



LIFE AND ACCIDENT AND HEALTH COMPANIES—ASSOCIATION EDITION

# ANNUAL STATEMENT

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

## NATIONWIDE LIFE INSURANCE COMPANY

NAIC Group Code 0140 0140 NAIC Company Code 66869 Employer's ID Number 31-4156830  
(Current Period) (Prior Period)

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

Country of Domicile United States of America

Incorporated 03/21/1929 Commenced Business 01/10/1931

Statutory Home Office One Nationwide Plaza, Columbus, OH 43215-2220  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office One Nationwide Plaza  
Columbus, OH 43215-2220 800-882-2822  
(City or Town, State and Zip Code) (Street and Number) (Area Code) (Telephone Number)

Mail Address One Nationwide Plaza, Columbus, OH 43215-2220  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records One Nationwide Plaza  
Columbus, OH 43215-2220 800-882-2822-97952  
(City or Town, State and Zip Code) (Street and Number) (Area Code) (Telephone Number)

Internet Website Address www.nationwide.com

Statement Contact John A. Reese 800-882-2822-97952  
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Policyowner Relations Contact P. O. Box 182835  
Columbus, OH 43218-2835 800-547-7548  
(City or Town, State and Zip Code) (Street and Number) (Area Code) (Telephone Number) (Extension)

### OFFICERS

President Joseph John Gasper Secretary Patricia Ruth Hatler  
Treasurer Brian Waggoner Nocco Actuary Philip Clarence Gath

### VICE PRESIDENTS

<u>John Roscoe Cook, Jr.</u>	<u>David Andrew Diamond</u>	<u>Philip Clarence Gath</u>
<u>Patricia Ruth Hatler</u>	<u>Richard Dale Headley</u>	<u>Michael Stevens Helfer</u>
<u>David Karl Hollingsworth</u>	<u>David Ralph Jahn</u>	<u>Donna Anita James</u>
<u>Richard Andrew Karas</u>	<u>Michael Craig Keller</u>	<u>Gregory Samuel Lashutka</u>
<u>Edwin Pugh McCausland, Jr.</u>	<u>Gary Denison McMahan #</u>	<u>Robert Harold McNaghten</u>
<u>Michael Dean Miller</u>	<u>Brian Waggoner Nocco</u>	<u>Robert Alan Oakley</u>
<u>Mark David Phelan</u>	<u>Kathleen Dunbar Ricord #</u>	<u>Douglas Craig Robinette</u>
<u>Robert Allen Rosholt #</u>	<u>John Stephen Skubik</u>	<u>Mark Raymond Thresher</u>
<u>Richard Michael Waggoner</u>	<u>Susan Ackerman Wolken</u>	

### DIRECTORS OR TRUSTEES

<u>Joseph Anthony Alutto #</u>	<u>James Gilbert Brocksmith, Jr. #</u>	<u>Joseph John Gasper</u>
<u>Henry Scarborough Holloway #</u>	<u>William Gerald Jurgensen</u>	<u>Lydia Micheaux Marshall #</u>
<u>Donald Lee McWhorter #</u>	<u>David Owen Miller #</u>	<u>James Ferry Patterson #</u>
<u>Gerald Dennis Prothro #</u>	<u>Arden Lee Shisler #</u>	<u>Alex Shumate #</u>

State of Ohio }  
County of Franklin } ss

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

Joseph John Gasper Glenn Warren Soden, Assistant Secretary David Allen Jacoby, Controller  
President Secretary Treasurer

Subscribed and sworn to before me this  
14th day of February, 2003

a. Is this an original filing? Yes [ X ] No [ ]  
b. If no,  
1. State the amendment number 0  
2. Date filed \_\_\_\_\_  
3. Number of pages attached 0

Jason S. Ohler  
Notary Public - State of Ohio  
Commission Expires: January 14, 2007



**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE NATIONWIDE 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 .....	18,453,132,162		18,453,132,162	15,466,961,821
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1).....	5,500,000		5,500,000	5,500,000
2.2 Common stocks (Schedule D, Part 2, Section 2).....	257,655,991		257,655,991	183,149,970
3. Mortgage loans on real estate: (Schedule B, Part 1)				
3.1 First liens .....	6,931,727,179		6,931,727,179	6,424,908,266
3.2 Other than first liens .....			0	1,000,000
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....0 encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....	86,566,565		86,566,565	109,499,668
4.3 Properties held for sale (less \$ .....0 encumbrances) .....	28,045,757		28,045,757	27,113,556
5. Policy loans .....	628,643,245		628,643,245	590,563,007
6. Premium notes, including \$ .....0 for first year premiums .....			0	0
7. Cash (\$ ..... (16,530,120) , Schedule E, Part 1) and short-term investments (\$ .....240,646,921 , Schedule DA, Part 2) .....	224,116,801		224,116,801	143,013,005
8. Other invested assets (Schedule BA, Part 1) .....	134,471,981		134,471,981	158,046,305
9. Receivable for securities .....	15,374,627		15,374,627	16,094,596
10. Aggregate write-ins for invested assets .....	300,304,775	0	300,304,775	(95,247,340)
11. Subtotals, cash and invested assets (Lines 1 to 10) .....	27,065,539,083	0	27,065,539,083	23,030,602,855
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers (Schedule S, Part 2) .....	3,005,533		3,005,533	8,456,823
12.2 Commissions and expense allowances due .....	40,000		40,000	(6,505)
12.3 Experience rating and other refunds due .....			0	0
12.4 Other amounts receivable under reinsurance contracts .....			0	0
13. Electronic data processing equipment and software.....			0	0
14. Federal and foreign income tax recoverable and interest thereon (including \$ .....372,924,379 net deferred tax asset) .....	372,924,379	272,045,739	100,878,640	98,177,026
15. Guaranty funds receivable or on deposit .....	252,471		252,471	553,567
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$ .....(1,078,177) loading) .....	66,191,858		66,191,858	62,509,148
17. Accident and health premiums due and unpaid .....	4,879,334	123,087	4,756,247	2,266,574
18. Investment income due and accrued .....	288,711,835	0	288,711,835	252,288,849
19. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
20. Receivable from parent, subsidiaries and affiliates .....	84,998,124		84,998,124	8,513,954
21. Amounts receivable relating to uninsured accident and health plans .....	392,908		392,908	60,000
22. Amounts due from agents .....			0	0
23. Other assets nonadmitted (Exhibit 9) .....	28,396,945	28,396,945	0	0
24. Aggregate write-ins for other than invested assets .....	135,434,155	49,600,804	85,833,351	52,396,345
25. Total assets excluding Separate Accounts business (Lines 11 to 24) .....	28,050,766,625	350,166,575	27,700,600,050	23,515,818,636
26. From Separate Accounts Statement .....	46,005,354,740		46,005,354,740	57,240,229,728
27. Total (Lines 25 and 26)	74,056,121,365	350,166,575	73,705,954,790	80,756,048,364
<b>DETAILS OF WRITE-INS</b>				
1001. DERIVATIVES.....	300,304,775		300,304,775	(95,247,340)
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)	300,304,775	0	300,304,775	(95,247,340)
2401. ACCOUNTS RECEIVABLE AND OTHER ASSETS.....	85,833,351		85,833,351	52,395,478
2402. DEFERRED SOFTWARE AND OTHER COSTS.....	49,600,804	49,600,804	0	0
2403. COINSURANCE DUE FROM AFFILIATE.....			0	867
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)	135,434,155	49,600,804	85,833,351	52,396,345

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE NATIONWIDE LIFE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ .....20,222,435,032 (Exh. 5, Line 9999999) less \$ .....0 included in Line 6.3 (including \$ .....65,854,194 Modco Reserve) .....	20,222,435,032	18,060,748,822
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1)(including \$ .....87,463,187 Modco Reserve) .....	92,392,521	99,130,192
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ ..... Modco Reserve) .....	5,652,186,952	3,591,118,500
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) .....	23,400,530	19,501,854
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11) .....	95,642,135	72,052,120
5. Policyholders' dividends \$ .....0 and coupons \$ .....0 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 .....12/31/2003 (including \$ ..... Modco).....	44,489,132	43,779,442
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 \$ .....0 discount; including \$ .....363,609 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14) .....	6,109,730	3,407,575
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....	0	0
9.2 Provision for experience rating refunds, including \$ .....0 accident and health experience rating refunds .....	1,624,182	0
9.3 Other amounts payable on reinsurance including \$ .....0 assumed and \$ .....0 ceded .....	0	0
9.4 Interest maintenance reserve (Page 33, Line 6) .....	29,605,687	20,323,909
10. Commissions to agents due or accrued-life contracts and annuity contracts \$ .....2,831,697 accident and health \$ .....2,074,632 and deposit-type contract funds \$ .....8,161,383 .....	13,067,712	6,369,896
11. Commissions and expense allowances payable on reinsurance assumed .....	19,878,213	22,286,004
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 5) .....	50,482,502	36,287,123
13. Transfers to Separate Accounts due or accrued (net) (Including \$ .....(628,184,996) accrued for expense allowances recognized in reserves) .....	(1,177,320,558)	(1,294,579,884)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5) .....	24,459,667	18,454,955
15. Federal and foreign income taxes including \$ .....86,954,615 on realized capital gains (losses) (including \$ ..... net deferred tax liability) .....	170,243,394	173,690,793
16. Unearned investment income .....	9,217,208	8,995,237
17. Amounts withheld or retained by company as agent or trustee .....	1,054,588	(7,310,305)
18. Amounts held for agents' account, including \$ .....0 agents' credit balances .....	0	0
19. Remittances and items not allocated .....	116,842,045	88,459,804
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 \$ .....0 and interest thereon \$ .....0 .....	0	99,977,701
23. Dividends to stockholders declared and unpaid .....	0	0
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (Page 34, Line 16, Col. 7) .....	213,112,680	211,449,510
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 .....	51,776,545	52,002,534
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 .....	415,306,507	19,250,226
24.9 Capital notes \$ .....0 and interest thereon \$ .....0 .....	0	0
25. Aggregate write-ins for liabilities .....	50,032,250	447,832,657
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25) .....	26,126,038,654	21,793,228,665
27. From Separate Accounts Statement .....	45,972,836,484	57,203,001,734
28. Total Liabilities (Lines 26 and 27) .....	72,098,875,138	78,996,230,399
29. Common capital stock .....	3,814,779	3,814,779
30. Preferred capital stock .....	0	0
31. Aggregate write-ins for other than special surplus funds .....	0	0
32. Surplus notes .....	600,000,000	300,000,000
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1) .....	139,185,353	614,185,353
34. Aggregate write-ins for special surplus funds .....	0	0
35. Unassigned funds (surplus) .....	864,079,520	841,817,833
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 29 \$ .....0 ) .....	0	0
36.2 .....0 shares preferred (value included in Line 30 \$ .....0 ) .....	0	0
37. Surplus (total Lines 31+32+33+34+35-36) ( Including \$ .....32,518,256 in Separate Accounts Statement) .....	1,603,264,873	1,756,003,186
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55) .....	1,607,079,652	1,759,817,965
39. Totals of Lines 28 and 38 (Page 2, Line 27, Col. 3) .....	73,705,954,790	80,756,048,364
<b>DETAILS OF WRITE-INS</b>		
2501. RESERVE FOR LITIGATION .....	23,921,721	20,794,972
2502. RESERVE FOR RATE STABILIZATIONS .....	22,175,396	22,192,925
2503. RESERVE FOR ESCHEAT FUNDS .....	4,675,357	3,723,854
2598. Summary of remaining write-ins for Line 25 from overflow page .....	(740,224)	401,120,906
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	50,032,250	447,832,657
3101. ....		
3102. ....		
3103. ....		
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	0
3401. ....		
3402. ....		
3403. ....		
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)	12,594,365,776	13,859,625,744
2. Considerations for supplementary contracts with life contingencies	0	0
3. Net investment income (Exhibit of Net Investment Income, Line 17)	1,552,898,774	1,567,492,445
4. Amortization of interest maintenance reserve (IMR) (Page 33, Line 5)	1,659,182	382,024
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)	108,366,637	77,864,821
7. Reserve adjustments on reinsurance ceded	(14,819,692)	(15,997,963)
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	586,990,971	656,849,106
8.2 Charges and fees for deposit-type contracts	0	0
8.3 Aggregate write-ins for miscellaneous income	307,890,431	153,555,402
9. Total (Lines 1 to 8.3)	15,137,352,079	16,299,771,579
10. Death benefits	144,396,492	126,613,936
11. Matured endowments (excluding guaranteed annual pure endowments)	695,873	842,230
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	11,242,604,779	11,222,320,154
13. Disability benefits and benefits under accident and health contracts	2,010,312	2,137,967
14. Coupons, guaranteed annual pure endowments and similar benefits	0	0
15. Surrender benefits and withdrawals for life contracts	271,127,037	207,028,599
16. Group conversions	0	0
17. Interest and adjustments on contracts or deposit-type contract funds	140,034,823	150,414,346
18. Payments on supplementary contracts with life contingencies	48,543	315,355
19. Increase in aggregate reserves for life and accident and health contracts	2,127,509,152	126,058,123
20. Totals (Lines 10 to 19)	13,928,427,011	11,835,730,710
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)	557,518,699	617,582,612
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	100,333,839	76,694,835
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1 + 2 + 3)	495,929,282	435,142,612
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	54,701,339	57,240,662
25. Increase in loading on deferred and uncollected premiums	(2,060,168)	(1,423,918)
26. Net transfers to or (from) Separate Accounts	(1,474,813,248)	1,743,413,750
27. Aggregate write-ins for deductions	1,181,561,768	1,335,828,795
28. Totals (Lines 20 to 27)	14,841,598,522	16,100,210,058
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	295,753,557	199,561,521
30. Dividends to policyholders	43,580,110	42,708,860
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	252,173,447	156,852,661
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	20,655,467	20,158,780
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)	231,517,980	136,693,881
34. Net realized capital gains or (losses) less capital gains tax of \$ 37,934,553 (excluding taxes of \$ (10,940,960) ) transferred to the IMR	(139,024,912)	(53,639,963)
35. Net income (Line 33 plus Line 34)	92,493,068	83,053,918
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, previous year (Page 3, Line 38, Col. 2)	1,759,817,965	1,275,077,516
37. Net income (Line 35)	92,493,068	83,053,918
38. Change in net unrealized capital gains (losses)	(12,133,755)	(33,658)
39. Change in net unrealized foreign exchange capital gain (loss)	0	0
40. Change in net deferred income tax	2,701,614	30,587,552
41. Change in nonadmitted assets and related items (Exhibit 9, Line 6, Col. 3)	(7,288,165)	1,268,042
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	80,806,791
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)	(1,663,169)	(17,818,377)
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	1,080,891	2,083,774
47. Other changes in surplus in Separate Accounts Statement	(4,709,738)	(566,518)
48. Change in surplus notes	300,000,000	300,000,000
49. Cumulative effect of changes in accounting principles	0	46,340,083
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	(475,000,000)	0
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	(35,000,000)	(35,000,000)
53. Aggregate write-ins for gains and losses in surplus	(13,219,059)	(5,981,158)
54. Net change in capital and surplus for the year (Lines 37 through 53)	(152,738,313)	484,740,449
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	1,607,079,652	1,759,817,965
<b>DETAILS OF WRITE-INS</b>		
08.301. MISCELLANEOUS INCOME	307,890,431	153,555,402
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)	307,890,431	153,555,402
2701. RESERVE ADJUSTMENT ON REINSURANCE ASSUMED	1,180,110,042	1,326,711,734
2702. INCREASE IN PROVISION FOR EXPERIENCE RATE REFUNDS	1,624,182	0
2703. LOSS RECOGNITION RESERVE	(342,930)	(894,359)
2798. Summary of remaining write-ins for Line 27 from overflow page	170,474	10,011,420
2799. TOTALS (Lines 2701 thru 2703 plus 2798) (Line 27 above)	1,181,561,768	1,335,828,795
5301. DIVIDENDS TO STOCKHOLDER - NON CASH	(9,973,739)	0
5302. ADJUSTMENT TO INITIAL COMMISSION AND EXPENSE ALLOWANCE	(2,944,224)	(6,021,826)
5303. INCREASE IN GUARANTY FUNDS	(301,096)	40,668
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)	(13,219,059)	(5,981,158)

CASH FLOW

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums and annuity considerations for life and accident and health contracts	12,594,456,068	13,861,742,449
2. Charges and fees for deposit-type contracts	0	0
3. Considerations for supplementary contracts with life contingencies	0	0
4. Net investment income	1,538,006,379	1,516,389,637
5. Commissions and expense allowances on reinsurance ceded	93,500,440	61,866,451
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts	586,990,971	656,849,106
7. Aggregate write-ins for miscellaneous income	339,544,364	211,029,531
8. Total (Lines 1 to 7)	15,152,498,222	16,307,877,173
9. Death benefits	146,002,267	124,136,427
10. Matured endowments	695,873	842,230
11. Annuity benefits	11,242,544,327	11,222,807,367
12. Disability benefits and benefits under accident and health contracts	962,025	5,082,822
13. Coupons, guaranteed annual pure endowments and similar benefits	0	0
14. Surrender benefits and withdrawals for life contracts	271,122,637	206,484,417
15. Group conversions	0	0
16. Interest and adjustments on contracts or deposit-type contract funds	(1,013,203,865)	150,414,346
17. Payments on supplementary contracts with life contingencies	48,543	315,355
18. Total (Lines 9 to 17)	10,648,171,807	11,710,082,964
19. Commissions on premiums, annuity considerations and deposit-type contract funds	578,971,729	687,899,547
20. Commissions and expense allowances on reinsurance assumed	102,741,630	65,225,354
21. General insurance expenses	479,403,848	435,142,611
22. Insurance taxes, licenses and fees, excluding federal income taxes	49,034,528	57,240,662
23. Net transfers to or (from) Separate Accounts	(1,588,569,487)	1,805,507,166
24. Aggregate write-ins for deductions	1,180,110,042	1,326,711,734
25. Total (Lines 18 to 24)	11,449,864,097	16,087,810,039
26. Dividends paid to policyholders	42,870,419	41,190,786
27. Federal income taxes (excluding tax on capital gains)	62,037,418	(33,889,803)
28. Total (Lines 25 to 27)	11,554,771,934	16,095,111,022
29. Net cash from operations (Line 8 minus Line 28)	3,597,726,288	212,766,152
<b>Cash from Investments</b>		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds	4,908,219,134	3,999,908,790
30.2 Stocks	14,564,945	28,295,761
30.3 Mortgage loans	1,000,669,257	1,138,760,049
30.4 Real estate	55,892,821	34,175,155
30.5 Other invested assets	96,593,903	180,314,948
30.6 Net gains (losses) on cash and short-term investments	(30,967,717)	(9,327,447)
30.7 Miscellaneous proceeds	0	88,667,629
30.8 Total investment proceeds (Lines 30.1 to 30.7)	6,044,972,344	5,460,794,884
31. Net tax on capital gains (losses)	0	0
32. Total (Line 30.8 minus Line 31)	6,044,972,344	5,460,794,884
33. Cost of investments acquired (long-term only):		
33.1 Bonds	7,950,179,771	5,418,076,923
33.2 Stocks	100,480,500	99,986,859
33.3 Mortgage loans	1,504,567,291	1,762,129,844
33.4 Real estate	27,436,795	10,256,022
33.5 Other invested assets	55,844,561	53,863,774
33.6 Miscellaneous applications	395,552,115	0
33.7 Total investments acquired (Lines 33.1 to 33.6)	10,034,061,032	7,344,313,422
34. Net increase (or decrease) in policy loans and premium notes	38,080,238	29,467,630
35. Net cash from investments (Line 32 minus Line 33.7 minus Line 34)	(4,027,168,926)	(1,912,986,168)
<b>Cash from Financing and Miscellaneous Sources</b>		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in	(175,000,000)	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	1,403,736,475	1,637,042,255
36.5 Other cash provided	0	176,454,283
36.6 Total (Lines 36.1 to 36.5)	1,228,736,475	1,813,496,538
37. Cash applied:		
37.1 Dividends to stockholders paid	35,000,000	35,000,000
37.2 Interest on indebtedness	0	0
37.3 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies	270,427,424	250,524,642
37.4 Other applications (net)	412,762,617	0
37.5 Total (Lines 37.1 to 37.4)	718,190,041	285,524,642
38. Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5)	510,546,434	1,527,971,896
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
39. Net change in cash and short-term investments (Line 29, plus Line 35, plus Line 38)	81,103,796	(172,248,120)
40. Cash and short-term investments:		
40.1 Beginning of year	143,013,005	315,261,126
40.2 End of year (Line 39 plus Line 40.1)	224,116,801	143,013,005
<b>DETAILS OF WRITE-INS</b>		
0701. MISCELLANEOUS INCOME	339,544,364	211,029,531
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)	339,544,364	211,029,531
2401. RESERVE ADJUSTMENT ON REINSURANCE ASSUMED	1,180,110,042	1,326,711,734
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)	1,180,110,042	1,326,711,734

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE NATIONWIDE LIFE INSURANCE COMPANY**

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

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts	12,594,365,775	0	1,260,456,587	4,307,599,541		0	156,892,195	6,870,004,075	(553,762)	0	(32,861)	
2. Considerations for supplementary contracts with life contingencies	0											
3. Net investment income	1,552,898,774		266,168,808	394,119,107	221,001		14,393,382	711,104,087	5,410,700		9,751,513	151,730,176
4. Amortization of Interest Maintenance Reserve (IMR)	1,659,182		704,838	(74,201)	(119)		42,296	3,871,165				(2,884,797)
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0											
6. Commissions and expense allowances on reinsurance ceded	108,366,638	0	387,284	5,828,294		0	0	1,945,385	85,357,439	0	14,848,236	0
7. Reserve adjustments on reinsurance ceded	(14,819,692)		(1,469,500)	(1,436,000)					1,810,171		(13,724,363)	
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	586,990,971		15,587,537	269,450,190			1,011,215	300,942,029				
8.2 Charges and fees for deposit-type contracts	0											
8.3 Aggregate write-ins for miscellaneous income	307,890,431	0	40,043,015	36,719,788	0	0	32,597,600	190,328,403	0	0	0	8,201,625
9. Totals (Lines 1 to 8.3)	15,137,352,079	0	1,581,878,569	5,012,206,719	220,882	0	204,936,688	8,078,195,144	92,024,548	0	10,842,525	157,047,004
10. Death benefits	144,396,492		130,665,134				13,731,358					
11. Matured endowments (excluding guaranteed annual pure endowments)	695,873	0	695,873				0					
12. Annuity benefits	11,242,604,779			3,925,928,449	64,852			7,316,611,478				
13. Disability benefits and benefits under accident and health contracts	2,010,312		2,004,049				6,810		(1)	0	(546)	
14. Coupons, guaranteed annual pure endowments and similar benefits	0											
15. Surrender benefits and withdrawals for life contracts	271,127,037		252,732,634	4,400			18,390,003					
16. Group conversions	0		(17,563)				17,563					
17. Interest and adjustments on contract or deposit-type contract funds	140,034,824		38,741,401	120,455,948	350,137		697,826	(20,210,488)				
18. Payments on supplementary contracts with life contingencies	48,543				48,543							
19. Increase in aggregate reserves for life and accident and health contracts	2,127,509,153		192,942,537	626,714,817	(213,794)		11,237,900	1,293,577,219	6,684,639		(3,434,165)	
20. Totals (Lines 10 to 19)	13,928,427,013	0	617,764,065	4,673,103,614	249,738	0	44,081,460	8,589,978,209	6,684,638	0	(3,434,711)	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	557,518,700	0	138,450,170	136,181,904		0	6,673,702	250,568,535	22,033,310	0	3,611,079	0
22. Commissions and expense allowances on reinsurance assumed	100,333,840	0	206,725	98,548,807		0	7	1,122,529	261,666	0	194,106	0
23. General insurance expenses	495,929,282		134,072,346	171,944,516			4,865,492	112,238,956	56,311,011	0	9,691,152	6,805,809
24. Insurance taxes, licenses and fees, excluding federal income taxes (FIT)	54,701,340		29,448,313	11,028,793			3,119,088	5,158,432	6,751,453	0	1,398,453	(2,203,192)
25. Increase in loading on deferred and uncollected premiums	(2,060,170)		(2,063,164)				2,994					
26. Net transfers to or (from) Separate Accounts	(1,474,813,249)		554,743,059	(1,285,298,213)			143,884,724	(888,142,819)				
27. Aggregate write-ins for deductions	1,181,561,768	0	188,003	1,159,513,311	0	0	1,624,182	20,596,731	(17,529)	0	(342,930)	0
28. Totals (Lines 20 to 27)	14,841,598,524	0	1,472,809,517	4,965,022,732	249,738	0	204,251,649	8,091,520,573	92,024,549	0	11,117,149	4,602,617
29. Net gain from operations before dividends to policyholders and FIT (Line 9 - Line 28)	295,753,555	0	109,069,052	47,183,987	(28,856)	0	685,039	(13,325,429)	(1)	0	(274,624)	152,444,387
30. Dividends to policyholders	43,580,110		43,662,110	(82,000)					0	0	0	
31. Net gain from operations after dividends to policyholders and before FIT (Line 29 - Line 30)	252,173,445	0	65,406,942	47,265,987	(28,856)	0	685,039	(13,325,429)	(1)	0	(274,624)	152,444,387
32. Federal income taxes incurred (excluding tax on capital gains)	20,655,467		34,767,838	(17,669,583)			683,839	(21,021,942)			(14,302)	23,909,617
33. Net gain from operations after dividends to policyholders and FIT and before realized capital gains or (losses) (Line 31 - Line 32)	231,517,978	0	30,639,104	64,935,570	(28,856)	0	1,200	7,696,513	(1)	0	(260,322)	128,534,770
<b>DETAILS OF WRITE-INS</b>												
08.301. MISCELLANEOUS INCOME	307,890,431		40,043,015	36,719,788			32,597,600	190,328,403				8,201,625
08.302.												
08.303.												
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)	307,890,431	0	40,043,015	36,719,788	0	0	32,597,600	190,328,403	0	0	0	8,201,625
2701. REVERSE ADJUSTMENT ON REINSURANCE ASSUMED	1,180,110,042			1,159,513,311				20,596,731				
2702. INCREASE IN PROVISION FOR EXPERIENCE RATING REFUNDS	1,624,182						1,624,182					
2703. INCREASE IN RESERVES FOR RATE STABILIZATION	(17,529)								(17,529)			
2798. Summary of remaining write-ins for Line 27 from overflow page	(154,927)	0	188,003	0	0	0	0	0	0	0	(342,930)	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	1,181,561,768	0	188,003	1,159,513,311	0	0	1,624,182	20,596,731	(17,529)	0	(342,930)	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 NATIONWIDE 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
<b>Involving Life or Disability Contingencies (Reserves)</b> (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year .....	18,060,748,822	0	3,520,034,332	2,728,056,634	1,629,679	0	165,305,878	11,645,722,299
2. Tabular net premiums or considerations .....	5,054,278,228		292,948,084	2,503,432,111			7,970,076	2,249,927,957
3. Present value of disability claims incurred .....	2,425,848		2,165,269		XXX		260,579	
4. Tabular interest .....	844,606,502		149,183,725	48,710,068	90,293		9,716,946	636,905,470
5. Tabular less actual reserve released .....	838,903		622,359	(1,523,157)	(250,919)		(872,842)	2,863,462
6. Increase in reserve on account of change in valuation basis .....	0							
7. Other increases (net) .....	(1,162,855,150)		4,373,290	(1,168,481,547)			2,773,791	(1,520,684)
8. Totals (Lines 1 to 7) .....	22,800,043,153	0	3,969,327,059	4,110,194,109	1,469,053	0	185,154,428	14,533,898,504
9. Tabular cost .....	200,240,816		192,361,007		XXX		7,879,809	
10. Reserves released by death .....	23,334,189		22,972,103	XXX	XXX		362,086	XXX
11. Reserves released by other terminations (net) .....	1,724,987,557		75,017,500	681,774,845			67,303	968,127,909
12. Annuity, supplementary contract and disability payments involving life contingencies .....	657,725,610		2,036,464	13,363,136	53,167		698,315	641,574,528
13. Net transfers to or (from) Separate Accounts .....	(28,680,051)		(73,183,410)	59,587,342			(650,390)	(14,433,593)
14. Total Deductions (Lines 9 to 13) .....	2,577,608,121	0	219,203,664	754,725,323	53,167	0	8,357,123	1,595,268,844
15. Reserve December 31, current year	20,222,435,032	0	3,750,123,395	3,355,468,786	1,415,886	0	176,797,305	12,938,629,660

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EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 12,892,201	22,101,638
1.1 Bonds exempt from U.S. tax	(a) 432,124	656,057
1.2 Other bonds (unaffiliated)	(a) 1,084,951,989	1,105,809,658
1.3 Bonds of affiliates	(a) 81,368	83,141
2.1 Preferred stocks (unaffiliated)	(b) 554,080	554,080
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		1,115,569
2.21 Common stocks of affiliates		1,115,569
3. Mortgage loans	(c) 504,668,107	505,407,151
4. Real estate	(d) 26,567,627	26,567,627
5. Contract loans	(d) 28,021,218	29,613,183
6. Cash/short-term investments	(e) 11,591,074	11,684,054
7. Derivative instruments	(f) (84,599,910)	(81,115,695)
8. Other invested assets		1,541,404
9. Aggregate write-ins for investment income		5,186,546
10. Total gross investment income	1,593,003,397	1,629,204,413
11. Investment expenses		(g) 39,449,527
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 4,054,730
13. Interest expense		(h) 30,937,931
14. Depreciation on real estate and other invested assets		(i) 1,863,451
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		76,305,639
17. Net Investment Income - (Line 10 minus Line 16)		1,552,898,774
<b>DETAILS OF WRITE-INS</b>		
0901. MISCELLANEOUS INCOME	5,200,365	5,200,365
0902. MORTGAGE LOAN ESCROW-INT BEARING	(13,819)	(13,819)
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)	5,186,546	5,186,546
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 \$ 52,823,656 accrual of discount less \$ 41,299,211 amortization of premium and less \$ 59,437,835 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 \$ 137,952 accrual of discount less \$ 234,882 amortization of premium and less \$ 61,667 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 \$ 1,863,451 depreciation on real estate and \$ 0 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	4,167,391				4,167,391
1.1 Bonds exempt from U.S. tax					0
1.2 Other bonds (unaffiliated)	20,638,130	(97,596,460)	885,266	0	(76,073,064)
1.3 Bonds of affiliates					0
2.1 Preferred stocks (unaffiliated)					0
2.11 Preferred stocks of affiliates					0
2.2 Common stocks (unaffiliated)	(876,946)		(7,891,285)	0	(8,768,231)
2.21 Common stocks of affiliates	3,977,478		(6,618,780)	0	(2,641,302)
3. Mortgage loans	(5,775,677)	(576,923)		0	(6,352,600)
4. Real estate	8,318,575				8,318,575
5. Contract loans					0
6. Cash/Short-term investments	(29,094)				(29,094)
7. Derivative instruments	354,315,598		(5,487,673)	0	348,827,925
8. Other invested assets	18,273,187	(9,386,129)	6,978,718	0	15,865,776
9. Aggregate write-ins for capital gains (losses)	(385,598,527)	0	0	0	(385,598,527)
10. Total capital gains (losses)	17,410,115	(107,559,512)	(12,133,754)	0	(102,283,151)
<b>DETAILS OF WRITE-INS</b>					
0901. HOME PURCHASES	(537,480)				(537,480)
0902. FOREIGN EXCHANGE REALIZED LOSS	(385,283,315)			0	(385,283,315)
0903. SEED LIQUIDATION	222,268				222,268
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	(385,598,527)	0	0	0	(385,598,527)

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE NATIONWIDE LIFE INSURANCE COMPANY**

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

	1		2		3 Ordinary		4	5	6 Group		7 Accident and Health		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					
<b>FIRST YEAR (other than single)</b>																
1. Uncollected	107,783		107,783													
2. Deferred and accrued	6,168,231		6,168,231													
3. Deferred, accrued and uncollected:																
3.1 Direct	6,290,296		6,290,296													
3.2 Reinsurance assumed	0		0													
3.3 Reinsurance ceded	14,282		14,282													
3.4 Net (Line 1 + Line 2)	6,276,014	0	6,276,014	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
5. Line 3.4 - Line 4	6,276,014	0	6,276,014	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Collected during year:																
6.1 Direct	494,191,863		385,597,044					108,594,819								
6.2 Reinsurance assumed	0		0					0								
6.3 Reinsurance ceded	5,525,720		5,021,515					504,205								
6.4 Net	488,666,143	0	380,575,529	0	0	0	0	108,090,614	0	0	0	0	0	0	0	0
7. Line 5 + Line 6.4	494,942,157	0	386,851,543	0	0	0	0	108,090,614	0	0	0	0	0	0	0	0
8. Prior year (uncollected + deferred and accrued - advance)	5,470,107	0	5,470,107	0	0	0	0	0	0	0	0	0	0	0	0	0
9. First year premiums and considerations:																
9.1 Direct	494,867,235	0	386,272,416	0	0	0	0	108,594,819	0	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
9.3 Reinsurance ceded	5,395,185	0	4,890,980	0	0	0	0	504,205	0	0	0	0	0	0	0	0
9.4 Net (Line 7 - Line 8)	489,472,050	0	381,381,436	0	0	0	0	108,090,614	0	0	0	0	0	0	0	0
<b>SINGLE</b>																
10. Single premiums and considerations:																
10.1 Direct	119,184,471	0	29,448,639	89,043,311	0	0	0	535,761	156,760	0	0	0	0	0	0	0
10.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10.4 Net	119,184,471	0	29,448,639	89,043,311	0	0	0	535,761	156,760	0	0	0	0	0	0	0
<b>RENEWAL</b>																
11. Uncollected	6,581,837		524,914					1,177,589								
12. Deferred and accrued	57,135,165		57,135,165													
13. Deferred, accrued and uncollected:																
13.1 Direct	67,011,258		61,099,166					917,346								
13.2 Reinsurance assumed	23,572		8,916					14,607								
13.3 Reinsurance ceded	3,317,829		3,448,004					(245,636)								
13.4 Net (Line 11 + Line 12)	63,717,002	0	57,660,079	0	0	0	0	1,177,589	0	0	0	0	0	0	0	0
14. Advance	6,109,730	0	5,498,550	0	0	0	0	247,571	0	0	0	0	0	0	0	0
15. Line 13.4 - Line 14	57,607,272	0	52,161,529	0	0	0	0	930,018	0	0	0	0	0	0	0	0
16. Collected during year:																
16.1 Direct	10,868,987,221		898,832,193	2,733,686,691				48,886,946	6,887,865,597							
16.2 Reinsurance assumed	1,583,436,277		1,558,376,098	1,558,376,098				298,532	21,565,543							
16.3 Reinsurance ceded	465,818,044		45,147,138	73,506,559				1,103,861	39,583,826							
16.4 Net	11,986,605,454	0	853,685,055	4,218,556,230	0	0	0	48,081,617	6,869,847,314	0	0	0	0	0	0	0
17. Line 15 + Line 16.4	12,044,212,726	0	905,846,584	4,218,556,230	0	0	0	49,011,635	6,869,847,314	0	0	0	0	0	0	0
18. Prior year (uncollected + deferred and accrued - advance)	56,872,805	0	56,220,071	0	0	0	0	745,815	0	0	0	0	0	0	0	0
19. Renewal premiums and considerations:																
19.1 Direct	10,868,851,072	0	894,047,941	2,733,686,691	0	0	0	48,811,324	6,887,865,597	0	0	0	0	0	0	0
19.2 Reinsurance assumed	1,583,449,479	0	(1,044)	1,558,376,098	0	0	0	312,724	21,565,543	0	0	0	0	0	0	0
19.3 Reinsurance ceded	464,960,631	0	44,420,385	73,506,559	0	0	0	858,228	39,583,826	0	0	0	0	0	0	0
19.4 Net (Line 17 - Line 18)	11,987,339,920	0	849,626,512	4,218,556,230	0	0	0	48,265,820	6,869,847,314	0	0	0	0	0	0	0
<b>TOTAL</b>																
20. Total premiums and annuity considerations:																
20.1 Direct	11,482,902,778	0	1,309,768,996	2,822,730,002	0	0	0	157,941,904	6,888,022,357	0	0	0	0	0	0	0
20.2 Reinsurance assumed	1,583,449,479	0	(1,044)	1,558,376,098	0	0	0	312,724	21,565,543	0	0	0	0	0	0	0
20.3 Reinsurance ceded	470,355,816	0	49,311,365	73,506,559	0	0	0	1,362,433	39,583,826	0	0	0	0	0	0	0
20.4 Net (Line 9.4 + 10.4 + 19.4)	12,595,996,441	0	1,260,456,587	4,307,599,541	0	0	0	156,892,195	6,870,004,074	0	0	0	0	0	0	0

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ANNUAL STATEMENT FOR THE YEAR 2002 OF THE NATIONWIDE 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	
<b>DIVIDENDS AND COUPONS APPLIED (included in Part 1)</b>											
21. To pay renewal premiums (Exhibit 4, Line 1) .....	2,975,728		2,975,728								
22. All other (Exhibit 4, Lines 2, 3 & 4) .....	15,416,901		15,416,901								
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>											
23. First year (other than single):											
23.1 Reinsurance ceded .....	4,109,678		16,351	2,147,942			1,945,385				
23.2 Reinsurance assumed .....	2,929,360			2,929,360							
23.3 Net ceded less assumed .....	1,180,318	0	16,351	(781,418)	0	0	1,945,385	0	0	0	0
24. Single:											
24.1 Reinsurance ceded .....	250,264			250,264							
24.2 Reinsurance assumed .....	0										
24.3 Net ceded less assumed .....	250,264	0	0	250,264	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded .....	104,006,696		370,933	3,430,088			85,357,439			14,848,236	
25.2 Reinsurance assumed .....	97,404,473		206,725	95,619,447			1,122,529	261,666		194,106	
25.3 Net ceded less assumed .....	6,602,223	0	164,208	(92,189,359)	0	0	(1,122,529)	85,095,773	0	14,654,130	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6) .....	108,366,638	0	387,284	5,828,294	0	0	1,945,385	85,357,439	0	14,848,236	0
26.2 Reinsurance assumed (Page 6, Line 23) .....	100,333,833	0	206,725	98,548,807	0	0	1,122,529	261,666	0	194,106	0
26.3 Net ceded less assumed .....	8,032,805	0	180,559	(92,720,513)	0	0	822,856	85,095,773	0	14,654,130	0
<b>COMMISSIONS INCURRED (direct business only)</b>											
27. First year (other than single) .....	208,907,319		89,023,248	10,306,932			3,404,421	106,172,718			
28. Single .....	212,150		193,811				18,339				
29. Renewal .....	78,128,441		49,233,110				3,250,942	22,033,310		3,611,079	
30. Deposit-type contract funds .....	270,270,789			125,874,972			144,395,817				
31. Totals (to agree with Page 6, Line 21) .....	557,518,699	0	138,450,169	136,181,904	0	0	6,673,702	250,568,535	22,033,310	0	3,611,079

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**EXHIBIT 2 - GENERAL EXPENSES**

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Rent	20,203,146	2,546,021	9,313	1,101,403	23,859,883
2. Salaries and wages	221,497,373	33,577,420	3,526,819	17,055,403	275,657,015
3.11 Contributions for benefit plans for employees	15,408,950	2,288,779	75,364	3,345,702	21,118,795
3.12 Contributions for benefit plans for agents					0
3.21 Payments to employees under non-funded benefit plans	1,368,672	202,213			1,570,885
3.22 Payments to agents under non-funded benefit plans					0
3.31 Other employee welfare	6,902,835	850,560	(237,763)	86,323	7,601,955
3.32 Other agent welfare					0
4.1 Legal fees and expenses	4,885,536	338,467	1,742,067	351,684	7,317,754
4.2 Medical examination fees	4,971,746	286,497		0	5,258,243
4.3 Inspection report fees	419,339	14,819		201	434,359
4.4 Fees of public accountants and consulting actuaries	23,390,922	556,927	3,587,443	5,358,778	32,894,070
4.5 Expense of investigation and settlement of policy claims	29,762	1,139,417			1,169,179
5.1 Traveling expenses	23,279,693	733,607	141,855	989,490	25,144,645
5.2 Advertising	3,173,045	124,060	7,350	245	3,304,700
5.3 Postage, express, telegraph and telephone	23,320,461	2,528,903	14,155	250,285	26,113,804
5.4 Printing and stationery	27,704,774	1,978,161	461,279	129,127	30,273,341
5.5 Cost or depreciation of furniture and equipment	14,187,669	1,685,700	7,543	1,534,778	17,415,690
5.6 Rental of equipment	34,211,179	2,381,824	236,170	732,379	37,561,552
5.7 Cost or depreciation of EDP equipment and software	5,605,341	663,608	3,478	226,115	6,498,542
6.1 Books and periodicals	1,767,059	198,415	7,229	84,113	2,056,816
6.2 Bureau and association fees	1,449,470	240,577			1,690,047
6.3 Insurance, except on real estate	4,660,752	689,294			5,350,046
6.4 Miscellaneous losses	10,112,197	(156,718)	115	3,331	9,958,925
6.5 Collection and bank service charges	3,968,581	103,019		336,376	4,407,976
6.6 Sundry general expenses	13,786,125	3,956,418	(3,188,568)	(3,659,720)	10,894,255
6.7 Group service and administration fees	(43,230,384)	9,063,471	411,961	372,681	(33,382,271)
6.8 Reimbursements by uninsured accident and health plans					0
7.1 Agency expense allowance					0
7.2 Agents' balances charged off (less \$ recovered)	8,440	10,400		746	19,586
7.3 Agency conferences other than local meetings					0
9.1 Real estate expenses				10,987,437	10,987,437
9.2 Investment expenses not included elsewhere	38,628	305		162,647	201,580
9.3 Aggregate write-ins for expenses	0	0	0	0	0
10. General expenses incurred	423,121,311	66,002,164	6,805,810	39,449,524 (a)	535,378,809
11. General expenses unpaid December 31, prior year	185,420	15,227,659	13,574,044	7,300,000	36,287,123
12. General expenses unpaid December 31, current year	2,558,071	24,194,275	18,760,214	4,969,943	50,482,503
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
15. General expenses paid during year (Lines 10+11-12-13+14)	420,748,660	57,035,548	1,619,640	41,779,581	521,183,429
<b>DETAILS OF WRITE-INS</b>					
09.301.					
09.302.					
09.303.					
09.398. 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	0	0	0	0

(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				4,053,705	4,053,705
2. State insurance department licenses and fees	5,759,579	165,174			5,924,753
3. State taxes on premiums	26,492,597	5,533,013			32,025,610
4. Other state taxes, incl. \$ for employee benefits	1,116,658	166,704			1,283,362
5. U.S. Social Security taxes	15,685,212	2,294,297			17,979,509
6. All other taxes	(299,420)	(9,283)	(2,203,192)	1,025	(2,510,870)
7. Taxes, licenses and fees incurred	48,754,626	8,149,905	(2,203,192)	4,054,730	58,756,069
8. Taxes, licenses and fees unpaid December 31, prior year	10,080,596	0	6,870,391	1,503,968	18,454,955
9. Taxes, licenses and fees unpaid December 31, current year	10,146,400		12,471,398	1,841,869	24,459,667
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	48,688,822	8,149,905	(7,804,199)	3,716,829	52,751,357

**EXHIBIT 4 - DIVIDENDS OR REFUNDS**

	1 Life	2 Accident and Health
	1. Applied to pay renewal premiums	2,975,728
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions	15,416,901	
4. Applied to provide paid-up annuities		
5. Total Lines 1 thru 4	18,392,629	0
6. Paid in cash	4,095,890	
7. Left on deposit	20,385,296	
8. Aggregate write-ins for dividend or refund options	(3,396)	
9. Total Lines 5 thru 8	42,870,419	0
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year	44,489,132	
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13	0	
15. Total Lines 10 thru 14	44,489,132	0
16. Total from prior year	43,779,442	0
17. Total Dividends or refunds (Lines 9 + 15 - 16)	43,580,109	0
<b>DETAILS OF WRITE-INS</b>		
0801. MODCO REINSURANCE ADJUSTMENT	(3,396)	
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	(3,396)	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE NATIONWIDE LIFE INSURANCE COMPANY

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1		2	3	4	5	6
Valuation Standard		Total	Industrial	Ordinary	Credit (Group and Individual)	Group
<b>A. LIFE INSURANCE:</b>						
0100001.	American Experience 3 1/2% Net Level - 1931-1939	595,705		595,705		
0100002.	American Experience 3 1/2% III Std. - 1931-1939	1,183,383		1,183,383		
0100003.	American Experience 3% Net Level - 1939-1947	4,808,295		4,808,295		
0100004.	American Experience 3% III Std. - 1939-1947	9,564,298		9,564,298		
0100005.	1941 CSO 2 1/2% Net Level - 1948-1963	11,619,713		11,619,713		
0100006.	1941 CSO 2 1/2 CRVM - 1948-1963	157,080,633		157,080,633		
0100007.	1941 CSO 2 1/2% Net Level -	7,900				7,900
0100008.	1958 CSO 2 12% Net Level - 1964-1988	71,851,108		71,851,108		
0100009.	1958 CSO 2 1/2% Modified - 1964-1988	377,922,481		377,922,481		
0100010.	1958 CSO 2 1/2% CRVM - 1964-1988	3,524,462		3,524,462		
0100011.	1958 CSO 3% Net Level - 1964-1988	234,600				234,600
0100012.	1958 CSO 3% CRVM - 1964-1988	22,332,228		22,332,228		
0100013.	1958 CSO 3 1/2% Net Level - 1972-1988	2,482,820		2,482,820		
0100014.	1958 CSO 3 1/2% CRVM - 1976-1988	980,481		980,481		
0100015.	1958 CSO 4% CRVM - 1980-1988	306,988,553		306,988,553		
0100016.	1958 CSO 4% Net Level - 1982-1988	11,850,347		11,835,447		14,900
0100017.	1958 CSO 4% Modified - 1980-1988	238,008,718		238,008,718		
0100018.	1958 CSO 4 1/2 % Net Level	29,286,895		29,286,895		
0100019.	1958 CSO 2 1/2% Standard Reserve	666,046		666,046		
0100020.	1958 CET 2 1/2% Net Level - 1964-1988	4,536,522		4,536,522		
0100021.	1958 CET 3% Net Level - 1972-1988	198,378		198,378		
0100022.	1958 CET 3 1/2% Net Level - 1976-1988	5,487		5,487		
0100023.	1958 CET 4% Net Level - 1980-1988	1,016,665		1,016,665		
0100024.	Group Unearned Premium Basis 3%	238,472				238,472
0100025.	1980 CSO 4% CRVM - 1989	803,676,237		790,089,507		13,586,730
0100026.	1980 CSO 4% Net Level - 1989	4,550,665		4,550,665		
0100027.	1980 CSO 4 1/2% CRVM - 1989	285,511,007		285,511,007		
0100028.	1980 CSO 4 1/2% Net Level - 1989	7,636,485		7,636,485		
0100029.	1980 CET 4% Net Level - 1989	55,628		55,628		
0100030.	1980 CET 4 1/2% Net Level - 1989	1,294,693		1,294,693		
0100031.	1980 CET 4% CRVM - 1989	101,336,972		100,953,716		383,256
0100032.	1980 CSO 5% Net Level - 1993	1,268,759		1,268,759		
0100033.	1980 CSO 5% CRVM - 1993	10,486,501		10,486,501		
0100034.	1980 CSO 5 1/2% Net Level - 1991	1,572,588		1,572,588		
0100035.	1980 CSO 5 1/2% CRVM - 1991	6,556,717		6,556,717		
0100036.	1980 CSO 2 12% CRVM - 1993	7,835,637		7,835,637		
0100037.	1980 CET 2 1/2% CRVM - 1993	6,190,459		6,190,459		
0100038.	1980 CSO 3% CRVM - 1996	1,359,200,208		1,205,095,209		154,104,999
0100039.	58 CSO 3.25% CRVM ALB CRF - 1966-1977	0		0		
0100040.	58 CSO 3.25% MOD ALB CRF - 1966-1971	0		0		
0100041.	58 CSO 3.25% NJ ALB CRF - 1970-1970	0		0		
0100042.	58 CSO 3.25% NLP ALB CRF - 1966-1973	0		0		
0100043.	58 CSO 3.50% NLP ALB CRF (Par) - 1973-1993	0		0		
0100044.	58 CSO 4.50% CRVM ALB CRF (Par) - 1984-1992	0		0		
0100045.	58 CSO 4.50% NLP ALB CRF (Par) - 1980-1988	0		0		
0100046.	58 CSO 3.50% NLP ALB CRF - 1969-1988	0		0		
0100047.	58 CSO 4.00% NLP ALB CRF - 1978-1987	0		0		
0100048.	58 CSO 4.50% NLP ALB CRF - 1966-1966	0		0		
0100049.	58 CSO 4.50% CRVM ALB - 1983-1988	0		0		
0100050.	80 CSO 5.50% MOD ALB CRF (Par) - 1985-1992	0		0		
0100051.	80 CSO 5.50% MOD CRF (Par) - 1985-1994	0		0		
0100052.	80 CSO 5.50% FUND ALB CRF - 1986-1995	3,320,354		3,320,354		
0100053.	58 CET 3.50% NLP ALB CRF (Par) - 1973-1984	0		0		
0100054.	58 CET 4.50%	0		0		
0100055.	80 CET 5.50% MOD ALB CRF (Par)	0		0		
0100056.	Group Conversions - Excess Mortality	0		0		
0100057.	Payor Benefits - 50% Gross Extra Premium	426		426		
0100058.	Guaranteed Insurability	207,002		207,002		
0100059.	NY 147 4% - 1995	41,081,300		41,081,300		
0100060.	1958 CSO ALB NNL 3.50% - 1969-1987	0		0		
0100061.	58 CET 3.50% NLP ALB CRF (PAR) - 1975-1984	0		0		
0100062.	58 CSO 3.25% CRVM ALB IDB - 1966-1977	629,457		629,457		
0100063.	58 CSO 3.25% MOD ALB IDB - 1966-1971	432,951		432,951		
0100064.	58 CSO 3.25% NLP ALB IDB 1966-1973	1,026,675		1,026,675		
0100065.	58 CSO 3.50% NLP ALB IDB 1969-1993	11,299,975		11,299,975		
0100066.	58 CSO 4.00% NLP ALB IDB - 1978-1987	212,537		212,537		
0100067.	58 CSO 4.50% CRVM ALB IDB - 1983-1989	5,335,541		5,335,541		
0100068.	58 CSO 4.50% NLP ALB IDB - 1966-1988	10,984,910		10,984,910		
0100069.	80 CSO 5.50% MOD ALB IDB - 1985-1992	58,566		58,566		
0100070.	80 CSO 5.50% MOD IDB - 1985-1994	3,927,139		3,927,139		
0100071.	58 CET 3.50% NLP ALB IDB - 1975-1983	13,967		13,967		
0100072.	80 CET 5.50% MOD ALB IDB - 1985-1991	12,009		12,009		
0100073.		0		0		
<b>0199997. Totals (Gross)</b>		<b>3,932,699,555</b>	<b>0</b>	<b>3,764,128,698</b>	<b>0</b>	<b>168,570,857</b>
<b>0199998. Reinsurance ceded</b>		<b>102,232,313</b>		<b>98,142,480</b>		<b>4,089,833</b>
<b>0199999. Totals (Net)</b>		<b>3,830,467,242</b>	<b>0</b>	<b>3,665,986,218</b>	<b>0</b>	<b>164,481,024</b>
<b>B. ANNUITIES (excluding supplementary contracts with life contingencies):</b>						
0200001.	'37 Standard Annuity (-1,-6) 2.50% Immediate	199,288	XXX	199,288	XXX	
0200002.	'71 Individual Annuity (-1,-1) 2.50% Immediate	1,275,683	XXX	1,275,683	XXX	
0200003.	'71 Individual Annuity (-1,-1) 6.00% Immediate	770,491	XXX	770,491	XXX	
0200004.	'83 Individual Annuity (0,0) 8.00% Immediate	9,714,525	XXX	1,515,002	XXX	8,199,523
0200005.	'83 Individual Annuity (0,0) 8.25% Immediate	10,814,741	XXX	6,894,190	XXX	3,920,551
0200006.	'83 Individual Annuity (0,0) 8.75% Immediate	9,884,301	XXX	5,178,305	XXX	4,705,996
0200007.	'83 Individual Annuity (0,0) 9.25% Immediate	4,445,175	XXX	1,090,810	XXX	3,354,365
0200008.	'83 Individual Annuity (0,0) 11.00% Immediate	799,039	XXX	799,039	XXX	
0200009.	'83 Individual Annuity (0,0) 11.25% Immediate	550,009	XXX	550,009	XXX	
0200010.	'83 Individual Annuity (0,0) 7.75% Immediate	17,337,190	XXX	2,428,931	XXX	14,908,259
0200011.	'83 Individual Annuity (0,0) 7.00% Immediate	10,898,568	XXX	6,379,079	XXX	4,519,489
0200012.	'83 Individual Annuity (0,0) 6.50% Immediate	10,687,865	XXX	2,257,348	XXX	8,430,517
0200013.	Individual Immediate Annuity (Benefit not yet commenced)	3,994,200	XXX	3,994,200	XXX	
0200014.	Deferred Annuity (CARVM)	6,142,272,282	XXX	3,248,502,635	XXX	2,893,769,647
0200015.	Deposit Administration Reserve	9,055,213,738	XXX		XXX	9,055,213,738
0200016.	Grp Ann '51 (Male) Proj to 1958 (0,5) 2.50%	8,510,764	XXX		XXX	8,510,764

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE NATIONWIDE LIFE INSURANCE COMPANY

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1		2	3	4	5	6
Valuation Standard		Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0200017.	Grp Ann '51 (Male) Proj to 1958 (0,6) 2.50%	2,086,544	XXX		XXX	2,086,544
0200018.	Grp Ann '51 (Male) Proj to 1958 (2,5) 2.50%	3,927,719	XXX		XXX	3,927,719
0200019.	Grp Ann Table for 1951 (0,-5) 2.50%	8,664	XXX		XXX	8,664
0200020.	Grp Ann Table for 1951 (-1,-6) 2.75%	227,642	XXX		XXX	227,642
0200021.	Grp Ann Table for 1951 (-2,-7) 2.75%	28,209	XXX		XXX	28,209
0200022.	Grp Ann Table for 1951 (-2,-7) 3.00%	0	XXX		XXX	0
0200023.	Grp Ann Table for 1951 (-2,-7) 3.25%	55,057	XXX		XXX	55,057
0200024.	Grp Ann Table for 1951 -3,-8) 3.25%	23,405	XXX		XXX	23,405
0200025.	'71 GAM (0,-6) 3.25%	29,916	XXX		XXX	29,916
0200026.	Grp Ann Table for 1951 (0,-5) 3.50%	558,349	XXX		XXX	558,349
0200027.	Grp Ann Table for 1951 -1,-6) 3.50%	284,300	XXX		XXX	284,300
0200028.	Grp Ann Table for 1951 (-2,-7) 3.50%	277,027	XXX		XXX	277,027
0200029.	'71 GAM (0,-6) 4.00%	72,440	XXX		XXX	72,440
0200030.	'71 GAM (0,-6) 4.50%	2,926	XXX		XXX	2,926
0200031.	'71 GAM (0,-6) 4.75%	20,327	XXX		XXX	20,327
0200032.	'71 GAM (0,-6) 5.00%	8,781,310	XXX		XXX	8,781,310
0200033.	'71 GAM (0,-6) 5.50%	345,500	XXX		XXX	345,500
0200034.	'71 GAM (0,-6) 6.00%	3,260,632	XXX		XXX	3,260,632
0200035.	'71 GAM (0,-6) 7.50%	16,188,586	XXX		XXX	16,188,586
0200036.	Grp Ann '51 (Male) Proj to 1965 (0,-5) 4.75%	12,756	XXX		XXX	12,756
0200037.	'71 GAM (-3,-9) 2.50%	768,729	XXX		XXX	768,729
0200038.	'71 GAM (-3,-9) 3.50%	3,132	XXX		XXX	3,132
0200039.	'71 GAM (-3,-9) 6.00%	416,001	XXX		XXX	416,001
0200040.	'71 GAM (-3,-9) 7.50%	1,211,565	XXX		XXX	1,211,565
0200041.	'83 GAM (0,0) 5.25%	349,546	XXX		XXX	349,546
0200042.	'83 GAM (0,0) 5.75%	3,994,719	XXX		XXX	3,994,719
0200043.	'83 GAM (0,0) 6.00%	37,027,914	XXX		XXX	37,027,914
0200044.	'83 GAM (0,0) 6.25%	58,875,695	XXX		XXX	58,875,695
0200045.	'83 GAM (0,0) 6.50%	19,108,933	XXX		XXX	19,108,933
0200046.	'83 GAM (0,0) 6.75%	35,811,261	XXX		XXX	35,811,261
0200047.	'83 GAM (0,0) 7.00%	22,820,369	XXX		XXX	22,820,369
0200048.	'83 GAM (0,0) 7.25%	69,985,770	XXX		XXX	69,985,770
0200049.	'83 GAM (0,0) 7.50%	39,942,868	XXX		XXX	39,942,868
0200050.	'83 GAM (0,0) 7.75%	82,183,919	XXX		XXX	82,183,919
0200051.	'83 GAM (0,0) 8.00%	58,609,806	XXX		XXX	58,609,806
0200052.	'83 GAM (0,0) 8.25%	94,436,372	XXX		XXX	94,436,372
0200053.	'83 GAM (0,0) 8.50%	6,924,737	XXX		XXX	6,924,737
0200054.	'83 GAM (0,0) 8.75%	132,213,556	XXX		XXX	132,213,556
0200055.	'83 GAM (0,0) 9.25%	12,554,809	XXX		XXX	12,554,809
0200056.	'83 GAM (0,0) 9.50%	5,289,815	XXX		XXX	5,289,815
0200057.	'83 GAM (0,0) 10.50%	1,495,956	XXX		XXX	1,495,956
0200058.	'83 GAM (0,0) 11.00%	7,938,887	XXX		XXX	7,938,887
0200059.	'83 GAM (0,0) 5.00%	493,052	XXX		XXX	493,052
0200060.	'83 Individual Annuity (0,0) 7.25% Immediate	9,737,058	XXX	5,407,813	XXX	4,329,245
0200061.	'83 Individual Annuity (0,0) 6.75% Immediate	20,060,962	XXX	8,230,678	XXX	11,830,284
0200062.	'71 GAM (0,-6) 7.00%	776,701	XXX		XXX	776,701
0200063.	'71 GAM (0,-6) 10.00%	2,544,044	XXX		XXX	2,544,044
0200064.	'71 Individual Annuity (0,0) 3.50% Immediate	599,386	XXX		XXX	599,386
0200065.	'71 Individual Annuity (0,0) 6.00% Immediate	1,953,595	XXX		XXX	1,953,595
0200066.	'71 Individual Annuity (0,0) 7.50% Immediate	9,401,796	XXX		XXX	9,401,796
0200067.	'83 Individual Annuity (0,0) 4.75% Immediate	163,011	XXX	122,596	XXX	40,415
0200068.	'83 Individual Annuity (0,0) 5.00% Immediate	444,625	XXX		XXX	444,625
0200069.	'83 Individual Annuity (0,0) 5.25% Immediate	603,390	XXX	462,850	XXX	140,540
0200070.	'83 Individual Annuity (0,0) 5.50% Immediate	1,880,233	XXX	1,547,577	XXX	332,656
0200071.	'83 Individual Annuity (0,0) 5.75% Immediate	315,384	XXX		XXX	315,384
0200072.	'83 Individual Annuity (0,0) 6.00% Immediate	2,342,436	XXX	531,731	XXX	1,810,705
0200073.	'83 Individual Annuity (0,0) 6.25% Immediate	10,189,088	XXX	3,212,279	XXX	6,976,809
0200074.	'83 Individual Annuity (0,0) 7.50% Immediate	10,727,222	XXX		XXX	10,727,222
0200075.	'83 Individual Annuity (0,0) 8.50% Immediate	699,699	XXX		XXX	699,699
0200076.	'83 Individual Annuity (0,0) 9.50% Immediate	1,374,200	XXX		XXX	1,374,200
0200077.	'83 Individual Annuity (0,0) 9.75% Immediate	8,940,022	XXX		XXX	8,940,022
0200078.	'83 Individual Annuity (0,0) 10.00% Immediate	36,867,575	XXX		XXX	36,867,575
0200079.	a-2000 (0,0) 6.25	9,636,988	XXX	9,636,988	XXX	0
0200080.	a-2000 (0,0) 7.00%	9,502,027	XXX	9,502,027	XXX	0
0200081.	a-2000 (0,0) 6.75%	17,482,984	XXX	17,482,984	XXX	0
0200082.	1994 GAR (0,0) 6.25%	26,001,338	XXX		XXX	26,001,338
0200083.	1994 GAR (0,0) 7.00%	29,336,303	XXX		XXX	29,336,303
0200084.	1994 GAR (0,0) 6.75%	26,001,191	XXX		XXX	26,001,191
0200085.		8,857,417	XXX		XXX	8,857,417
0200086.		0	XXX		XXX	0
0200087.	Deposit Administration Funds	17,119	XXX	17,119	XXX	0
0200088.	a1949 ProjB 10Yrs (-1,-1) 3.25% Def (1968-1973) a1949 ProjB 10Yrs (-1,-1) 3.00% Def (1974-1984) (PAR)	1,063,952	XXX	1,063,952	XXX	0
0200089.		43,071,278	XXX	43,071,278	XXX	0
0200090.	1971 IAM 4.50% Def (1982 on NB)	26,781,575	XXX	26,781,575	XXX	0
<b>0299997. Totals (Gross)</b>		<b>16,333,389,178</b>	<b>XXX</b>	<b>3,408,906,457</b>	<b>XXX</b>	<b>12,924,482,721</b>
<b>0299998. Reinsurance ceded</b>		<b>189,775,603</b>	<b>XXX</b>	<b>144,414,885</b>	<b>XXX</b>	<b>45,360,718</b>
<b>0299999. Totals (Net)</b>		<b>16,143,613,575</b>	<b>XXX</b>	<b>3,264,491,572</b>	<b>XXX</b>	<b>12,879,122,003</b>
<b>C. SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:</b>						
0300001.	1937 Standard (-1,-6) 2.5%	103,185		103,185		
0300002.	1937 Standard (-1,-6) 3.0%	17,452		17,452		
0300003.	1937 Standard (-1,-6) 3.5%	9,897		9,897		
0300004.	1971 Individual Annuity Mortality Table (-1,-1) 2.5%	0				
0300005.	1971 Individual Annuity Mortality Table (-1,-1) 3.5%	0				
0300006.	1971 Individual Annuity Mortality Table (-1,-1) 6.0%	947,834		947,834		
0300007.	1983 Individual Annuity Mortality Table (0,0) 6.0%	322,072		322,072		
0300008.	1983 Individual Annuity Mortality Table (0,0) 3.0%	1,001		1,001		
0300009.	1971 Individual Annuity Mortality Table (0,0) 7.0%	0				
0300010.	1971 Individual Annuity Mortality Table (0,0) 3.5%	11,877		11,877		

**EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS**

1		2	3	4	5	6
Valuation Standard		Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0300011.	1983 Individual Annuity Mortality Table (0,0) 10.0%.....	2,569		2,569		
0300012.	.....	0				
0300013.	.....	0				
0300014.	.....	0				
<b>0399997. Totals (Gross)</b>		<b>1,415,887</b>	<b>0</b>	<b>1,415,887</b>	<b>0</b>	<b>0</b>
<b>0399998. Reinsurance ceded</b>		<b>0</b>				
<b>0399999. Totals (Net)</b>		<b>1,415,887</b>	<b>0</b>	<b>1,415,887</b>	<b>0</b>	<b>0</b>
<b>D. ACCIDENTAL DEATH BENEFITS:</b>						
0400001.	1926-33 Inter Co. DI & 1941 CSO 3% Pre-63.....	0				
0400002.	1959 ADB & 1958 CSO 3% - 1964.....	28,923		28,923		
0400003.	1959 ADB & 1958 CSO 3.5% - 1964.....	10,706		10,706		
0400004.	1959 ADB & 1958 4% - 1983.....	342,933		342,933		
0400005.	1959 ADB & 1980 CSO 4%.....	33,653		33,347		306
0400006.	1959 ADB & 1980 CSO 4.5%.....	409,036		409,036		
0400007.	1959 ADB & 1980 CSO 5.5% - 1989.....	4,897		4,897		
0400008.	1959 ADB with 1958 CSO 3%.....	50,769		50,769		
0400009.	American Experience.....	71,673		71,673		
0400010.	1959 ADB & 1958 CSO 2.5% - 1964.....	832,167		832,167		
<b>0499997. Totals (Gross)</b>		<b>1,784,757</b>	<b>0</b>	<b>1,784,451</b>	<b>0</b>	<b>306</b>
<b>0499998. Reinsurance ceded</b>		<b>19,945</b>		<b>19,945</b>		
<b>0499999. Totals (Net)</b>		<b>1,764,812</b>	<b>0</b>	<b>1,764,506</b>	<b>0</b>	<b>306</b>
<b>E. DISABILITY-ACTIVE LIVES:</b>						
0500001.	150% Class III & 1941 CSO 2 1/2% - Pre-64.....	13,101		13,101		
0500002.	1952 Disability & 1958 CSO 2 1/2% - 1964.....	1,508,710		1,508,710		
0500003.	1952 Disability & 1958 CSO 4% - 1983.....	1,668,122		1,668,122		
0500004.	1980 Disability & 1980 CSO 4% - 1986.....	1,198,792		1,198,792		
0500005.	1980 Disability & 1980 CSO 4 1/2%.....	2,658,795		2,657,994		801
0500006.	1952 Disability & 1958 CSO 3 1/2%.....	143,770		143,770		
0500007.	1952 Disability & 1958 CSO 3%.....	106,494		106,494		
0500008.	1952 Disability Table with 1958 CSO 3% (Life).....	78,026		78,026		
0500009.	1952 Disability Table with 1958 CSO 3% (Annuity).....	2,721		2,721		
0500010.	American Experience.....	26		26		
<b>0599997. Totals (Gross)</b>		<b>7,378,557</b>	<b>0</b>	<b>7,377,756</b>	<b>0</b>	<b>801</b>
<b>0599998. Reinsurance ceded</b>		<b>92,801</b>		<b>92,801</b>		
<b>0599999. Totals (Net)</b>		<b>7,285,756</b>	<b>0</b>	<b>7,284,955</b>	<b>0</b>	<b>801</b>
<b>F. DISABILITY-DISABLED LIVES:</b>						
0600001.	1930 Standard Disability 3% Pre-66.....	456,734		456,734		
0600002.	1952 Disability & 1958 CSO 3% - 1966.....	14,147,328		14,147,328		
0600003.	Estimated IBNR.....	4,000		4,000		
0600004.	1970 Inter Company Group Life 3.5%.....	10,133,000				10,133,000
0600005.	1952 Disability & 1958 CSO 4% - 1983.....	7,593,082		7,593,082		
0600006.	1952 Disability & 1958 CSO 3.5% - 1966.....	102,708		102,708		
0600007.	1980 Disability & 80 CSO 4.5%.....	177,237		163,753		13,484
0600008.	1970 Inter Company, Group Life Dis, Table 3.50%.....	0				
0600009.	1970 Inter Company, Group Life Dis, Table 4.00%.....	0				
0600010.	1970 Inter Company, Group Life Dis, Table 4.50%.....	0				
0600011.	1970 Inter Company, Group Life Dis, Table 5.00%.....	0				
0600012.	1970 Inter Company, Group Life Dis, Table 5.50%.....	0				
0600013.	1952 Disability Table 3% (Life).....	113,357		113,357		
<b>0699997. Totals (Gross)</b>		<b>32,727,446</b>	<b>0</b>	<b>22,580,962</b>	<b>0</b>	<b>10,146,484</b>
<b>0699998. Reinsurance ceded</b>		<b>0</b>				
<b>0699999. Totals (Net)</b>		<b>32,727,446</b>	<b>0</b>	<b>22,580,962</b>	<b>0</b>	<b>10,146,484</b>
<b>G. MISCELLANEOUS RESERVES</b>						
For excess of valuation net premiums over corresponding gross premiums on respective policies, computed according to the standard of valuation required by this state.....						
0700001.	.....	21,030,273		21,030,273		
For non-deduction of deferred fractional premiums or return of premiums at the death of the insured. For surrender values in excess of reserves otherwise required and carried in this schedule.....						
0700002.	.....	9,181,947		9,181,947		
0700003.	Additional actuarial reserves-asset/liability analysis.....	4,397		4,397		
0700004.	Reserves for interest guarantees in excess of the maximum statutory reserve rate.....	24,372,079		22,173,000		2,199,079
0700005.	Reserve for separate account minimum death benefit.....	296,265,530		133,520,451		162,745,079
0700006.	Additional reserves for positive market value adj. on modified guaranteed annuities in the general account.....	0				
0700007.	sub-standard experience - 50% of gross extra premium.....	143		143		
0700008.	Policy continuation guarantees.....	0				
0700009.	Group conversion reserves.....	78,931		78,931		
0700010.	S-STD Extra (Nonpar) 50% GEP.....	0				
0700011.	S-STD Extra (Par) 50% GEP.....	13,039		13,039		
0700012.	Excess Interest Reserve.....	15,000				15,000
<b>0799997. Totals (Gross)</b>		<b>350,961,339</b>	<b>0</b>	<b>186,002,181</b>	<b>0</b>	<b>164,959,158</b>
<b>0799998. Reinsurance ceded</b>		<b>145,801,025</b>		<b>42,017,101</b>		<b>103,783,924</b>
<b>0799999. Totals (Net)</b>		<b>205,160,314</b>	<b>0</b>	<b>143,985,080</b>	<b>0</b>	<b>61,175,234</b>
<b>9999999. Totals (Net) - (Page 3, Line 1)</b>		<b>20,222,435,032</b>	<b>0</b>	<b>7,107,509,180</b>	<b>0</b>	<b>13,114,925,852</b>



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE NATIONWIDE LIFE INSURANCE COMPANY

**EXHIBIT 5 - INTERROGATORIES**

- 1.1. Has the reporting entity ever issued both participating and non-participating contracts?..... Yes [ X ] No [ ]
- 1.2. If not, state which kind is issued  
.....
- 2.1. Does the reporting entity at present issue both participating and non-participating contracts? ..... Yes [ X ] No [ ]
- 2.2. If not, state which kind is issued  
.....
- 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? ..... Yes [ X ] No [ ]  
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the Instructions.
- 4. Has the reporting entity any assessment or stipulated premium contracts in force? ..... Yes [ ] No [ X ]
  - 4.1 Amount of insurance? ..... \$ .....
  - 4.2 Amount of reserve? ..... \$ .....
  - 4.3 Basis of reserve:  
.....
  - 4.4 Basis of regular assessments:  
.....
  - 4.5 Basis of special assessments:  
.....
  - 4.6 Assessments collected during the year ..... \$ .....
- 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.  
Not applicable. ....
- 6. Does the reporting entity hold reserves for any annuity contracts which are less than the reserves that would be held on a standard basis? ..... Yes [ X ] No [ ]
  - 6.1 If so, state the amount of reserve on such contracts on the basis actually held: ..... \$ .....51,117,702
  - 6.2 which would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: ..... \$ .....53,791,962
 Attach statement of methods employed in their valuation.
- 7. Does the reporting entity have any Synthetic GIC contracts, or agreements in effect as of December 31 of the current year? ..... Yes [ ] No [ X ]
  - 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements? ..... \$ .....
  - 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:  
.....
  - 7.3 State the amount of reserves established for this business: ..... \$ .....
  - 7.4 Identify where the reserves are reported in the blank:  
.....

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

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

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE NATIONWIDE LIFE INSURANCE COMPANY**

**EXHIBIT 6 - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS**

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
<b>ACTIVE LIFE RESERVE</b>									
1. Unearned premium reserve	27,522,263	21,950,172		738,439	166,598	4,282,017	378,201	2,436	4,400
2. Additional contract reserves (a)	36,702,763				1,291,364	30,400,558		2,738	5,008,103
3. Additional actuarial reserves-Asset/Liability analysis	0					0			
4. Reserve for future contingent benefits	0								
5. Reserve for rate credits	145,046			145,046					
6. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
7. Totals (Gross)	64,370,072	21,950,172	0	883,485	1,457,962	34,682,575	378,201	5,174	5,012,503
8. Reinsurance ceded	17,270,603			1,229	101,649	17,085,714	80,896	80	1,035
9. Totals (Net)	47,099,469	21,950,172	0	882,256	1,356,313	17,596,861	297,305	5,094	5,011,468
<b>CLAIM RESERVE</b>									
10. Present value of amounts not yet due on claims	49,023,503	12,160,500		11,477,000	607,214	24,127,865		13,543	637,381
11. Additional actuarial reserves-Asset/Liability analysis	0								
12. Reserve for future contingent benefits	0								
13. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
14. Totals (Gross)	49,023,503	12,160,500	0	11,477,000	607,214	24,127,865	0	13,543	637,381
15. Reinsurance ceded	3,730,451				0	3,730,451			
16. Totals (Net)	45,293,052	12,160,500	0	11,477,000	607,214	20,397,414	0	13,543	637,381
17. <b>TOTAL (Net)</b>	<b>92,392,521</b>	<b>34,110,672</b>	<b>0</b>	<b>12,359,256</b>	<b>1,963,527</b>	<b>37,994,275</b>	<b>297,305</b>	<b>18,637</b>	<b>5,648,849</b>
18. <b>TABULAR FUND INTEREST</b>	<b>2,970,129</b>	<b>395,864</b>		<b>638,068</b>	<b>278,777</b>	<b>1,635,853</b>		<b>82</b>	<b>21,485</b>
<b>DETAILS OF WRITE-INS</b>									
0601.									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0	0	0	0
0699. TOTALS (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0	0	0	0
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0
1399. TOTALS (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

(1) Hospital and medical expense policies in accordance with task force IV recommendations - 3% interest, net level basis.

(2) Disability income policies issued prior to 1982 - active life reserve - 1964 commissioners disability table - 3% interest, net level basis.

(3) Disability income policies issued after 1981 - active life reserve - 1985 commissioners individual disability table A - 3% interest, net level basis.

**EXHIBIT 7 - DEPOSIT TYPE CONTRACTS**

	1 Total	2 Guaranteed Interest Contracts	3 Supplemental Contracts and Annuities Certain	4 Dividend Accumulations or Refunds	5 Premium and Other Deposit Funds	6 Other
1. Balance at the beginning of the year before reinsurance .....	3,989,789,801	3,047,715,855	5,042,699	421,947,433	8,609,350	506,474,464
2. Deposits received during the year .....	1,403,736,475	1,177,616,096	(22,746)	20,540,201	3,969,137	201,633,787
3. Investment earnings credited to the account .....	148,152,611	88,725,143	163,720	25,222,405	241,370	33,799,973
4. Other net change in reserves .....	382,276,383	394,802,045	462,919	(97,113)	(673,590)	(12,217,878)
5. Fees and other charges assessed .....	54,066	54,066				
6. Surrender charges .....	0					
7. Net surrender or withdrawal payments .....	270,427,424	118,385,832	540,436	28,646,367	4,501,376	118,353,413
8. Other net transfers to or (from) Separate Accounts .....	1,287,663				185,470	1,102,193
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8) .....	5,652,186,117	4,590,419,241	5,106,156	438,966,559	7,459,421	610,234,740
10. Reinsurance balance at the beginning of the year .....	39,936				(33,293)	73,229
11. Net change in reinsurance assumed .....	(39,101)					(39,101)
12. Net change in reinsurance ceded .....	0					
13. Reinsurance balance at the end of the year (Lines 10+11-12) .....	835	0	0	0	(33,293)	34,128
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	5,652,186,952	4,590,419,241	5,106,156	438,966,559	7,426,128	610,268,868

**ANNUAL STATEMENT FOR THE YEAR 2002 OF THE NATIONWIDE 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
<b>1. Due and Unpaid:</b>											
1.1 Direct .....	49,768,957		17,857,663				16,718	27,000	2,027,000		29,840,576
1.2 Reinsurance assumed .....	12,500						12,500				
1.3 Reinsurance ceded .....	3,563,753		2,869,573						412,000		282,180
1.4 Net .....	46,217,704	0	14,988,090	0	0	0	29,218	27,000	1,615,000	0	29,558,396
<b>2. In course of settlement:</b>											
2.1 Resisted .....											
2.11 Direct .....	1,128,000		1,128,000								
2.12 Reinsurance assumed .....	0										
2.13 Reinsurance ceded .....	0										
2.14 Net .....	1,128,000	0	<sup>(b)</sup> 1,128,000	<sup>(b)</sup> 0	0	<sup>(b)</sup> 0	<sup>(b)</sup> 0	0	0	0	0
2.2 Other .....											
2.21 Direct .....	0										
2.22 Reinsurance assumed .....	0										
2.23 Reinsurance ceded .....	0										
2.24 Net .....	0	0	<sup>(b)</sup> 0	<sup>(b)</sup> 0	0	<sup>(b)</sup> 0	<sup>(b)</sup> 0	0	<sup>(b)</sup> 0	<sup>(b)</sup> 0	<sup>(b)</sup> 0
<b>3. Incurred but unreported:</b>											
3.1 Direct .....	75,246,883		5,554,215				1,650,000		48,304,028		19,738,640
3.2 Reinsurance assumed .....	1,634,254						25,000		621,500		987,754
3.3 Reinsurance ceded .....	5,184,176		993						28		5,183,155
3.4 Net .....	71,696,961	0	<sup>(b)</sup> 5,553,222	<sup>(b)</sup> 0	0	<sup>(b)</sup> 0	<sup>(b)</sup> 1,675,000	0	<sup>(b)</sup> 48,925,500	<sup>(b)</sup> 0	<sup>(b)</sup> 15,543,239
<b>4. TOTALS</b> .....											
4.1 Direct .....	126,143,840	0	24,539,878	0	0	0	1,666,718	27,000	50,331,028	0	49,579,216
4.2 Reinsurance assumed .....	1,646,754	0	0	0	0	0	37,500	0	621,500	0	987,754
4.3 Reinsurance ceded .....	8,747,929	0	2,870,566	0	0	0	0	0	412,028	0	5,465,335
4.4 Net .....	119,042,665	0 <sup>(a)</sup>	<sup>(a)</sup> 21,669,312	0	0	0	<sup>(a)</sup> 1,704,218	27,000	50,540,500	0	45,101,635

(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 NATIONWIDE 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)	3 Ordinary			6 Credit Life (Group and Individual)	7 Group		9 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
<b>1. Settlements During the Year:</b>											
1.1 Direct	11,765,456,115		417,075,532	3,734,454,535	557,488		31,576,043	7,349,440,236	182,268,880		50,083,401
1.2 Reinsurance assumed	287,298,111		(23,989)	283,317,654			191,806	1,076,869	601,746		2,134,025
1.3 Reinsurance ceded	399,804,188		39,223,953	91,843,739				33,905,627	180,239,059		54,591,810
1.4 Net	(d) 11,652,950,038	0	377,827,590	3,925,928,450	557,488	0	31,767,849	7,316,611,478	2,631,567	0	(2,374,384)
<b>2. Liability December 31, current year from Part 1:</b>											
2.1 Direct	126,143,840	0	24,539,878	0	0	0	1,666,718	27,000	50,331,028	0	49,579,216
2.2 Reinsurance assumed	1,646,754	0	0	0	0	0	37,500	0	621,500	0	987,754
2.3 Reinsurance ceded	8,747,929	0	2,870,566	0	0	0	0	0	412,028	0	5,465,335
2.4 Net	119,042,665	0	21,669,312	0	0	0	1,704,218	27,000	50,540,500	0	45,101,635
<b>3. Amounts recoverable from reinsurers December 31, current year</b>	3,005,533		2,995,533				10,000				
<b>4. Liability December 31, prior year:</b>											
4.1 Direct	91,822,474	0	19,467,030	0	0	0	1,363,896	27,000	23,557,327	0	47,407,221
4.2 Reinsurance assumed	2,051,664	0	0	0	0	0	25,000	0	952,000	0	1,074,664
4.3 Reinsurance ceded	2,320,165	0	1,381,073	0	0	0	0	0	209,727	0	729,365
4.4 Net	91,553,973	0	18,085,957	0	0	0	1,388,896	27,000	24,299,600	0	47,752,520
<b>5. Amounts recoverable from reinsurers December 31, prior year</b>	8,024,076	0	7,969,076	0	0	0	55,000	0	0	0	0
<b>6. Incurred Benefits:</b>											
6.1 Direct	11,799,777,481	0	422,148,380	3,734,454,535	557,488	0	31,878,865	7,349,440,236	209,042,581	0	52,255,396
6.2 Reinsurance assumed	286,893,201	0	(23,989)	283,317,654	0	0	204,306	1,076,869	271,246	0	2,047,115
6.3 Reinsurance ceded	401,213,409	0	35,739,903	91,843,739	0	0	(45,000)	33,905,627	180,441,360	0	59,327,780
6.4 Net	11,685,457,273	0	386,384,488	3,925,928,450	557,488	0	32,128,171	7,316,611,478	28,872,467	0	(5,025,269)

- (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 \$ ..... 695,873 in Line 1.1, \$ ..... 695,873 in Line 1.4.  
 \$ ..... 695,873 in Line 6.1 and \$ ..... 695,873 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 \$ ..... 2,010,859 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.....	272,168,826	8,515	(272,160,312)
2. Other Nonadmitted Assets:			
2.1 Bills receivable .....	28,396,945	23,781,817	(4,615,128)
2.2 Furniture and equipment .....		.0	.0
2.3 Leasehold improvements .....		.0	.0
2.4 Cash advanced to or in the hands of officers or agents .....		.0	.0
2.5 Loans on personal security, endorsed or not .....		.0	.0
2.6 Supplies, stationery, printed matter .....		.0	.0
2.7 Commuted commissions .....		.0	.0
3. Total (Lines 2.1 thru 2.7) .....	28,396,945	23,781,817	(4,615,128)
4. Disallowed interest maintenance reserve .....	.0	.0	.0
5. Aggregate write-ins for other assets .....	49,600,804	46,112,730	(3,488,074)
6. Total (Line 1 plus Lines 3 to 5)	350,166,575	69,903,062	(280,263,514)
<b>DETAILS OF WRITE-INS</b>			
0501. DEFERRED SOFTWARE COSTS.....	44,380,804	43,009,730	(1,371,074)
0502. MISCELLANEOUS DEFERRED COSTS.....	5,220,000	3,103,000	(2,117,000)
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	49,600,804	46,112,730	(3,488,074)

## NOTES TO FINANCIAL STATEMENTS

December 31, 2002 and 2001

## (1) Summary of Significant Accounting Policies

## A. Accounting Practices

The financial statements of Nationwide Life Insurance Company (Company) are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (Department).

The Department recognizes only statutory accounting practices prescribed or permitted by the Department 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 (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio.

The Company elected to use rounding in reporting amounts in the statement. The amounts in this statement pertain to the entire Company business including, as appropriate, its Separate Account business.

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosures 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 paying period of the related policies. Annuity considerations are recognized as revenue when received. 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 business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost which approximates fair value.
- (2) Issuer obligations are stated at amortized cost using the modified scientific method.
- (3) Common stocks are stated at market.
- (4) Preferred stocks are stated at market, except for redeemable preferred stocks at cost.
- (5) Mortgage loans on real estate are stated at the aggregate unpaid balance.
- (6) Loan-backed securities are stated at amortized cost using the retrospective method.
- (7) The Company carries its wholly owned subsidiary, Nationwide Life and Annuity Insurance Company (NLAIC), at the value of its underlying statutory equity.
- (8) The Company has ownership interests in joint ventures. The Company carries these interests based on the underlying Generally Accepted Accounting Principles (GAAP) equity of the investee.
- (9) Derivative instruments are valued consistently with the hedged item. Hedges of assets carried at market value are valued at market value. Hedges of assets carried at amortized cost are valued at amortized cost. Derivatives, which cease to be effective hedges, are valued at market value.
- (10) To be conservative in the premium deficiency reserve, the Company does not utilize anticipated investment income as a factor in the calculation.
- (11) The Company's accident and health liabilities include amounts for the following coverage(s): comprehensive medical, dental, prescription drug, accident only, short-term disability, and long term disability (LTD).

For all coverage except LTD the liabilities for loss are determined using a completion factor method. The factors are based on historical payment patterns for the respective coverage(s). Consideration is made for early duration adjustments using loss ratio techniques. Consideration is also made for review of claim count levels (backlogs) relative to historical levels. Additionally, retrospective reserve testing is done to judge prior levels and their appropriateness.

For LTD liabilities a seriatim reserve is established for individual claimants using an established valuation table and interest rates.

## NOTES TO FINANCIAL STATEMENTS

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

- (12) Real estate is carried at cost less accumulated depreciation and valuation allowance.
- (13) Investments in wholly owned noninsurance subsidiaries are carried at the value of their underlying GAAP equity.
- (14) Policy loans are carried at their aggregate unpaid balance.
- (15) Participating business represented approximately 15% in 2002 (17% in 2001) of the Company's life insurance in force, 59% in 2002 (63% in 2001) of the number of life insurance policies in force, and 9% in 2002 (9% in 2001) of life insurance statutory premiums. The provision for policyholder dividends was based on then current dividend scales.

### (2) Accounting Changes and Correction of Errors

- A. The Company has no material changes in accounting principle or correction of errors other than those listed in B.
- B. The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Ohio. Effective January 1, 2001 the State of Ohio required that insurance companies domiciled in the State of Ohio prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures* manual – version effective January 1, 2001, 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 effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus 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 prior periods. As a result of these changes, the Company reported a net impact to unassigned funds (surplus) of \$64,641,000 as of January 1, 2001. Of this total, \$46,340,000 was reported as a change in accounting principle and \$18,301,000 was reported as a change in net unrealized capital gain (loss). Included in this change is an increase in unassigned funds of approximately \$68,000,000 related to deferred tax assets.

### (3) Business Combinations and Goodwill

- A. Statutory Purchase Method  
Not applicable.
- B. Statutory Merger  
Not applicable.
- C. Assumption Reinsurance  
Not applicable.
- D. Impairment Loss  
Not applicable.

### (4) Discontinued Operations

None

## NOTES TO FINANCIAL STATEMENTS

## (5) Investments

## A. Mortgage Loans

- (1) The maximum and minimum lending rates for mortgage loans during 2002 were: 10.75% and 2.85%.
- (2) During 2002, the Company did not reduce interest rates of any outstanding mortgages.
- (3) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgage was: 81.87%.

	<u>2002</u>	<u>2001</u>
(4) As of year end, the Company held mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest	\$ -	\$ -
Total interest due on mortgages with interest more than 180 days past due	-	-
(5) Taxes, assessments and any amounts advanced and not included in the mortgage loan total	-	-
(6) Current year impaired loans with a related allowance for credit losses	-	-
Related allowance for credit losses	-	-
(7) Impaired mortgage loans without an allowance for credit losses	2,450,000	923,077
(8) Average recorded investment in impaired loans	5,464,433	4,654,908
(9) Interest income recognized during the period the loans were impaired	141,919	489,143
(10) Amount of interest income recognized on a cash basis during the period the loans were impaired	134,384	456,231
(11) Cash receipts are recorded at fair market value when received. Loans in foreclosure and loans considered to be impaired are placed on non-accrual status. Interest received on non-accrual status mortgage loans on real estate is included in net investment income in the period received.		

## B. Debt Restructuring

	<u>2002</u>	<u>2001</u>
(1) The total recorded investment in restructured loans, as of year end	\$ 20,482,598	\$ 19,903,075
(2) The realized capital losses related to these loans	-	-
(3) Total contractual commitments to extend credit to debtors owning receivables whose terms have been modified in troubled debt restructurings	-	-
(4) The Company places impaired loans on a non-accrual status. Interest received on non-accrual status mortgage loans on real estate is included in interest income in the period received.		
(5) Allowances for credit losses:	<u>2002</u>	<u>2001</u>
a. Balance at beginning of period	\$ 40,286,923	\$ 41,210,000
b. Additions charged to operations	-	-
c. Direct write-downs charged against the allowances	-	923,077
d. Recoveries of amounts previously charged off	-	-
e. Balance at end of period	40,286,923	40,286,923

## C. Reverse Mortgages

None

## NOTES TO FINANCIAL STATEMENTS

### D. Loan-Backed Securities

- (1) The company has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date.
- (2) Prepayment assumptions for single class mortgage-backed/asset backed securities and multi-class securities were obtained primarily from an external source. Prepayment assumptions not available from an external source were based on internal estimates. These assumptions are consistent with the current interest rate and economic environment. The retrospective adjustment method is used to value all single class and multi-class mortgage-backed/asset-backed securities.
- (3) Securities traded on national exchanges are valued based on prices from independent services. Investments for which published quotations are not available are valued from an internally developed matrix or obtained from other independent sources.
- (4) The Company uses the retrospective method for all loan-backed securities.

### E. Repurchase Agreements

For repurchase agreements, Company policies require a minimum of 102% of the fair value of securities purchased under repurchase agreements to be maintained as collateral. There were no repurchase agreements outstanding as of December 31, 2002.

### F. Real Estate

#### (1) Poe Avenue

- A. REO Property in Dayton, Ohio. The impairment was recognized due to the property being removed from the available for sale list consistent with FASB 121 and its successor, FASB 144. Due to a major highway project near the freeway exit for this property, it was determined this property would not be sold within a one year period.
- B. An impairment loss was taken for \$57,923. This amount represents a depreciation adjustment required in moving the property from available-for-sale to held-and-used status under FASB 144. This impairment is included in the gains/losses on page 4.

#### West Broad Plaza

- A. REO Property in Columbus, Ohio. The property was being actively marketed with a difference between book value and market value noted. Therefore, an impairment was taken to bring the book value down to a level that was more consistent with the market value of the property.
- B. An impairment loss was taken for \$4,700,000. The fair market value of this property was determined by Nationwide Realty Investment through a market analysis of properties in the immediate market area. This impairment is included on realized gains/losses on page 4.

#### Hillsboro K-Mart Property

- A. REO Property in Hillsboro, Ohio. An impairment was taken to appropriately value the property in accordance with its market value
- B. An impairment loss was taken for \$240,000. The fair value of the property was determined by Nationwide Realty Investment. This impairment is included in realized gains/losses on page 4.

#### Wachusett Plaza

- A. REO Property in West Boylston, Massachusetts. An impairment was recognized on this property due to the property being removed from the available for sale list consistent with FASB 121 and its successor, FASB 144.
- B. An impairment loss was taken in the amount of \$81,179. This amount represents a depreciation adjustment required in moving the property from available-for-sale to held-and-used status under FASB 144. This impairment is included in realized gains/losses on page 4.

#### (2) Not applicable

## NOTES TO FINANCIAL STATEMENTS

(6) Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company recognized a \$3,021,880 impairment write down on two of its investments in private equity funds. As a result of market decline, the losses of these partnerships were deemed to be other than temporary.

(7) Investment Income

- A. Due and accrued income was excluded from surplus on the following bases:

- (1) Mortgage loans: Where in foreclosure, delinquent more than one year, or collection of interest uncertain.
- (2) Bonds: Where collection of interest is uncertain.
- (3) Real Estate: Where rent is in arrears for more than 90 days.

- B. The total amount excluded:

- (1) Mortgage loans: \$131,638
- (2) Bonds: \$13,168,963
- (3) Real Estate: \$0

(8) Derivative Instruments

A. – C. The Company uses interest rate swaps and exchange-traded futures contracts to reduce market risks from changes in interest rates and to alter interest rate exposures arising from mismatches between assets and liabilities. The Company uses currency swaps to reduce foreign currency risk on foreign denominated assets and liabilities. Under interest rate swaps, the Company agrees with the other parties to exchange, at specified intervals, the difference between fixed-rate and variable-rate interest amounts, calculated by reference to an agreed notional amount. Generally, no cash is exchanged at the inception of the contract, and no principal payments are made by either party. A single net interest payment is usually made by one counterparty at each due date.

The Company is exposed to credit-related losses in the event of nonperformance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given their high credit ratings. Potential losses are minimized through careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions, and collateral agreements. The credit exposure of interest rate swaps is represented by the fair value (market value) of contracts with a positive fair value at the reporting date.

The Company uses exchange-traded futures contracts to reduce market risk on equity securities. The gain/loss on derivatives substantially offset the gain/loss on the hedged item. Exchange prices are the source for market values assigned.

As reported on Schedule DB Part D, financial futures are agreements to buy or sell a specific amount of a financial instrument at a specific price at a future date. Futures contracts have limited off-balance sheet credit risk as they are executed on organized exchanges and require cash or security collateral as well as daily cash settlements of margins.

Derivative instruments are valued consistently with the hedged items. Hedges of assets carried at market are valued at market value, with the offset recorded in earnings and surplus, based on how the hedged item's market value is recorded. Hedges of assets carried at amortized cost are valued at amortized cost. Derivatives, which cease to be effective hedges and derivative instruments receiving immediate recognition accounting, are valued at market, with the offset recorded in earnings.

Periodic cash flows and accruals of income/expense are reported in a manner consistent with the hedged item, generally as other investment income. Realized gains and losses on commitment and anticipatory hedges are used to adjust the basis of the hedged item and are therefore amortized into investment income over the remaining life of the hedged item.

## NOTES TO FINANCIAL STATEMENTS

## (9) Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

	<b>2002</b>	<b>2001</b>
(1) Total of all deferred tax assets (admitted and nonadmitted)	497,726,941	487,233,503
(2) Total of all deferred tax liabilities	<u>(124,802,562)</u>	<u>(148,712,214)</u>
(3) Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	272,045,739	240,344,263
(4) Increase(decrease) in deferred tax assets nonadmitted	<u>31,701,476</u>	<u>925,450</u>

B. Deferred tax liabilities are not recognized for the following amounts:

Not Applicable

C. Current income taxes incurred consist of the following major components:

	<b>2002</b>	<b>2001</b>
1. Current year expense	72,710,146	23,191,157
2. Tax credits	<u>(12,728,210)</u>	<u>(2,625,000)</u>
3. Current year equity tax	-	-
4. Prior year over/under accrual of tax reserves	<u>(1,391,915)</u>	<u>10,165,499</u>
5. Current income taxes incurred	<u>58,590,020</u>	<u>30,731,656</u>

The main components of the 2002 deferred tax amounts are as follows:

<b>DTAs</b>	<b>Statutory</b>	<b>Tax</b>	<b>Difference</b>	<b>Tax Effect</b>
6. Reserves	26,084,888,890	25,672,765,295	412,123,595	144,243,258
7. DAC	-	682,109,828	682,109,828	238,738,440
8. Accrued Deferred Comp	3,070,380	-	3,070,380	1,074,633
9. Total DTAs	<u>52,721,011,042</u>	<u>51,298,934,068</u>	<u>1,422,076,974</u>	<u>497,726,941</u>
10. DTAs nonadmitted				<u>272,045,739</u>

<b>DTLs</b>	<b>Statutory</b>	<b>Tax</b>	<b>Difference</b>	<b>Tax Effect</b>
11. Pensions	-	(39,616,230)	(39,616,230)	(13,865,681)
12. Deferred Intercompany Gains	-	-	-	-
13. Internal Developed Software	44,238,992	-	(44,238,992)	(15,483,647)
14.	-	-	-	-
15. Total DTLs	<u>18,377,845,564</u>	<u>18,734,424,313</u>	<u>(356,578,748)</u>	<u>(124,802,562)</u>

The changes in main components of DTAs and DTLs are as follows:

	<b>2002</b>	<b>2001</b>	<b>Change</b>
<b>DTAs RESULTING FROM BOOK/TAX DIFFERENCES IN</b>			
16. Reserves	144,243,258	164,679,329	(20,436,071)
17. DAC	238,738,440	222,535,317	16,203,123
18. Accrued Deferred Comp	1,074,633	3,826,903	(2,752,270)
19. Total DTAs	<u>497,726,941</u>	<u>487,233,503</u>	<u>10,493,438</u>
20. DTAs nonadmitted	<u>272,045,739</u>	<u>240,344,263</u>	<u>31,701,476</u>
<b>DTLs RESULTING FROM BOOK/TAX DIFFERENCES IN</b>			
21. Pensions	(13,865,681)	(16,864,791)	2,999,111
22. Deferred Intercompany Gains	-	(26,067,378)	26,067,378
23. Internal Developed Software	(15,483,647)	(15,003,770)	(479,877)
24.	-	-	-
25. Total DTLs	<u>(124,802,562)</u>	<u>(148,712,214)</u>	<u>23,909,652</u>

D. Among the more significant book to tax adjustments were the following:

	<b>Amount</b>	<b>Tax Effect</b>
1. Income before taxes	160,364,865	56,127,703
2. Dividends Received Deduction	(108,677,258)	(38,037,040)
3. Reserves	(60,423,154)	(21,148,104)
4. Deferred Acquisition Costs	41,477,859	14,517,251
5. Deferred Compensation	2,827,681	989,688
6. Investments	93,564,373	32,747,531
7. Agents Security Compensation	(22,751,439)	(7,963,004)
8. Intercompany Transactions	104,619,392	36,616,787
9. Internally Developed Software	(1,371,077)	(479,877)
10. Other, net	<u>(1,877,967)</u>	<u>(660,788)</u>
11. Taxable Income - Before Credits	<u>207,743,275</u>	<u>72,710,146</u>

## NOTES TO FINANCIAL STATEMENTS

E.	Amount	Origination	Expiration
(1) Amount of operating loss carry forwards	-		
Amount of tax credits	<u>(12,728,210)</u>	<u>2002</u>	<u>N/A</u>
(2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:			
Current year			<u>72,710,146</u>
2001			<u>24,949,481</u>
2000			<u>71,620,962</u>

## F.

- (1) On October 1, 2002 Nationwide Financial Services, Inc. (NFS) closed on a series of transactions that resulted in the acquisition of 100% of Provident Mutual Life Insurance Company and affiliated companies. The transactions decreased Nationwide Corporation's economic ownership in NFS from 80% to 63%. As a result the Company no longer qualifies to file a consolidated federal income tax return as a member of the Nationwide Mutual consolidated group. As of October 1, 2002, the Company will only file a consolidated return with Nationwide Life and Annuity Insurance Company (NLAIC), a wholly owned subsidiary of the Company.
- (2) The method of allocation among the companies is subject to the resolution approved by the Board of Directors. Allocation is based upon separate return or sub-group aggregated separate return calculations with the Company being reimbursed for the actual Federal income tax benefit of its net operating losses, which are actually used to reduce the taxable income of other companies in the consolidated return.

## (10) Information Concerning Parent, Subsidiaries and Affiliates

- A. – D. Nationwide Life Insurance Company is a wholly owned subsidiary of NFS, a public holding company domiciled in the State of Delaware, which in turn, is a majority owned subsidiary of Nationwide Corporation (Corp.). Corp. is a subsidiary of Nationwide Mutual Insurance Company (NMIC) and Nationwide Mutual Fire Insurance Company.

The Company leases office space from NMIC and certain of its subsidiaries. For the years ended December 31, 2002 and 2001, the Company made lease payments to NMIC and its subsidiaries of \$20,191,000 and \$18,113,000 respectively.

The Company and various affiliates entered into agreements with Nationwide Cash Management Company (NCCM), an affiliate, under which NCCM acts as a common agent in handling the purchase and sale of short-term securities for the respective accounts of the participants. Amounts on deposit with NCCM were \$83,073,000 and \$52,662,000 as of December 31, 2002 and 2001, respectively, and are included in short-term investments on the accompanying statutory statements of admitted assets, liabilities, capital and surplus.

During 2002, the Company made capital contributions to NLAIC in the amount of \$95,000,000 (\$75,000,000 in 2001). Additionally, the Company paid \$75,000,000, \$100,000,000 and \$300,000,000 on March 4, 2002, May 10, 2002, and June 26, 2002 respectively which were recorded as a return of capital. The Company paid dividends to NFS of \$35,000,000 each on January 15, 2002 and July 24, 2001.

The Company also participates in intercompany repurchase agreements with affiliates whereby the seller will transfer securities to the buyer at a stated value. Upon demand or after a stated period, the seller will repurchase the securities at the original sales price plus interest. During 2002 and 2001, the most the Company had outstanding at any given time was \$154,000,000 and \$368,500,000, respectively, and the Company incurred interest expense on intercompany repurchase agreements of \$143,000 and \$200,000 for 2002 and 2001, respectively. The Company believes that the terms of the repurchase agreements are materially consistent with what the Company could have obtained with unaffiliated parties.

The Company has a reinsurance agreement with NMIC whereby all of the Company's accident and health business not ceded to unaffiliated reinsurers is ceded to NMIC on a modified coinsurance basis. Either party may terminate the agreement on January 1 of any year with prior notice. Under a modified coinsurance agreement, the ceding company retains invested assets and investment earnings are paid to the reinsurer. Under the terms of the Company's agreements, the investment risk associated with changes in interest rates is borne by the reinsurer. Risk of asset default is retained by insurer from its primary obligation to the policyholder. The Company believes that the terms of the modified coinsurance agreements are consistent in all material respects with what the Company could have obtained with unaffiliated parties. Revenues ceded to NMIC for the years ended December 31, 2002 and 2001 were \$325,000,000 and \$208,500,000, respectively.

## NOTES TO FINANCIAL STATEMENTS

Pursuant to a cost sharing agreement among NMIC and certain of its direct and indirect subsidiaries, including the Company, NMIC provides certain operational and administrative services, such as sales support, advertising, personnel and general management services, to those subsidiaries. Expenses covered by this agreement are subject to allocation among NMIC, the Company and other affiliates. The allocations are based on techniques and procedures in accordance with insurance regulatory guidelines. Measures used to allocate expenses among companies include individual employee estimates of time spent, special cost studies, salary expense, commission expense and other methods agreed to by the participating companies that are within industry guidelines and practices. In addition, Nationwide Services Company, LLC, a subsidiary of NMIC, provides computer, telephone, mail, employee benefits administration and other services to NMIC and certain of its direct and indirect subsidiaries, including the Company, based on specified rates for units of service consumed. Amounts allocated to the Company were \$135,605,000 and \$135,104,000 in 2002 and 2001, respectively.

Pursuant to a cost sharing agreement between the Company and Nationwide Trust Company, FSB (NTC), the Company provides certain operational and administrative services, such as sales support, advertising, personnel and general management services. Expenses covered by this agreement are billed to NTC and reimbursed on a quarterly basis. The amount charged to NTC was \$15,138,000 in 2002 (\$7,462,000 in 2001).

Amounts payable to NMIC from the Company under the cost sharing agreement were \$55,178,000 and \$42,609,000 as of December 31, 2002 and 2001, respectively.

During 2001, the Company entered into a transaction with NMIC, whereby it sold 78% of its interest in a limited partnership (representing 49% of the limited partnership) to NMIC for \$158,900,000. As a result of this sale, the Company recorded a realized gain of \$44,400,000, and related tax expense of \$15,500,000. During 2002, the Company entered into transactions with NMIC and Nationwide Indemnity Company (NIC), whereby it sold 100% of its remaining interest in the limited partnership (representing 15.11% of the limited partnership) to NMIC and NIC for a total of \$54,500,000. As a result of this sale, the Company recorded a realized gain of \$18,354,000 and related tax expense of \$6,400,000. The sales prices for each transaction, which were paid in cash, represented the fair value of the portions of limited partnership interests that were sold and were based on valuations of the limited partnership and its underlying investments as of the effective date of the transactions. The valuations were completed by qualified management of the limited partnership and utilized a combination of internal and independent valuations of the underlying investments of the limited partnership. Additionally, senior financial officers and the Board of Directors of the Company and NMIC separately reviewed, through their respective Finance Committees, and approved the process and methodology of the valuations prior to the execution of these transactions. The Company no longer holds an economic or voting interest in the limited partnership.

Gartmore Global Investment's (GGI) funds are offered as investment options in certain of the Company's products. As of December 31, 2002 total GGI funds in the Company products were \$12,200,000,000. For the year ended December 31, 2002, GGI paid the Company \$38,760,000 for the distribution and servicing of these funds. In addition, effective June 28, 2002, the Company entered into a renewable three-year Marketing and Support Services Agreement with GGI. Under this agreement, beginning in third quarter 2002, the Company receives quarterly fees of \$1,000,000 in exchange for certain specified marketing and support of GGI product offerings.

Under a marketing agreement with NMIC, the Company makes payments to cover a portion of the agent marketing allowance that is paid to Nationwide agents. These costs cover product development and promotion, sales literature, rent and similar items. Payments under this agreement totaled \$24,900,000 and \$26,400,000 for the years ended December 31, 2002 and 2001.

On August 23, 2002, the Company borrowed \$100,000,000 from NFS on a short-term basis at a rate of 1.95%. The amount was repaid in November 2002.

The Company has issued group annuity and life insurance contracts and performs administrative services for various employee benefit plans sponsored by NMIC or its affiliates. Total account values of these contracts were \$4,540,000,000 and \$4,720,000,000 as of December 31, 2002 and 2001, respectively. Total revenues from these contracts were \$147,800,000 and \$154,000,000 for the years ended December 31, 2002 and 2001, respectively, and include policy charges, net investment income from investments backing the contracts and administrative fees. Total interest credited to the account balances were \$114,800,000 and \$122,500,000 for the years ended December 31, 2002 and 2001, respectively. The terms of these contracts are consistent in all material respects with what the Company offers to unaffiliated parties who are similarly situated.

- E. The Company agrees to maintain the capital and surplus of NLAIC at or above the levels necessary to satisfy the compulsory surplus level required by the various insurance departments in the states in which it is doing business.
- F. Not applicable.
- G. Not applicable.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.

## NOTES TO FINANCIAL STATEMENTS

## (11) Debt

- A. The Company has not issued capital notes.
- B. The Company established a \$300,000,000 commercial paper program in October 2000. The program was revised in 2002, increasing the maximum amount to \$500,000,000. Borrowings under the commercial paper program are unsecured and are issued for terms of 364 days or less. The Company had no amounts outstanding at December 31, 2002 (\$100,000,000 at a rate of 2.25% at December 31, 2001). The Company paid \$184,000 and \$5,546,000 in interest during 2002 and 2001, respectively. The Notes will not be redeemed prior to maturity or be subject to voluntary prepayment. The proceeds from the sale of Notes will be used to meet working capital requirements and for general corporate purposes, including the funding of acquisitions.

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

- A. The Company sponsors, together with other affiliated companies, the Nationwide Retirement Plan (Retirement Plan), a pension plan covering substantially all employees. Benefits are based upon the highest average annual salary of a specified number of consecutive years of the last ten years of service. The Company funds pension costs accrued for direct employees plus an allocation of pension costs accrued for employees of affiliates whose work efforts benefit the Company. Pension costs charged to operations under the Retirement Plan during the years ended December 31, 2002 and 2001 were \$0 and \$0 respectively. For the year ended December 31, 2000, the Company recorded a \$13,649,378 non-admitted prepaid pension asset. This pension asset was eliminated with the adoption of codification under SSAP 8 in January, 2001.

In addition to the defined benefit pension plan, the Company, together with other affiliated companies, participates in life and health care defined benefit plans for qualifying retirees. Postretirement life and health care benefits are contributory and generally available to full time employees who meet minimum age and service requirements. Postretirement health care benefit contributions are adjusted annually and contain cost-sharing features such as deductible and coinsurance. In addition there are caps on the Company's portion of the per-participant cost of the postretirement health care benefits. The Company's net postretirement benefits cost for the year ended December 31, 2002 and 2001 was \$3,172,000 and \$2,451,000, respectively. The accrued liability for postretirement benefit obligation for retirees and other fully eligible or vest plan participants, at December 31, 2002 was \$5,200,000 which was paid in January 2003. There was no accrued liability for the year ended, December 31, 2001. Postretirement plan assets are invested in group annuity and life insurance contracts issued by the Company.

In 1993, the Company changed its method of accounting for the costs of postretirement benefits to the accrual method and elected to amortize its transition obligation for retirees and fully-eligible employees over 20 years. The unamortized transition obligation was \$7,700 and \$5,351,000 at December 31, 2002 and 2001, respectively.

## NOTES TO FINANCIAL STATEMENTS

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefit Plans are as follows at December 31, 2002 and 2001:

	Pension Benefits		Postretirement Benefits	
	2002	2001	2002	2001
(1) Change in benefit obligation:				
a. Benefit obligation at beginning of year	\$ 2,075,688,583 <sup>1</sup>	\$ 1,930,287,426	\$ 174,617,830	\$ 146,590,834
b. Service cost	95,251,238	86,780,637	11,234,397	9,166,627
c. Interest cost	131,921,371	125,533,188	12,649,290	12,512,835
d. Contribution by plan participants	-	-	3,984,768	3,349,455
e. Actuarial gain (loss)	(11,828,288)	(7,256,960)	31,728,297	23,003,739
f. Foreign currency exchange rate changes	-	-	-	-
g. Benefits paid	(97,580,333)	(89,791,033)	(20,314,479)	(20,167,177)
h. Plan amendments	(10,371,711)	30,135,325	(50,610,489)	161,517
i. Plan settlement	(12,404,729)	-	-	-
j. Benefit obligation at end of year	<u>2,170,676,131</u>	<u>2,075,688,583</u>	<u>163,289,614</u>	<u>174,617,830</u>
(2) Change in plan assets				
a. Fair value of plan assets at beginning of year	2,200,683,768	2,337,141,517	119,701,941	119,456,157
b. Actual return on plan assets	(142,453,578)	(46,666,716)	(12,671,254)	(246,774)
c. Foreign currency exchange rate changes	-	-	-	-
d. Employer contribution	4,301,000	-	16,175,519	17,310,280
e. Plan participant's contributions	-	-	3,984,768	3,349,455
f. Benefits paid	(97,580,333)	(89,791,033)	(20,214,483)	(20,167,177)
g. Plan curtailment	-	-	-	-
h. Fair value of plan assets at end of year	<u>1,964,950,857</u>	<u>2,200,683,768</u>	<u>106,876,491</u>	<u>119,701,941</u>
(3) Funded status				
a. Unamortized prior service cost	18,045,497	30,135,325	(3,641,023)	154,175
b. Unrecognized net gain or (loss)	519,790,767	223,234,857	66,503,172	12,952,032
c. Remaining net obligation or net asset at initial date of application	(328,095,961)	(378,365,367)	4,190,736	56,106,208
d. Prepaid assets or accrued liabilities	(4,015,029)	-	10,639,762	14,296,526
e. Intangible asset	N/A	N/A	N/A	N/A
(4) Benefit obligation for non vested employees	65,496,482	56,549,824	106,360,443	139,353,526
(5) Components of net periodic benefit cost				
a. Service cost	95,251,238	86,780,637	11,234,397	9,166,627
b. Interest cost	131,921,371	125,533,188	12,649,290	12,512,835
c. Expected return on plan assets	(178,585,234)	(183,825,101)	(9,276,900)	(9,556,493)
d. Amortization of unrecognized transition obligation or transition asset	(50,269,406)	(28,488,724)	5,127,162	5,127,162
e. Amount of recognized gains and losses	1,432,146	-	-	-
f. Amount of prior service cost recognized	249,885	-	(26,982)	(26,981)
g. Amount of gain or loss recognized due to a settlement or curtailment	-	-	125,318	-
h. Total net periodic benefit cost	<u>-</u>	<u>-</u>	<u>19,832,285</u>	<u>17,223,150</u>

(6) A minimum pension liability adjustment is required when the actuarial present value of accumulated benefits exceeds plan assets and accrued pension liabilities. The minimum liability adjustment, less allowable intangible assets, net of tax benefit, is reported as income in the Income Statement. At December 31, 2002, there was no additional minimum liability required.

(7) The following tables are the basis of measurement for plan liabilities and is relevant for items 1-4 above.

Weighted-average assumptions as of December 31	Pension Benefits	
	2002	2001
a. Weighted average discount rate	6.00%	6.50%
b. Rate of compensation increase	4.50%	4.75%

Weighted-average assumptions as of December 31	Postretirement Benefits	
	2002	2001
a. Weighted average discount rate	6.60%	7.25%
b. Assumed health care cost trend rate:		
* Initial rate (11.3% pre age 65, 12.3% post age 65)	11.30% *	11.00%
* Ultimate rate (5.7% pre age 65, 6.3% post age 65)	5.70% *	5.50%
Declining Period	11 Years	4 Years

<sup>1</sup> The 2002 projected benefit obligation as of the beginning of the year was adjusted by the projected benefit for nonvested participants reported on item 4.

## NOTES TO FINANCIAL STATEMENTS

- (8) The following tables are the basis of measurement for net periodic and post retirement costs and is relevant for item 5 above:

	Pension Benefits	
	2002	2001
a. Weighted average discount rate	6.00%	6.75%
b. Rate of compensation increase	4.50%	5.00%
c. Expected long-term rate of return on plan assets	8.25%	8.00%

	Postretirement Benefits	
	2002	2001
a. Weighted average discount rate	6.60%	7.50%
b. Expected long-term rate of return on plan assets	7.75%	8.00%
c. Assumed health care cost and trend rate:		
Initial rate	11.30%	11.00%
Ultimate rate	5.70%	5.50%
Declining Period	11 Years	4 Years

- (9) Because current plan costs are very close to dollar caps, the health care cost trend has an immaterial effect on plan obligations for the postretirement life and health care benefit plan as a whole. As a result, the effect of a one percentage point increase or decrease in the assumed health care cost trend rate on the accrued postretirement benefit obligation as of December 31, 2002 and 2001 and on the net periodic postretirement benefit cost for the year ended December 31, 2002 and 2001 does not have a material effect on plan obligations or expense.

B. Defined Contribution Plan

The Company, together with other affiliated companies, sponsors a defined contribution savings plan covering substantially all employees of the Company. Employees may make salary deferral contributions of up to 22%. Salary deferrals of up to 6% are subject to a 50% company match. The Company's expense related to this plan was \$5,340,000 and \$5,309,000 for 2002 and 2001, respectively. Individuals are subject to a dollar limit on salary deferrals per IRS Section 402(g) (\$11,000 in 2002). Other limits also apply. The Company has no legal obligation for benefits under this plan.

C. Multiemployer Plans

Not applicable.

D. Consolidated/Holding Company Plans

The Company, together with other affiliated companies, sponsors non-qualified deferred compensation and defined benefit arrangements for certain employees and agents. Expenses are allocated to the Company based on individual participants. Total Company liabilities for nonqualified employee plans was \$0 and \$0 on December 31, 2002 and December 31, 2001, respectively. Total expense recorded by the Company related to the non-qualified benefit plans was \$1,128,000 and \$3,000,000 during 2002 and 2001, respectively.

E. Postemployment Benefits and Compensated Absences

The Company has no obligations to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned vacation. The liability for earned but untaken vacation has been accrued.

NOTES TO FINANCIAL STATEMENTS

(13) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- (1) The Company has 3,814,779 Class A shares issued, authorized, and outstanding as of December 31, 2002 and 2001, respectively.
- (2) The Company has no preferred stock outstanding.
- (3)(4)(5) The payment of dividends by the Company is subject to restrictions set forth in the insurance laws and regulations of the State of Ohio, its domiciliary state. The State of Ohio insurance laws require Ohio-domiciled life insurance companies to seek prior regulatory approval to pay a dividend or distribution of cash or other property if the fair market value thereof, together with that of other dividends or distributions made in the preceding 12 months, exceeds the greater of (i) 10% of statutory-basis policyholders' surplus as of the prior December 31 or (ii) the statutory-basis net income of the insurer for the 12-month period ending as of the prior December 31. As of December 31, 2002, no dividends could be paid by NLIC without prior approval. The State of Ohio insurance laws also require insurers to seek prior regulatory approval for any dividend paid from other than earned surplus. Earned surplus is defined under the State of Ohio insurance laws as the amount equal to net unrealized capital gains and losses or revaluation of assets. Additionally, following any dividend, an insurer's policyholder surplus must be reasonable in relation to the insurer's outstanding liabilities and adequate for its financial needs. The payment of dividends by the Company may also be subject to restrictions set forth in the insurance laws of the State of New York that limit the amount of statutory profits on the Company's participating policies (measured before dividends to policyholders) that can inure to the benefit of the Company and its stockholders. The Company currently does not expect such regulatory requirements to impair its ability to pay operating expenses and dividends in the future.
- (6) Not applicable.
- (7) The Company does not hold any stocks for special purpose.
- (8) The Company does not hold any special surplus funds.
- (9) The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:
 

a. unrealized gains and losses:	\$ (27,107,884)
b. nonadmitted asset values:	350,265,256
c. separate account business:	32,518,255
d. asset valuation reserves:	213,112,680
e. provision for reinsurance:	34,555,239

(10) Surplus Notes

On December 19, 2001 the Company issued a \$300,000,000 surplus note, with an interest rate of 7.5% per annum, to NFS. The carrying value of the note at December 31, 2002 and 2001 was \$300,000,000 and \$300,000,000, respectively. The Company will pay interest semi-annually on June 17 and December 17 of each year commencing June 17, 2002 with approval of the superintendent of the state of Ohio. The principal and interest on this note shall not be a liability or claim against Nationwide Life, or any of its assets, except as provided in Section 3901.72 of the Ohio Revised Code. The note will mature on December 19, 2031.

On June 27, 2002, the Company issued a \$300,000,000 surplus note, with an interest rate of 8.15% per annum, to NFS. The carrying value of the note at December 31, 2002 was \$300,000,000. The Company will pay interest semi-annually on October 15 and April 15 of each year commencing on October 15, 2002 with approval of the superintendent of the state of Ohio. The principal and interest on this note shall not be a liability or claim against Nationwide Life, or any of its assets, except as provided in Section 3901.72 of the Ohio Revised Code. The note will mature on June 27, 2032.

- (11) None
- (12) None

## NOTES TO FINANCIAL STATEMENTS

## (14) Contingencies

- A. On October 29, 1998, the Company was named in a lawsuit filed in the Ohio state court related to the sale of deferred annuity products for use as investments in tax-deferred contributory retirement plans (Mercedes Castillo vs. Nationwide Financial Services, Inc., Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company). On May 3, 1999, the complaint was amended to, among other things, add Marcus Shore as a second plaintiff. The amended complaint is brought as a class action on behalf of all persons who purchased individual deferred annuity contracts or participated in group annuity contracts sold by the Company and the other named Company affiliates which were used to fund certain tax-deferred retirement plans. The amended complaint seeks unspecified compensatory and punitive damages. To date, no class has been certified. On June 11, 1999, the Company and the other named defendants filed a motion to dismiss the amended complaint. On March 8, 2000, the court denied the motion to dismiss the amended complaint filed by the Company and other named defendants. On January 25, 2002, plaintiffs served a motion for leave to amend their complaint to add three new named plaintiffs. On February 9, 2002, the plaintiffs filed a motion for class certification. The Company is opposing this motion. On February 9, 2002, Marcus Shore withdrew as a named plaintiff in the lawsuit. On April 16, 2002, the Company filed a motion for summary judgment on the individual claims of plaintiff Mercedes Castillo. On May 28, 2002, the Court denied plaintiffs' motion to add new persons as named plaintiffs, so the action is now proceeding with Mercedes Castillo as the only named plaintiff. On November 4, 2002, the Court issued a decision granting the Company's and the other defendants' motion for summary judgment on all of plaintiff Mercedes Castillo's individual claims, and ruling that plaintiff Mercedes Castillo's individual claims, and ruling that plaintiff's motion for class certification is moot. Judgment for all defendants, including the Company, was entered on November 15, 2002. On December 16, 2002, plaintiff Mercedes Castillo filed a notice of appeal from the court's orders (a) granting the defendants' motion for summary judgment; and (b) denying plaintiff's motion for leave to amend the complaint to add three new named plaintiffs. Plaintiff has not yet perfected this appeal. The Company intends to defend this lawsuit vigorously.

On August 15, 2001, the Company was named in a lawsuit filed in Connecticut federal court titled Lou Haddock, as trustee of the Flyte Tool & Die, Incorporated Deferred Compensation Plan, et al v. Nationwide Financial Services, Inc. and Nationwide Life Insurance Company. On September 6, 2001, the plaintiffs amended their complaint to include class action allegations. The plaintiffs seek to represent a class of retirement plans that purchased variable annuities from Nationwide Life Insurance Company to fund qualified ERISA retirement plans. The amended complaint alleges that the retirement purchased variable annuity contracts from the Company that allowed plan participants to invest in funds that were offered by separate mutual fund companies; that the Company was a fiduciary under ERISA and that the Company breached its fiduciary duty when it accepted certain fees from the mutual fund companies that purportedly were never disclosed by the Company; and that the Company violated ERISA by replacing many of the funds originally included in the plaintiffs' annuities with "inferior" funds because the new funds purportedly paid higher fees to the Company. The amended complaint seeks disgorgement of the fees allegedly received by the Company and unspecified compensatory damages, declaratory and injunctive relief and attorney's fees. On December 3, 2001, the plaintiffs filed a motion for class certification. The Company is opposing that motion. The Company intends to defend this lawsuit vigorously.

There can be no assurance that any such litigation will not have a material adverse effect on the Company in the future.

- B. The increase in the number of insurance companies that are under regulatory supervision has resulted, and is expected to continue to result, in increased assessments by state guaranty funds to cover losses to policyholders of insolvent or rehabilitated insurance companies. Those mandatory assessments may be partially recovered through a reduction in future premium taxes in certain states. Because the Company is not able to reasonably estimate the potential amounts or the potential effect of any such increased assessments or voluntary payments on the Company's financial position and results of operations, the Company recognizes its obligation for guaranty fund assessments when it receives notice that an amount is payable to a guaranty fund. Refunds for guaranty fund assessments were \$1,313,000 and \$283,000 in 2002 and 2001, respectively.

C. Gain Contingencies

Not applicable.

D. All Other Contingencies

Not applicable.

## (15) Leases

The Company does not have any material lease obligations at this time.

## NOTES TO FINANCIAL STATEMENTS

## (16) Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

(1) The table below summarizes the face amount of the Company's financial instruments with off-balance sheet risk.

	<u>ASSETS</u>		<u>LIABILITIES</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Swaps	4,208,376,337	2,306,013,902	3,029,899,754	3,533,437,816
Futures	5,513,590	54,828,656	1,041,249,448	1,409,079,513
Options	-	-	-	-
Total	<u>4,213,889,926</u>	<u>2,360,842,558</u>	<u>4,071,149,203</u>	<u>4,942,517,329</u>

(2) Commitments to fund fixed rate mortgage loans on real estate are agreements to lend to a borrower, and are subject to conditions established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a deposit. Commitments extended by the Company are based on management's case-by-case credit evaluation of the borrower and the borrower's loan collateral.

Notional amounts of derivative financial instruments, primarily interest rate swaps, interest rate futures contracts and foreign currency swaps, significantly exceed the credit risk associated with these instruments and represent contractual balances on which calculation of amounts to be exchanged are based. Credit exposure is limited to the sum of the aggregate fair value of positions that have become favorable to the Company, including accrued interest receivable due from the counterparties.

(3) Should the commitment be funded, the Company's exposure to credit loss in the event of nonperformance by the borrower is represented by the contractual amounts of these commitments less the net realizable value of the collateral. The contractual amounts also represent the cash requirements for all unfunded commitments.

Potential credit losses are minimized through careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions, collateral agreements and other contract provisions.

(4) The underlying mortgage property represents the collateral if the commitment is funded. The Company's policy for new mortgage loans on real estate is to lend no more than 80% of collateral value.

Collateral requirements for over-the-counter derivative instruments are controlled by the International Swap Dealers Association and Credit Support Annex documents that are negotiated with each counterparty. Generally, these documents outline each party's rights and obligations for receiving and posting collateral. The documents address such issues as calculating collateral due/owed, delivery and return of collateral, uses and substitution for collateral, distributions and interest, rights and remedies for both parties, credit thresholds and eligible collateral (typically cash, debt obligations issued by the United States Treasury, or obligations issued by government-agencies). NLIC monitors their collateral positions on a daily basis, adjusting positions as necessary, and in accordance with the terms of these agreements. For futures contracts, margin requirements are established by the broker for the various types of futures contracts that NLIC may employ. The margin account is settled daily for changes in contracts outstanding and movements in market values of open contracts. NLIC uses cash to cover the margin account for futures activity.

## (17) Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

## A. Transfers of Receivables Reported as Sales

Not applicable.

## B. Transfer and Servicing of Financial Assets

The Company lends treasury, corporate and equity securities and in turn, generally receives cash collateral. In some cases, securities or letter of credits are used by the borrower as collateral. The fair value of the collateral is equal to at least 102% of the loaned securities at all times during the period the securities are loaned.

The cash collateral is invested in high-quality short-term investments. Both the borrower and the Company can request or return the loaned securities at any time. Nationwide maintains ownership of the securities at all times and is entitled to receive from the borrower any payments for interest or dividends received during the loan term.

## NOTES TO FINANCIAL STATEMENTS

Since the collateral pledged by the borrower is not available for the general use of the Company (restricted), the collateral is not recorded on the balance sheet as an asset, and a corresponding liability for the return of the collateral is not recorded.

C. Wash Sales

Not applicable.

(18) Gain or Loss to the Reporting Entity from Uninsured A & H Plans and the Uninsured Portion of Partially Insured Plans

The Company has reinsurance agreements with NMIC and other unaffiliated carriers whereby all of the Company's accident and health business is ceded to NMIC on a modified coinsurance basis and to the unaffiliated carriers on a coinsurance basis, therefore this section is not applicable.

(19) Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The aggregate amount of direct premiums through Third Party Administrators is \$15,354,351. This is composed of 3 Third Party Administrators, which generate less than 1% of the Company's direct written premium.

(20) Other Items

A. Extraordinary Items

None

B. Troubled Debt Restructuring: Debtors

None

C. Other Disclosures

None

D. Not applicable.

E. Not applicable.

F. Not applicable.

G. Not applicable.

H. Not applicable.

I. Not applicable.

J. Real estate

Refer to Footnote 5.

K. Participating Policies

Refer to Footnote 1(C)(15)

L. Not applicable.

## NOTES TO FINANCIAL STATEMENTS

M. Not applicable.

N. Not applicable.

O. The Company reported the following noncash investing and financing activities in 2002.

	2002	2001
1. Real estate acquired in satisfaction of debt	\$25,480,572	\$9,901,538
2. Conversion of Debt to Equity	\$2,964,753	\$ -

(21) Events Subsequent

On February 13, 2003, the Company received a \$200,000,000 capital contribution from NFS.

(22) Reinsurance

A. Ceded Reinsurance Report

Section I – General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes ( ) No (X)

If yes, give full details.

2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes ( ) No (X)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the Company to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

\$ 0

- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement?

\$ 0

## NOTES TO FINANCIAL STATEMENTS

2. Does the Company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (X)

If yes, give full details.

### Section 3 – Ceded Reinsurance Report – Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

\$ 0

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes (X) No ( )

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments?

\$ 159,836,000

- B. Uncollectible Reinsurance

None

- C. Commutation of Ceded Reinsurance

Not Applicable

### (23) Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Not applicable.

- B. Not applicable.

### (24) Change in Incurred Losses and Loss Adjustment Expenses

Not applicable.

### (25) Intercompany Pooling Arrangements

Not applicable.

**NOTES TO FINANCIAL STATEMENTS**

(26) Reserves for Life Contracts and Deposit-Type Contracts

- (1) The Company waives deduction of deferred fractional premiums upon death of the insured. The Company returns any portion of final premium paid beyond the month of death for all policies.
- (2) The same percentage that is applied to the Gross Premiums for determining the rate charged the substandard risk, is also applied to the rates in the Statutory Mortality table at all durations. For example, a life issued at table B which would normally use 80CSO, would actually use 80CSO with all rates grossed up 50%.
- (3) As of December 31, 2002, the Company had \$4,080,705,683 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Ohio. Reserves to cover the above insurance totaled the gross amount of \$ 20,796,842 at year-end and are reported in Exhibit 5, Section G.
- (4) The Tabular Interest (Page 7, Part A, line 4), The Tabular Less Actual Reserve Released (Page 7, Part A, line 5), and the Tabular Cost (Page 7, Part A, line 9) have been determined by formulas described in the instructions for Page 7.
- (5) The Tabular Interest on Funds not involving life contingencies is calculated using the actual accrued interest on such funds.
- (6) The details for "Other Increases" (net) are:

Item	1	2	ORDINARY			6	GROUP	
	Total	Industrial Life	3	4	5	Credit Life Group and Individual	7	8
			Life Insurance	Individual Annuities	Supplementary Contracts		Life Insurance	Annuities
Premium Deposits and Beneficiary Asset Accounts	(8,703,716)		(8,703,716)					
Medium Term Note Program Reserve Growth and other	394,859,888							394,859,888

NOTES TO FINANCIAL STATEMENTS

(27) Variable Annuities with Guaranteed Living Benefits

<u>Guaranteed Living Benefits</u>				
<u>Benefit and Type of Risk</u>	<u>Subjected Account Value</u>	<u>Gross Amount of Reserve Held</u>	<u>Location Of Reserve</u>	<u>Reinsurance Reserve Credit</u>
GMIB - Max (1yr Rat.,5% Accum) 7 yr waiting period	\$ 50,975	\$ 2,325	Exhibit 5G	\$ -
GMIB - Annual Ratchet 7 yr. waiting period	\$ 250,899,132	\$ 9,743,088	Exhibit 5G	\$ 5,287,674
GMIB - Annual Ratchet 15 yr. waiting period	\$ 49,264,682	\$ 2,224,542	Exhibit 5G	\$ -
GMIB - Prem Accum at 5% 7 yr. waiting period	\$ 644,074,382	\$ 18,805,161	Exhibit 5G	\$ 11,221,503

(28) Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics

	(1) <u>Amount</u>	(2) <u>% of Total</u>
A. Subject to discretionary withdrawal:		
(1) With market value adjustment	\$ 9,445,896,050	14.90%
(2) At book value less current surrender charge of 5% or more	2,234,034,554	3.52%
(3) At fair value	<u>41,061,456,408</u>	<u>64.77%</u>
(4) Total with adjustment or at market value (Total of 1 through 3)	52,741,387,012	83.20%
(5) At book value without adjustment (minimal or no charge or adjustment)	3,622,986,278	5.72%
(B) Not subject to discretionary withdrawal	<u>7,027,291,537</u>	<u>11.09%</u>
(C) Total (gross)	63,391,664,827	<u>100.00%</u>
(D) Reinsurance ceded	<u>189,775,603</u>	
(E) Total (net)* (C) – (D)	<u>63,201,889,224</u>	

\*Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

(F) Life & Accident & Health Annual Statement:	<u>Amount</u>
1. Exhibit 5, Annuities Section, Ord Totals (net)	\$ 3,264,491,572
2. Exhibit 5, Annuities Section, Grp Totals (net)	12,879,122,003
3. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	1,415,887
4. Exhibit of Deposit-Type Contracts, Line 14, Column 1	<u>5,652,186,952</u>
5. Subtotal	<u>21,797,216,414</u>

Separate Accounts Annual Statement:

6. Exhibit 3, Line 0299999, Column 2	\$ 41,404,672,810
7. Exhibit 3, Line 0399999, Column 2	-
8. Policyholder dividend and coupon accumulations	-
9. Policyholder premiums	-
10. Guaranteed interest contracts	-
11. Other contract deposit funds	-
12. Subtotal	<u>41,404,672,810</u>
13. Combined Total	<u>63,201,889,224</u>

## NOTES TO FINANCIAL STATEMENTS

## (29) Premium and Annuity Considerations Deferred and Uncollected

- A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2002 were as follows:

<u>Type</u>	<u>(1)</u> <u>Gross</u>	<u>(2)</u> <u>Net of Loading</u>
(1) Industrial	\$ -	\$ -
(2) Ordinary new business	6,276,014	3,292,604
(3) Ordinary renewal	57,660,079	61,740,304
(4) Credit Life	-	-
(5) Group Life	1,177,589	1,158,950
(6) Group Annuity	<u>-</u>	<u>-</u>
(7) Totals	<u>65,113,682</u>	<u>66,191,858</u>

## (30) Separate Accounts

- A. General Nature and Characteristics of Separate Accounts Business:

Most separate accounts held by the Company relate to individual and group variable annuity and variable universal life insurance contracts of a nonguaranteed return nature. The net investment experience of the separate accounts is credited directly to the contractholder and can be positive or negative. The individual variable annuity contracts generally provides an incidental death benefit of the greater of account value or premium paid (net of prior withdrawals). However, many individual variable annuity contracts also provide death benefits equal to i) the most recent fifth-year anniversary account value ii) the highest account valued on any previous anniversary iii) premiums paid increased 5% or certain combinations of these, all adjusted for prior withdrawals. The death benefit and cash value under the variable universal life policies may vary with the investment performance of the underlying investments in the separate accounts. The assets and liabilities of these separate accounts are carried at market. This business has been included in Column 4.

Certain other separate accounts relate to a guaranteed term option (GTO) which provides a guaranteed interest rate, paid over certain maturity durations ranging from three to ten years, so long as certain conditions are met. If amounts allocated to the GTO are distributed prior to the maturity period, a market value adjustment (MVA) can be assessed. The assets and liabilities of these separate account are carried at market. This business has been included in Column 3.

The Company also offers an experience-rated group annuity contract funded through a separate account. This contract provides a quarterly interest rate guarantee, subject to a minimum guarantee of 1.31%. The interest rate declared each quarter reflects the underlying investment experience of the account. The assets and liabilities of these separate account are carried at market. This business has been included in Column 2.

Another separate account offered by the Company contains a group of Universal Life policies wherein the assets supporting the account values on the underlying policies reside in a Private Placement Separate Account. It provides an annual interest rate guarantee, subject to a minimum guarantee of 3.0%. The interest rate declared each year reflects the anticipated investment experience of the account.

## NOTES TO FINANCIAL STATEMENTS

Information regarding the separate accounts of the Company is as follows:

	(1) <u>Indexed</u>	(2) Nonindexed Guarantee Less than/equal to 4%	(3) <u>Nonindexed</u> <u>Guarantee</u> <u>More than 4%</u>	(4) <u>Nonguaranteed</u> <u>Separate</u> <u>Accounts</u>	(5) <u>Total</u>
(1) Premiums, considerations or deposits for year ended 12/31/2002	\$ -	\$ 22,616,524	\$ 52,538,746	\$ 3,711,734,082	\$ 3,786,889,352
Reserves at 12/31/2002					
(2) For accounts with assets at:					
a. Market value	-	852,186,348	411,260,208	43,238,084,516	44,501,531,072
b. Amortized cost	-	254,699,347	-	-	254,699,347
c. Total reserves*	-	1,106,885,695	411,260,208	43,238,084,516	44,756,230,419
(3) By withdrawal characteristics					
a. Subject to discretionary withdrawal:	-	-	-	-	-
b. With MV adjustment	-	852,186,348	411,260,208	-	1,263,446,556
c. At book value without MV adjustment and with current surrender charge of 5% or more	-	-	-	104,166,061	104,166,061
d. At market value	-	-	-	43,087,429,832	43,087,429,831
e. At book value without MV adjustment and with current surrender charge less than 5%	-	254,699,347	-	17,759,633	272,458,980
f. Subtotal	-	1,106,885,695	411,260,208	43,209,355,526	44,727,201,429
g. Not subject to discretionary withdrawal	-	-	-	28,728,991	28,728,991
h. Total	-	1,106,885,695	411,260,208	43,238,084,517	44,756,230,419

\*Line 2(c) should equal Line 3(h).

(4) Not Applicable

(5) Reconciliation of Net Transfers To or (From) Separate Accounts

(1) Transfers as reported in the Summary of Operations of the Separate Accounts Statement

a. Transfers to Separate Accounts (Page 4, Line 1.4)	\$ 7,702,431,901
b. Transfers from Separate Accounts (Page 4, Line 10)	8,915,241,736
c. Net transfers to or (From) Separate Accounts (a) – (b)	(1,212,809,835)

(2) Reconciling Adjustments:

a. Fees not included in general account transfers.	(259,643,126)
b. Other miscellaneous adjustments not included in the general account balance.	(2,360,287)

(3) Transfers as Reported in the Summary of Operations of the Life, Accident & Health Annual Statement  
(1c) + (2) = (Page 4, Line 26)(1,474,813,248)

## 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 .....	28,549,148	0.105	28,549,148	0.105
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....	14,938,727	0.055	14,938,727	0.055
1.22 Issued by U.S. government sponsored agencies .....	923,657,089	3.413	923,657,089	3.413
1.3 Foreign government (including Canada, excluding mortgaged-backed securities) .....	49,216,402	0.182	49,216,402	0.182
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 .....	1,498,210	0.006	1,498,210	0.006
1.43 Revenue and assessment obligations .....	19,168,031	0.071	19,168,031	0.071
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 .....	47,325,201	0.175	47,325,201	0.175
1.512 Issued by FNMA and FHLMC .....	105,610,433	0.390	105,610,433	0.390
1.513 Privately issued .....	2,018,003	0.007	2,018,003	0.007
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC .....	2,536,198,394	9.371	2,536,198,394	9.371
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 .....	639,028,556	2.361	639,028,556	2.361
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....	12,377,634,444	45.732	12,377,634,444	45.732
2.2 Unaffiliated foreign securities .....	1,707,827,043	6.310	1,707,827,043	6.310
2.3 Affiliated securities .....	462,481	0.002	462,481	0.002
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 .....	5,500,000	0.020	5,500,000	0.020
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....		0.000		0.000
3.32 Unaffiliated .....	336,911	0.001	336,911	0.001
3.4 Other equity securities:				
3.41 Affiliated .....	216,922,195	0.801	216,922,195	0.801
3.42 Unaffiliated .....	40,396,884	0.149	40,396,884	0.149
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	0.000	0	0.000
4.2 Agricultural .....	0	0.000	0	0.000
4.3 Single family residential properties .....	339,850	0.001	339,850	0.001
4.4 Multifamily residential properties .....	0	0.000	0	0.000
4.5 Commercial loans .....	6,931,387,329	25.610	6,931,387,329	25.610
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 \$ 58,157,176 of property acquired in satisfaction of debt) .....	86,566,565	0.320	86,566,565	0.320
5.3 Property held for sale (\$ 28,045,757 including property acquired in satisfaction of debt) .....	28,045,757	0.104	28,045,757	0.104
6. Policy loans .....	628,643,245	2.323	628,643,245	2.323
7. Receivables for securities .....	15,374,627	0.057	15,374,627	0.057
8. Cash and short-term investments .....	224,116,801	0.828	224,116,801	0.828
9. Other invested assets .....	434,776,756	1.606	434,776,756	1.606
10. Total invested assets	27,065,539,081	100.000	27,065,539,081	100.000

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [ X ] No [ ] NA [ ]
- 1.3 State Regulating? ..... Ohio.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....  
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/2001
- 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. ....12/31/2001
- 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). ....12/16/2002
- 3.4 By what department or departments? Ohio .....
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? ..... Yes [ ] No [ X ]
- 4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? ..... Yes [ ] No [ X ]
- 4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

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

# GENERAL INTERROGATORIES

(continued)

- 8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 KPMG LLP  
 191 West Nationwide Blvd  
 Columbus, Ohio 43215.....
- 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?  
 Stephan A. J. Sedlak  
 Vice President and Appointed Actuary.....
- 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?  
 N/A.....
- 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	0	[ ]	[ ]	[ ]	[ ]
Common	5,000,000	3,814,779	1.000	XXX	XXX	XXX	XXX	XXX

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

18.2 If no, give full and complete information relating thereto:  
 See 19.1 below

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 [ X ] No [ ]

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

19.21	Loaned to others .....	\$ 760,470,380
19.22	Subject to repurchase agreements .....	\$ 0
19.23	Subject to reverse repurchase agreements .....	\$ 0
19.24	Subject to dollar repurchase agreements .....	\$ 0
19.25	Subject to reverse dollar repurchase agreements .....	\$ 0
19.26	Pledged as collateral .....	\$ 135,411,885
19.27	Placed under option agreements .....	\$ 0
19.28	Letter stock or other securities restricted as to sale .....	\$ 0
19.29	Other .....	\$ 0

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

19.31 Detail listing filed with state of domicile.....	19.35 .....
19.32 .....	19.36 Detail listing filed with state of domicile.....
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 [ X ] No [ ]

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ X ] 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
Bank of New York.....	1 Wall Street - 14th Floor.....
.....	Insurance Custody.....
.....	New York, NY 10286.....

## 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)
N/A.....		

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
N/A.....		

### OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?..... \$.....1,861,818

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
American Council of Life Insurers.....	\$.....953,805
.....	\$.....
.....	\$.....

24.1 Amount of payments for legal expenses, if any?..... \$.....5,143,184

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
Leboeuf, Lamb, Greene & Macrae.....	\$.....2,159,873
.....	\$.....
.....	\$.....

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ .....2,896

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 [ X ]	No [ ]
1.2	If yes, indicate premium earned on U. S. business only .....	\$	26,914,108
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 .....	\$	20,095,067
1.6	Individual policies:		
	Most current three years:		
	1.61 Total premium earned .....	\$	6,783,198
	1.62 Total incurred claims .....	\$	5,077,726
	1.63 Number of covered lives .....	\$	4,700
	All years prior to most current three years:		
	1.64 Total premium earned .....	\$	15,308,284
	1.65 Total incurred claims .....	\$	11,232,972
	1.66 Number of covered lives .....	\$	10,333
1.7	Group policies:		
	Most current three years:		
	1.71 Total premium earned .....	\$	490,053
	1.72 Total incurred claims .....	\$	326,931
	1.73 Number of covered lives .....	\$	314
	All years prior to most current three years:		
	1.74 Total premium earned .....	\$	7,259,541
	1.75 Total incurred claims .....	\$	5,384,730
	1.76 Number of covered lives .....	\$	4,029
2.1	Does this reporting entity have Separate Accounts? .....	Yes [ X ]	No [ ]
2.2	If yes, has a Separate Accounts Statement been filed with this Department? .....	Yes [ X ]	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? .....	\$	1,177,320,558
2.4	State the authority under which Separate Accounts are maintained: Ohio Revised Code 390715		
2.5	Was any of the reporting entity's Separate Accounts business reinsured as of December 31? .....	Yes [ X ]	No [ ]
2.6	Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? .....	Yes [ ]	No [ X ]
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: .....	\$	578,932,257
	3.22 Received: .....	\$	
4.1	Does the reporting entity write any guaranteed interest contracts? .....	Yes [ X ]	No [ ]
4.2	If yes, what amount pertaining to these items is included in:		
	4.21 Page 3, Line 3 .....	\$	4,590,419,240
	4.22 Page 4, Line 1 .....	\$	0
5.	For stock reporting entities only:		
5.1	Total amount paid in by stockholders as surplus funds since organization of the reporting entity:	\$	143,000,132
6.	Total dividends paid stockholders since organization of the reporting entity:		
	6.11 Cash: .....	\$	683,585,585
	6.12 Stock: .....	\$	9,977,139
7.1	Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? .....	Yes [ X ]	No [ ]
	7.11 Name of real estate holding company .....	See Schedule BA	
	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 expositors, 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? ..... \$0 .....

**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
<b>Life Insurance in Force</b>					
(Exhibit of Life Insurance)					
1. Ordinary - Whole Life and Endowment (Line 34, Col. 4) .....	85,103,640	69,597,156	60,079,031	42,457,801	35,579,149
2. Ordinary - Term (Line 21, Col. 4, less Line 34, Col. 4) .....	19,945,500	29,017,126	26,747,149	28,485,067	21,860,472
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) .....	6,537,830	5,382,641	5,021,604	10,033,181	5,012,362
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) .....	111,586,970	103,996,923	91,847,784	80,976,049	62,451,983
<b>New Business Issued</b>					
(Exhibit of Life Insurance)					
8. Ordinary - Whole Life and Endowment (Line 34, Col. 2) .....	9,853,482	12,209,013	16,068,747	12,436,467	9,393,624
9. Ordinary - Term (Line 2, Col. 4, less Line 34, Col. 2) .....	3,911,052	5,189,320	5,236,349	6,141,840	4,771,247
10. Credit Life (Line 2, Col. 6) .....	0	0	0	0	0
11. Group (Line 2, Col. 9) .....	1,164,742	383,025	340,562	63,630	310,669
12. Industrial (Line 2, Col. 2) .....	0	0	0	0	0
13. Total (Line 2, Col. 10) .....	14,929,276	17,781,358	21,645,658	18,641,937	14,475,540
<b>Premium Income - Lines of Business</b>					
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) .....	1,260,456,587	1,432,676,046	1,695,396,225	1,024,697,180	1,054,788,130
15.2 Ordinary-Individual Annuities (Exhibit 1-Part 1, Line 20.4, Col. 4) .....	4,307,599,541	4,176,700,777	80,931,141	25,206,617	24,698,781
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) .....	156,892,195	59,584,727	39,970,776	18,604,992	70,583,329
17.2 Group Annuities (Exhibit 1-Part 1, Line 20.4, Col. 7) .....	6,870,004,074	8,190,622,684	57,252,247	43,233,691	35,936,154
18.1 A & H-Group (Exhibit 1-Part 1, Line 20.4, Col. 8) .....	186,388	(1,262,270)	(337,880)	(1,998,766)	(5,601,156)
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) .....	857,656	1,303,780	2,980,131	(197,080)	32,788
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	15,746,605,832	13,206,401,341	11,364,269,308
21. Total .....	12,595,996,441	13,859,625,744	17,622,798,473	14,315,947,974	12,544,707,334
<b>Balance Sheet Items (Pages 2 &amp; 3)</b>					
22. Total Admitted Assets Excluding Separate Accounts Business (Page 2, Line 25, Col. 3) .....	27,700,600,050	23,515,818,636	21,645,972,718	21,527,575,906	19,526,785,432
23. Total Liabilities Excluding Separate Accounts Business (Page 3, Line 26) .....	26,126,038,654	21,793,228,665	20,408,689,713	20,194,451,970	18,231,881,928
24. Aggregate Life Reserves (Page 3, Line 1) .....	20,222,435,032	18,060,748,822	15,026,936,387	15,149,753,533	14,360,575,840
25. Aggregate A & H Reserves (Page 3, Line 2) .....	92,392,521	99,130,192	97,468,586	99,067,130	100,691,707
26. Deposit-type contract funds (Page 3, Line 3) .....	5,652,186,952	3,591,118,500	XXX	XXX	XXX
27. Asset Valuation Reserve (Page 3, Line 24.1) .....	213,112,680	211,449,510	193,631,133	193,445,248	188,839,353
28. Capital (Page 3, Lines 29 and 30) .....	3,814,779	3,814,779	3,814,779	3,814,779	3,814,779
29. Surplus (Page 3, Line 37) .....	1,603,264,873	1,756,003,186	1,271,262,737	1,345,880,042	1,311,308,573
<b>Risk-Based Capital Analysis</b>					
30. Total Adjusted Capital .....	1,857,730,978	2,007,215,810	1,500,356,883	1,572,155,539	1,531,024,663
31. Authorized Control Level Risk - Based Capital .....	300,199,117	290,363,171	279,372,888	240,906,753	229,999,948
<b>Percentage Distribution of Assets</b>					
(Page 2, Col. 3) (Line No. / Page 2, Line 11, Col. 3) x 100.0					
32. Bonds (Line 1) .....	68.2	67.2	66.0	67.7	67.3
33. Stocks (Lines 2.1 and 2.2) .....	1.0	0.8	0.7	0.6	1.1
34. Mortgage Loans on Real Estate (Lines 3.1 and 3.2) .....	25.6	27.9	27.2	25.8	26.4
35. Real Estate (Lines 4.1, 4.2 and 4.3) .....	0.4	0.6	0.7	0.7	0.8
36. Policy Loans (Line 5) .....	2.3	2.6	2.6	2.5	2.4
37. Premium Notes (Line 6) .....	0.0	0.0	0.0	0.0	0.0
38. Cash and Short - Term Investments (Line 7) .....	0.8	0.6	1.5	1.8	1.3
39. Other Invested Assets (Line 8) .....	0.5	0.7	1.2	0.8	0.7
40. Receivable for Securities (Line 9) .....	0.1	0.1	0.1	0.1	0.0
41. Aggregate Write-ins for Invested Assets (Line 10) .....	1.1	(0.4)	0.0	(0.1)	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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
43. Affiliated Bonds (Schedule D Summary, Line 25, Col. 1) .....	462,481	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) .....	216,922,195	133,037,236	76,661,025	72,655,464	124,830,162
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 .....	217,384,676	133,037,236	76,661,025	72,655,464	124,830,162
<b>Total Non-admitted and Admitted Assets</b>					
50. Total Non admitted Assets (Page 2, Line 27, Col. 2) .....	350,166,575	69,903,062	156,978,747	93,905,897	58,404,120
51. Total Admitted Assets (Page 2, Line 27, Col. 3) .....	73,705,954,790	80,756,048,364	85,328,487,185	86,555,680,030	68,952,983,299
<b>Investment Data</b>					
52. Net Investment Income (Exhibit of Net Investment Income) .....	1,552,898,774	1,567,492,445	1,545,834,533	1,434,309,768	1,422,617,250
53. Realized Capital Gains (Losses) .....	(90,149,399)	(39,048,529)	(6,160,862)	(17,409,269)	20,199,118
54. Unrealized Capital Gains (Losses) .....	(1,538,828)	(33,658)	(44,256,992)	(23,912,690)	7,591,790
55. Total of above Lines 52, 53 & 54 .....	1,461,210,547	1,528,410,258	1,495,416,679	1,392,987,809	1,450,408,158
<b>Benefits and Reserve Increases (Page 6)</b>					
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) .....	11,660,835,040	11,558,945,504	13,460,094,219	9,779,769,293	6,662,195,288
57. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11) .....	(547)	(2,619)	2,707	5,514,084	(18,478,405)
58. Increase in Life Reserves - Other than Group and Annuities (Line 19, Cols. 2 and 3) .....	192,942,537	214,989,311	500,290,294	198,640,721	449,584,442
59. Increase in A & H Reserves (Line 19, Cols. 9, 10 & 11) .....	3,250,474	1,967,325	4,832,567	(2,237,108)	(4,025,261)
60. Dividends to Policyholders (Line 30, Col. 1) .....	43,580,110	42,708,860	41,645,900	39,564,497	38,417,710
<b>Operating Percentages</b>					
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 .....	8.3	7.6	58.1	85.0	74.5
62. Lapse Percent (Ordinary Only) (Exhibit of Life Insurance, Col. 4, Lines 14 & 15) x 100.0 / 1/2 (Lines 1 & 21) .....	6.5	5.5	6.0	7.2	7.4
63. A & H Loss Percent (Schedule H, Part 1, Lines 3 and 4, Col. 2) .....	0.0	(2,140.5)	45.6	159.3	440.3
64. A & H Expense Percent (Schedule H, Pt. 1, Line 8, Col. 2) .....	0.0	(79.5)	686.8	0.0	0.0
<b>A &amp; H Claim Reserve Adequacy</b>					
65. Incurred Losses on Prior Years' Claims - Group Health (Schedule H, Part 3, Line 3.1 Col. 2) .....	0	0	0	0	0
66. Prior Years' Claim Liability and Reserve - Group Health (Schedule H, Part 3, Line 3.2 Col. 2) .....	0	0	0	0	0
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
<b>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</b>					
69. Industrial Life (Col. 2) .....	0	0	0	0	0
70. Ordinary - Life (Col. 3) .....	30,639,104	25,380,973	(30,960,344)	(26,601,720)	(57,822,977)
71. Ordinary - Individual Annuities (Col. 4) .....	64,935,570	18,864,386	161,819,875	171,675,201	17,769,047
72. Ordinary-Supp. Contracts (Col. 5) .....	(28,856)	41,820	342,035	543,336	(952,891)
73. Credit Life (Col. 6) .....	0	0	0	0	0
74. Group Life (Col. 7) .....	1,200	(5,482)	(3,554,499)	(19,091,286)	(4,431,213)
75. Group Annuities (Col. 8) .....	7,696,513	(36,329,637)	(40,140,246)	23,469,904	89,926,523
76. A & H-Group (Col. 9) .....	(1)	2	570,910	0	0
77. A & H-Credit (Col. 10) .....	0	0	0	0	0
78. A & H-Other (Col. 11) .....	(260,322)	(2,110,467)	(21,975,056)	(77,694)	0
79. Aggregate of All Other Lines of Business (Col. 12) .....	128,534,770	130,852,286	99,896,316	144,724,565	124,243,724
80. Total (Col. 1) .....	231,517,978	136,693,881	165,998,991	294,642,305	168,732,213

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE NATIONWIDE 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)	7 Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year	0	0	877,812	98,614,282	0	0	4,490	69,471	5,382,641	103,996,923
2. Issued during year	0	0	48,247	13,764,534	0	0	1,297	1,922	1,164,742	14,929,276
3. Reinsurance assumed				763						763
4. Revived during year			736	130,457						130,457
5. Increased during year (net)			3,598	2,878,938			122	558	367,535	3,246,473
6. Subtotals, Lines 2 to 5	0	0	52,581	16,774,692	0	0	1,419	2,480	1,532,277	18,306,969
7. Additions by dividends during year	XXX		XXX	50,177	XXX		XXX	XXX		50,177
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	930,393	115,439,151	0	0	5,909	71,951	6,914,918	122,354,069
Deductions during year:										
10. Death			5,449	160,390			XXX	419	12,411	172,801
11. Maturity			617	4,319			XXX			4,319
12. Disability							XXX			0
13. Expiry			5,621	244,903						244,903
14. Surrender			38,897	5,065,909			286	284	249,406	5,315,315
15. Lapse			5,819	1,546,246			171	1,380	49,120	1,595,366
16. Conversion			1,248	2,393,339			XXX	XXX	XXX	2,393,339
17. Decreased (net)			2,000	974,905				436	66,151	1,041,056
18. Reinsurance										0
19. Aggregate write-ins for decreases	0	0	0	0	0	0	6	1,429	0	0
20. Totals, (Lines 10 to 19)	0	0	59,651	10,390,011	0	0	463	3,948	377,088	10,767,099
21. In force end of year, (Line 9 minus Line 20)	0	0	870,742	105,049,140	0	0	5,446	68,003	6,537,830	111,586,970
22. Reinsurance ceded end of year	XXX		XXX	37,297,830	XXX		XXX	XXX	1,644,451	38,942,281
23. Line 21 minus Line 22	XXX	0	XXX	67,751,310	XXX	(b)	XXX	XXX	4,893,379	72,644,689
<b>DETAILS OF WRITE-INS</b>										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0	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. MISCELLANEOUS DEDUCTION							6	1,429		0
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	6	1,429	0	0

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

(b) Group \$ .....; Individual \$ .....

**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 .....	XXX		XXX	7,811
25. Other paid-up insurance .....			59,048	284,602
26. Debit ordinary insurance .....	XXX	XXX		

**ADDITIONAL INFORMATION ON ORDINARY INSURANCE**

Term Insurance Excluding Extended Term 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 .....	1,379	99,203	45,901	2,416,492
28. Term policies - other .....	12,570	3,518,110	72,829	13,435,023
29. Other term insurance - decreasing .....	XXX	10,644	XXX	370,682
30. Other term insurance .....	XXX	283,095	XXX	3,594,664
31. Totals, Line 27 to 30 .....	13,949	3,911,052	118,730	19,816,861
Reconciliation to Page 30, Lines 2 and 21:				
32. Term additions .....	XXX		XXX	16,292
33. Totals, extended term insurance .....	XXX	XXX	13,322	112,347
34. Totals, whole life and endowment .....	34,298	9,853,482	738,695	85,103,640
35. Total (Lines 31 to 34) .....	48,247	13,764,534	870,747	105,049,140

**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 .....				
37. Ordinary .....	13,537,961	226,573	88,871,138	16,178,002
38. Credit Life (Group and Individual) .....				
39. Group .....	1,164,742		6,537,830	
40. Totals (Lines 36 to 39) .....	14,702,703	226,573	95,408,968	16,178,002

**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 .....	XXX		XXX	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis .....		XXX	61,877	XXX
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 .....			319	563

**ADDITIONAL ACCIDENTAL DEATH BENEFITS**

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a) .....	1,764,611
---	-----------

**BASIS OF CALCULATION OF ORDINARY TERM INSURANCE**

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage 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.
47.1 Average Level Amount.....
5000 Term Per Unit of Spouse Rider prior to 1989 .....
2000 Term Per Unit of Child Rider prior to 1983 .....
3000 Term Per Unit of Child Rider 1983 and after .....
3000 Term Per Unit of Sp and Chd under Fam Pol prior to 1964 .....
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 .....	0		322,023	5,710,776	0	0	38,076	760,677
49. Disability Income .....								
50. Extended Benefits .....			XXX	XXX				
51. Other .....								
52. Total .....	0 <sup>(b)</sup>	0	322,023 <sup>(b)</sup>	5,710,776	0 <sup>(b)</sup>	0	38,076 <sup>(b)</sup>	760,677

(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
1. In force end of prior year .....	332	318	0	1
2. Issued during year .....		15		
3. Reinsurance assumed .....				
4. Increased during year (net) .....				
5. Total (Lines 1 to 4) .....	332	333	0	1
Deductions during year:				
6. Decreased (net) .....	31	25		
7. Reinsurance .....				
8. Totals (Lines 6 and 7) .....	31	25	0	0
9. In force end of year .....	301	308	0	1
10. Amount on deposit .....		(a)		(a)
11. Income now payable .....				
12. Amount of income payable .....	(a) 275,569	(a) 278,083	(a)	(a)

**ANNUITIES**

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year .....	5,661	586,342	12,333	1,188,413
2. Issued during year .....	913	43,071	1,113	96,208
3. Reinsurance assumed .....				
4. Increased during year (net) .....		143		
5. Total (Lines 1 to 4) .....	6,574	629,556	13,446	1,284,621
Deductions during year:				
6. Decreased (net) .....	90	70,791	90	65,886
7. Reinsurance .....				
8. Totals (Lines 6 and 7) .....	90	70,791	90	65,886
9. In force end of year .....	6,484	558,765	13,356	1,218,735
Income now payable:				
10. Amount of income payable .....	(a) 52,447,354	XXX	XXX	(a) 285,449,629
Deferred fully paid:				
11. Account balance .....	XXX	(a) 17,938,978,568	XXX	(a) 17,535,669,760
Deferred not fully paid:				
12. Account balance .....	XXX	(a)	XXX	(a) 1,829,743,164

**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 .....	86,914	67,566	14,868	87,776	0	0
2. Issued during year .....	1,843	4,077	9,733	36,426		
3. Reinsurance assumed .....						
4. Increased during year (net) .....		XXX		XXX		XXX
5. Total (Lines 1 to 4) .....	88,757	XXX	24,601	XXX	0	XXX
Deductions during year:						
6. Conversions .....	XXX	XXX		XXX	XXX	XXX
7. Decreased (net) .....	14,401	XXX	9,778	XXX		XXX
8. Reinsurance .....	17,100	XXX		XXX		XXX
9. Total (Lines 6 thru 8) .....	31,501	XXX	9,778	XXX	0	XXX
10. In force end of year .....	57,256 (a)	14,300	14,823 (a)	207,268	0 (a)	

**DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS**

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year .....	8,568	233,682
2. Issued during year .....	239	
3. Reinsurance assumed .....		
4. Increased during year (net) .....		
5. Total (Lines 1 to 4) .....	8,807	233,682
Deductions During Year:		
6. Decreased (net) .....	411	2,729
7. Reinsurance .....		
8. Totals (Lines 6 and 7) .....	411	2,729
9. In force end of year .....	8,396	230,953
10. Amount of account balance .....	(a) 87,902,991	(a) 438,981,216

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

**SCHEDULE D - SUMMARY BY COUNTRY**

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

Description	1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>				
Governments (Including all obligations guaranteed by governments)	1. United States ..... 710,776,272 2. Canada ..... 0 3. Other Countries ..... 4,025,618 4. Totals ..... 714,801,890	750,512,978 0 4,025,618 754,538,596	688,494,657 0 4,033,000 692,527,657	855,363,469 0 3,700,000 859,063,469
States, Territories and Possessions (Direct and guaranteed)	5. United States ..... 0 6. Canada ..... 26,270,446 7. Other Countries ..... 0 8. Totals ..... 26,270,446	0 28,158,297 0 28,158,297	0 25,987,446 0 25,987,446	0 26,060,000 0 26,060,000
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States ..... 1,498,210 10. Canada ..... 9,007,939 11. Other Countries ..... 0 12. Totals ..... 10,506,149	1,498,210 9,031,770 0 10,529,980	1,498,080 9,813,440 0 11,311,520	1,500,000 9,000,000 0 10,500,000
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States ..... 2,853,897,167 14. Canada ..... 0 15. Other Countries ..... 0 16. Totals ..... 2,853,897,167	2,853,897,167 0 0 2,853,897,167	2,840,196,333 0 0 2,840,196,333	2,819,406,579 0 0 2,819,406,579
Public Utilities (unaffiliated)	17. United States ..... 1,033,460,592 18. Canada ..... 40,227,863 19. Other Countries ..... 60,529,422 20. Totals ..... 1,134,217,877	1,046,493,479 45,858,892 62,115,533 1,154,467,904	1,032,764,360 40,643,808 60,794,070 1,134,202,238	1,021,952,929 38,145,000 59,750,000 1,119,847,929
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States ..... 12,098,265,734 22. Canada ..... 325,221,098 23. Other Countries ..... 1,291,829,321 24. Totals ..... 13,715,316,153	12,305,996,714 341,552,237 1,321,332,539 13,968,881,490	12,078,514,012 324,816,976 1,289,759,805 13,693,090,793	12,699,050,242 333,829,427 1,295,027,364 14,327,907,033
Parent, Subsidiaries and Affiliates	25. Totals ..... 462,481 26. <b>Total Bonds</b> ..... 18,455,472,163	462,481 18,770,935,915	462,481 18,397,778,468	462,481 19,163,247,491
<b>PREFERRED STOCKS</b>				
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 ..... 5,500,000 36. Canada ..... 0 37. Other Countries ..... 0 38. Totals ..... 5,500,000	5,260,000 0 0 5,260,000	5,500,453 0 0 5,500,453	5,500,453 0 0 5,500,453
Parent, Subsidiaries and Affiliates	39. Totals ..... 0 40. <b>Total Preferred Stocks</b> ..... 5,500,000	0 5,260,000	0 5,500,453	0 5,500,453
<b>COMMON STOCKS</b>				
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 ..... 202,174 46. Canada ..... 0 47. Other Countries ..... 0 48. Totals ..... 202,174	202,174 0 0 202,174	125,212 0 0 125,212	125,212 0 0 125,212
Industrial and Miscellaneous (unaffiliated)	49. United States ..... 40,531,621 50. Canada ..... 0 51. Other Countries ..... 0 52. Totals ..... 40,531,621	40,531,621 0 0 40,531,621	47,662,562 0 0 47,662,562	47,662,562 0 0 47,662,562
Parent, Subsidiaries and Affiliates	53. Totals ..... 216,922,195 54. <b>Total Common Stocks</b> ..... 257,655,990	216,922,195 257,655,990	255,099,731 302,887,505	255,099,731 302,887,505
	55. <b>Total Stocks</b> ..... 263,155,990 56. <b>Total Bonds and Stocks</b> ..... 18,718,628,153	262,915,990 19,033,851,905	308,387,958 18,706,166,426	308,387,958 18,706,166,426

(a) The aggregate value of bonds which are valued at other than actual fair value is \$ .....12,177,016,275 .

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of bonds and stocks, prior year ..... 15,657,930,343	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3 ..... 8,050,660,270	6.1 Column 17, Part 1 ..... 9,348,356
3. Increase (decrease) by adjustment:	6.2 Column 13, Part 2, Sec. 1 ..... 0
3.1 Column 16, Part 1 ..... (111,136,644)	6.3 Column 11, Part 2, Sec. 2 ..... 0
3.2 Column 12, Part 2, Sec. 1 ..... 0	6.4 Column 11, Part 4 ..... 52,635
3.3 Column 10, Part 2, Sec. 2 ..... (11,209,004)	7. Book/adjusted carrying value at end of current period ..... 18,718,628,153
3.4 Column 10, Part 4 ..... 17,860,223	8. Total valuation allowance ..... 0
4. Total gain (loss), Col. 14, Part 4 ..... 27,906,053	9. Subtotal (Lines 7 plus 8) ..... 18,718,628,153
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 ..... 4,922,784,079	10. Total nonadmitted amounts ..... 0
	11. Statement value of bonds and stocks, current period ..... 18,718,628,153

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE NATIONWIDE 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	
	Is Insurer Licensed? (Yes or No)	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Deposit-Type Contract Funds	Other Considerations	
1. Alabama	AL	Yes	8,176,803	2,970,216	1,110,444	0	107,907,026
2. Alaska	AK	Yes	619,835	504,899	8,871	0	8,180,708
3. Arizona	AZ	Yes	11,208,878	2,525,827	246,608	0	178,671,221
4. Arkansas	AR	Yes	3,491,429	760,127	739,153	0	40,627,660
5. California	CA	Yes	150,897,813	11,842,236	112,131,703	0	947,978,172
6. Colorado	CO	Yes	21,213,159	3,033,684	705,051	0	138,520,281
7. Connecticut	CT	Yes	19,427,689	1,939,130	3,208,143	0	150,918,692
8. Delaware	DE	Yes	172,544,207	562,391	377,860	0	23,907,336
9. District of Columbia	DC	Yes	955,771	180,000	159,741	0	22,534,059
10. Florida	FL	Yes	83,299,500	14,199,551	5,073,032	0	709,890,029
11. Georgia	GA	Yes	34,309,934	2,370,270	2,442,408	0	214,153,454
12. Hawaii	HI	Yes	19,963,484	762,296	66,384	0	58,188,342
13. Idaho	ID	Yes	1,259,129	762,735	51,484	0	35,148,260
14. Illinois	IL	Yes	57,535,519	4,806,103	718,496	0	561,785,970
15. Indiana	IN	Yes	8,333,422	1,288,688	1,671,606	0	183,616,511
16. Iowa	IA	Yes	8,340,431	879,332	284,719	0	81,850,613
17. Kansas	KS	Yes	7,254,655	2,645,126	644,263	0	152,849,659
18. Kentucky	KY	Yes	9,091,019	788,746	648,494	0	75,164,901
19. Louisiana	LA	Yes	3,109,999	398,835	191,095	0	61,070,998
20. Maine	ME	Yes	2,389,317	149,895	92,986	0	28,881,205
21. Maryland	MD	Yes	40,292,286	3,779,131	2,503,964	0	133,435,637
22. Massachusetts	MA	Yes	27,363,239	3,536,202	369,344	0	323,122,676
23. Michigan	MI	Yes	32,418,452	3,519,435	1,577,954	0	311,227,343
24. Minnesota	MN	Yes	49,380,474	2,041,247	192,873	0	125,997,621
25. Mississippi	MS	Yes	5,158,852	325,420	1,492,865	0	25,867,910
26. Missouri	MO	Yes	9,794,230	2,970,925	530,038	0	224,830,620
27. Montana	MT	Yes	949,041	203,026	39,895	0	15,233,759
28. Nebraska	NE	Yes	2,382,982	894,863	130,209	0	63,866,138
29. Nevada	NV	Yes	15,870,535	407,439	60,703	0	24,660,904
30. New Hampshire	NH	Yes	6,889,403	1,355,300	284,866	0	47,436,051
31. New Jersey	NJ	Yes	24,743,703	3,355,661	1,412,140	0	314,469,853
32. New Mexico	NM	Yes	839,836	159,241	77,622	0	35,773,143
33. New York	NY	Yes	108,874,344	18,993,819	4,159,517	0	1,504,123,651
34. North Carolina	NC	Yes	67,273,877	2,531,416	9,085,394	0	164,045,490
35. North Dakota	ND	Yes	372,620	418,112	88,706	0	9,649,491
36. Ohio	OH	Yes	165,789,515	6,063,508	122,503,333	0	454,255,385
37. Oklahoma	OK	Yes	1,773,812	837,548	504,654	0	86,015,100
38. Oregon	OR	Yes	2,759,822	1,406,188	105,987	0	88,705,579
39. Pennsylvania	PA	Yes	117,907,954	9,122,717	8,244,425	0	388,048,153
40. Rhode Island	RI	Yes	6,293,400	1,889,622	213,758	0	41,260,108
41. South Carolina	SC	Yes	12,206,717	280,421	2,348,745	0	57,394,486
42. South Dakota	SD	Yes	1,567,800	234,296	178,538	0	15,869,162
43. Tennessee	TN	Yes	10,218,323	905,488	2,770,257	0	111,027,144
44. Texas	TX	Yes	42,483,032	4,741,846	2,344,716	0	521,159,140
45. Utah	UT	Yes	2,284,533	687,115	346,104	0	125,039,712
46. Vermont	VT	Yes	2,336,073	326,752	248,285	0	15,587,945
47. Virginia	VA	Yes	42,250,100	2,348,368	4,323,059	0	150,277,906
48. Washington	WA	Yes	5,513,192	2,553,232	130,254	0	159,612,279
49. West Virginia	WV	Yes	10,206,266	1,054,365	3,129,653	0	22,534,444
50. Wisconsin	WI	Yes	12,441,844	3,609,964	166,084	0	185,759,073
51. Wyoming	WY	Yes	502,840	6,063	50,776	3,078,186	13,654,580
52. American Samoa	AS	No	0	0	550	0	0
53. Guam	GU	Yes	0	0	0	0	2,488,016
54. Puerto Rico	PR	Yes	740,840	316,725	(990)	0	22,785,149
55. US Virgin Islands	VI	Yes	17,027	0	6,675	0	(26,744)
56. Canada	CN	No	194,477	0	5,632	0	0
57. Aggregate Other Alien	OT	XXX	770,549	40,676	2,363	1,175,000,000	0
58. Subtotal	(a)	54	1,454,283,983	134,286,218	300,201,489	1,178,078,186	9,567,032,001
90. Reporting entity contributions for employee benefit plans	XXX		41,488	0	10,347	0	9,434,140
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX		15,416,901	0	0	0	0
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX		0	0	0	0	0
93. Premium or annuity considerations waived under disability or other contract provisions	XXX		2,093,428	0	0	0	0
94. Aggregate of other amounts not allocable by State	XXX		0	0	0	0	0
95. Totals (Direct Business)	XXX		1,471,835,800	134,286,218	300,211,836	1,178,078,186	9,576,466,141
96. Plus Reinsurance Assumed	XXX		298,533	0	3,196,104	0	1,579,941,641
97. Totals (All Business)	XXX		1,472,134,333	134,286,218	303,407,940	1,178,078,186	11,156,407,782
98. Less Reinsurance Ceded	XXX		51,717,118	0	306,386,079	0	113,090,385
99. Totals (All Business) less Reinsurance Ceded	XXX		1,420,417,215	134,286,218	(2,978,139)	1,178,078,186	11,043,317,397
<b>DETAILS OF WRITE-INS</b>							
5701. OTHER ALIEN	XXX		770,549	40,676	2,363	1,175,000,000	0
5702.	XXX		0	0	0	0	0
5703.	XXX		0	0	0	0	0
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		770,549	40,676	2,363	1,175,000,000	0
9401.	XXX		0	0	0	0	0
9402.	XXX		0	0	0	0	0
9403.	XXX		0	0	0	0	0
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

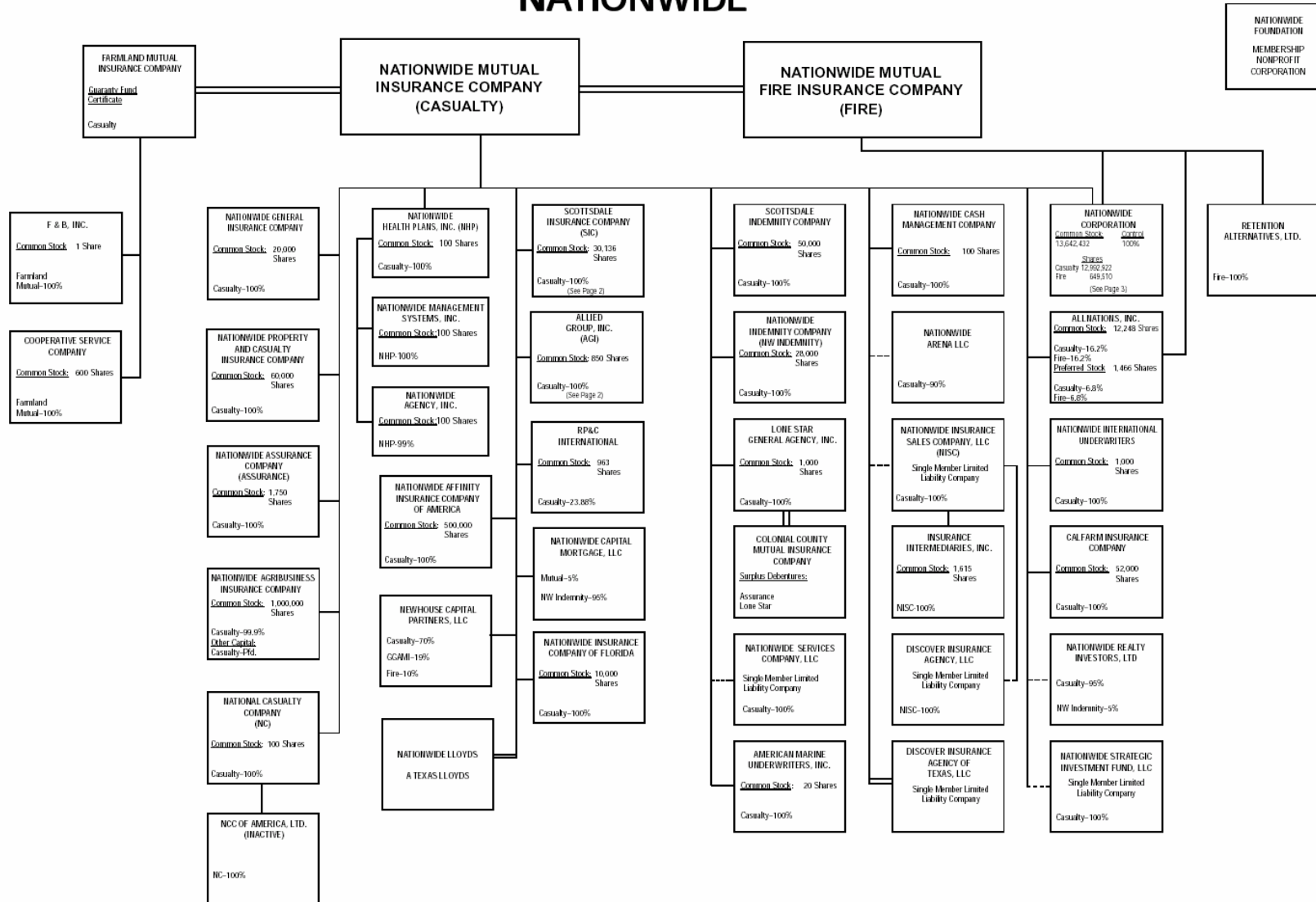
Explanation of basis of allocation by states, etc., of premiums and annuity considerations

(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:

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

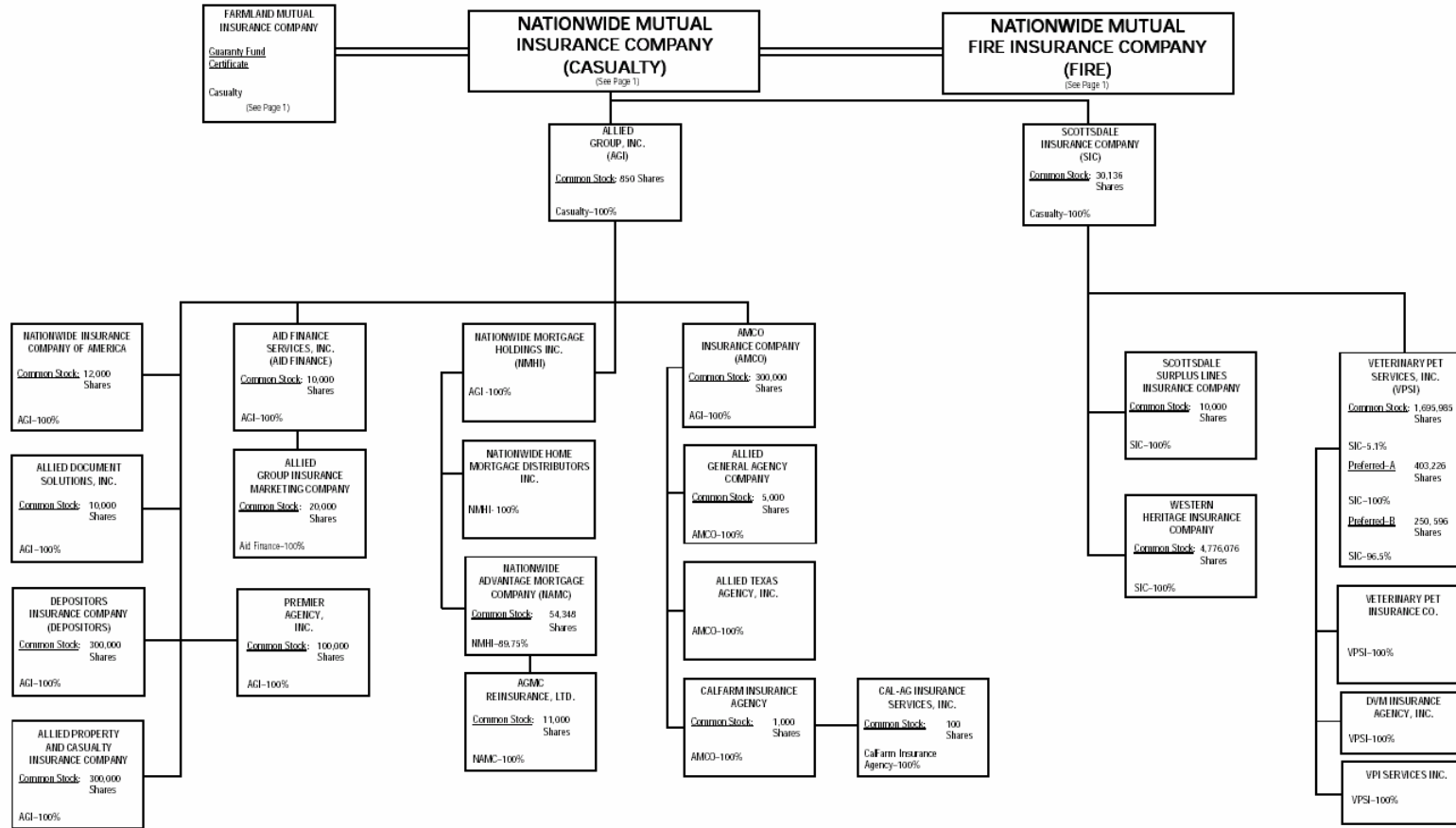
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Subsidiary Companies — Solid Line  
Contractual Association — Double Line  
Limited Liability Company — Dotted Line  
December 31, 2002

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

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69.1

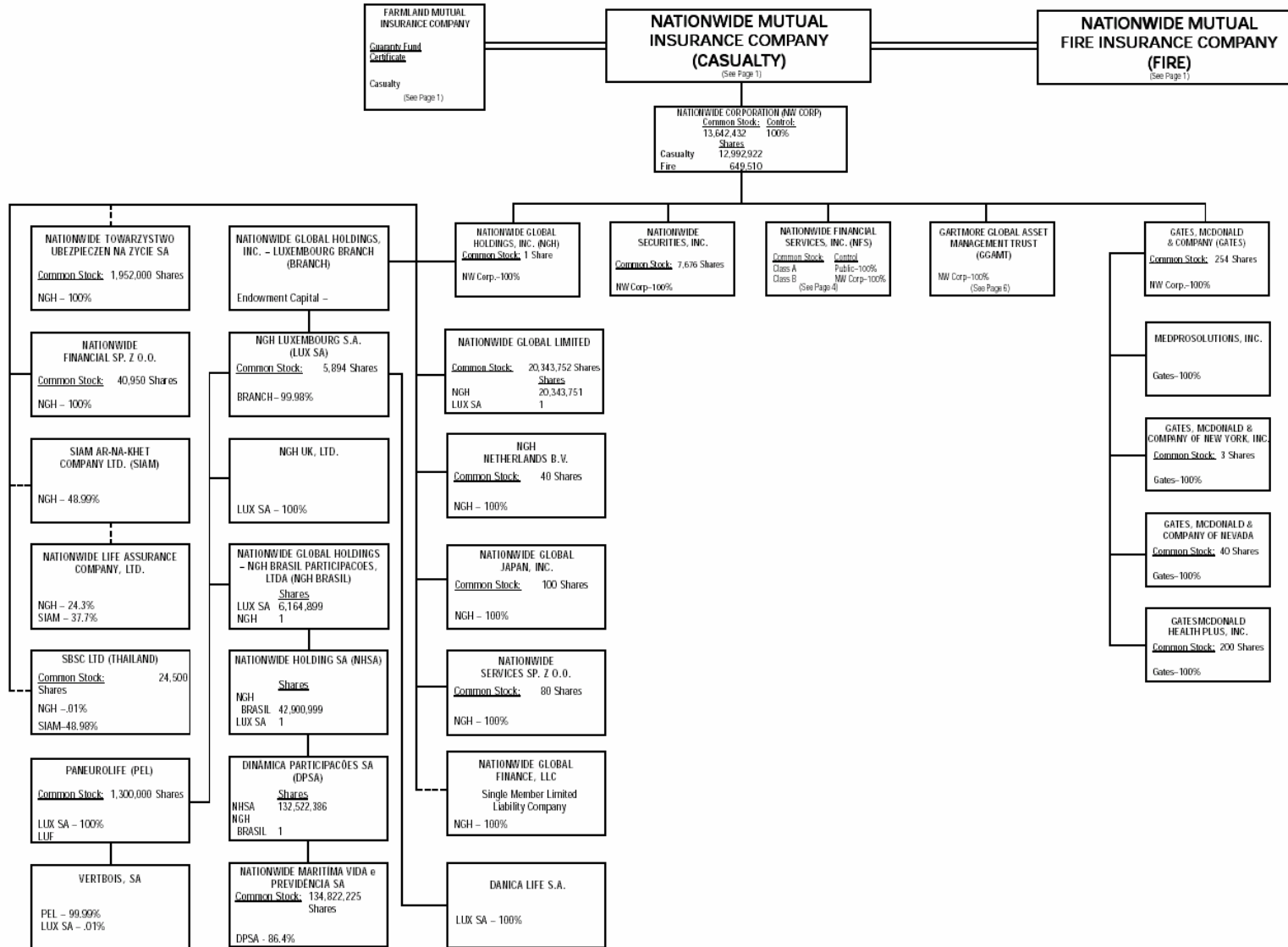
Subsidiary Companies — Solid Line  
 Contractual Association — Double Line  
 Limited Liability Company — Dotted Line

December 31, 2002

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

## PART 1 - ORGANIZATIONAL CHART

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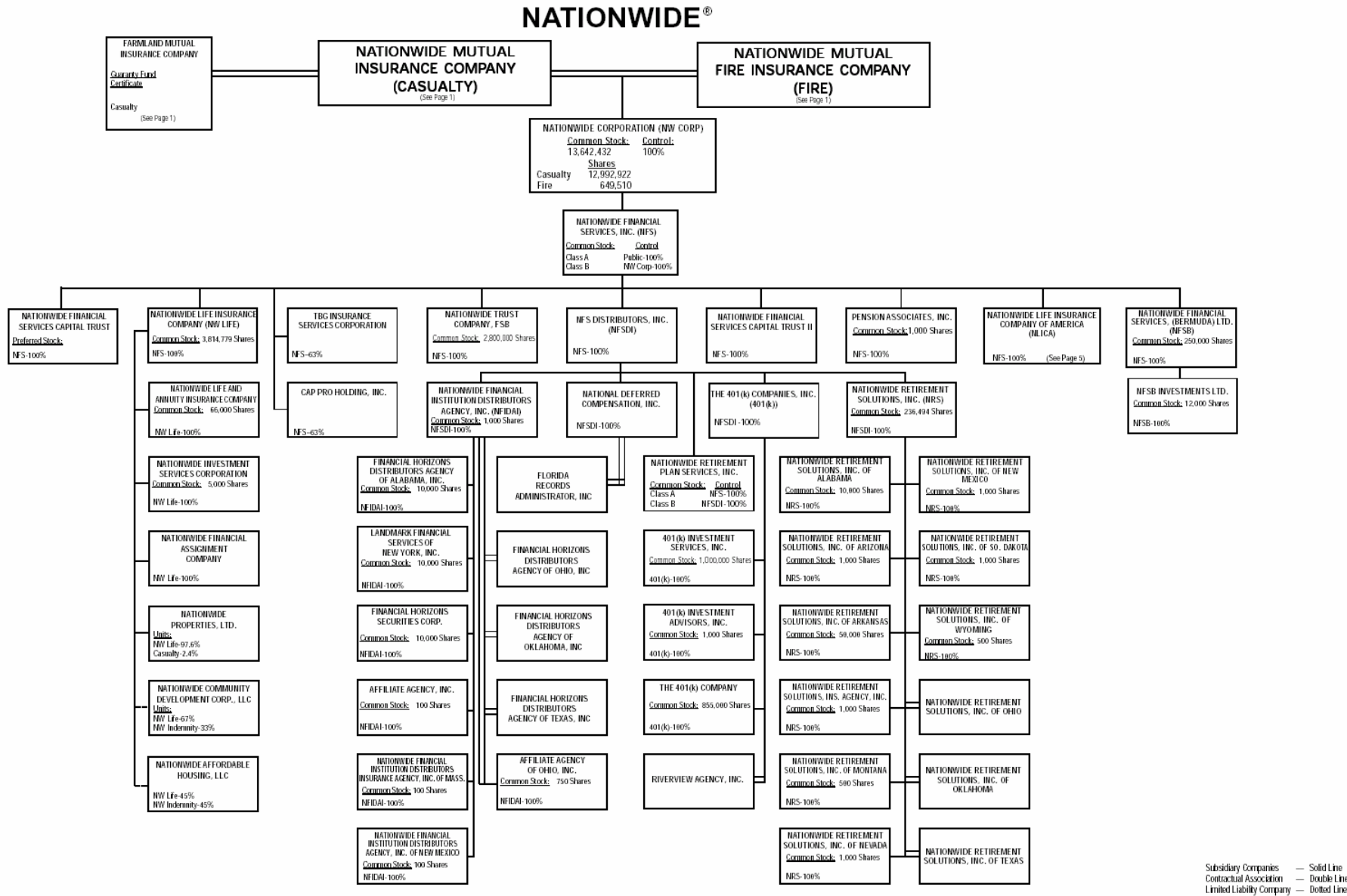


Subsidiary Companies — Solid Line  
 Contractual Association — Double Line  
 Limited Liability Company — Dotted Line

December 31, 2002

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

## PART 1 - ORGANIZATIONAL CHART

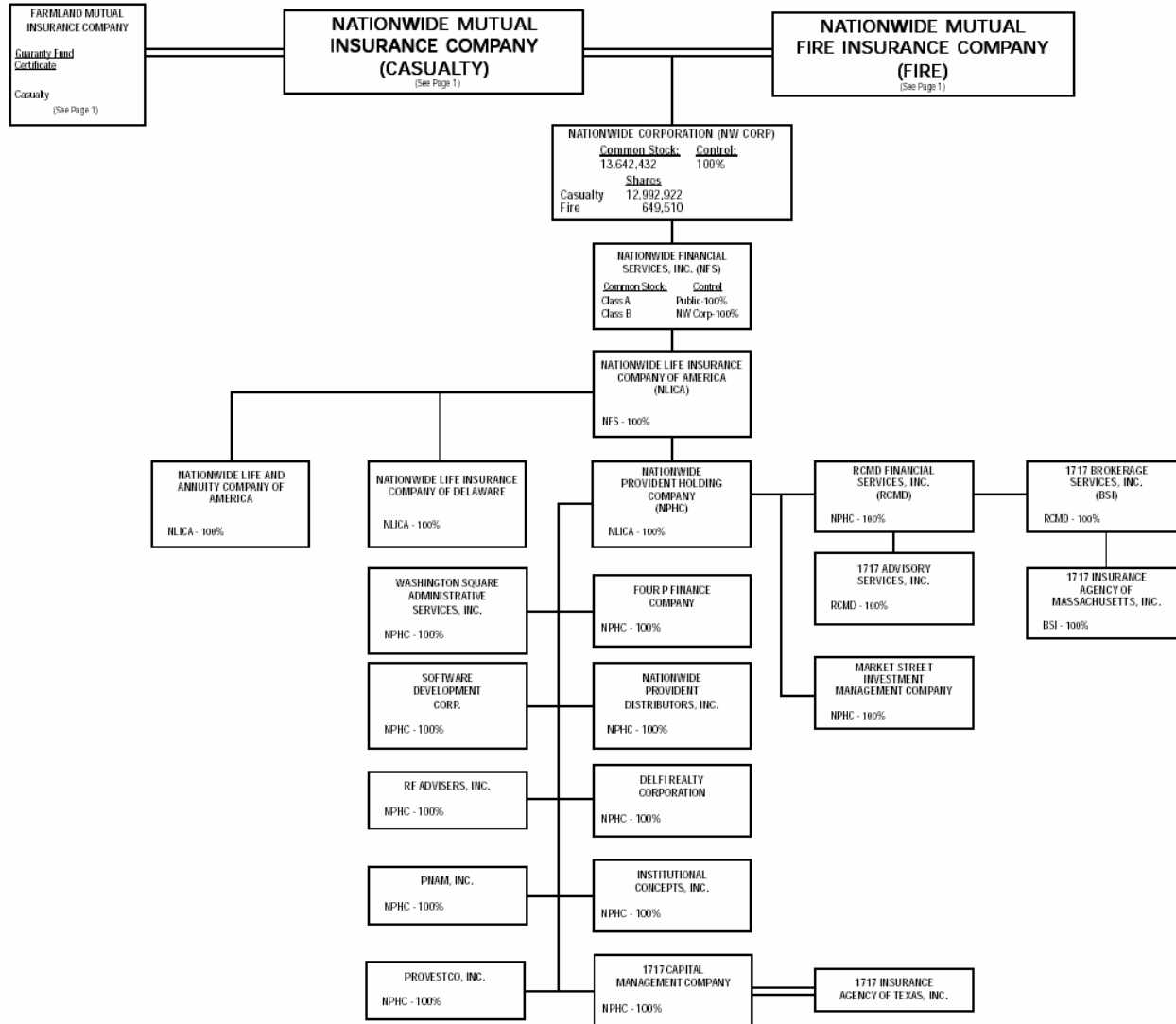


Subsidiary Companies — Solid Line  
Contractual Association — Double Line  
Limited Liability Company — Dotted Line

December 31, 2002

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

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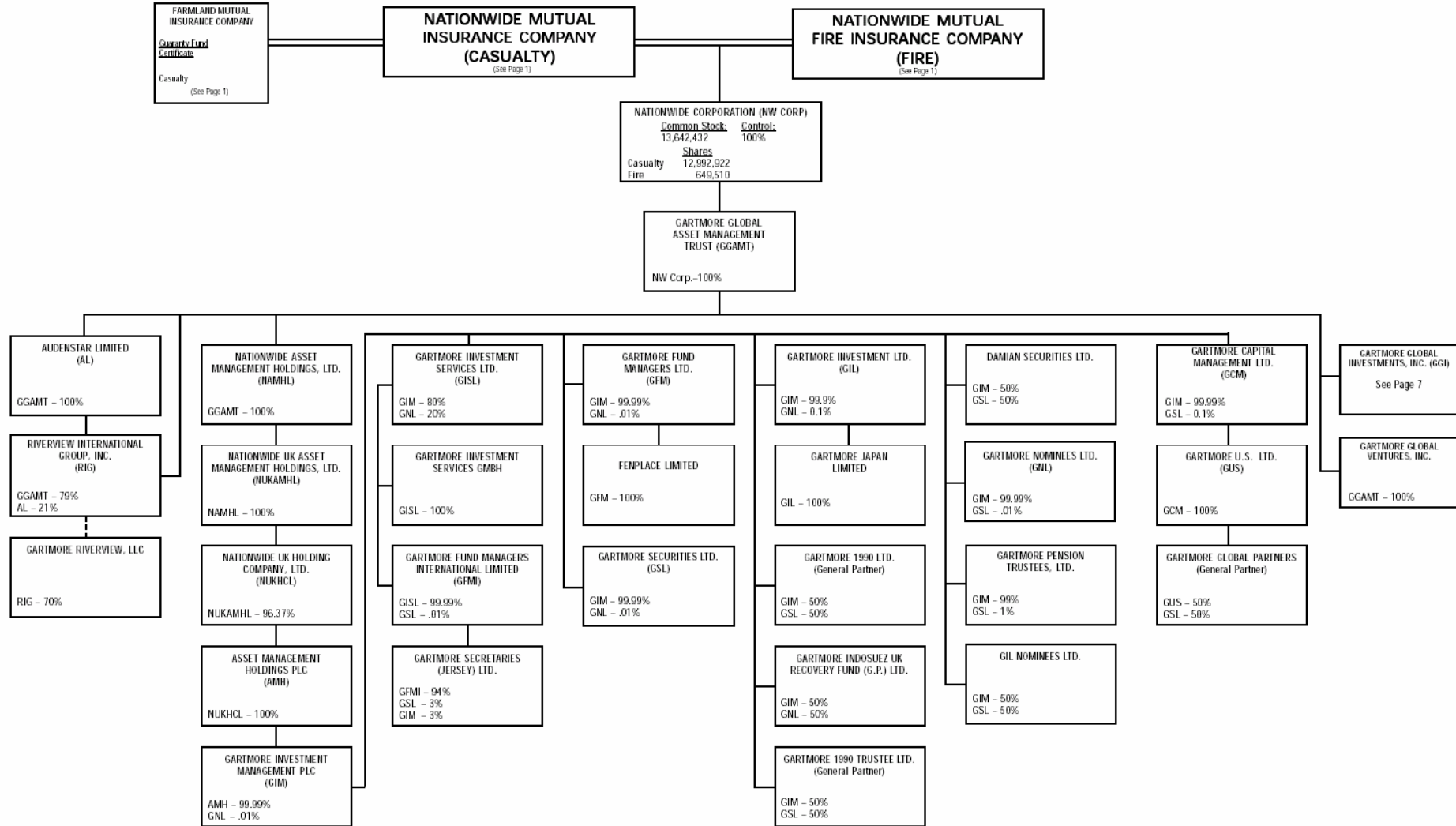
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Subsidiary Companies — Solid Line  
 Contractual Association — Double Line  
 Limited Liability Company — Dotted Line

December 31, 2002

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

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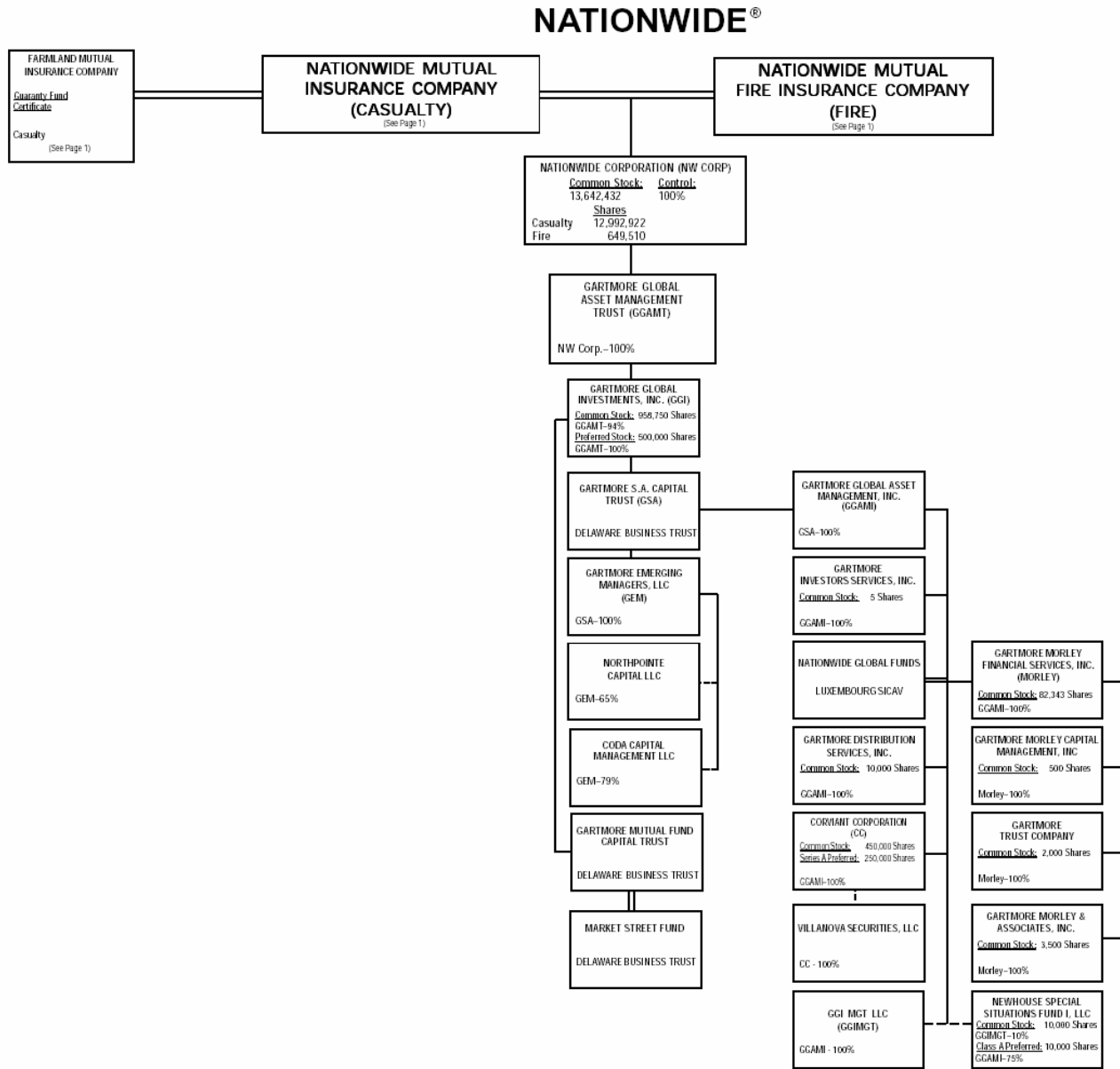


69.5

Subsidiary Companies — Solid Line  
 Contractual Association — Double Line  
 Limited Liability Company — Dotted Line

December 31, 2002

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



Subsidiary Companies — Solid Line  
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 Limited Liability Company — Dotted Line

December 31, 2002