schedule V.

X—EXHIBIT OF SICK AND ACCIDENT CLAIMS

	TOTAL CLAIMS		CLAIMS	
	Number	Amount	Number	Amount
31. Claims unpaid December 31 of previous year, as per line 37, last statement, estimated liability .....	11,200	3,907,000		
32. DEcrease in such estimated liability during the year .....	(335)	235,000		
33. Claims reported during the year .....	45,626	6,104,367		
34. TOTALS .....	56,491	9,776,367		
35. Claims paid during the year .....	43,870	6,104,367		
36. Claims rejected during the year .....	1,756			
37. *Claims unpaid December 31 of current year, estimated liability .....	10,865	3,672,000		

\*Should include all claims reported in items 14, 15, 16 and 17 of Schedule V.

XI—EXHIBIT OF OLD AGE AND OTHER CLAIMS

	TOTAL CLAIMS		CLAIMS	
	Number	Amount	Number	Amount
38. Claims unpaid December 31 of previous year, as per line 46, last statement .....				
39. Claims reported during the year (including commuted value only of instalment policies or certificates) .....				
40. Interest addition on account of instalment claims .....				
41. TOTALS .....				
42. Claims paid during the year .....				
43. Balance .....				
44. Saved by compromising or scaling down claims during the year .....				
45. Claims rejected during the year .....				
46. *Claims unpaid December 31 of current year .....				

NONE

\*Should include all claims reported in item 20 of Schedule V.

## XII—GENERAL INTERROGATORIES

1. What membership fee is charged? \$ 0-25
2. What are the limiting ages for admission? AS DEFINED IN BY-LAWS
3. What is the minimum and maximum insurance that may be issued on any one life? N/A
4. Is a medical examination required before issuing a policy or certificate to applicants? NO Is the medical examiner's fee paid by the applicant or by the association? N/A
5. How are the expenses of the association provided? REGULAR MONTHLY ASSESSMENTS
6. Are the premiums or assessments graded on any recognized table of mortality? Answer: NO If so, state table N/A
7. Are such premiums or assessments at least equivalent to the cost of mortality by such table at the attained age of each member? Answer: N/A
8. What is the total amount of one full assessment on present membership, VARIOUS; which consists of: Mortuary, \$ \_\_\_\_\_; Disability, \$ \_\_\_\_\_; Reserve, \$ 36%; Expense, \$ 64%; Other Funds (give names and amounts), \$ \_\_\_\_\_
9. Are notices of the assessments and dues sent to the members? YES If so, do they state for what purpose the money is to be used? YES
10. How are the periodical assessments or premiums apportioned among the various funds? 36% TO RESERVE FUND, 64% TO EXPENSE FUND
11. Is any part of the mortuary, disability, reserve or any other benefit fund, or the accretions from or assessments for the same used for expenses? NO If so, what amount and for what purpose? N/A
12. Does the association provide in its by-laws or policies (state which) for the levying of extra assessments and how and when? YES, IN POLICIES
13. Does the association promise to pay the beneficiaries of deceased members a definite amount without regard to the amount one assessment may produce? NO If so, how is the amount guaranteed? N/A
14. Does the association retain the right to scale down claims in case assets on hand and proceeds of next assessment are insufficient to pay claims at maximum amount? NO
15. How many assessments were collected during the year: Mortuary, N/A; Disability, N/A; Reserve, SEE\*; Expenses, SEE\*; Other funds (give names and number of assessments): REGULAR PREMIUM, ASSESSMENTS ONLY
16. Assessments collected since organization of association, viz: Mortuary, \$ N/A; Disability, \$ N/A; Reserve, \$ NOT AVAILABLE; Expense, \$ AVAILABLE; Other funds (give names and amounts): \$ \_\_\_\_\_; Total, \$ NOT AVAILABLE
17. Losses and claims paid since organization of association, \$ NOT AVAILABLE
18. Has the association during the year levied extra assessments on policies paying stipulated premiums and how much? NO Or increased the basis or rate of assessments? PREMIUM INCREASES AS APPROVED BY THE DEPARTMENT OF INSURANCE Or increased the number of assessments, the basis or rate remaining the same? NO
19. How is the reserve fund created and for what purpose, and under what circumstances can it be disbursed? PER COMPANY BY-LAWS 36% PREMIUM PAYMENTS IS ALLOCATED TO RESERVE FUND AND TRANSFERS FROM THE EXPENSE FUND TO PAY CLAIMS.
20. Does the association issue any form of certificate or policy other than whole life, with premiums or assessments payable during life? YES If so, give full description of each form: ACCIDENT + HEALTH
21. Does the association pay or allow or promise to pay or allow any dividend, paid-up or extended insurance, or any sum of money or thing of value to the members without regard to physical condition? NO If so, give all the facts relating thereto: N/A
22. Does the association pay an old age disability benefit? NO If so, at what age does the benefit commence? N/A Give full information as to the nature of the benefit: N/A
23. Does the association issue annuity contracts or instalment policies? NO Give full information as to the nature of the benefit: N/A
24. Are the officers and directors elected by the members? DIRECTORS ELECTED BY MEMBERS If not, how are they elected? OFFICERS ELECTED BY DIRECTORS Are notices of election sent to members? YES When and how? CONTAINED IN POLICIES Are proxies contained in applications? YES
25. Is a policy exhibit and statement of financial condition mailed to each member of the association annually? NO If so, do such exhibit and statement agree with the last preceding annual statement made to this department? N/A
26. If association or any insurance department computes any mathematical reserve upon the association's policies or certificates, give results, name table of mortality, interest and methods used: N/A
27. Has the constitution or have the laws of the association been amended during the year, and, if so, when? NO
28. 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? YES If not, please do so.
- 29A. In what states, territories or foreign countries is the association authorized to transact business? OHIO ONLY
- 29B. Has any direct new business been solicited or written in any state where the association was not licensed? Answer: Yes \_\_\_\_\_ No X If answer is "yes," explain \_\_\_\_\_
30. Did any person while an officer, director or trustee of the association receive directly or indirectly, during the period covered by this statement, any commission on the business transactions of the association? Answer: NO
- 30A. Has the association 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? Answer: YES
- 30B. State total amount of advances to surplus not retained \$ 0
31. Were all the stocks, bonds and other securities owned December 31st last in the actual possession of the association on said date except as shown by the schedules of special and other deposits? NO If not give full and complete information relating thereto: BAKER + CO AND GILFORD SECURITIES HOLD THE BONDS
- 31A. Does the association own any investments in letter stock or other restricted securities? Answer: NO If yes, are they identified by appropriate symbol or otherwise in Schedule D? Answer: N/A
- 31B. Have all private placement investments which were the subject of renegotiation or modification of their terms during the year been disclosed to the Valuation of Securities office of the NAIC, with full details as to the provisions renegotiated or modified? Answer: N/A
32. Were any of the stocks, bonds or other assets of the association loaned, placed under option agreement, or otherwise made available for use by another person during the year covered by this statement? Answer: NO If yes, give full and complete information relating thereto: N/A
33. Total amount loaned to trustees, directors, or other officers, \$ 0
34. (a) Has this association reinsured, amalgamated with, or absorbed any company, order, society, or association, during the year? Answer: NO (b) If so, 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 any firm, corporation, 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? Answer: N/A
35. Has any present or former officer, director, trustee, incorporator, or any other person, or any firm, corporation, or association, any claim of any nature whatsoever against this association, which is not included in the liabilities on page 5 of this statement? Answer: NO If so, what is the balance outstanding? \$ N/A
36. What officials and heads of departments of the association supervised the making of this report? SECRETARY-TREASURER, ASSISTANT CONTROLLER
37. State as of what date the latest examination of the association was made or is being made, and by what department or departments. Answer: DEPARTMENT OF INSURANCE OF OHIO 12-31-99.
38. Have the instructions printed on the inside of front cover of the blank furnished by this department been followed in every detail? Answer: YES
- 39A. Is the Association a member of an insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Answer: NO
- 39B. If the answer to General Interrogatory 39A is yes, did the Association 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 in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the Association subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Answer: N/A State regulating: N/A

XIII—SPECIAL DEPOSIT SCHEDULE

Showing all deposits made with State or other officials, which are held for the special protection of the citizens of States or countries wherein such deposits are made, with the market value of the securities so deposited on December 31 of current year

(1) NAME OF STATE OR COUNTRY	(2) DESCRIPTION OF SECURITIES (Indicating literal form of registration of securities)	(3) PAR VALUE	(4) MARKET VALUE
<u>NONE</u>			
Totals,			

XIV—SCHEDULE OF ALL OTHER DEPOSITS

Showing all deposits made with any Government, Province, State, District, County, Municipality, Corporation, Firm or Individual, except the regular deposits in Banks and Trust Companies subject to check, and those shown in "Special Deposit Schedule" above

(1) NAME OF STATE OR COUNTRY	(2) DESCRIPTION OF SECURITIES (Indicating literal form of registration of securities)	(3) PAR VALUE	(4) MARKET VALUE	(5) MARKET VALUE
<u>NONE</u>				
Totals,				

\*Use market or amortized value according to basis used in this statement.

STATE OF OHIO  
COUNTY OF CUYAHOGA

KATHLEEN M. DELANEY President NANCY J. HOLZ Secretary NANCY J. HOLZ †Treasurer,  
of the COLONIAL INSURANCE COMPANY

being duly sworn, each for himself deposes and says, that they are the above-described officers of said association, and that on the thirty-first day of December last, all the above-described assets were the absolute property of the said association, free and clear from any liens or claims thereon, except as above stated, and that the foregoing statements, with the schedules and explanations herein contained, annexed or referred to, are a full and correct exhibit of all the Assets, Liabilities, Income and Disbursements and of the condition and affairs of the said association on the said thirty-first day of December last, and for the year ended on that day, according to the best of their information, knowledge and belief, respectively.

Subscribed and sworn to before me this 26<sup>th</sup>  
day of February 2004  
K. S. [Signature]

Kathleen M. Delaney  
Nancy J. Holz President  
Nancy J. Holz Secretary  
†Treasurer

RAEPE D. N. WANDA, ATTY.

†Or corresponding person having charge of the books and records of the Association.

This Commission Has No Expiration Date  
Section 147.03 O.R.C.











COLONIAL INSURANCE COMPANY

(Write or Stamp name of Association)

SCHEDULE D—SUMMARY BY COUNTRY  
Bonds and Stocks OWNED December 31 of Current Year

1 Description	2 Book Value	3 †Market Value (Excluding accrued interest)	4 Actual Cost (Excluding accrued interest)	5 Par Value of Bonds	6 *Amortized or Investment Value
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States 2. Canada 3. Other Countries 4. Totals	8,221,557	8,338,072	8,217,937	8,221,557
States, Territories and Possessions (Direct and guaranteed)	5. United States 6. Canada 7. Other Countries 8. Totals			8,225,000	
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				
Railroads (unaffiliated)	17. United States 18. Canada 19. Other Countries 20. Totals				
Public Utilities (unaffiliated)	21. United States 22. Canada 23. Other Countries 24. Totals				
Industrial and Miscellaneous (unaffiliated)	25. United States 26. Canada 27. Other Countries 28. Totals				
Parents, Subsidiaries, and Affiliates	29. Totals				
	30. Total Bonds	8,221,557	8,338,072	8,217,937	8,221,557
<b>PREFERRED STOCKS</b>					
Railroads (unaffiliated)	31. United States 32. Canada 33. Other Countries 34. Totals				
Public Utilities (unaffiliated)	35. United States 36. Canada 37. Other Countries 38. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	39. United States 40. Canada 41. Other Countries 42. Totals				
Industrial and Miscellaneous (unaffiliated)	43. United States 44. Canada 45. Other Countries 46. Totals				
Parents, Subsidiaries, and Affiliates	47. Totals				
	48. Total Preferred Stocks	-0-	-0-	-0-	
<b>COMMON STOCKS</b>					
Railroads (unaffiliated)	49. United States 50. Canada 51. Other Countries 52. Totals				
Public Utilities (unaffiliated)	53. United States 54. Canada 55. Other Countries 56. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	57. United States 58. Canada 59. Other Countries 60. Totals				
Industrial and Miscellaneous (unaffiliated)	61. United States 62. Canada 63. Other Countries 64. Totals				
Parents, Subsidiaries, and Affiliates	65. Totals				
	66. Total Common Stocks	-0-	-0-	-0-	
	67. Total Stocks	-0-	-0-	-0-	
	68. Total Bonds and Stocks	8,221,557	8,338,072	8,217,937	

†For certain bonds, values other than actual market may appear in this column (See Schedule D, Part 1, for details).  
The aggregate value of bonds which are valued at other than actual market is \$

SCHEDULE D—Verification Between Years

1. Book value of bonds and stocks, per Item 4, Page 4, previous year	7,924,448	6. Deduct consideration for bonds and stocks disposed of, Col. 5, Part 4	9,825,000
2. Cost of bonds and stocks acquired, Col. 5, Part 3	10,114,699	7. Decrease by adjustment in book value:	
3. Increase by adjustment in book value:		(a) Col. 11, Part 1	-0-
(a) Col. 10, Part 1	3,620	(b) Col. 10, Part 2, Sec. 1	-0-
(b) Col. 9, Part 2, Sec. 1	-0-	(c) Col. 9, Part 2, Sec. 2	-0-
(c) Col. 8, Part 2, Sec. 2	-0-	(d) Col. 10, Part 4	-0-
(d) Col. 9, Part 4	3,791	8. Loss on disposal of bonds and stocks, Col. 12, Part 4	-0-
4. Profit on disposal of bonds and stocks, Col. 11, Part 4	7,411	9. Book value of bonds and stocks, per Item 4, Page 4, current year	8,221,557
5. Total	18,046,557		

\*Companies, societies, and associations which do not amortize their bonds should leave this column blank.

Bonds to be grouped in the following manner and each group arranged alphabetically (The listing on Groups 2, 3 and 4 should be alphabetical by State.)  
 1 Governmental (including all obligations guaranteed by government)  
 2 Federal, State and Municipal (direct and guaranteed)  
 3 Public Utilities and Railroads (direct and guaranteed)  
 4 Special revenue and special assessments (including all non-purchased obligations of agencies and subsidiaries of government) and their public subsidiaries  
 5 Railroads (unaffiliated)  
 6 Public Utilities (unaffiliated)  
 7 Industrial and Miscellaneous (unaffiliated)  
 8 Parents, Subsidiaries and Affiliates

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE  
**COLONIAL INSURANCE COMPANY**  
 (Write or Stamp name of Association)

SCHEDULE D—PART 1  
 Showing all BONDS Owned December 31 of Current Year

See Note

Supplemental columns for data concerning Amerization.

Show sub totals for each group

1 DESCRIPTION Give complete and accurate description of all bonds owned and the location of all direct primary and participating interests as of December 31 of current year	7 INTEREST		3 DATE OF			5 Par Value	6 Rate Used in Valuation	7 Market Value (excluding accrued interest)	8 Actual Cost (including accrued interest)	9 INTEREST		10 Increase by Adjustment in Book Value During Year	11 Decrease by Adjustment in Book Value During Year	12 Amount of Interest Accrued on Dec. 31, 2003, on Bonds in default as to principal or interest	13 EMAC Being Applied	14 Year Acquired	15 Effective Rate of Interest at Which Purchased	16 Amortized or Increasing Value Dec. 31 of Current Year	17 Increase in Amortized Value During Year	18 Decrease in Amortized Value During Year
	Rate of	How Paid	Maturity	Year	Month					Day	9.1 Amount Due and Accrued on Dec. 31 of Current Year on Bonds in default									
SEE SUPPLEMENTAL SCHEDULE						8,221,557		8,338,072	8,217,937	94,468	77,412	3,620	-0-	-0-				8,221,557		
TOTALS	XXX	XXX	XXX	XXX	XXX	8,225,000		8,338,072	8,217,937	94,468	77,412	3,620	-0-	-0-	XXX	XXX	XXX	8,221,557		

\*Insert initial letters of month in which interest is payable  
 \*\*Where a bond is payable in a foreign currency the par value and purchase price in that currency should be included as a part of the description.  
 †Prepaid bonds, bonds to be called as to principal or interest and bonds not fully secured, are to be entered in this column at market value.  
 ‡Associations which use "Amortized Values" as "Book Values" may omit amortizing figures in these columns, and provide the following footnote: "The increase and decreases in amortized values are the same as those shown in the columns for 'Increase and Decrease by Adjustment in Book Value', accepting as other wise indicated."  
 §Insert the EMAC designation for such security printed in the MAC Valuation of Securities Manual.



Bonds, preferred stocks and common stocks to be grouped separately showing sub-totals for each group.

SCHEDULE D - PART 3

Showing all Bonds and Stocks ACQUIRED During Year

CISIP Identification	DESCRIPTIONS Give complete and accurate description of each bond and stock, including location of all sheet railway, bank, trust and investment companies. If bonds are listed in part amounts maturing each year	Bonds Acquired	Name of Vendor	No. of Shares of Stock	Actual Cost (Excluding Accrued Interest and Dividends)	Par Value of Bonds	Paid for Accrued Interest and Dividends
	SEE SUPPLEMENTAL SCHEDULE	VARIOUS	GILFORD SECURITIES	N/A	10,114,698	10,125,000	5,261
		TOTALS		XXXX	10,114,698	10,125,000	5,261

The items with reference to each issue of bonds or stocks acquired of public offering may be listed in one line and the word "Various" inserted in Columns 2 and 3 (Entry as a summary from the totals of Columns 4, 7 and 15 of Part 5. All bonds and stocks acquired and fully disposed of during the year are not to be itemized in this Part

Bonds, preferred stocks and common stocks to be grouped separately showing sub-totals for each group.

SCHEDULE D - PART 4

Showing all Bonds and Stocks SOLD, REDEEMED or OTHERWISE DISPOSED OF During Year

CISIP Identification	DESCRIPTIONS Give complete and accurate description of each bond and stock, including location of all sheet railway, bank, trust and investment companies. If bonds are listed in part amounts maturing each year	Name of Purchaser or name of other under redemption option in case of bonds (and par value of stock sold)	Par Value of Bonds	Actual Cost (Excluding Accrued Interest and Dividends)	Book Value of Bonds	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Profit or Loss on Disposal	Profit or Loss on Disposal	Loss on Disposal	Interest on Bonds Received During Year (Including Any Interest Received on Bonds Redeemed or Sold)	Dividends on Stocks Received During Year (Including Any Dividends Received on Stocks Redeemed or Sold)
	SEE SUPPLEMENTAL SCHEDULE	VARIOUS	9,825,000	9,819,980	9,825,000	3,791	-0-	-0-	-0-	-0-	371,513	
		TOTALS	9,825,000	9,819,980	9,825,000	3,791	-0-	-0-	-0-	-0-	371,513	

See entry as a summary from the totals of Columns 6 to 14 of Part 5. All bonds and stocks acquired and fully disposed of during the year are not to be itemized in this Part

Bonds, preferred stocks and common stocks to be grouped separately showing sub-totals for each group.

SCHEDULE D - PART 5

Showing all Bonds and Stocks ACQUIRED During the Current Year and Fully DISPOSED OF During the Current Year

CISIP Identification	DESCRIPTIONS Give complete and accurate description of each bond and stock, including location of all sheet railway, bank, trust and investment companies. If bonds are listed in part amounts maturing each year	Bonds Acquired	Name of Vendor	Par Value (Bonds) or Number of Shares of Stock	Cost to Company (Excluding Accrued Interest and Dividends)	Book Value of Bonds	Increase by Adjustment in Book Value During Year	Decrease by Adjustment in Book Value During Year	Profit or Loss on Disposal	Profit or Loss on Disposal	Loss on Disposal	Interest on Bonds Received During Year (Including Any Interest Received on Bonds Redeemed or Sold)	Dividends on Stocks Received During Year (Including Any Dividends Received on Stocks Redeemed or Sold)
	SEE SUPPLEMENTAL SCHEDULE	VARIOUS	VARIOUS	3,209,000	3,196,761	3,209,000	3,239	-0-	-0-	-0-	43,439	2,577	
		TOTALS		3,209,000	3,196,761	3,209,000	3,239	-0-	-0-	-0-	43,439	2,577	
		GRAND TOTALS		3,209,000	3,196,761	3,209,000	3,239	-0-	-0-	-0-	43,439	2,577	

The items with reference to each issue of bonds and stocks acquired of public offering may be listed in one line and the word "Various" inserted in Columns 2 and 3 (Entry as a summary from the totals of Columns 4, 7 and 15 of Part 5. All bonds and stocks acquired and fully disposed of during the year are not to be itemized in this Part



SCHEDULE F

Showing all Losses and Claims Compromised, Scaled Down or Dropped During the Year

D. No. of Policy or Contract	Amount of Compromise or Claim	Amount Paid Lessed on Recovery	NAME OF INSURED	P. O. ADDRESS		WHY COMPROMISED, SCALED DOWN OR DROPPED
				City or Town	State	
<u>NONE</u>						
<i>Totals</i>						

SCHEDULE G

Showing (1) all payments in excess of \$1,000 to each Trade Association, Service Organization, Statistical, Actuarial or Rating Bureau or Organization during the year; and (2) all salaries, compensation and emoluments, excepting bona fide commissions paid to or retained by agents, received in the current year by: (a) each director or trustee regardless of the amount thereof, (b) each of the ten officers or employees receiving the largest amounts, and (c) any other person, firm or corporation if the amount received was in excess of \$30,000. (Any other items to be shown where required by statute.)

LIST ITEMS UNDER (1) AND (2) IN SEPARATE GROUPINGS

TITLE	NAME OF PAYEE	LOCATION OF PAYEE	AMOUNT PAID		DATE	BY WHOM AUTHORIZED
<u>SEE SCHEDULE ATTACHED</u>						
			<i>Total</i>			

399,579

COLONIAL INSURANCE COMPANY.

(Write or Stamp name of Association)

SCHEDULE N

Showing All Balances (according to Association's Records) Carried in Each Bank or Trust Company on the Last Day of Each Month of the Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
DEPOSITORY*	BALANCE December 31 of Current Year	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued Dec. 31 of Current Year	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
SEE SCHEDULE ATTACHED																
OPEN DEPOSITORIES																
Totals - Open Depositories	658,032		9,555	- 0 -	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
SUSPENDED DEPOSITORIES																
Totals - Suspended Depositories	- 0 -		- 0 -	- 0 -	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
GRAND TOTALS	658,032		9,555	- 0 -	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

\*In each case where the depository is not incorporated and subject to governmental supervision, the word "PRIVATE" in English and in parentheses, thus - (PRIVATE) should be inserted in the list of the name of the depository. Any deposit in a suspended depository which is taken credit for should have a star placed opposite the amount in the schedule.



COLONIAL INSURANCE COMPANY  
ANNUAL STATEMENT FOR THE YEAR 2001  
SCHEDULE D - PART 1

Showing all BONDS Owned December 31 of Current Year

CUSIP ID	DESCRIPTION	INTEREST		DATE OF			3	4	5	6	7	8	INTEREST		10	11	12	13	14	15	16	17	18		
		Rate	How Paid	Mo	Yr	Yr							Call	9.1										9.2	Amortized or Investment Value 12/31/02
GOVERNMENT																									
3113MK-HA-2	FEDERAL HOME LOAN BANK DATED 12-19-01	6.100%	J, D	11	12	03	100	300,000	104.000	312,000	300,000	762	18,300	0	0	0	0	0	01	6.100%	300,000	OPTION YR. 03 PRICE 100	Decrease in Amortized Value During Yr		
3113ML-L8-6	FEDERAL HOME LOAN BANK DATED 02-13-02	6.400%	F, A	12	02	03	100	100,000	100.531	100,531	100,000	2,400	3,200	0	0	0	0	02	6.400%	100,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3113ML-PN-9	FEDERAL HOME LOAN BANK DATED 02-27-02	6.125%	F, A	12	02	04	100	200,000	104.656	209,312	200,000	4,083	6,125	0	0	0	0	02	6.125%	200,000	OPTION YR. 04 PRICE 100	Increase in Amortized Value During Yr			
3113ML-SZ-9	FEDERAL HOME LOAN BANK DATED 02-27-02	6.250%	F, A	12	02	03	100	300,000	100.688	302,066	300,000	3,075	9,375	0	0	0	0	02	6.250%	300,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3113MF-LC-2	FED NATIONAL MORTGAGE ASSOC DATED 02-07-02	6.375%	F, A	12	02	03	100	299,719	100.438	301,314	298,875	6,375	9,562	844	0	0	0	02	6.426%	299,719	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3113MP-SP-7	FEDERAL HOME LOAN BANK DATED 06-13-02	6.150%	J, D	12	06	03	100	200,000	101.938	203,876	200,000	512	6,150	0	0	0	0	02	6.150%	200,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3113MP-SH-4	FEDERAL HOME LOAN BANK DATED 06-20-02	6.100%	J, D	12	06	03	100	200,000	102.000	204,000	200,000	508	6,100	0	0	0	0	02	6.100%	200,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3113MP-DB-9	FED HOME LOAN MORTGAGE CORP DATED 6-20-02	6.000%	J, D	12	06	04	100	300,000	106.030	318,090	300,000	750	9,000	0	0	0	0	02	6.000%	300,000	OPTION YR. 04 PRICE 100	Increase in Amortized Value During Yr			
3113MP-HA-1	FEDERAL HOME LOAN BANK DATED 07-02-02	6.200%	J, D	12	06	03	100	100,000	102.156	102,156	100,000	0	3,100	0	0	0	0	02	6.200%	100,000	OPTION YR. 04 PRICE 100	Increase in Amortized Value During Yr			
3113MP-DB-9	FEDERAL HOME LOAN BANK DATED 06-26-02	6.125%	J, D	12	06	03	100	300,000	100.625	301,875	300,000	9,188	0	0	0	0	02	6.125%	300,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr				
3113MP-PK-6	FEDERAL HOME LOAN BANK DATED 07-10-02	6.000%	J, J	12	07	03	100	300,000	102.028	306,083	300,000	9,000	0	0	0	0	0	02	6.000%	300,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3113MP-3V-4	FEDERAL HOME LOAN BANK DATED 07-30-02	5.400%	J, J	09	07	03	100	300,000	101.625	304,875	300,000	7,425	0	0	0	0	0	02	5.400%	300,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3113MQ-3V-4	FEDERAL HOME LOAN BANK DATED 07-30-02	5.850%	J, J	12	07	03	100	200,000	100.313	200,626	200,000	4,875	0	0	0	0	0	02	5.850%	200,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
312925-N6-3	FED NATIONAL MORTGAGE ASSOC DATED 8-20-02	5.100%	F, A	10	08	03	100	199,583	101.625	203,250	198,750	3,750	833	0	0	0	0	02	5.096%	199,583	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3136F2-PN-3	FED HOME LOAN MORTGAGE CORP DATED 08-28-02	5.000%	M, S	11	02	03	100	199,667	100.450	200,900	199,000	3,400	667	0	0	0	0	02	5.173%	199,667	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3133MR-SB-6	FED NATIONAL MORTGAGE ASSOC DATED 8-20-02	5.250%	M, S	12	09	03	100	397,666	101.250	405,000	396,500	6,500	1,166	0	0	0	0	02	5.117%	397,666	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3133MR-QX-3	FEDERAL HOME LOAN BANK DATED 09-18-02	5.000%	M, S	10	09	03	100	299,922	100.625	301,875	299,812	4,594	0	0	0	0	0	02	5.258%	299,922	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
312925-IX-5	FED HOME LOAN MORTGAGE CORP DATED 09-30-02	5.100%	M, S	10	09	03	100	300,000	100.719	303,223	300,000	3,825	0	0	0	0	0	02	5.100%	300,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3133MR-WT-5	FEDERAL HOME LOAN BANK DATED 10-02-02	5.420%	A, O	12	10	03	100	550,000	100.408	553,955	550,000	7,219	0	0	0	0	0	02	5.250%	550,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
313310-FC-6	FEDERAL HOME LOAN BANK DATED 10-15-02	5.100%	J, J	10	07	03	100	200,000	100.094	200,188	200,000	2,125	0	0	0	0	0	02	5.100%	200,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3133MS-TB-6	FEDERAL FARM CREDIT BANK DATED 10-23-02	5.200%	A, O	12	10	03	100	200,000	100.750	100,750	200,000	4,065	0	0	0	0	0	02	5.200%	200,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
313310-PQ-5	FEDERAL FARM CREDIT BANK DATED 10-23-02	5.250%	J, J	12	07	03	100	200,000	100.188	200,376	200,000	1,083	0	0	0	0	0	02	5.200%	200,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
313310-GL-5	FEDERAL FARM CREDIT BANK DATED 10-23-02	5.400%	A, O	12	10	03	100	225,000	101.000	227,250	225,000	2,025	0	0	0	0	0	02	5.250%	225,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3133MT-LZ-9	FEDERAL HOME LOAN BANK DATED 11-14-02	5.760%	M, N	12	11	03	100	200,000	100.469	200,938	200,000	1,440	0	0	0	0	0	02	5.400%	200,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3133MT-Q8-4	FEDERAL HOME LOAN BANK DATED 11-20-02	5.350%	M, N	12	11	03	100	200,000	102.219	204,438	200,000	1,337	0	0	0	0	0	02	5.350%	200,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3133MT-WQ-7	FED NATIONAL MORTGAGE ASSOC DATED 12-10-02	5.045%	M, N	10	11	03	100	200,000	102.125	206,375	200,000	663	0	0	0	0	0	02	5.045%	200,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3133MU-7L-3	FEDERAL HOME LOAN BANK DATED 12-20-02	5.410%	J, D	12	12	03	100	300,000	100.750	301,500	300,000	451	0	0	0	0	0	02	5.300%	300,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3136F2-YV-4	FED NATIONAL MORTGAGE ASSOC DATED 12-23-02	5.010%	J, D	11	06	03	100	100,000	101.156	101,156	100,000	209	0	0	0	0	0	02	5.410%	100,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3133MU-MZ-5	FEDERAL HOME LOAN BANK DATED 12-26-02	5.200%	J, D	12	12	03	100	300,000	101.938	305,814	300,000	0	0	0	0	0	0	02	5.010%	300,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3133MU-PJ-8	FEDERAL HOME LOAN BANK DATED 12-26-02	5.340%	J, D	12	12	03	100	200,000	101.313	202,626	200,000	0	0	0	0	0	0	02	5.340%	200,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
3128XO-SY-6	FED HOME LOAN MORTGAGE CORP DATED 12-27-02	5.000%	J, D	10	12	03	100	200,000	100.603	201,205	200,000	0	0	0	0	0	0	02	5.000%	200,000	OPTION YR. 03 PRICE 100	Increase in Amortized Value During Yr			
GOVERNMENT																									
STATES, TERRITORIES																									
STATES, TERRITORIES																									
SPECIAL REVENUE AND ASSESSMENTS																									
SPECIAL REVENUE AND ASSESSMENTS																									
TOTALS																									
													8,221,557	8,225,000	8,338,072	8,217,937	94,468	77,412	3,620	0	0	0	0	8,221,557	
													0	0	0	0	0	0	0	0	0	0	0	0	0
													0	0	0	0	0	0	0	0	0	0	0	0	0
													8,221,557	8,225,000	8,338,072	8,217,937	94,468	77,412	3,620	0	0	0	0	8,221,557	

\* FOOTNOTE - COLUMNS 17 & 18. INCREASE/DECREASE IN AMORTIZED VALUE DURING YEAR  
THE INCREASES AND DECREASES IN AMORTIZED VALUES ARE THE SAME AS THOSE SHOWN IN  
THE COLUMNS FOR "INCREASE OR DECREASE BY ADJUSTMENT IN BOOK VALUE", EXCEPTING  
AS OTHERWISE INDICATED.

COLONIAL INSURANCE COMPANY  
ANNUAL STATEMENT FOR THE YEAR ENDED 2002  
SCHEDULE D - PART 3  
Showing all Bonds and Stocks Acquired During Year

CUSIP ID	1		2	3	4	5	6	7
	DESCRIPTION	BONDS						
	<b>GOVERNMENT</b>							
3133ML-L8-6	FEDERAL HOME LOAN BANK		02/13/02	GILFORD SECURITIES	N/A	100,000	100,000	0
3133ML-PN-9	FEDERAL HOME LOAN BANK		02/27/02	GILFORD SECURITIES	N/A	200,000	200,000	0
3133ML-SZ-9	FEDERAL HOME LOAN BANK		02/27/02	GILFORD SECURITIES	N/A	300,000	300,000	0
3136F1-LC-2	FEDERAL NATIONAL MORTGAGE ASSOC		03/27/02	GILFORD SECURITIES	N/A	298,875	300,000	2,656
3133MP-5P-7	FEDERAL HOME LOAN BANK		06/13/02	GILFORD SECURITIES	N/A	200,000	200,000	0
3133MP-BS-4	FEDERAL HOME LOAN BANK		06/20/02	GILFORD SECURITIES	N/A	200,000	200,000	0
321925-SH-4	FEDERAL HOME LOAN MORTGAGE CORP		06/20/02	GILFORD SECURITIES	N/A	300,000	300,000	0
3133MP-DB-9	FEDERAL HOME LOAN BANK		06/26/02	GILFORD SECURITIES	N/A	100,000	100,000	0
3133MP-H4-1	FEDERAL HOME LOAN BANK		07/02/02	GILFORD SECURITIES	N/A	300,000	300,000	0
312925-UC-2	FEDERAL HOME LOAN MORTGAGE CORP		07/03/02	GILFORD SECURITIES	N/A	300,000	300,000	0
3133MP-PK-6	FEDERAL HOME LOAN BANK		07/10/02	GILFORD SECURITIES	N/A	300,000	300,000	0
3133MQ-3V-4	FEDERAL HOME LOAN BANK		07/30/02	GILFORD SECURITIES	N/A	200,000	200,000	0
3136F2-BG-2	FEDERAL NATIONAL MORTGAGE ASSOC		08/20/02	GILFORD SECURITIES	N/A	198,750	200,000	0
312925-N6-3	FEDERAL HOME LOAN MORTGAGE CORP		08/28/02	GILFORD SECURITIES	N/A	199,000	200,000	0
3136F2-FN-3	FEDERAL NATIONAL MORTGAGE ASSOC		08/30/02	GILFORD SECURITIES	N/A	396,500	400,000	0
3133MR-S8-6	FEDERAL HOME LOAN BANK		09/18/02	GILFORD SECURITIES	N/A	299,812	300,000	0
3133MR-QX-3	FEDERAL HOME LOAN BANK		09/30/02	GILFORD SECURITIES	N/A	250,000	250,000	0
312925-4X-5	FEDERAL HOME LOAN MORTGAGE CORP		09/30/02	GILFORD SECURITIES	N/A	300,000	300,000	0
3133MS-6T-2	FEDERAL HOME LOAN BANK		10/02/02	GILFORD SECURITIES	N/A	550,000	550,000	0
3133MR-WT-5	FEDERAL HOME LOAN BANK		10/03/02	GILFORD SECURITIES	N/A	300,000	300,000	0
31331Q-FC-6	FEDERAL FARM CREDIT BANK		10/15/02	GILFORD SECURITIES	N/A	200,000	200,000	28
31331Q-FQ-5	FEDERAL FARM CREDIT BANK		10/23/02	GILFORD SECURITIES	N/A	200,000	200,000	0
3133MS-TB-6	FEDERAL HOME LOAN BANK		10/23/02	GILFORD SECURITIES	N/A	100,000	100,000	0
31331Q-GL-5	FEDERAL HOME CREDIT BANK		10/25/02	GILFORD SECURITIES	N/A	225,000	225,000	0
3133MT-AU-2	FEDERAL HOME LOAN BANK		11/14/02	GILFORD SECURITIES	N/A	200,000	200,000	0
3133MT-O8-4	FEDERAL HOME LOAN BANK		11/20/02	GILFORD SECURITIES	N/A	200,000	200,000	0
3133MT-LZ-9	FEDERAL HOME LOAN BANK		11/26/02	GILFORD SECURITIES	N/A	200,000	200,000	0
3136F2-WQ-7	FEDERAL NATIONAL MORTGAGE ASSOC		12/10/02	GILFORD SECURITIES	N/A	300,000	300,000	0
3133MU-7L-3	FEDERAL HOME LOAN BANK		12/20/02	GILFORD SECURITIES	N/A	200,000	200,000	0
3136F2-YV-4	FEDERAL NATIONAL MORTGAGE ASSOC		12/23/02	GILFORD SECURITIES	N/A	100,000	100,000	0
3133MU-MZ-5	FEDERAL HOME LOAN BANK		12/26/02	GILFORD SECURITIES	N/A	300,000	300,000	0
3133MU-PJ-8	FEDERAL HOME LOAN BANK		12/26/02	GILFORD SECURITIES	N/A	200,000	200,000	0
3128XO-SY-6	FEDERAL HOME LOAN MORTGAGE CORP		12/27/02	GILFORD SECURITIES	N/A	200,000	200,000	0
	FROM PART 5					2,196,761	2,200,000	2,577
	GOVERNMENTS					<u>10,114,698</u>	<u>10,125,000</u>	<u>5,261</u>
	TOTALS					<u>10,114,698</u>	<u>10,125,000</u>	<u>5,261</u>

COLONIAL INSURANCE COMPANY  
ANNUAL STATEMENT FOR THE YEAR 2002  
SCHEDULE D - PART 4

Showing all Bonds and Stocks Sold, Redeemed or otherwise DISPOSED OF During Year

CUSIP ID	1		2	3	4	5	6	7	8	9	10	11	12	13	14
	DESCRIPTIONS	BONDS													
	DISPOSAL DATE	NAME OF PURCHASER	NO. OF SHARES OF STOCK	CONSIDERATION	PAR VALUE OF BONDS	ACTUAL COST	BOOK VALUE AT DISPOSAL DATE	INCR. BY ADJUST IN BOOK VALUE	DECR. BY ADJUST IN BOOK VALUE	PROFIT ON DISPOSAL	LOSS ON DISPOSAL	INTEREST ON BONDS RECD. DURING YEAR	DIVIDENDS ON STOCKS RECD. DURING YEAR		
<b>GOVERNMENT</b>															
31364K-W5-5	02/14/02	FULL CALL	N/A	200,000	200,000	200,000	200,000	0	0	0	0	0	0	6,280	N/A
3133MG-LG-9	02/15/02	FULL CALL	N/A	300,000	300,000	300,000	300,000	0	0	0	0	0	0	9,765	N/A
3133MH-4B-7	03/14/02	FULL CALL	N/A	300,000	300,000	300,000	300,000	0	0	0	0	0	0	9,562	N/A
3133MD-MR-1	03/27/02	FULL CALL	N/A	300,000	300,000	300,000	300,000	0	0	0	0	0	0	9,729	N/A
3133MD-S7-9	03/27/02	FULL CALL	N/A	300,000	300,000	300,000	300,000	0	0	0	0	0	0	9,641	N/A
3133ME-QB-0	06/07/02	PARTIAL CALL	N/A	200,000	200,000	200,000	200,000	0	0	0	0	0	0	8,167	N/A
3133MF-AQ-1	06/07/02	FULL CALL	N/A	200,000	200,000	200,000	200,000	0	0	0	0	0	0	6,793	N/A
312924-F4-0	06/10/02	FULL CALL	N/A	300,000	300,000	300,000	300,000	0	0	0	0	0	0	9,169	N/A
3133MF-ZZ-0	06/13/02	FULL CALL	N/A	300,000	300,000	300,000	300,000	0	0	0	0	0	0	10,986	N/A
3133ME-QB-0	06/17/02	FULL CALL	N/A	100,000	100,000	100,000	100,000	0	0	0	0	0	0	4,023	N/A
3133MK-BC-0	06/18/02	PARTIAL CALL	N/A	200,000	200,000	200,000	200,000	0	0	0	0	0	0	5,840	N/A
3133MH-F5-8	06/24/02	FULL CALL	N/A	300,000	300,000	300,000	300,000	0	0	0	0	0	0	13,590	N/A
3133MF-WW-4	06/27/02	FULL CALL	N/A	300,000	300,000	300,000	300,000	0	0	0	0	0	0	18,886	N/A
3133MH-Z4-9	07/25/02	FULL CALL	N/A	200,000	200,000	200,000	200,000	0	0	0	0	0	0	7,500	N/A
3133MJ-CB-1	07/30/02	FULL CALL	N/A	200,000	200,000	200,000	200,000	0	0	0	0	0	0	8,160	N/A
31331L-SW-9	08/06/02	FULL CALL	N/A	200,000	200,000	200,000	200,000	0	0	0	0	0	0	8,310	N/A
3133MJ-ET-3	08/08/02	FULL CALL	N/A	250,000	250,000	250,000	250,000	0	0	0	0	0	0	11,006	N/A
3133MJ-JF-8	08/08/02	FULL CALL	N/A	150,000	150,000	150,000	150,000	0	0	0	0	0	0	6,621	N/A
3133MJ-TF-7	08/28/02	FULL CALL	N/A	400,000	400,000	400,000	400,000	0	0	0	0	0	0	14,340	N/A
3133MJ-TB-3	08/28/02	FULL CALL	N/A	400,000	400,000	400,000	400,000	0	0	0	0	0	0	15,495	N/A
312924-QA-4	09/11/02	FULL CALL	N/A	400,000	400,000	400,000	400,000	0	0	0	0	0	0	11,338	N/A
3133MH-G9-9	09/13/02	FULL CALL	N/A	250,000	250,000	249,219	250,000	260	0	0	0	0	0	18,450	N/A
3133MK-3Z-8	09/16/02	FULL CALL	N/A	300,000	300,000	300,000	300,000	0	0	0	0	0	0	11,250	N/A
312924-HF-3	09/17/02	FULL CALL	N/A	300,000	300,000	300,000	300,000	0	0	0	0	0	0	18,150	N/A
3133MJ-F6-2	09/26/02	FULL CALL	N/A	300,000	300,000	300,000	300,000	0	0	0	0	0	0	18,150	N/A
3133MH-MM-3	09/26/02	FULL CALL	N/A	250,000	250,000	250,000	250,000	0	0	0	0	0	0	13,316	N/A
312924-MF-7	10/16/02	FULL CALL	N/A	200,000	200,000	200,000	200,000	0	0	0	0	0	0	18,330	N/A
3136FO-BM-3	10/16/02	FULL CALL	N/A	200,000	200,000	199,000	200,000	292	0	0	0	0	0	10,160	N/A
3133MJ-SE-6	10/23/02	FULL CALL	N/A	225,000	225,000	225,000	225,000	0	0	0	0	0	0	12,000	N/A
31359M-LM-3	11/14/02	FULL CALL	N/A	200,000	200,000	200,000	200,000	0	0	0	0	0	0	12,217	N/A
				2,200,000	2,200,000	2,196,761	2,200,000	3,239	0	0	0	0	0	9,000	N/A
				9,825,000	9,825,000	9,819,980	9,825,000	3,791	0	0	0	0	0	43,439	N/A
<b>GOVERNMENT</b>															
<b>STATES, TERRITORIES</b>															
				0	0	0	0	0	0	0	0	0	0	0	0
<b>STATES, TERRITORIES</b>															
				0	0	0	0	0	0	0	0	0	0	0	0
<b>POLITICAL SUBDIVISIONS</b>															
				0	0	0	0	0	0	0	0	0	0	0	0
<b>POLITICAL SUBDIVISIONS</b>															
				0	0	0	0	0	0	0	0	0	0	0	0
<b>SPECIAL REVENUE AND ASSESSMENTS</b>															
				0	0	0	0	0	0	0	0	0	0	0	0
<b>SPECIAL REVENUE AND ASSESSMENTS</b>															
				9,825,000	9,825,000	9,819,980	9,825,000	3,791	0	0	0	0	0	371,513	N/A
<b>TOTALS</b>															



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE COLONIAL INSURANCE COMPANY  
SCHEDULE G

Showing payments to organizations, officers, employees, directors and others

TITLE	NAME OF PAYEE	LOCATION OF PAYEE	AMOUNT PAID	DATE	BY WHOM AUTHORIZED
Actuary	Actuarial Management	Wins.-Sal. NC	\$25,757	Various	Board of Trustees
	American Ins. Mgt.	Cranbury, NJ	30,621	Various	Board of Trustees
Actuary	Lewis & Ellis	Richardson TX	15,923	Various	Board of Trustees
			<u>72,301</u>		
Chairman, Sec'y-Treas	Nancy Holz	Cleveland, OH	54,000	Biweekly	Board of Trustees
President	Kathleen Delaney	Cleveland, OH	48,288	Biweekly	Board of Trustees
Vice-President	Sandra Cobb	Cleveland, OH	34,433	Biweekly	Board of Trustees
Asst. Controller	Kathleen Meyer	Cleveland, OH	33,861	Biweekly	Board of Trustees
Claims Supervisor	Gail Roper	Cleveland, OH	27,434	Biweekly	Board of Trustees
Customer Service Rep.	Laura Reiman	Cleveland, OH	26,080	Biweekly	Board of Trustees
Claims Processor	Denise Hewitt	Cleveland, OH	24,313	Biweekly	Board of Trustees
Accounting Clerk	Jean O'Coin	Cleveland, OH	23,167	Biweekly	Board of Trustees
Claims Support Clerk	Karen Dial	Cleveland, OH	22,110	Biweekly	Board of Trustees
Accounting Clerk	Joanne Carpinello	Cleveland, OH	21,838	Biweekly	Board of Trustees
Trustee	Ralph Kovanda	Cleveland, OH	11,154	Biweekly	Board of Trustees
Trustee	Jack Harding	Cleveland, OH	600	Monthly	Board of Trustees
			<u>327,278</u>		
			<u>Total \$399,579</u>		

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE COLONIAL INSURANCE COMPANY  
SCHEDULE N

Showing All Balances (according to Association's Records) Carried in Each Bank or Trust Company on the Last Day of Each Month of the Current Year

1 DEPOSITORY	2 BALANCE December 31 of Current Year	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued Dec 31 of Current Year	6 JANUARY	7 FEBRUARY	8 MARCH	9 APRIL	10 MAY	11 JUNE	12 JULY	13 AUGUST	14 SEPTEMBER	15 OCTOBER	16 NOVEMBER	17 DECEMBER
OPEN DEPOSITORIES																
USBANK CLEVELAND, OH CHECKING ACCOUNT	\$88,658		\$0	\$0	(\$59,059)	(\$84,408)	(\$110,475)	(\$84,043)	(\$250,553)	(\$8,771)	\$34,417	(\$16,588)	\$40,637	\$45,713	(\$30,250)	\$88,658
	\$88,658		\$0	\$0												
USBANK CLEVELAND, OH STAR TREASURY FUNDS	\$443,885	0.37%	\$4,590	\$0	\$443,886	\$443,886	\$443,284	\$455,153	\$630,717	\$360,557	\$351,589	\$358,798	\$350,306	\$423,936	\$470,846	\$443,885
DREYFUSS CASH MANAGEMENT UNIONDALE, NY STANDBY RESERVE FUND	\$64,374	1.00%	\$1,683	\$0	\$64,374	\$64,374	\$118,729	\$118,729	\$118,729	\$119,182	\$119,182	\$119,182	\$119,606	\$119,606	\$64,319	\$64,374
GILFORD SECURITIES INC NEWPORT BEACH, CA PRU MONEMART ASSET FUND	\$0		\$2,854	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GILFORD SECURITIES INC NEWPORT BEACH, CA FEDERATED CASH TRUST FUND	\$61,115	1.00%	\$428	\$0	\$61,115	\$61,115	\$81,751	\$23,169	\$86,712	\$1,146,791	\$10,591	\$770,396	\$965,041	\$339,804	\$204,292	\$61,115
	\$569,374		\$9,555	\$0												
	\$658,032		\$9,555	\$0												
Totals-Open Depositories																
SUSPENDED DEPOSITORIES																
NONE																
Total-Suspended Depositories	\$0		\$0	\$0												
GRAND TOTALS	\$658,032		\$9,555	\$0												

ASSET VALUATION RESERVE

	Default Component			Equity Component			Total Amount (Cols. 3 + 6)
	1 Other Than Mortgage Loans	2 Mortgage Loans	3 Total (Cols. 1 + 2)	4 Common Stock	5 Real Estate and Other Invested Assets	6 Total (Cols. 4 + 5)	
1. Reserve as of December 31, prior year	617	-0-	617	-0-	-0-	-0-	617
2. Realized Capital Gains/(Losses) Net of Taxes - General Account	-0-	-0-	-0-	-0-	-0-	-0-	-0-
3. Realized Capital Gains/(Losses) Net of Taxes - Separate Accounts							
4. Unrealized Capital Gains/(Losses) - General Account							
5. Unrealized Capital Gains/(Losses) - Separate Accounts							
6. Capital gains credited/(losses charged) to contract benefits, payments or reserves							
7. Basic Contribution (LINE 34, COLUMN 6)	63	-0-	63	-0-	-0-	-0-	63
8. Accumulated Balances (Lines 1 through 5, minus 6 plus 7)	680	-0-	680	-0-	-0-	-0-	680
9. Maximum Reserve (LINE 34, COLUMN 10)	376	-0-	376	-0-	-0-	-0-	376
10. Reserve Objective (LINE 34, COLUMN 8)	188	-0-	188	-0-	-0-	-0-	188
11. 20% of (Line 10 - Line 8)	( 98)	-0-	( 98)	-0-	-0-	-0-	( 98)
12. Balance Before Transfers (Lines 8 + 11)	582	-0-	582	-0-	-0-	-0-	582
13. Transfers							XXX
14. Voluntary Contribution							
15. Adjustment down to Maximum/Up to Zero	(206)	-0-	(206)	-0-	-0-	-0-	(206)
16. Reserve as of December 31, Current Year (Lines 12 + 13 + 14 + 15)	376	-0-	376	-0-	-0-	-0-	376

**ASSET VALUATION RESERVE  
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS  
DEFAULT COMPONENT**

Line Number	NAIC Designation	Description	1		2	3	4	5		6		7		8		9		10
			Book/Adjusted Carrying Value	Reserve Objective				Redesignate Related Party Encumbrances	Add Third Party Encumbrances	Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Factor	Amount (Cols. 4 x 5)	Factor	Amount (Cols. 4 x 7)	Factor	Amount (Cols. 4 x 9)	Maximum Reserve	
<b>LONG-TERM BONDS</b>																		
1		Exempt Obligations	8,221,557		XXX	XXX	8,221,557	0.0000	- 0 -	0.0000	- 0 -	0.0000	- 0 -	0.0000	- 0 -	0.0000	- 0 -	
2	1	Highest Quality			XXX	XXX		0.0005		0.0015		0.0030		0.0100		0.0300		
3	2	High Quality			XXX	XXX		0.0020		0.0060		0.0100		0.0280		0.0400		
4	3	Medium Quality			XXX	XXX		0.0105		0.0270		0.0630		0.1200		0.2000		
5	4	Low Quality			XXX	XXX		0.0670		0.3000		XXX		XXX		XXX		
6	5	Lower Quality			XXX	XXX		XXX		XXX		XXX		XXX		XXX		
7	6	In or Near Default			XXX	XXX		XXX		XXX		XXX		XXX		XXX		
8		Total Unrated Multi-class Securities Acquired by Conversion																
9		Total Bonds (Sum of Lines 1 through 8) (Page 2, Line 1, Net Admitted Asset)	8,221,557		XXX	XXX	8,221,557	XXX	- 0 -	XXX	- 0 -	XXX	- 0 -	XXX	- 0 -	XXX	- 0 -	
<b>PREFERRED STOCKS</b>																		
10	1	Highest Quality			XXX	XXX		0.0020		0.0060		0.0090		0.0170		0.0250		
11	2	High Quality			XXX	XXX		0.0065		0.0170		0.0250		0.0400		0.0600		
12	3	Medium Quality			XXX	XXX		0.0185		0.0400		0.0600		0.0980		0.1350		
13	4	Low Quality			XXX	XXX		0.0400		0.0600		0.0980		0.1600		0.2500		
14	5	Lower Quality			XXX	XXX		0.0650		0.3000		0.3000		0.3000		0.3000		
15	6	In or Near Default			XXX	XXX		0.0000		0.0000		0.0000		0.0000		0.0000		
16		Affiliated Life with AVR																
17		Total Preferred Stocks (Sum of Lines 10 through 16) (Page 2 Line 2.1, Net Admitted Asset)	- 0 -		XXX	XXX	- 0 -	XXX	- 0 -	XXX	- 0 -	XXX	- 0 -	XXX	- 0 -	XXX	- 0 -	
<b>SHORT-TERM BONDS</b>																		
18		Exempt Obligations	125,489		XXX	XXX	125,489	0.0000		0.0000		0.0000		0.0000		0.0000		
19	1	Highest Quality			XXX	XXX		0.0005		0.0015		0.0030		0.0100		0.0300		
20	2	High Quality			XXX	XXX		0.0020		0.0060		0.0100		0.0280		0.0400		
21	3	Medium Quality			XXX	XXX		0.0105		0.0270		0.0630		0.1200		0.2000		
22	4	Low Quality			XXX	XXX		0.0670		0.3000		XXX		XXX		XXX		
23	5	Lower Quality			XXX	XXX		XXX		XXX		XXX		XXX		XXX		
24	6	In or Near Default			XXX	XXX		XXX		XXX		XXX		XXX		XXX		
25		Total Short-term Bonds (Sum of Lines 18 through 24)	125,489		XXX	XXX	125,489	XXX	63	XXX	188	XXX	188	XXX	376	XXX	376	

**ASSET VALUATION RESERVE (Continued)  
 BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS  
 DEFAULT COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	5 Basic Contribution		7 Reserve Objective		9 Maximum Reserve	
							Factor	Amount (Cols. 4 x 5)	Factor	Amount (Cols. 4 x 7)	Factor	Amount (Cols. 4 x 9)
<b>DERIVATIVE INSTRUMENTS</b>												
26	1	Exchange Traded		XXX	XXX	-0-	XXX	0.0005	-0-	XXX	XXX	-0-
27	2	Highest Quality		XXX	XXX		XXX	0.0005		XXX	XXX	
28	3	High Quality		XXX	XXX		XXX	0.0020		XXX	XXX	
29	3	Medium Quality		XXX	XXX		XXX	0.0105		XXX	XXX	
30	4	Low Quality		XXX	XXX		XXX	0.0270		XXX	XXX	
31	5	Lower Quality		XXX	XXX		XXX	0.0670		XXX	XXX	
32	6	In or Near Default		XXX	XXX		XXX	0.0000		XXX	XXX	
33		Total Derivative Instruments		XXX	XXX	-0-	XXX	XXX	-0-	XXX	XXX	-0-
34		TOTAL (Lines 9 + 17 + 25 + 33)	8,347,046	XXX	XXX	8,347,046	XXX	XXX	188	XXX	XXX	376
<b>MORTGAGE LOANS</b>												
In Good Standing:												
35		Farm Mortgages		XXX	XXX		XXX	0.0063 (a)		XXX	XXX	
36		Residential Mortgages-Insured or Guaranteed		XXX	XXX		XXX	0.0003		XXX	XXX	
37		Residential Mortgages-All Other		XXX	XXX		XXX	0.0013		XXX	XXX	
38		Commercial Mortgages-Insured or Guaranteed		XXX	XXX		XXX	0.0003		XXX	XXX	
39		Commercial Mortgages-All Other		XXX	XXX		XXX	0.0063 (a)		XXX	XXX	
40		In Good Standing With Restructured Terms		XXX	XXX		XXX	0.0028 (b)		XXX	XXX	
Overdue, Not in Process:												
41		Farm Mortgages		XXX	XXX		XXX	0.0420		XXX	XXX	
42		Residential Mortgages-Insured or Guaranteed		XXX	XXX		XXX	0.0005		XXX	XXX	
43		Residential Mortgages-All Other		XXX	XXX		XXX	0.0025		XXX	XXX	
44		Commercial Mortgages-Insured or Guaranteed		XXX	XXX		XXX	0.0005		XXX	XXX	
45		Commercial Mortgages-All Other		XXX	XXX		XXX	0.0420		XXX	XXX	
In Process of Foreclosure:												
46		Farm Mortgages		XXX	XXX		XXX	0.0000		XXX	XXX	
47		Residential Mortgages-Insured or Guaranteed		XXX	XXX		XXX	0.0000		XXX	XXX	
48		Residential Mortgages-All Other		XXX	XXX		XXX	0.0000		XXX	XXX	
49		Commercial Mortgages-Insured or Guaranteed		XXX	XXX		XXX	0.0000		XXX	XXX	
50		Commercial Mortgages-All Other		XXX	XXX		XXX	0.0000		XXX	XXX	
51		Total Schedule B Mortgages (Sum of Lines 35 through 50) (Page 2, Line 3, Net Admitted Asset)		XXX	XXX	-0-	XXX	XXX	-0-	XXX	XXX	-0-
52		Schedule DA Mortgages		XXX	XXX	-0-	XXX	XXX	-0-	XXX	XXX	-0-
53		Total Mortgage Loans on Real Estate (Lines 51 + 52)		XXX	XXX	-0-	XXX	XXX	-0-	XXX	XXX	-0-

(a) Times the company's experience adjustment factor (EAF).  
 (b) Column 9 is the greater of 7.5% without any EAF adjustments or a company's EAF adjusted In Good Standing (IGS) factor plus 150 basis points. Columns 5 and 7 are 28% and 62% respectively of Column 9.  
 (c) Determined using the same factors and breakdowns used for directly owned mortgage loans.

**ASSET VALUATION RESERVE  
BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS  
EQUITY AND OTHER INVESTED ASSET COMPONENT**

Line Number	NAIC Designation	Description	1	2	3	4	5		6		7		8		9		10
			Book/Adjusted Carrying Value	Reclassify Related Party Encumbrances	Add Third Party Encumbrances	Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	Factor	Amount (Cols. 4 x 5)	Factor	Amount (Cols. 4 x 7)	Factor	Amount (Cols. 4 x 7)	Factor	Amount (Cols. 4 x 9)	Maximum Reserve		
<b>COMMON STOCK</b>																	
1		Unaffiliated Public															
2		Unaffiliated Private		XXX	XXX			0.0000				0.2000 (d)				0.2000 (d)	
3		Affiliated Life with AVR		XXX	XXX			0.0000				0.2500				0.2500	
4		Affiliated Investment Subsidiary:		XXX	XXX			0.0000				0.0000				0.0000	
5		Fixed Income Exempt Obligations						XXX				XXX				XXX	
6		Fixed Income Highest Quality						XXX				XXX				XXX	
7		Fixed Income High Quality						XXX				XXX				XXX	
8		Fixed Income Medium Quality						XXX				XXX				XXX	
9		Fixed Income Low Quality						XXX				XXX				XXX	
10		Fixed Income In/Near Default						XXX				XXX				XXX	
11		Unaffiliated Common Stock Public						0.0000				0.2000 (d)				0.2000 (d)	
12		Unaffiliated Common Stock Private						0.0000				0.2500				0.2500	
13		Mortgage Loans						(c)				(c)				(c)	
14		Real Estate						(e)				(e)				(e)	
15		Affiliated - Certain Other (See SVO Purposes & Procedures Manual)		XXX	XXX			0.0000				0.2000				0.2000	
16		Affiliated - All Other		XXX	XXX			0.0000				0.2500				0.2500	
17		Total Common Stock (Sum of Lines 1 through 16) (Page 2, Line 2.2, Net Admitted Asset)	-0-	-0-	-0-	-0-		XXX				XXX				XXX	
<b>REAL ESTATE</b>																	
18		Home Office Property (General Account only)						0.0000				0.0750				0.0750	
19		Investment Properties						0.0000				0.0750				0.0750	
20		Properties Acquired in Satisfaction of Debt						0.0000				0.1100				0.1100	
21		Total Real Estate (Sum of Lines 18 through 20)	-0-	-0-	-0-	-0-		XXX				XXX				XXX	
<b>OTHER INVESTED ASSETS</b>																	
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF BONDS</b>																	
22		Exempt Obligations		XXX	XXX			0.0000				0.0000				0.0000	
23	1	Highest Quality		XXX	XXX			0.0005				0.0015				0.0030	
24	2	High Quality		XXX	XXX			0.0020				0.0060				0.0100	
25	3	Medium Quality		XXX	XXX			0.0105				0.0280				0.0400	
26	4	Low Quality		XXX	XXX			0.0270				0.0630				0.0900	
27	5	Lower Quality		XXX	XXX			0.0670				0.1200				0.2000	
28	6	In or Near Default		XXX	XXX			0.0000				0.3000				0.3000	
29		Total with Bond characteristics (Sum of Lines 22 through 28)	-0-	XXX	XXX	-0-		XXX				XXX				XXX	

**ASSET VALUATION RESERVE (Continued)  
 BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS  
 EQUITY AND OTHER INVESTED ASSET COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	5 Basic Contribution		Reserve Objective		Maximum Reserve	
							Factor	Amount (Cols. 4 x 5)	Factor	Amount (Cols. 4 x 7)	Factor	Amount (Cols. 4 x 9)
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF PREFERRED STOCKS</b>												
30	1	Highest Quality		XXX	XXX		0.0020	0.0060		0.0090		
31	2	High Quality		XXX	XXX		0.0065	0.0170		0.0250		
32	3	Medium Quality		XXX	XXX		0.0185	0.0400		0.0600		
33	4	Low Quality		XXX	XXX		0.0400	0.0880		0.1350		
34	5	Lower Quality		XXX	XXX		0.0650	0.1600		0.2500		
35	6	In or Near Default		XXX	XXX		0.0000	0.3000		0.3000		
36		Affiliated Life with AVR		XXX	XXX		0.0000	0.0000		0.0000		
37		Total with Preferred Stock characteristics (Sum of Lines 30 through 36)	- 0 -	XXX	XXX	- 0 -	XXX	XXX	- 0 -	XXX	- 0 -	XXX
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF MORTGAGE LOANS</b>												
In Good Standing:												
38		Farm Mortgages			XXX		0.0063 (a)	0.0140 (a)		0.0225 (a)		
39		Residential Mortgages-Insured or Guaranteed			XXX		0.0003	0.0006		0.0010		
40		Residential Mortgages-All Other		XXX	XXX		0.0013	0.0030		0.0050		
41		Commercial Mortgages-Insured or Guaranteed			XXX		0.0003	0.0006		0.0010		
42		Commercial Mortgages-All Other			XXX		0.0063 (a)	0.0140 (a)		0.0225 (a)		
43		In Good Standing With Restructured Terms Overdue, Not in Process:			XXX		0.2800 (b)	0.6200 (b)		1.0000 (b)		
44		Farm Mortgages			XXX		0.0420	0.0915		0.1500		
45		Residential Mortgages-Insured or Guaranteed			XXX		0.0005	0.0012		0.0020		
46		Residential Mortgages-All Other			XXX		0.0025	0.0060		0.0100		
47		Commercial Mortgages-Insured or Guaranteed			XXX		0.0005	0.0012		0.0020		
48		Commercial Mortgages-All Other			XXX		0.0420	0.0915		0.1500		
In Process of Foreclosure:												
49		Farm Mortgages			XXX		0.0000	0.2000		0.2000		
50		Residential Mortgages-Insured or Guaranteed			XXX		0.0000	0.0040		0.0040		
51		Residential Mortgages-All Other			XXX		0.0000	0.0200		0.0200		
52		Commercial Mortgages-Insured or Guaranteed			XXX		0.0000	0.0040		0.0040		
53		Commercial Mortgages-All Other			XXX		0.0000	0.2000		0.2000		
54		Total with Mortgage Loan characteristics (Sum of Lines 38 through 53)	- 0 -	XXX	XXX	- 0 -	XXX	XXX	- 0 -	XXX	- 0 -	XXX

**ASSET VALUATION RESERVE (Continued)**  
**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**EQUITY AND OTHER INVESTED ASSET COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Cols. 1 + 2 + 3)	5 Basic Contribution		Reserve Objective		10 Maximum Reserve Amount (Cols. 4 x 9)	
							Factor	Amount (Cols. 4 x 5)	Factor	Amount (Cols. 4 x 7)		
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCK</b>												
55		Unaffiliated Public		XXX	XXX		0.0000	0.2000 (d)		0.2000 (d)		
56		Unaffiliated Private		XXX	XXX		0.0000	0.2500		0.2500		
57		Affiliated Life with AVR		XXX	XXX		0.0000	0.0000		0.0000		
58		Affiliated Certain Other (See SVO Purposes & Procedures Manual)										
59		Affiliated Other - All Other		XXX	XXX		0.0000	0.2000		0.2000		
60		Total with Common Stock Characteristics (Sum of Lines 55 through 59)	-0-	XXX	XXX	-0-	XXX	-0-	-0-	XXX	-0-	
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE</b>												
61		Home Office Property (General Account only)										
62		Investment Properties										
63		Properties Acquired in Satisfaction of Debt										
64		Total with Real Estate characteristics of real estate (Lines 61 through 63)	-0-	-0-	-0-	-0-	XXX	-0-	-0-	XXX	-0-	
<b>ALL OTHER INVESTMENTS</b>												
65		Other Invested Assets - Schedule BA		XXX			0.0000	0.2000		0.2000		
66		Other Short-term Invested Assets - Schedule DA		XXX			0.0000	0.2000		0.2000		
67		Total All Other (Sum of Lines 65 + 66)	-0-	XXX	-0-	-0-	XXX	-0-	-0-	XXX	-0-	
68		Total Other Invested Assets - Schedules BA & DA (Sum of Lines 29, 37, 54, 60, 64 and 67)	-0-	-0-	-0-	-0-	XXX	-0-	-0-	XXX	-0-	

(a) Times the company's experience adjustment factor (EAF).  
 (b) Column 9 is the greater of 7.5% without any EAF adjustments or a company's EAF adjusted in Good Standing (GS) factor plus 150 basis points. Columns 5 and 7 are 28% and 62% respectively of Column 9.  
 (c) Determined using the same factors and breakdowns used for directly owned mortgage loans.  
 (d) Times the company's weighted average portfolio beta (Minimum .15, Maximum .30).  
 (e) Determined using same factors and breakdowns used for directly owned real estate.

ASSET VALUATION RESERVE (Continued)  
 BASIC CONTRIBUTIONS, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS  
 REPLICATIONS (SYNTHETIC) ASSETS

1 RSAT Number	2 Type	3 CUSIP	4 Description of Asset(s)	5 NAIC Designation or Other Description of Asset	6 Value of Asset	7 AVR Basic Contribution	8 AVR Reserve Objective	9 AVR Maximum Reserve
			<u>NONE</u>					