



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

United Benefit Life Insurance Company

NAIC Group Code 1337 (Current Period) 1337 (Prior Period) NAIC Company Code 65269 Employer's ID Number 75-2305400
Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio
Country of Domicile United States of America
Incorporated 06/26/1957 Commenced Business 08/13/1957
Statutory Home Office 17800 Royalton Rd, Strongsville, OH 44136
Main Administrative Office 17800 Royalton Road, Strongsville, OH 44136
Mail Address 17800 Royalton Road, Strongsville, OH 44136
Primary Location of Books and Records 17800 Royalton Road, Strongsville, OH 44136
Internet Website Address www.ceresgp.com
Statement Contact Richard Allan Kusnic, rkusnic@centralreserve.com
Policyowner Relations Contact 17800 Royalton Rd, Strongsville, OH 44136

OFFICERS

President George Anthony Gehringer #
Treasurer Larry Eugene Wharton
Secretary Arthur Lewis Hastings
Actuary Michael S. Abroe, F.S.A., M.A.A.A. #

VICE PRESIDENTS

David Irving Vickers #
Thomas Joseph Reisch, Jr. #
Larry Eugene Wharton
Arthur Lewis Hastings
David Alan Canzone
Richard Allan Kusnic

DIRECTORS OR TRUSTEES

Andrew Anthony Boemi
Robert James Lunn
Michael Angelo Cavataio
Lincoln Taylor Lafayette #
George Anthony Gehringer

State of Ohio } ss
County of Cuyahoga }

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.

George Anthony Gehringer President
Arthur Lewis Hastings Secretary
Larry Eugene Wharton Treasurer

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

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE United Benefit Life Insurance Company

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds	2,862,421		2,862,421	3,107,191
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1).....	.0		.0	.0
2.2 Common stocks (Schedule D, Part 2, Section 2).....	.0		.0	.0
3. Mortgage loans on real estate: (Schedule B, Part 1)				
3.1 First liens .....			.0	.0
3.2 Other than first liens .....			.0	.0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			.0	.0
4.2 Properties held for the production of income (less \$ encumbrances) .....			.0	.0
4.3 Properties held for sale (less \$ encumbrances) .....			.0	.0
5. Policy loans .....	.0		.0	.0
6. Premium notes, including \$ for first year premiums .....			.0	.0
7. Cash (\$293,439 , Schedule E, Part 1) and short -term investments (\$0 , Schedule DA, Part 2)	293,439		293,439	(85,262)
8. Other invested assets (Schedule BA, Part 1) .....	.0		.0	.0
9. Receivable for securities .....	.0		.0	.0
10. Aggregate write-ins for invested assets	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10)	3,155,860	.0	3,155,860	3,021,929
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers (Schedule S, Part 2) .....			.0	.0
12.2 Commissions and expense allowances due .....			.0	.0
12.3 Experience rating and other refunds due .....			.0	.0
12.4 Other amounts receivable under reinsurance contracts	457,165		457,165	.0
13. Electronic data processing equipment and software.....	.0		.0	.0
14. Federal and foreign income tax recoverable and interest thereon (including \$ net deferred tax asset)	96,992		96,992	422,298
15. Guaranty funds receivable or on deposit	91,460		91,460	.0
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$ loading) .....	.0		.0	232
17. Accident and health premiums due and unpaid .....	.0		.0	.0
18. Investment income due and accrued	47,198		47,198	85,921
19. Net adjustment in assets and liabilities due to foreign exchange rates .....			.0	.0
20. Receivable from parent, subsidiaries and affiliates .....	.0		.0	.0
21. Amounts receivable relating to uninsured accident and health plans .....			.0	.0
22. Amounts due from agents .....			.0	.0
23. Other assets nonadmitted (Exhibit 9) .....			.0	.0
24. Aggregate write-ins for other than invested assets	318,949	.0	318,949	253,012
25. Total assets excluding Separate Accounts business (Lines 11 to 24)	4,167,624	.0	4,167,624	3,783,392
26. From Separate Accounts Statement			0	0
27. Total (Lines 25 and 26)	4,167,624	0	4,167,624	3,783,392
DETAILS OF WRITE-INS				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page .....	.0	.0	.0	.0
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)	0	0	0	0
2401. Miscellaneous Receivable.....	.0		.0	.53,697
2402. Tax Receivable.....	318,949		318,949	199,315
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page .....	.0	.0	.0	.0
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	318,949	0	318,949	253,012

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$0 (Exh. 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve) .....	.0	22,487
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1)(including \$0 Modco Reserve) .....	.0	.0
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve) .....	.0	.0
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) .....	.0	.0
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	85,000	212,816
5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10) .....	.0	.0
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment to (including \$ Modco).....	.0	.0
6.2 Dividends not yet apportioned (including \$ Modco) .....	.0	.0
6.3 Coupons and similar benefits (including \$ Modco) .....	.0	.0
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....	.0	.0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14) .....	.0	2,076
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....	.0	.0
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds .....	.0	.0
9.3 Other amounts payable on reinsurance including \$ assumed and \$ ceded .....	.0	103,690
9.4 Interest maintenance reserve (Page 33, Line 6)	72,973	79,729
10. Commissions to agents due or accrued-life contracts and annuity contracts \$ accident and health \$ and deposit-type contract funds \$ .....	.0	.0
11. Commissions and expense allowances payable on reinsurance assumed .....	.0	.0
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 5) .....	.0	.0
13. Transfers to Separate Accounts due or accrued (net) (Including \$0 accrued for expense allowances recognized in reserves) .....	.0	.0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5) .....	.0	.0
15. Federal and foreign income taxes including \$ on realized capital gains (losses) (including \$8,316 net deferred tax liability)	8,316	.0
16. Unearned investment income .....	.0	.0
17. Amounts withheld or retained by company as agent or trustee .....	.0	.0
18. Amounts held for agents' account, including \$ agents' credit balances .....	.0	.0
19. Remittances and items not allocated .....	.0	.0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....	.0	.0
21. Liability for benefits for employees and agents if not included above .....	.0	.0
22. Borrowed money \$ and interest thereon \$ .....	.0	.0
23. Dividends to stockholders declared and unpaid .....	.0	.0
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (Page 34, Line 16, Col. 7)	601	601
24.2 Reinsurance in unauthorized companies .....	.0	.0
24.3 Funds held under reinsurance treaties with unauthorized reinsurers .....	.0	.0
24.4 Payable to parent, subsidiaries and affiliates	445,019	45,897
24.5 Drafts outstanding .....	.0	.0
24.6 Liability for amounts held under uninsured accident and health plans .....	.0	.0
24.7 Funds held under coinsurance .....	.0	.0
24.8 Payable for securities .....	.0	.0
24.9 Capital notes \$ and interest thereon \$ .....	.0	.0
25. Aggregate write-ins for liabilities	178,100	312,017
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	790,009	779,314
27. From Separate Accounts Statement .....	.0	.0
28. Total Liabilities (Lines 26 and 27)	790,009	779,314
29. Common capital stock	2,500,000	2,500,000
30. Preferred capital stock .....	.0	.0
31. Aggregate write-ins for other than special surplus funds .....	.0	(2,952,710)
32. Surplus notes .....	.0	.0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	15,879,845	15,310,790
34. Aggregate write-ins for special surplus funds .....	.0	.0
35. Unassigned funds (surplus)	(15,002,229)	(11,854,002)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$ ..... ) .....	.0	.0
36.2 shares preferred (value included in Line 30 \$ ..... ) .....	.0	.0
37. Surplus (total Lines 31+32+33+34+35-36) (Including \$0 in Separate Accounts Statement)	877,616	504,078
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	3,377,616	3,004,078
39. Totals of Lines 28 and 38 (Page 2, Line 27, Col. 3)	4,167,624	3,783,392
DETAILS OF WRITE-INS		
2501. Claims Expense Accrued.....	.0	.0
2502. Miscellaneous Payables.....	.0	125,967
2503. Guaranty Fund Payable.....	178,100	186,050
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	178,100	312,017
3101. Foreclosure Agreement Adjustments.....	.0	(2,952,710)
3102. ....	.0	.0
3103. ....	.0	.0
3198. Summary of remaining write-ins for Line 31 from overflow page .....	.0	.0
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)	0	(2,952,710)
3401. ....	.0	.0
3402. ....	.0	.0
3403. ....	.0	.0
3498. Summary of remaining write-ins for Line 34 from overflow page .....	.0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0

SUMMARY OF OPERATIONS

(Excluding Unrealized Capital Gains and Losses)

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	(36,668)	43,188
2. Considerations for supplementary contracts with life contingencies	0	0
3. Net investment income (Exhibit of Net Investment Income, Line 17)	174,912	252,151
4. Amortization of interest maintenance reserve (IMR) (Page 33, Line 5)	6,756	9,912
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	447,171	9,950,581
7. Reserve adjustments on reinsurance ceded	0	0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	0	0
8.2 Charges and fees for deposit-type contracts	0	0
8.3 Aggregate write-ins for miscellaneous income	242,838	242
9. Total (Lines 1 to 8.3)	835,009	10,256,073
10. Death benefits	0	0
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	0	0
13. Disability benefits and benefits under accident and health contracts	368,831	1,949,996
14. Coupons, guaranteed annual pure endowments and similar benefits	0	0
15. Surrender benefits and withdrawals for life contracts	0	0
16. Group conversions	0	0
17. Interest and adjustments on contracts or deposit-type contract funds	0	0
18. Payments on supplementary contracts with life contingencies	0	0
19. Increase in aggregate reserves for life and accident and health contracts	(22,487)	0
20. Totals (Lines 10 to 19)	346,344	1,949,996
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1 less Col. 11)	225	3,188,067
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	0	0
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1 + 2 + 3)	718,531	6,751,339
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	43,970	1,162,319
25. Increase in loading on deferred and uncollected premiums	0	0
26. Net transfers to or (from) Separate Accounts	0	0
27. Aggregate write-ins for deductions	3,057	17,922
28. Totals (Lines 20 to 27)	1,112,128	13,069,643
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(277,119)	(2,813,570)
30. Dividends to policyholders	0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(277,119)	(2,813,570)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(90,216)	(422,000)
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(186,903)	(2,391,570)
34. Net realized capital gains or (losses) less capital gains tax of \$ (excluding taxes of \$ transferred to the IMR)	0	0
35. Net income (Line 33 plus Line 34)	(186,903)	(2,391,570)
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, previous year (Page 3, Line 38, Col. 2)	3,004,078	4,181,772
37. Net income (Line 35)	(186,903)	(2,391,570)
38. Change in net unrealized capital gains (losses)	0	0
39. Change in net unrealized foreign exchange capital gain (loss)	0	0
40. Change in net deferred income tax	(8,614)	0
41. Change in nonadmitted assets and related items (Exhibit 9, Line 6, Col. 3)	0	1,268,448
42. Change in liability for reinsurance in unauthorized companies	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)	0	0
44. Change in asset valuation reserve (Page 34, Lines 2 through 5 minus Line 6 plus Line 7 plus Line 11 plus Lines 14 through 15, Col. 7)	0	39,221
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period	0	0
47. Other changes in surplus in Separate Accounts Statement	0	0
48. Change in surplus notes	0	0
49. Cumulative effect of changes in accounting principles	0	(107,755)
50. Capital changes:		
50.1 Paid in	0	0
50.2 Transferred from surplus (Stock Dividend)	0	0
50.3 Transferred to surplus	0	0
51. Surplus adjustment:		
51.1 Paid in	569,055	1,000,000
51.2 Transferred to capital (Stock Dividend)	0	0
51.3 Transferred from capital	0	0
51.4 Change in surplus as a result of reinsurance	0	0
52. Dividends to stockholders	0	0
53. Aggregate write-ins for gains and losses in surplus	0	(986,038)
54. Net change in capital and surplus for the year (Lines 37 through 53)	373,538	(1,177,694)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	3,377,616	3,004,078
DETAILS OF WRITE-INS		
08.301. Miscellaneous Income	242,838	242
08.302.	0	0
08.303.	0	0
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399. TOTALS (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	242,838	242
2701. State Regulatory Authority Assessments	3,057	17,922
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. TOTALS (Lines 2701 thru 2703 plus 2798) (Line 27 above)	3,057	17,922
5301. Prior Year Adjustment	0	15,746
5302. Capital effect of non-admit write off	0	(1,001,784)
5303.	0	0
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. TOTALS (Lines 5301 thru 5303 plus 5398) (Line 53 above)	0	(986,038)

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums and annuity considerations for life and accident and health contracts	(38,512)	41,512
2. Charges and fees for deposit-type contracts	0	0
3. Considerations for supplementary contracts with life contingencies	0	0
4. Net investment income	213,635	217,578
5. Commissions and expense allowances on reinsurance ceded	447,171	9,950,581
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts	0	0
7. Aggregate write-ins for miscellaneous income	242,838	242
8. Total (Lines 1 to 7)	865,132	10,209,913
9. Death benefits	0	0
10. Matured endowments	0	0
11. Annuity benefits	0	0
12. Disability benefits and benefits under accident and health contracts	406,648	2,646,144
13. Coupons, guaranteed annual pure endowments and similar benefits	0	0
14. Surrender benefits and withdrawals for life contracts	0	0
15. Group conversions	0	0
16. Interest and adjustments on contracts or deposit-type contract funds	0	0
17. Payments on supplementary contracts with life contingencies	0	0
18. Total (Lines 9 to 17)	406,648	2,646,144
19. Commissions on premiums, annuity considerations and deposit-type contract funds	225	3,188,067
20. Commissions and expense allowances on reinsurance assumed	0	0
21. General insurance expenses	718,531	6,768,641
22. Insurance taxes, licenses and fees, excluding federal income taxes	163,604	1,361,634
23. Net transfers to or (from) Separate Accounts	0	0
24. Aggregate write-ins for deductions	3,057	17,922
25. Total (Lines 18 to 24)	1,292,065	13,982,408
26. Dividends paid to policyholders	0	0
27. Federal income taxes (excluding tax on capital gains)	(415,224)	0
28. Total (Lines 25 to 27)	876,841	13,982,408
29. Net cash from operations (Line 8 minus Line 28)	(11,709)	(3,772,495)
Cash from Investments		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds	425,000	500,000
30.2 Stocks	0	0
30.3 Mortgage loans	0	0
30.4 Real estate	0	0
30.5 Other invested assets	0	0
30.6 Net gains (losses) on cash and short-term investments	0	0
30.7 Miscellaneous proceeds	0	0
30.8 Total investment proceeds (Lines 30.1 to 30.7)	425,000	500,000
31. Net tax on capital gains (losses)	0	0
32. Total (Line 30.8 minus Line 31)	425,000	500,000
33. Cost of investments acquired (long-term only):		
33.1 Bonds	204,760	820,420
33.2 Stocks	0	0
33.3 Mortgage loans	0	0
33.4 Real estate	0	0
33.5 Other invested assets	0	0
33.6 Miscellaneous applications	0	0
33.7 Total investments acquired (Lines 33.1 to 33.6)	204,760	820,420
34. Net increase (or decrease) in policy loans and premium notes	0	0
35. Net cash from investments (Line 32 minus Line 33.7 minus Line 34)	220,240	(320,420)
Cash from Financing and Miscellaneous Sources		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in	0	0
36.2 Borrowed money \$ less amounts repaid \$	0	0
36.3 Capital notes \$ less amounts repaid \$	0	0
36.4 Deposits on deposit-type contract funds and other liabilities without life or disability contingencies	0	0
36.5 Other cash provided	170,171	3,954,151
36.6 Total (Lines 36.1 to 36.5)	170,171	3,954,151
37. Cash applied:		
37.1 Dividends to stockholders paid	0	0
37.2 Interest on indebtedness	0	0
37.3 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies	0	0
37.4 Other applications (net)	0	0
37.5 Total (Lines 37.1 to 37.4)	0	0
38. Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5)	170,171	3,954,151
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
39. Net change in cash and short-term investments (Line 29, plus Line 35, plus Line 38)	378,702	(138,764)
40. Cash and short-term investments:		
40.1 Beginning of year	(85,262)	53,502
40.2 End of year (Line 39 plus Line 40.1)	293,440	(85,262)
DETAILS OF WRITE-INS		
0701. Miscellaneous Income	242,838	242
0702.		
0703.		
0798. Summary of remaining write-ins for Line 7 from overflow page	0	0
0799. TOTALS (Lines 0701 thru 0703 plus 0798) (Line 7 above)	242,838	242
2401. State regulatory authority assessments	3,057	17,922
2402.		
2403.		
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0
2499. TOTALS (Lines 2401 thru 2403 plus 2498) (Line 24 above)	3,057	17,922

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE United Benefit Life Insurance Company

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit) (Excluding Capital Gains and Losses)

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts	(36,667)	.0	.0	.0	.0	.0	1,410	.0	(38,077)	.0	.0	
2. Considerations for supplementary contracts with life contingencies	.0											
3. Net investment income	174,912								174,912			
4. Amortization of Interest Maintenance Reserve (IMR)	6,756								6,756			
5. Separate Accounts net gain from operations excluding unrealized gains or losses	.0											
6. Commissions and expense allowances on reinsurance ceded	447,171	.0	.0	.0	.0	.0	.0	.0	447,171	.0	.0	.0
7. Reserve adjustments on reinsurance ceded	.0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	.0											
8.2 Charges and fees for deposit-type contracts	.0											
8.3 Aggregate write-ins for miscellaneous income	242,838								242,838			
9. Totals (Lines 1 to 8.3)	835,010	.0	.0	.0	.0	.0	1,410	.0	833,600	.0	.0	.0
10. Death benefits	.0											
11. Matured endowments (excluding guaranteed annual pure endowments)	.0	.0	.0				.0					
12. Annuity benefits	.0			.0				.0				
13. Disability benefits and benefits under accident and health contracts	368,831								368,831	.0	.0	
14. Coupons, guaranteed annual pure endowments and similar benefits	.0											
15. Surrender benefits and withdrawals for life contracts	.0											
16. Group conversions	.0											
17. Interest and adjustments on contract or deposit-type contract funds	.0											
18. Payments on supplementary contracts with life contingencies	.0											
19. Increase in aggregate reserves for life and accident and health contracts	(22,487)						(22,487)		.0			
20. Totals (Lines 10 to 19)	346,344	.0	.0	.0	.0	.0	(22,487)	.0	368,831	.0	.0	.0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	225	.0	.0	.0	.0	.0	.0	.0	225	.0	.0	.0
22. Commissions and expense allowances on reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
23. General insurance expenses	718,531								718,531			
24. Insurance taxes, licenses and fees, excluding federal income taxes (FIT)	43,970								43,970			
25. Increase in loading on deferred and uncollected premiums	.0											
26. Net transfers to or (from) Separate Accounts	.0											
27. Aggregate write-ins for deductions	3,057	.0	.0	.0	.0	.0	.0	.0	3,057	.0	.0	.0
28. Totals (Lines 20 to 27)	1,112,127	.0	.0	.0	.0	.0	(22,487)	.0	1,134,614	.0	.0	.0
29. Net gain from operations before dividends to policyholders and FIT (Line 9 - Line 28)	(277,117)	.0	.0	.0	.0	.0	23,897	.0	(301,014)	.0	.0	.0
30. Dividends to policyholders	.0								.0			
31. Net gain from operations after dividends to policyholders and before FIT (Line 29 - Line 30)	(277,117)	.0	.0	.0	.0	.0	23,897	.0	(301,014)	.0	.0	.0
32. Federal income taxes incurred (excluding tax on capital gains)	(90,216)								(90,216)			
33. Net gain from operations after dividends to policyholders and FIT and before realized capital gains or (losses) (Line 31 - Line 32)	(186,901)	.0	.0	.0	.0	.0	23,897	.0	(210,798)	.0	.0	.0
DETAILS OF WRITE-INS												
08.301. Miscellaneous Income	242,838								242,838			
08.302.	.0											
08.303.	.0											
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	242,838	.0	.0	.0	.0	.0	.0	.0	242,838	.0	.0	.0
2701. State Regulatory Assessments	3,057								3,057			
2702.	.0											
2703.	.0											
2798. Summary of remaining write-ins for Line 27 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	3,057	.0	.0	.0	.0	.0	.0	.0	3,057	.0	.0	.0

(a) Includes the following amounts for FEGLI/SGLI: Line 1 Line 10 Line 16 Line 23 Line 24

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE United Benefit Life Insurance Company

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	22,487	0	0	0	0	0	22,487	0
2. Tabular net premiums or considerations	0							
3. Present value of disability claims incurred	0				.XXX			
4. Tabular interest	0							
5. Tabular less actual reserve released	0							
6. Increase in reserve on account of change in valuation basis	0							
7. Other increases (net)	0							
8. Totals (Lines 1 to 7)	22,487	0	0	0	0	0	22,487	0
9. Tabular cost	0				.XXX			
10. Reserves released by death	0			.XXX	.XXX			.XXX
11. Reserves released by other terminations (net)	22,487						22,487	
12. Annuity, supplementary contract and disability payments involving life contingencies	0							
13. Net transfers to or (from) Separate Accounts	0							
14. Total Deductions (Lines 9 to 13)	22,487	0	0	0	0	0	22,487	0
15. Reserve December 31, current year	0	0	0	0	0	0	0	0

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EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 162,489	142,531
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 12,624	8,533
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash/short-term investments	(e) 16,679	2,005
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	23,771	23,771
10. Total gross investment income	215,563	176,840
11. Investment expenses		(g) 1,928
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		1,928
17. Net Investment Income - (Line 10 minus Line 16)		174,912
DETAILS OF WRITE-INS		
0901. Misc. Investment Income	23,771	23,771
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	23,771	23,771
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 0 accrual of discount less \$ 24,530 amortization of premium and less \$ 1,031 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE United Benefit Life Insurance Company

EXHIBIT - 1 PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH POLICIES AND CONTRACTS

	1		2		3		4		5		6		7		8		9		10		11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business											
FIRST YEAR (other than single)																						
1. Uncollected	.0																					
2. Deferred and accrued	.0																					
3. Deferred, accrued and uncollected:																						
3.1 Direct	.0																					
3.2 Reinsurance assumed	.0																					
3.3 Reinsurance ceded	.0																					
3.4 Net (Line 1 + Line 2)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Advance	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Line 3.4 - Line 4	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Collected during year:																						
6.1 Direct	.0																					
6.2 Reinsurance assumed	.0																					
6.3 Reinsurance ceded	.0																					
6.4 Net	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Line 5 + Line 6.4	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Prior year (uncollected + deferred and accrued - advance)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. First year premiums and considerations:																						
9.1 Direct	(512)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	(512)	.0	.0	.0	.0	.0	.0	.0
9.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded	(512)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	(512)	.0	.0	.0	.0	.0	.0	.0
9.4 Net (Line 7 - Line 8)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
SINGLE																						
10. Single premiums and considerations:																						
10.1 Direct	.0																					
10.2 Reinsurance assumed	.0																					
10.3 Reinsurance ceded	.0																					
10.4 Net	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
RENEWAL																						
11. Uncollected	.0																					
12. Deferred and accrued	.0																					
13. Deferred, accrued and uncollected:																						
13.1 Direct	.0																					
13.2 Reinsurance assumed	.0																					
13.3 Reinsurance ceded	.0																					
13.4 Net (Line 11 + Line 12)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Advance	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Line 13.4 - Line 14	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
16. Collected during year:																						
16.1 Direct	(174,469)										(434)				(174,035)							
16.2 Reinsurance assumed	.0																					
16.3 Reinsurance ceded	(135,958)														(135,958)							
16.4 Net	(38,511)	.0	.0	.0	.0	.0	.0	.0	.0	.0	(434)	.0	.0	.0	(38,077)	.0	.0	.0	.0	.0	.0	.0
17. Line 15 + Line 16.4	(38,511)	.0	.0	.0	.0	.0	.0	.0	.0	.0	(434)	.0	.0	.0	(38,077)	.0	.0	.0	.0	.0	.0	.0
18. Prior year (uncollected + deferred and accrued - advance)	(1,844)	.0	.0	.0	.0	.0	.0	.0	.0	.0	(1,844)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19. Renewal premiums and considerations:																						
19.1 Direct	(172,625)	.0	.0	.0	.0	.0	.0	.0	.0	.0	1,410	.0	.0	.0	(174,035)	.0	.0	.0	.0	.0	.0	.0
19.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19.3 Reinsurance ceded	(135,958)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	(135,958)	.0	.0	.0	.0	.0	.0	.0
19.4 Net (Line 17 - Line 18)	(36,667)	.0	.0	.0	.0	.0	.0	.0	.0	.0	1,410	.0	.0	.0	(38,077)	.0	.0	.0	.0	.0	.0	.0
TOTAL																						
20. Total premiums and annuity considerations:																						
20.1 Direct	(173,137)	.0	.0	.0	.0	.0	.0	.0	.0	.0	1,410	.0	.0	.0	(174,547)	.0	.0	.0	.0	.0	.0	.0
20.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
20.3 Reinsurance ceded	(136,470)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	(136,470)	.0	.0	.0	.0	.0	.0	.0
20.4 Net (Line 9.4 + 10.4 + 19.4)	(36,667)	.0	.0	.0	.0	.0	.0	.0	.0	.0	1,410	.0	.0	.0	(38,077)	.0	.0	.0	.0	.0	.0	.0

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE United Benefit Life Insurance Company

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

	1 Total	2 Industrial Life	3 Ordinary		5 Credit Life (Group and Individual)	6 Group		8 Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums (Exhibit 4, Line 1)	0										
22. All other (Exhibit 4, Lines 2, 3 & 4)	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	0										
23.2 Reinsurance assumed	0										
23.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded	0										
24.2 Reinsurance assumed	0										
24.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded	447,171							447,171			
25.2 Reinsurance assumed	0										
25.3 Net ceded less assumed	447,171	0	0	0	0	0	0	447,171	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	447,171	0	0	0	0	0	0	447,171	0	0	0
26.2 Reinsurance assumed (Page 6, Line 23)	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed	447,171	0	0	0	0	0	0	447,171	0	0	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	0										
28. Single	0										
29. Renewal	225							225			
30. Deposit-type contract funds	0										
31. Totals (to agree with Page 6, Line 21)	225	0	0	0	0	0	0	225	0	0	0

EXHIBIT 2 - GENERAL EXPENSES

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Rent		10,870			10,870
2. Salaries and wages		58,514			58,514
3.11 Contributions for benefit plans for employees		2,347			2,347
3.12 Contributions for benefit plans for agents					0
3.21 Payments to employees under non-funded benefit plans					0
3.22 Payments to agents under non-funded benefit plans					0
3.31 Other employee welfare		159			159
3.32 Other agent welfare					0
4.1 Legal fees and expenses		338,766			338,766
4.2 Medical examination fees		128			128
4.3 Inspection report fees					0
4.4 Fees of public accountants and consulting actuaries		31,876			31,876
4.5 Expense of investigation and settlement of policy claims		10,738			10,738
5.1 Traveling expenses		1,649			1,649
5.2 Advertising					0
5.3 Postage, express, telegraph and telephone		3,791			3,791
5.4 Printing and stationery		6,006			6,006
5.5 Cost or depreciation of furniture and equipment					0
5.6 Rental of equipment					0
5.7 Cost or depreciation of EDP equipment and software		0			0
6.1 Books and periodicals					0
6.2 Bureau and association fees					0
6.3 Insurance, except on real estate					0
6.4 Miscellaneous losses					0
6.5 Collection and bank service charges		15,036			15,036
6.6 Sundry general expenses					0
6.7 Group service and administration fees		232,060			232,060
6.8 Reimbursements by uninsured accident and health plans					0
7.1 Agency expense allowance					0
7.2 Agents' balances charged off (less \$ recovered)					0
7.3 Agency conferences other than local meetings					0
9.1 Real estate expenses					0
9.2 Investment expenses not included elsewhere				1,928	1,928
9.3 Aggregate write-ins for expenses	0	6,592	0	0	6,592
10. General expenses incurred	0	718,532	0	1,928 (a)	720,460
11. General expenses unpaid December 31, prior year	0	0	0	0	0
12. General expenses unpaid December 31, current year	0	0	0	0	0
13. Amounts receivable relating to uninsured accident and health plans, prior year	0	0	0	0	0
14. Amounts receivable relating to uninsured accident and health plans, current year	0	0	0	0	0
15. General expenses paid during year (Lines 10+11-12-13+14)	0	718,532	0	1,928	720,460
DETAILS OF WRITE-INS					
09.301. Temporary Service		180			180
09.302. PC Supplies		6,412			6,412
09.303. Summary of remaining write-ins for Line 9.3 from overflow page	0	0	0	0	0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)	0	6,592	0	0	6,592

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

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes					0
2. State insurance department licenses and fees		51,445			51,445
3. State taxes on premiums		(11,902)			(11,902)
4. Other state taxes, incl. \$ for employee benefits		101			101
5. U.S. Social Security taxes		4,328			4,328
6. All other taxes					0
7. Taxes, licenses and fees incurred	0	43,972	0	0	43,972
8. Taxes, licenses and fees unpaid December 31, prior year	(160)	(199,156)	0	0	(199,316)
9. Taxes, licenses and fees unpaid December 31, current year		(318,949)			(318,949)
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	(160)	163,765	0	0	163,605

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 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 thru 4		
6. Paid in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options		
9. Total Lines 5 thru 8		
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year		
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total Lines 10 thru 14		
16. Total from prior year		
17. Total Dividends or refunds (Lines 9 + 15 - 16)		
DETAILS OF WRITE-INS		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)		

NONE

Exhibit 5
NONE

Exhibit 5 Interrogatories
NONE

Exhibit 5A - Chgs in Bases of Valuation
NONE

Aggregate Reserve for A&H Contracts
NONE

Exhibit 7 - Deposit Type Contracts
NONE

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE United Benefit Life Insurance Company

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and Unpaid:											
1.1 Direct .....	.0										
1.2 Reinsurance assumed .....	.0										
1.3 Reinsurance ceded .....	.0										
1.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. In course of settlement:											
2.1 Resisted											
2.11 Direct .....	.0										
2.12 Reinsurance assumed .....	.0										
2.13 Reinsurance ceded .....	.0										
2.14 Net .....	.0	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	.0	.0	.0	.0
2.2 Other											
2.21 Direct	887,645								887,645		
2.22 Reinsurance assumed .....	.0										
2.23 Reinsurance ceded	802,645								802,645		
2.24 Net	85,000	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	.0	(b) 85,000	(b) .0	(b) .0
3. Incurred but unreported:											
3.1 Direct .....	.0										
3.2 Reinsurance assumed .....	.0										
3.3 Reinsurance ceded .....	.0										
3.4 Net .....	.0	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	(b) .0
4. TOTALS											
4.1 Direct	887,645	.0	.0	.0	.0	.0	.0	.0	887,645	.0	.0
4.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded	802,645	.0	.0	.0	.0	.0	.0	.0	802,645	.0	.0
4.4 Net	85,000	(a) 0	(a) 0	0	0	0	(a) 0	0	85,000	0	0

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ in Column 2, \$ in Column 3 and \$ 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 \$, Individual Annuities \$, Credit Life (Group and Individual) \$, and Group Life \$, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$, Credit (Group and Individual) Accident and Health \$, and Other Accident and Health \$ are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE United Benefit Life Insurance Company

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	11,556,982								11,556,982		
1.2 Reinsurance assumed .....	.0										
1.3 Reinsurance ceded	11,060,335								11,060,335		
1.4 Net	496,647	.0	.0	.0	.0	.0	.0	.0	496,647	.0	.0
2. Liability December 31, current year from Part 1:											
2.1 Direct	887,645	.0	.0	.0	.0	.0	.0	.0	887,645	.0	.0
2.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.3 Reinsurance ceded	802,645	.0	.0	.0	.0	.0	.0	.0	802,645	.0	.0
2.4 Net	85,000	.0	.0	.0	.0	.0	.0	.0	85,000	.0	.0
3. Amounts recoverable from reinsurers December 31, current year .....	.0										
4. Liability December 31, prior year:											
4.1 Direct	11,211,816	.0	.0	.0	.0	.0	.0	.0	11,211,816	.0	.0
4.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded	10,999,000	.0	.0	.0	.0	.0	.0	.0	10,999,000	.0	.0
4.4 Net	212,816	.0	.0	.0	.0	.0	.0	.0	212,816	.0	.0
5. Amounts recoverable from reinsurers December 31, prior year .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Incurred Benefits:											
6.1 Direct	1,232,811	.0	.0	.0	.0	.0	.0	.0	1,232,811	.0	.0
6.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.3 Reinsurance ceded	863,980	.0	.0	.0	.0	.0	.0	.0	863,980	.0	.0
6.4 Net	368,831	.0	.0	.0	.0	.0	.0	.0	368,831	.0	.0

- (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 \$ in Line 1.1, \$ in Line 1.4.
 \$ in Line 6.1 and \$ 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 \$ premiums waived under total and permanent disability benefits.

EXHIBIT 9
ANALYSIS OF NON-ADMITTED ASSETS AND RELATED ITEMS

	1	2	3
	End of Current Year	End of Prior Year	Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Lines 12 to 17 and 19 to 22, Column 2.....			
2. Other Nonadmitted Assets:			
2.1 Bills receivable			
2.2 Furniture and equipment			
2.3 Leasehold improvements			
2.4 Cash advanced to or in the hands of officers or agents			
2.5 Loans on personal security, endorsed or not			
2.6 Supplies, stationery, printed matter			
2.7 Commuted commissions			
3. Total (Lines 2.1 thru 2.7)			
4. Disallowed interest maintenance reserve			
5. Aggregate write-ins for other assets			
6. Total (Line 1 plus Lines 3 to 5)			
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)			

NONE

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

- A. The financial statements of United Benefit Life Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

United Benefit Life recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective January 1, 2002, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio.

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires 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. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance benefits, 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, morbidity 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.
- (3) The company has no Common Preferred Stocks or Mortgage Loans.
- (4) Loan-backed securities are stated at either amortized cost or the lower of amortized cost at fair market value. The retrospective adjustment method is used to value all securities except for the interest only securities or securities where the yield had become negative, that are valued using the prospective method.
- (5) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts.

2. Accounting Changes and Corrections of Errors

- A. The company reports no changes due to company error.

- B. United Benefit Life Insurance Company has changed several areas of current year financial statements due to codification. The Company prepares statutory financial statements in conformity with the accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2002, 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 - Version effective January 1, 2002 subject to any deviations prescribed or permitted by the State of Ohio Insurance commissioner.

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures manual – Version effective January 1, 2001 are reported as changes in accounting principles. The cumulative effective of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of change in accounting principles. The cumulative effect is the difference between the amount of capital at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all periods. As a result of these changes, the Company reported a change of accounting principle, as an adjustment that decreased unassigned surplus, by \$107,755 as of December 31, 2001. Included in this total adjustment is a reduction in unassigned funds of approximately \$108,053 related to guaranty funds and other assessments and an increase in unassigned funds of approximately \$298 related to deferred tax assets.

3. Business Combinations and Goodwill

The company has made no acquisitions.

4. Discontinued Operations

The in-force business of UBL was terminated on December 31, 2001, with the exception of approximately 200 policies that were terminated on February 28, 2002. Therefore, UBL has been in complete run-off since those dates. Policyholders have approximately 15 months (March 31, 2003 or May 31, 2003) from their date of termination to submit a claim for payment.

5. Investments

- D. Loan Backed Securities

The Company has elected to use the book value as of July 21, 1999 as the cost for applying the retrospective adjustment method to securities purchased prior to that date.

Prepayment assumptions for loan-backed bonds were obtained from broker dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment. The retrospective adjustment method is used to value all securities except for interest only securities which are valued using the prospective method.

The company used various pricing services in determining the market value of its loan-backed securities.

The company uses the retrospective method to amortize bonds.

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no Joint Ventures, Partnerships or Limited Liability Companies

NOTES TO FINANCIAL STATEMENTS

7. Investment Income

No due and accrued income was excluded from investment income.

8. Derivative Instruments

The company does not invest in Derivative Instruments

9. Income Taxes

A. The components of the net DTA recognized in the Company's Assests, Liabilities, Surplus and

Other Funds are as follows:

	<u>12/31/2002</u>	<u>12/31/2001</u>
Total of gross deferred tax assets	\$ 269	\$1,800
Total of deferred tax liabilities	<u>8,586</u>	<u>741</u>
Net deferred tax asset\liability	\$(8,317)	761
Net admitted deferred tax asset	<u>\$(8,317)</u>	<u>\$298</u>
Increase (decrease) in nonadmitted deferred tax assets	<u>\$ (761)</u>	<u>\$761</u>

B. Unrecognized DTL's

Prior to 1984, as provided under the Life Insurance Company Tax Act of 1959, a portion of statutory income was not subject to current taxation but was accumulated for income tax purposes in a memorandum account referred to as the "policyholders" surplus account (PSA). No federal income taxes have been provided for in the financial statements on income deferred in the PSA. To the extent that dividends are paid from the amount accumulated in the PSA, net earnings would be reduced by the amount of the tax required to be paid. Should the entire amount in the PSA account become taxable, the tax thereon computed at the current rates would amount to approximately: \$- 0

C. Current Tax and Change in Deferred Tax

Current income taxes incurred consist of the following major components:

	<u>2002</u>	<u>2001</u>
Current income tax	\$(90,216)	\$(422,000)
Tax Credits	-	-
Current year equity tax	<u>\$(90,216)</u>	<u>\$(422,000)</u>
Prior year underaccrual	-	-
Current income taxes incurred	<u>\$(90,216)</u>	<u>\$(422,000)</u>

The main components of the December 31, 2002 deferred tax amounts were as follows:

DTA's	<u>Statutory</u>	<u>Tax</u>	<u>Difference</u>	<u>Tax Effect</u>
DAC Tax	\$1,941	\$1,937	\$(4)	\$(1)
Accrued Inv Income	-	-	-	-
Non-admitted assets	-	-	-	-
Loss/LAE/SS	(710)	-	710	249
Ceding commission	-	-	-	-
UPR	(462)	(400)	62	22
IMR	-	-	-	-
Deferred Compensation	-	-	-	-
Deferred Reinsurance Gain	-	-	-	-
NOL Carryforward	-	-	-	-
Other DTA	-	-	-	-
B/S Unrealized losses	-	-	-	-
Gross DTA's				\$269
Non-admitted DTA's				-
Admitted DTA's				<u>\$269</u>
 DTL's				
Bond discount accrual	<u>\$(24,530)</u>	<u>\$-</u>	<u>\$24,530</u>	<u>\$8,586</u>
Property and Equipment	-	-	-	-
Premium in C of C	-	-	-	-
Accrued Div income	-	-	-	-
Gross DTL's				<u>\$8,586</u>

NOTES TO FINANCIAL STATEMENTS

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

DTA's	12/31/2002	12/31/2001	Change
DAC Tax	\$(1)	914	\$(916)
Accrued Inv Income	-	741	(741)
Non-admitted assets	-	-	-
Loss/LAE/SS	249	(0)	249
Ceding commission	-	-	-
UPR	22	145	(124)
IMR	-	-	-
Deferred Compensation	-	-	-
Deferred Reinsurance Gain	-	-	-
NOL Carryforward	-	-	-
Other DTA	-	-	-
B/S Unrealized losses	-	-	-
Total Gross DTA's	<u>\$269</u>	<u>\$1,800</u>	<u>\$(1,531)</u>
Non-admitted DTA's	-	(761)	761
Admitted DTA's	<u>\$269</u>	<u>\$1,039</u>	<u>\$(770)</u>
DTL's			
Bond discount accrual	\$8,586	\$741	\$7,845
Property and equipment	-	-	-
Premium in C of C	-	-	-
Accrued Div Income	-	-	-
B/S Unrealized gains	-	-	-
Gross DTL's	<u>\$8,586</u>	<u>\$741</u>	<u>\$7,845</u>
Net admitted deferred tax asset	<u>\$(8,317)</u>	<u>\$298</u>	<u>\$(8,615)</u>

The change in net deferred income taxes before nonadmitted balances are as follows:

	12/31/2002	12/31/2001	Change
Total deferred tax assets	\$269	\$1,800	\$(1,531)
Total deferred tax liabilities	8,586	741	7,845
Net deferred tax asset	\$(8,317)	\$1,059	\$(9,376)
Tax effect of unrealized gains (losses)			-
Change in net deferred income tax			<u>\$(9,376)</u>

D. Reconciliation of Federal income tax rate to Actual Effective Rate:

The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes.

The significant items causing this

	12/31/2002	Effective Tax Rate
Provision computed at statutory rate	\$(277,119)	35.0%
Meals & Entertainment	\$40	0.0%
Penalties	\$1,070	-0.4%
Dividend received deduction	\$-	0.0%
Tax exempt interest	\$-	0.0%
Loss reserve 15% haircut	\$-	0.0%
Policyholder share of DRD & TEI	\$-	0.0%
Capital gains taxes\IMR recapture	\$-	0.0%
Other amounts	\$-	0.0%
"Grass Roots Lobbying" expenses	\$-	0.0%
Difference in booking effective tax rate versus stat rate of 35%	\$15,041	-5.4%
Other (tax credits and PY underaccrual PERM differences)	\$-	0.0%
	<u>\$(80,840)</u>	<u>29.2%</u>
Federal income taxes incurred	\$(90,216)	32.6%
Change in net deferred income taxes	9,376	-3.4%
	<u>\$(80,840)</u>	<u>29.2%</u>

E. Operating Loss and Tax Credit Carryforwards

1. At December 31, 2002, the Company is under a loss condition. As of December 31, 2002 and December 31, 2001, the Company had no operating loss carryforwards available to offset future taxable income.

2. The Company has no income tax available for recoupment in the event of future net losses.

NOTES TO FINANCIAL STATEMENTS

F. Consolidated Federal income tax return

1. The Company's federal income tax return is consolidated with the following entities:

Ceres Group, Inc.
 Central Reserve Life Insurance Company
 Provident American Life and Health Insurance Company
 Various other non-insurance companies

2 The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. Intercompany tax accounts are settled on an annual basis.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A.,B,
& C. All outstanding shares of The Company are owned by Central Reserve Life Insurance Company, an insurance company domiciled in the State of Ohio.
- D. The Company paid salary and benefit expense to Ceres Administrators, an affiliate, in the amount of \$ 718,531 The Company paid marketing expenses to Ceres Sales, an affiliate, in the amount of \$110. The Company paid Managed Care and PPO expenses to Ceres Health, an affiliate, in the amount of \$41,686

At December 31, The Company reports amounts due to affiliates in the amount of \$ 445,019
- E. The company has no guarantees with affiliates that could result in a material exposure.
- F. The Company has agreements with several non-life affiliates who provide certain services to the Company and are reimbursed as described in 6-b. The Company also has a cost sharing agreement with its parent, Central Reserve for reimbursement and sharing of costs for services provided by the Company.
- G. All outstanding shares of the Company are owned by the Parent Company, Central Reserve Life Insurance Company, an insurance company domiciled in the State of Ohio.
- H. Not applicable
- I. Not applicable
- J. Not applicable

11. Debt

The company has no outstanding debt.

12. Retirement Plans, Deferred Compensation, Post Employment Benefits and Compensated Absences and Other Postretirement benefit Plans.

The Company has no employees and uses Ceres Administrators, its affiliate, to provide employment services.

13. Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations.

- 1. The Company has 1,000 shares authorized, 1,000 shares issued and outstanding. All shares are Class A shares.
- 2. The Company has no preferred shares outstanding.

1. Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the company's state of incorporation, Ohio, to 10% of surplus or current income, an amount that is based on restrictions relating to statutory surplus. Currently the Company cannot issue dividends without the consent of the State of Ohio.
 1. Within the limitations of (3) above, there are no restrictions in place on the portion of the Company profits that may be paid as ordinary dividends to stockholders.

- 2. There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- 3. The company had no advances to surplus
- 4. The Company has no stock for special purposes.
- 5. The Company has no special surplus funds.

6. The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

a.	Unrealized gains and losses	\$	0
b.	nonadmitted asset values:	\$	0
c.	Separate account business	\$	0
d.	Asset valuation reserves;	\$	0
e.	reinsurance in unauthorized Companies:	\$	0
f.	Change in Deferred Income Tax	\$	(8,614)

- 10. The Company has no surplus debenture or similar instrument.
- 11. & 12. Do not apply

14. Contingencies

- A. Contingent Commitments
The company has no contingent commitments
- B. Assessments

NOTES TO FINANCIAL STATEMENTS

At this time the company is unable to estimate the possible amounts, if any, of such assessments. Accordingly, the company is unable to determine the impact, if any, such assessments may have on the company's financial position or results of operations.

C. The company has no gain contingencies

D. All other contingencies

Various lawsuits against The Company have arisen in the course of The Company's business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of The Company.

15. Leases

A. The Company has no leases.

16. The Company uses no Off-balance Sheet Financial Instruments

17. The Company has no Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

18. The Company has no Uninsured A&H Plans.

19. Direct Premium Written by Third Party Administrator

There was no direct premium written by third party administrators.

20. Other Items

The company has no other items.

21. Events Subsequent

The company has no subsequent events.

22. Reinsurance

A. Ceded Reinsurance Report

Section 1- General Interrogatories

1. No

2. No

Section 2 – Ceded Reinsurance Report – Part A

1. No

2. No

Section 3 – Part B

a. None

b. No

23. The Company has no Retrospectively Rated Contracts & Contracts Subject to Redetermination

24. The Company has no change in Incurred Losses and Loss Adjustment Expenses

25. The Company has no Intercompany Pooling Arrangements

26. Reserves for Life Contracts and Deposit-Type Contracts

a. The Company Waives deduction of deferred fractional premiums upon death of insured and returns a portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.

b. Extra premiums are not charged for substandard lives.

c. Not applicable

d. Not applicable

e. Not applicable

f. The detail for "other increases" under Page 7, Part B, Line 5 is: None.

27. The Company has no Variable Annuities with Guaranteed Living benefits

28. Analysis of Annuity Actuarial Reserves and Deposit Liabilities by withdrawal Characteristics

As of December 31, 2002, The Company had no annuity reserves or deposit liabilities.

29. Premium and Annuity Considerations Deferred and Uncollected

As of December 21, 2002, The Company had no deferred and uncollected premium.

30. The Company does not have any Separate Accounts

NOTES TO FINANCIAL STATEMENTS

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. Treasury securities	2,658,522	84.241	2,658,522	84.241
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.000		0.000
1.22 Issued by U.S. government sponsored agencies	203,899	6.461	203,899	6.461
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations		0.000		0.000
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA		0.000		0.000
1.512 Issued by FNMA and FHLMC		0.000		0.000
1.513 Privately issued		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC		0.000		0.000
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC		0.000		0.000
1.523 All other privately issued		0.000		0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)		0.000		0.000
2.2 Unaffiliated foreign securities		0.000		0.000
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (includes \$ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (\$ including property acquired in satisfaction of debt)		0.000	0	0.000
6. Policy loans		0.000	0	0.000
7. Receivables for securities		0.000	0	0.000
8. Cash and short-term investments	293,440	9.298	293,440	9.298
9. Other invested assets		0.000		0.000
10. Total invested assets	3,155,861	100.000	3,155,861	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 []
- 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 [] NA []
- 1.3 State Regulating? Ohio.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No []
- 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.06/01/2000
- 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.12/31/1999
- 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).01/31/2001
- 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 []
- 4.12 renewals? Yes [] No []
- 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 []
- 4.22 renewals? Yes [] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No []
- 6.2 If yes, give full information: Suspensions in 2002 include: Arkansas, Kansas, Kentucky, Missouri, New Mexico, Wyoming
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No []
- 7.2 If yes,
- 7.21 State the percentage of foreign control;
- 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

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

GENERAL INTERROGATORIES

(continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP, 925 Euclid Avenue, Cleveland, OH. 44115.....
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?
Milliman & Robertson, Inc. 55 West Monroe, Chicago, Il. 60603.....
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 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 [] NA []

BOARD OF DIRECTORS

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

FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|--|---|-----------|
| | 14.11 To directors or other officers .. | \$0 |
| | 14.12 To stockholders not officers ... | \$0 |
| | 14.13 Trustees, supreme or grand (Fraternal only) | \$0 |
- 14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|--|---|-----------|
| | 14.21 To directors or other officers ... | \$0 |
| | 14.22 To stockholders not officers | \$0 |
| | 14.23 Trustees, supreme or grand (Fraternal only) | \$0 |
- 15.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? Yes [] No [X]
- 15.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|--|----------------------------------|----------|
| | 15.21 Rented from others | \$ |
| | 15.22 Borrowed from others | \$ |
| | 15.23 Leased from others | \$ |
| | 15.24 Other | \$ |
- Disclose in Notes to Financial Statements the nature of each of these obligations.
- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 16.2 If answer is yes,
- | | | |
|--|--|----------|
| | 16.21 Amount paid as losses or risk adjustment | \$ |
| | 16.22 Amount paid as expenses | \$ |
| | 16.23 Other amounts paid | \$ |

GENERAL INTERROGATORIES

(continued)
INVESTMENT

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

Class	1	2	3	4	5		6	
	Number of Shares Authorized	Number of Shares Outstanding	Par Value Per Share	Redemption Price if Callable	Is Dividend Rate Limited?		Are Dividends Cumulative?	
					Yes	No	Yes	No
Preferred	0	0	0.000		[]	[X]	[]	[X]
Common	1,000	1,000	2,500.000	XXX	XXX	XXX	XXX	XXX

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

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

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

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

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

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

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

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

19.4 For category (19.28) provide the following:

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

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

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

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

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

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

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

1	2
Name of Custodian(s)	Custodian's Address
Key Bank.....	127 Public Square, Cleveland, Ohio, 44114.....
.....

GENERAL INTERROGATORIES

(continued)
INVESTMENT

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

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

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

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

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

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

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

OTHER

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

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

1 Name	2 Amount Paid
	\$
	\$

24.1 Amount of payments for legal expenses, if any?..... \$.....338,766

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
Barger & Wolen LLP.....	\$90,091
Figari, Davenport & Graves.....	\$61,078
	\$
	\$

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0

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

1 Name	2 Amount Paid
	\$
	\$
	\$

GENERAL INTERROGATORIES

(continued)

PART 2 - LIFE 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 \$0
- 1.62 Total incurred claims \$0
- 1.63 Number of covered lives \$0
- All years prior to most current three years:
- 1.64 Total premium earned \$0
- 1.65 Total incurred claims \$0
- 1.66 Number of covered lives \$0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$0
- 1.72 Total incurred claims \$0
- 1.73 Number of covered lives \$0
- All years prior to most current three years:
- 1.74 Total premium earned \$0
- 1.75 Total incurred claims \$0
- 1.76 Number of covered lives \$0
- 2.1 Does 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 [] NA []
- 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 []
- 2.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [] No []
- 3.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes [X] No []
- 3.2 Net reimbursement of such expenses between reporting entities:
- 3.21 Paid: \$
- 3.22 Received: \$
- 4.1 Does the reporting entity write any guaranteed interest contracts? Yes [] No [X]
- 4.2 If yes, what amount pertaining to these items is included in:
- 4.21 Page 3, Line 3 \$
- 4.22 Page 4, Line 1 \$
5. For stock reporting entities only:
- 5.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$15,310,790
6. Total dividends paid stockholders since organization of the reporting entity:
- 6.11 Cash: \$1,505,235
- 6.12 Stock: \$284,132
- 7.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 7.11 Name of real estate holding company
- 7.12 Number of parcels involved
- 7.13 Total book/adjusted carrying value \$
- 7.2 If yes, provide explanation:

GENERAL INTERROGATORIES

(continued)

PART 2 - LIFE INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]

Workers compensation carve-out business is defined as reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers Compensation Carve-Out Supplement to the Annual Statement: Yes [] No []

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1. Reinsurance Assumed	2. Reinsurance Ceded	3. Net Retained
8.31 Earned premium.....
8.32 Paid claims.....
8.33 Claim liability and reserve (beginning of year).....
8.34 Claim liability and reserve (end of year).....
8.35 Incurred Claims.....

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column 1 are:

	Attachment Point	1. Earned Premium	2. Claim Liability And Reserve
8.41	<\$25,000	.....	.....
8.42	\$25,000 – 99,999	.....	.....
8.43	\$100,000 – 249,999	.....	.....
8.44	\$250,000 – 999,999	.....	.....
8.45	\$1,000,000 or more	.....	.....

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? \$.....

FIVE-YEAR HISTORICAL DATA

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

	1 2002	2 2001	3 2000	4 1999	5 1998
Life Insurance in Force					
(Exhibit of Life Insurance)					
1. Ordinary - Whole Life and Endowment (Line 34, Col. 4)	0	0	0	0	0
2. Ordinary - Term (Line 21, Col. 4, less Line 34, Col. 4)	0	0	0	0	0
3. Credit Life (Line 21, Col. 6)	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	0	2,303	3,850	6,613	14,348
5. Industrial (Line 21, Col. 2)	0	0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)	0	0	0	0	0
7. Total (Line 21, Col. 10)	0	2,303	3,850	6,613	14,348
New Business Issued					
(Exhibit of Life Insurance)					
8. Ordinary - Whole Life and Endowment (Line 34, Col. 2)	0	0	0	0	0
9. Ordinary - Term (Line 2, Col. 4, less Line 34, Col. 2)	0	0	0	0	0
10. Credit Life (Line 2, Col. 6)	0	0	0	0	0
11. Group (Line 2, Col. 9)	0	0	0	0	3,058
12. Industrial (Line 2, Col. 2)	0	0	0	0	0
13. Total (Line 2, Col. 10)	0	0	0	0	3,058
Premium Income - Lines of Business					
14. Industrial Life (Exhibit 1-Part 1, Line 20.4, Col. 2)	0	0	0	0	0
15.1 Ordinary-Life Insurance (Exhibit 1-Part 1, Line 20.4, Col. 3)	0	0	0	0	0
15.2 Ordinary-Individual Annuities (Exhibit 1-Part 1, Line 20.4, Col. 4)	0	0	0	0	0
16. Credit Life (Group and Individual) (Exhibit 1-Part 1, Line 20.4, Col. 5)	0	0	0	0	0
17.1 Group Life Insurance (Exhibit 1-Part 1, Line 20.4, Col. 6)	1,410	43,188	63,289	105,745	(4,992)
17.2 Group Annuities (Exhibit 1-Part 1, Line 20.4, Col. 7)	0	0	0	0	0
18.1 A & H-Group (Exhibit 1-Part 1, Line 20.4, Col. 8)	(38,077)	0	0	0	46,637,022
18.2 A & H-Credit (Group and Individual) (Exhibit 1-Part 1, Line 20.4, Col. 9)	0	0	0	0	0
18.3 A & H-Other (Exhibit 1-Part 1, Line 20.4, Col. 10)	0	0	0	0	0
19. Aggregate of All Other Lines of Business (Exhibit 1-Part 1, Line 20.4, Col. 11)	0	0	0	0	0
20. Deposit-type funds	XXX	XXX	0	0	0
21. Total	(36,667)	43,188	63,289	105,745	46,632,030
Balance Sheet Items (Pages 2 & 3)					
22. Total Admitted Assets Excluding Separate Accounts Business (Page 2, Line 25, Col. 3)	4,167,624	3,783,392	7,743,427	8,024,271	10,910,041
23. Total Liabilities Excluding Separate Accounts Business (Page 3, Line 26)	790,009	779,314	3,561,655	4,170,536	2,979,367
24. Aggregate Life Reserves (Page 3, Line 1)	0	22,487	22,487	22,487	28,959
25. Aggregate A & H Reserves (Page 3, Line 2)	0	0	0	0	0
26. Deposit-type contract funds (Page 3, Line 3)	0	0	XXX	XXX	XXX
27. Asset Valuation Reserve (Page 3, Line 24.1)	601	601	39,822	137,923	127,265
28. Capital (Page 3, Lines 29 and 30)	2,500,000	2,500,000	2,500,000	2,500,000	1,500,000
29. Surplus (Page 3, Line 37)	877,616	504,078	1,681,772	1,353,735	6,430,674
Risk-Based Capital Analysis					
30. Total Adjusted Capital	3,378,217	3,004,679	4,221,594	3,991,658	8,057,939
31. Authorized Control Level Risk - Based Capital	2,821	148,082	261,353	520,643	593,096
Percentage Distribution of Assets					
(Page 2, Col. 3) (Line No. / Page 2, Line 11, Col. 3) x 100.0					
32. Bonds (Line 1)	90.7	102.8	98.1	62.2	50.7
33. Stocks (Lines 2.1 and 2.2)	0.0	0.0	0.0	0.0	0.0
34. Mortgage Loans on Real Estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
35. Real Estate (Lines 4.1, 4.2 and 4.3)	0.0	0.0	0.0	41.2	34.3
36. Policy Loans (Line 5)	0.0	0.0	0.0	0.0	0.0
37. Premium Notes (Line 6)	0.0	0.0	0.0	0.0	0.0
38. Cash and Short - Term Investments (Line 7)	9.3	(2.8)	1.9	(3.4)	15.0
39. Other Invested Assets (Line 8)	0.0	0.0	0.0	0.0	0.0
40. Receivable for Securities (Line 9)	0.0	0.0	0.0	0.0	0.0
41. Aggregate Write-ins for Invested Assets (Line 10)	0.0	0.0	0.0	0.0	0.0
42. Cash and Invested Assets (Line 11)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Investments in Parent, Subsidiaries and Affiliates					
43. Affiliated Bonds (Schedule D Summary, Line 25, Col. 1)	0	0	0	0	0
44. Affiliated Preferred Stocks (Schedule D Summary, Line 39, Col. 1)	0	0	0	0	0
45. Affiliated Common Stocks (Schedule D Summary, Line 53, Col. 2)	0	0	0	0	0
46. Affiliated Short-Term Investments (Subtotals included in Schedule DA Part 2 Col. 5, Line 11)	0	0	0	0	0
47. Affiliated Mortgage Loans on Real Estate	0	0	0	0	0
48. All Other Affiliated	0	0	0	0	0
49. Total of above Lines 43 to 48	0	0	0	0	0
Total Non-admitted and Admitted Assets					
50. Total Non admitted Assets (Page 2, Line 27, Col. 2)	0	0	1,268,448	1,561,112	36,761,503
51. Total Admitted Assets (Page 2, Line 27, Col. 3)	4,167,624	3,783,392	7,743,427	8,024,271	10,910,041
Investment Data					
52. Net Investment Income (Exhibit of Net Investment Income)	174,912	252,151	330,906	307,514	755,994
53. Realized Capital Gains (Losses)	0	0	(159,005)	0	256,335
54. Unrealized Capital Gains (Losses)	0	0	0	0	0
55. Total of above Lines 52, 53 & 54	174,912	252,151	171,900	307,514	1,012,329
Benefits and Reserve Increases (Page 6)					
56. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15, Col.1 less Lines 10, 11, 12, 13, 14, and 15, Cols. 9, 10 & 11)	0	0	0	4,000	0
57. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	368,831	1,949,996	1,944,302	0	(3,489,105)
58. Increase in Life Reserves - Other than Group and Annuities (Line 19, Cols. 2 and 3)	0	0	0	0	0
59. Increase in A & H Reserves (Line 19, Cols. 9, 10 & 11)	0	0	0	0	(1,461,355)
60. Dividends to Policyholders (Line 30, Col. 1)	0	0	0	0	0
Operating Percentages					
61. Insurance Expense Percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus group annuity contribution funds) x 100.0	(740.7)	(25.9)	(3,173.8)	(2,076.0)	51.4
62. Lapse Percent (Ordinary Only) (Exhibit of Life Insurance, Col. 4, Lines 14 & 15) x 100.0 / 1/2 (Lines 1 & 21)	0.0	0.0	0.0	0.0	0.0
63. A & H Loss Percent (Schedule H, Part 1, Lines 3 and 4, Col. 2)	(968.6)	0.0	0.0	0.0	(8.0)
64. A & H Expense Percent (Schedule H, Pt. 1, Line 8, Col. 2)	(2,003.1)	0.0	0.0	0.0	60.1
A & H Claim Reserve Adequacy					
65. Incurred Losses on Prior Years' Claims - Group Health (Schedule H, Part 3, Line 3.1 Col. 2)	149,994	1,949,996	1,944,302	0	7,068,344
66. Prior Years' Claim Liability and Reserve - Group Health (Schedule H, Part 3, Line 3.2 Col. 2)	212,816	0	0	0	18,855,709
67. Incurred Losses on Prior Years' Claims-Health other than Group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2)	0	0	0	0	0
68. Prior Years' Claim Liability and Reserve-Health other than Group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2)	0	0	0	0	0
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
69. Industrial Life (Col. 2)	0	0	0	0	0
70. Ordinary - Life (Col. 3)	0	0	0	0	0
71. Ordinary - Individual Annuities (Col. 4)	0	0	0	0	0
72. Ordinary-Supp. Contracts (Col. 5)	0	0	0	0	0
73. Credit Life (Col. 6)	0	0	0	0	0
74. Group Life (Col. 7)	23,897	34,990	61,496	29,886	(14,180)
75. Group Annuities (Col. 8)	0	0	0	0	0
76. A & H-Group (Col. 9)	(210,798)	(2,426,560)	(1,466,867)	391,099	3,927,837
77. A & H-Credit (Col. 10)	0	0	0	0	0
78. A & H-Other (Col. 11)	0	0	0	0	0
79. Aggregate of All Other Lines of Business (Col. 12)	0	0	0	0	0
80. Total (Col. 1)	(186,901)	(2,391,570)	(1,405,370)	420,985	3,913,657

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE United Benefit Life Insurance Company

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year	0	0	0	0	0	0	102	102	2,303	2,303
2. Issued during year		0	0	0	0	0			0	0
3. Reinsurance assumed										0
4. Revived during year										0
5. Increased during year (net)										0
6. Subtotals, Lines 2 to 5	0	0	0	0	0	0	0	0	0	0
7. Additions by dividends during year	XXX		XXX		XXX		XXX	XXX		0
8. Aggregate write-ins for increases	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8)	0	0	0	0	0	0	102	102	2,303	2,303
Deductions during year:										
10. Death							XXX			0
11. Maturity							XXX			0
12. Disability							XXX			0
13. Expiry										0
14. Surrender							102	102	2,303	2,303
15. Lapse										0
16. Conversion							XXX	XXX	XXX	0
17. Decreased (net)										0
18. Reinsurance										0
19. Aggregate write-ins for decreases	0	0	0	0	0	0	0	0	0	0
20. Totals, (Lines 10 to 19)	0	0	0	0	0	0	102	102	2,303	2,303
21. In force end of year, (Line 9 minus Line 20)	0	0	0	0	0	0	0	0	0	0
22. Reinsurance ceded end of year	XXX		XXX		XXX		XXX	XXX		0
23. Line 21 minus Line 22	XXX	0	XXX	0	XXX	^(b) 0	XXX	XXX	0	0
DETAILS OF WRITE-INS										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0	0	0	0	0	0	0
0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0	0	0	0	0	0	0
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page	0	0	0	0	0	0	0	0	0	0
1999. TOTALS (Lines 1901 thru 1903 plus 1998) (Line 19 above)	0	0	0	0	0	0	0	0	0	0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) Group \$; Individual \$

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EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends	NONE			
25. Other paid-up insurance				
26. Debit ordinary insurance				

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

	Issued During Year (Included in Page 30, Line 2)		In Force End of Year (Included in Page 30, Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies - decreasing	NONE			
28. Term policies - other				
29. Other term insurance - decreasing				
30. Other term insurance	XXX	XXX	XXX	
31. Totals, Line 27 to 30	XXX	XXX	XXX	
Reconciliation to Page 30, Lines 2 and 21:				
32. Term additions	XXX	XXX	XXX	
33. Totals, extended term insurance	XXX	XXX		
34. Totals, whole life and endowment				
35. Total (Lines 31 to 34)				

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Page 30, Line 2)		In Force End of Year (Included in Page 30, Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial	NONE			
37. Ordinary				
38. Credit Life (Group and Individual)				
39. Group				
40. Totals (Lines 36 to 39)				

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Page 30, Line 2 ceded to other companies	NONE			
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis				
43. Federal Employees' Group Life Insurance included in Page 30, Line 21				
44. Servicemen's Group Life Insurance included in Page 30, Line 21				
45. Group Permanent Insurance included in Page 30, Line 21				

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	
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BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance covering Family Income Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc. policies and riders included above	NONE	
47.1		
47.2		

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium	NONE							
49. Disability Income								
50. Extended Benefits								
51. Other								
52. Total								

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) See paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

**EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES,
INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR
SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH
AND OTHER POLICIES**

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
NONE				
1. In force end of prior year				
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)				
Deductions during year:				
6. Decreased (net)				
7. Reinsurance				
8. Totals (Lines 6 and 7)				
9. In force end of year				
10. Amount on deposit		(a)		(a)
11. Income now payable				
12. Amount of income payable	(a)	(a)	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
NONE				
1. In force end of prior year				
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)				
Deductions during year:				
6. Decreased (net)				
7. Reinsurance				
8. Totals (Lines 6 and 7)				
9. In force end of year				
Income now payable:				
10. Amount of income payable	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance	XXX	(a)	XXX	(a)
Deferred not fully paid:				
12. Account balance	XXX	(a)	XXX	(a)

ACCIDENT AND HEALTH INSURANCE

	Ordinary		Group		Credit	
	1 Policies	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	0	0	3,116	14,756,834	0	0
2. Issued during year						
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Total (Lines 1 to 4)	0	XXX	3,116	XXX	0	XXX
Deductions during year:						
6. Conversions	XXX	XXX		XXX	XXX	XXX
7. Decreased (net)		XXX	3,116	XXX		XXX
8. Reinsurance		XXX		XXX		XXX
9. Total (Lines 6 thru 8)	0	XXX	3,116	XXX	0	XXX
10. In force end of year	0 (a)		0 (a)	0	0 (a)	

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
NONE		
1. In force end of prior year		
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Total (Lines 1 to 4)		
Deductions During Year:		
6. Decreased (net)		
7. Reinsurance		
8. Totals (Lines 6 and 7)		
9. In force end of year		
10. Amount of account balance	(a)	(a)

(a) See paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE United Benefit Life Insurance Company

SCHEDULE D - SUMMARY BY COUNTRY

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

Description	1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS				
Governments (Including all obligations guaranteed by governments)	1. United States 2,862,421 2. Canada 0 3. Other Countries 0 4. Totals 2,862,421	2,930,746 0 0 2,930,746	2,912,644 0 0 2,912,644	2,839,000 0 0 2,839,000
States, Territories and Possessions (Direct and guaranteed)	5. United States 0 6. Canada 0 7. Other Countries 0 8. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States 0 10. Canada 0 11. Other Countries 0 12. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States 0 14. Canada 0 15. Other Countries 0 16. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Public Utilities (unaffiliated)	17. United States 0 18. Canada 0 19. Other Countries 0 20. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States 0 22. Canada 0 23. Other Countries 0 24. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Parent, Subsidiaries and Affiliates	25. Totals 0 26. Total Bonds 2,862,421	0 2,930,746	0 2,912,644	0 2,839,000
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States 0 28. Canada 0 29. Other Countries 0 30. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States 0 32. Canada 0 33. Other Countries 0 34. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	35. United States 0 36. Canada 0 37. Other Countries 0 38. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Parent, Subsidiaries and Affiliates	39. Totals 0 40. Total Preferred Stocks 0	0 0	0 0	0 0
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States 0 42. Canada 0 43. Other Countries 0 44. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States 0 46. Canada 0 47. Other Countries 0 48. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	49. United States 0 50. Canada 0 51. Other Countries 0 52. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Parent, Subsidiaries and Affiliates	53. Totals 0 54. Total Common Stocks 0 55. Total Stocks 0 56. Total Bonds and Stocks 2,862,421	0 0 0 2,930,746	0 0 0 2,912,644	0 0 0 2,839,000

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

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year 3,107,191	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3 204,760	6.1 Column 17, Part 1 0
3. Increase (decrease) by adjustment:	6.2 Column 13, Part 2, Sec. 1 0
3.1 Column 16, Part 1 (23,875)	6.3 Column 11, Part 2, Sec. 2 0
3.2 Column 12, Part 2, Sec. 1 0	6.4 Column 11, Part 4 0
3.3 Column 10, Part 2, Sec. 2 0	7. Book/adjusted carrying value at end of current period 2,862,420
3.4 Column 10, Part 4 (656) (24,531)	8. Total valuation allowance 0
4. Total gain (loss), Col. 14, Part 4 0	9. Subtotal (Lines 7 plus 8) 2,862,420
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 425,000	10. Total nonadmitted amounts 0
	11. Statement value of bonds and stocks, current period 2,862,420

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE United Benefit Life Insurance Company

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1	Life Contracts		Direct Business Only			
		2	3	4	5	6	
							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	Yes	(33)	.0	(7,944)	.0	.0
2. Alaska	AK	No	.0	.0	.0	.0	.0
3. Arizona	AZ	Yes	.0	.0	(10,363)	.0	.0
4. Arkansas	AR	Yes	.0	.0	.558	.0	.0
5. California	CA	Yes	(60)	.0	(29,232)	.0	.0
6. Colorado	CO	Yes	.0	.0	(263)	.0	.0
7. Connecticut	CT	No	.0	.0	.0	.0	.0
8. Delaware	DE	Yes	.0	.0	.0	.0	.0
9. District of Columbia	DC	Yes	.0	.0	.0	.0	.0
10. Florida	FL	Yes	(246)	.0	(29,702)	.0	.0
11. Georgia	GA	Yes	(67)	.0	(15,909)	.0	.0
12. Hawaii	HI	No	.0	.0	.0	.0	.0
13. Idaho	ID	Yes	.0	.0	.0	.0	.0
14. Illinois	IL	Yes	.0	.0	(2,463)	.0	.0
15. Indiana	IN	Yes	.0	.0	(1,378)	.0	.0
16. Iowa	IA	Yes	.0	.0	.0	.0	.0
17. Kansas	KS	Yes	.0	.0	.0	.0	.0
18. Kentucky	KY	Yes	.0	.0	.0	.0	.0
19. Louisiana	LA	Yes	.0	.0	3,080	.0	.0
20. Maine	ME	No	.0	.0	.0	.0	.0
21. Maryland	MD	Yes	.0	.0	.0	.0	.0
22. Massachusetts	MA	No	.0	.0	.0	.0	.0
23. Michigan	MI	No	.0	.0	.0	.0	.0
24. Minnesota	MN	No	.0	.0	.0	.0	.0
25. Mississippi	MS	Yes	.0	.0	(2,207)	.0	.0
26. Missouri	MO	Yes	.0	.0	(7,653)	.0	.0
27. Montana	MT	Yes	.0	.0	.0	.0	.0
28. Nebraska	NE	Yes	.0	.0	.0	.0	.0
29. Nevada	NV	Yes	.0	.0	(8,686)	.0	.0
30. New Hampshire	NH	No	.0	.0	.0	.0	.0
31. New Jersey	NJ	No	.0	.0	.0	.0	.0
32. New Mexico	NM	Yes	.0	.0	(811)	.0	.0
33. New York	NY	No	.0	.0	.0	.0	.0
34. North Carolina	NC	Yes	.0	.0	.0	.0	.0
35. North Dakota	ND	Yes	.0	.0	.0	.0	.0
36. Ohio	OH	Yes	(34)	.0	(4,512)	.0	.0
37. Oklahoma	OK	Yes	(17)	.0	(13,796)	.0	.0
38. Oregon	OR	Yes	.0	.0	.0	.0	.0
39. Pennsylvania	PA	Yes	.0	.0	.0	.0	.0
40. Rhode Island	RI	No	.0	.0	.0	.0	.0
41. South Carolina	SC	Yes	.0	.0	(1,449)	.0	.0
42. South Dakota	SD	Yes	.0	.0	.0	.0	.0
43. Tennessee	TN	Yes	(31)	.0	(4,834)	.0	.0
44. Texas	TX	Yes	53	.0	(34,792)	.0	.0
45. Utah	UT	Yes	.0	.0	.0	.0	.0
46. Vermont	VT	No	.0	.0	.0	.0	.0
47. Virginia	VA	Yes	.0	.0	(1,852)	.0	.0
48. Washington	WA	Yes	.0	.0	.0	.0	.0
49. West Virginia	WV	Yes	.0	.0	(341)	.0	.0
50. Wisconsin	WI	No	.0	.0	.0	.0	.0
51. Wyoming	WY	Yes	.0	.0	.0	.0	.0
52. American Samoa	AS	No	.0	.0	.0	.0	.0
53. Guam	GU	No	.0	.0	.0	.0	.0
54. Puerto Rico	PR	No	.0	.0	.0	.0	.0
55. US Virgin Islands	VI	No	.0	.0	.0	.0	.0
56. Canada	CN	No	.0	.0	.0	.0	.0
57. Aggregate Other Alien	OT	XXX	.0	.0	.0	.0	.0
58. Subtotal	(a)	38	(435)	.0	(174,548)	.0	.0
90. Reporting entity contributions for employee benefit plans	XXX						
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX						
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX						
93. Premium or annuity considerations waived under disability or other contract provisions	XXX						
94. Aggregate of other amounts not allocable by State	XXX		.0	.0	.0	.0	.0
95. Totals (Direct Business)	XXX		(435)	.0	(174,548)	.0	.0
96. Plus Reinsurance Assumed	XXX						
97. Totals (All Business)	XXX		(435)	.0	(174,548)	.0	.0
98. Less Reinsurance Ceded	XXX		(1,844)		(136,471)		
99. Totals (All Business) less Reinsurance Ceded	XXX		1,409	0	(38,077)	0	0
DETAILS OF WRITE-INS							
5701.	XXX						
5702.	XXX						
5703.	XXX						
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX		.0	.0	.0	.0	.0
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX		0	0	0	0	0
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX		.0	.0	.0	.0	.0
9499. Totals (Lines 9401 thru 9403 plus 9498)(Line 94 above)	XXX		0	0	0	0	0

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

(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, Line 1, indicate which: Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10.

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

PART 1 - ORGANIZATIONAL CHART

