



ANNUAL STATEMENT

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

INTEGRITY LIFE INSURANCE COMPANY

NAIC Group Code 0836 0836 NAIC Company Code 74780 Employer's ID Number 86-0214103
(Current Period) (Prior Period)

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

Country of Domicile UNITED STATES OF AMERICA

Incorporated 05/03/1966 Commenced Business 05/25/1966

Statutory Home Office 400 BROADWAY, CINCINNATI, OH 45202
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 515 WEST MARKET STREET
(Street and Number)
LOUISVILLE, KY 40202 502-582-7900
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 515 WEST MARKET STREET, LOUISVILLE, KY 40202
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 515 WEST MARKET STREET
(Street and Number)
LOUISVILLE, KY 40202 502-582-7939
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address http://www.integritycompanies.com

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OFFICERS

Chairman of the Board JOHN FINN BARRETT President JOHN ROBERT LINDHOLM
Chief Financial Officer DON WAYNE CUMMINGS Chief Actuary DENNIS LEE CARR
Secretary EDWARD JOSEPH BABBITT

VICE PRESIDENTS

DAVID LEE ANDERS DENNIS LEE CARR DON WAYNE CUMMINGS
WILLIAM HASTINGS GUTH EDWARD JOSEPH HAINES KEVIN LOUIS HOWARD
JAMES GERALD KAISER JILL RAE KEINSLEY WILLIAM FRANCIS LEDWIN
KEN ARTHUR PALMER

DIRECTORS OR TRUSTEES

JOHN FINN BARRETT DENNIS LEE CARR JOHN ROBERT LINDHOLM
ROBERT LEWIS WALKER WILLIAM JOSEPH WILLIAMS DONALD JOSEPH WUEBBLING

State of KENTUCKY }
County of JEFFERSON } 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.

JOHN ROBERT LINDHOLM DON WAYNE CUMMINGS EDWARD JOSEPH BABBITT
President Chief Financial Officer Secretary

Subscribed and sworn to before me this
27TH day of FEBRUARY, 2003

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE INTEGRITY 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	1,186,878,022		1,186,878,022	1,349,887,893
2. Stocks:				
2.1 Preferred stocks (Schedule D, Part 2, Section 1).....	108,532,493		108,532,493	85,630,661
2.2 Common stocks (Schedule D, Part 2, Section 2).....	284,082,371		284,082,371	113,785,729
3. Mortgage loans on real estate: (Schedule B, Part 1)				
3.1 First liens	18,064,706		18,064,706	19,589,381
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Policy loans	113,317,515		113,317,515	110,235,348
6. Premium notes, including \$ for first year premiums			0	0
7. Cash (\$22,101,841 , Schedule E, Part 1) and short -term investments (\$0 , Schedule DA, Part 2)	22,101,841		22,101,841	27,739,471
8. Other invested assets (Schedule BA, Part 1)	1,128,906		1,128,906	9,076,063
9. Receivable for securities	1,378,458		1,378,458	0
10. Aggregate write-ins for invested assets	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10)	1,735,484,312	0	1,735,484,312	1,715,944,546
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers (Schedule S, Part 2)			0	0
12.2 Commissions and expense allowances due			0	0
12.3 Experience rating and other refunds due			0	0
12.4 Other amounts receivable under reinsurance contracts			0	0
13. Electronic data processing equipment and software.....	1,533,055	1,533,055	0	0
14. Federal and foreign income tax recoverable and interest thereon (including \$20,599,255 net deferred tax asset)	100,104,463	79,505,208	20,599,255	15,288,331
15. Guaranty funds receivable or on deposit			0	0
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$ loading)	100,287		100,287	100,287
17. Accident and health premiums due and unpaid			0	0
18. Investment income due and accrued	18,784,816		18,784,816	22,240,832
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
20. Receivable from parent, subsidiaries and affiliates	35,786,777		35,786,777	2,016,801
21. Amounts receivable relating to uninsured accident and health plans			0	0
22. Amounts due from agents			0	0
23. Other assets nonadmitted (Exhibit 9)			0	0
24. Aggregate write-ins for other than invested assets	3,105,280	0	3,105,280	2,709,606
25. Total assets excluding Separate Accounts business (Lines 11 to 24)	1,894,898,990	81,038,263	1,813,860,727	1,758,300,403
26. From Separate Accounts Statement	1,818,568,962		1,818,568,962	1,636,625,871
27. Total (Lines 25 and 26)	3,713,467,952	81,038,263	3,632,429,689	3,394,926,274
DETAILS OF WRITE-INS				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0	0
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)	0	0	0	0
2401. Miscellaneous assets.....	3,105,280		3,105,280	2,709,606
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	3,105,280	0	3,105,280	2,709,606

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ 1,504,224,566 (Exh. 5, Line 9999999) less \$ included in Line 6.3 (including \$ 1,393,070,568 Modco Reserve)	1,504,224,566	1,515,884,136
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1)(including \$ Modco Reserve)	0	0
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve)	38,286,850	38,101,677
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	138,000	146,000
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	0	0
5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10)	0	0
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment to (including \$ Modco).....	0	0
6.2 Dividends not yet apportioned (including \$ Modco)	0	0
6.3 Coupons and similar benefits (including \$ Modco)	0	0
7. Amount provisionally held for deferred dividend policies not included in Line 6	0	0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ 0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)	0	0
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts	0	0
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds	0	0
9.3 Other amounts payable on reinsurance including \$ assumed and \$ ceded	0	0
9.4 Interest maintenance reserve (Page 33, Line 6)	21,724,451	18,913,945
10. Commissions to agents due or accrued-life contracts and annuity contracts \$ accident and health \$ and deposit-type contract funds \$	0	0
11. Commissions and expense allowances payable on reinsurance assumed	0	0
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 5)	4,863,429	6,461,449
13. Transfers to Separate Accounts due or accrued (net) (Including \$68,396,111 accrued for expense allowances recognized in reserves)	(59,436,234)	(38,443,856)
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	3,910,511	3,946,811
15. Federal and foreign income taxes including \$ on realized capital gains (losses) (including \$ net deferred tax liability)	0	0
16. Unearned investment income	9,907	11,656
17. Amounts withheld or retained by company as agent or trustee	124,851	270,688
18. Amounts held for agents' account, including \$ agents' credit balances	0	0
19. Remittances and items not allocated	1,966,084	2,332,410
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 \$30,575,214 and interest thereon \$	30,575,214	0
23. Dividends to stockholders declared and unpaid	0	0
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (Page 34, Line 16, Col. 7)	67,580,778	31,530,178
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	0	0
24.5 Drafts outstanding	0	0
24.6 Liability for amounts held under uninsured accident and health plans	0	0
24.7 Funds held under coinsurance	0	0
24.8 Payable for securities	0	1,472,888
24.9 Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	1,303,577	3,295,740
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	1,615,271,984	1,583,923,722
27. From Separate Accounts Statement	1,790,565,892	1,608,625,871
28. Total Liabilities (Lines 26 and 27)	3,405,837,876	3,192,549,593
29. Common capital stock	3,000,000	3,000,000
30. Preferred capital stock	0	0
31. Aggregate write-ins for other than special surplus funds	0	0
32. Surplus notes	0	0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	305,795,338	299,232,151
34. Aggregate write-ins for special surplus funds	0	0
35. Unassigned funds (surplus)	(82,203,525)	(99,855,470)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)	0	0
36.2 shares preferred (value included in Line 30 \$)	0	0
37. Surplus (total Lines 31+32+33+34+35-36) (Including \$28,000,000 in Separate Accounts Statement)	223,591,813	199,376,681
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	226,591,813	202,376,681
39. Totals of Lines 28 and 38 (Page 2, Line 27, Col. 3)	3,632,429,689	3,394,926,274
DETAILS OF WRITE-INS		
2501. Payable to reinsurers.....	608,452	1,324,310
2502. Miscellaneous liabilities.....	695,125	693,649
2503. Deferred payable.....	0	1,277,781
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,303,577	3,295,740
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)	482,513,826	391,622,465
2. Considerations for supplementary contracts with life contingencies	526,832	578,380
3. Net investment income (Exhibit of Net Investment Income, Line 17)	102,330,215	118,797,509
4. Amortization of interest maintenance reserve (IMR) (Page 33, Line 5)	9,767	820,274
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)	11,597,195	52,029
7. Reserve adjustments on reinsurance ceded	1,383,677,255	(1,631,068)
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	11,074,697	12,229,923
8.2 Charges and fees for deposit-type contracts	0	0
8.3 Aggregate write-ins for miscellaneous income	(1,369,370,002)	8,679,094
9. Total (Lines 1 to 8.3)	622,359,785	531,148,606
10. Death benefits	6,931,070	4,705,042
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	73,724,714	79,498,080
13. Disability benefits and benefits under accident and health contracts	0	0
14. Coupons, guaranteed annual pure endowments and similar benefits	0	0
15. Surrender benefits and withdrawals for life contracts	290,612,830	251,622,318
16. Group conversions	0	0
17. Interest and adjustments on contracts or deposit-type contract funds	2,150,275	2,332,867
18. Payments on supplementary contracts with life contingencies	1,570,086	1,642,208
19. Increase in aggregate reserves for life and accident and health contracts	(11,088,920)	(43,136,061)
20. Totals (Lines 10 to 19)	363,900,055	296,664,454
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)	22,558,228	20,665,003
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	426,705	208,192
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1 + 2 + 3)	21,021,361	21,158,206
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	985,253	483,708
25. Increase in loading on deferred and uncollected premiums	0	0
26. Net transfers to or (from) Separate Accounts	222,404,489	182,690,739
27. Aggregate write-ins for deductions	1,730,007	2,667,948
28. Totals (Lines 20 to 27)	633,026,098	524,538,250
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(10,666,313)	6,610,356
30. Dividends to policyholders	0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(10,666,313)	6,610,356
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	0	65,027
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)	(10,666,313)	6,545,329
34. Net realized capital gains or (losses) less capital gains tax of \$ (excluding taxes of \$ transferred to the IMR)	(87,807,697)	(11,814,077)
35. Net income (Line 33 plus Line 34)	(98,474,010)	(5,268,748)
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, previous year (Page 3, Line 38, Col. 2)	202,376,681	188,510,401
37. Net income (Line 35)	(98,474,010)	(5,268,748)
38. Change in net unrealized capital gains (losses)	108,266,823	63,605,297
39. Change in net unrealized foreign exchange capital gain (loss)	0	0
40. Change in net deferred income tax	(1,291,778)	508,332
41. Change in nonadmitted assets and related items (Exhibit 9, Line 6, Col. 3)	14,924,194	27,629,645
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	(10,750,961)
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)	(36,050,599)	(9,506,073)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period	0	0
47. Other changes in surplus in Separate Accounts Statement	8,858,321	7,805,000
48. Change in surplus notes	0	0
49. Cumulative effect of changes in accounting principles	0	(65,058,034)
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	6,563,188	4,901,821
51.2 Transferred to capital (Stock Dividend)	0	0
51.3 Transferred from capital	0	0
51.4 Change in surplus as a result of reinsurance	0	0
52. Dividends to stockholders	0	0
53. Aggregate write-ins for gains and losses in surplus	21,418,994	0
54. Net change in capital and surplus for the year (Lines 37 through 53)	24,215,132	13,866,280
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	226,591,813	202,376,681
DETAILS OF WRITE-INS		
08.301. Policy deductions	1,191,993	682,603
08.302. Surrender charges	3,563,655	3,351,825
08.303. Administrative service fees	1,320,168	1,051,835
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	(1,375,445,818)	3,592,831
08.399. TOTALS (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	(1,369,370,002)	8,679,094
2701. Miscellaneous expense	1,447,714	2,178,408
2702. Reserve adjustment on reinsurance assumed	282,293	459,880
2703. Experience refund	0	29,660
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. TOTALS (Lines 2701 thru 2703 plus 2798) (Line 27 above)	1,730,007	2,667,948
5301. Deferred ceding commission for Modco reinsurance agreement	21,450,000	0
5302. Other changes to unassigned surplus	(31,006)	0
5303.	0	0
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. TOTALS (Lines 5301 thru 5303 plus 5398) (Line 53 above)	21,418,994	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums and annuity considerations for life and accident and health contracts	482,513,826	391,622,465
2. Charges and fees for deposit-type contracts	0	0
3. Considerations for supplementary contracts with life contingencies	526,832	578,380
4. Net investment income	104,308,603	124,384,404
5. Commissions and expense allowances on reinsurance ceded	1,395,274,450	(1,579,039)
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts	11,074,697	12,229,923
7. Aggregate write-ins for miscellaneous income	(1,370,038,728)	12,993,168
8. Total (Lines 1 to 7)	623,659,680	540,229,301
9. Death benefits	6,939,070	4,705,042
10. Matured endowments	0	0
11. Annuity benefits	73,724,714	79,498,080
12. Disability benefits and benefits under accident and health contracts	0	0
13. Coupons, guaranteed annual pure endowments and similar benefits	0	0
14. Surrender benefits and withdrawals for life contracts	290,612,830	251,622,318
15. Group conversions	0	0
16. Interest and adjustments on contracts or deposit-type contract funds	268,426	160,430
17. Payments on supplementary contracts with life contingencies	1,570,086	1,642,208
18. Total (Lines 9 to 17)	373,115,126	337,628,078
19. Commissions on premiums, annuity considerations and deposit-type contract funds	22,558,228	20,665,003
20. Commissions and expense allowances on reinsurance assumed	426,705	208,192
21. General insurance expenses	22,619,381	22,505,458
22. Insurance taxes, licenses and fees, excluding federal income taxes	1,021,553	(1,738,637)
23. Net transfers to or (from) Separate Accounts	243,396,102	187,969,983
24. Aggregate write-ins for deductions	1,730,007	2,667,948
25. Total (Lines 18 to 24)	664,867,102	569,906,025
26. Dividends paid to policyholders	0	0
27. Federal income taxes (excluding tax on capital gains)	(8,971,948)	(5,505,558)
28. Total (Lines 25 to 27)	655,895,154	564,400,467
29. Net cash from operations (Line 8 minus Line 28)	(32,235,474)	(24,171,166)
Cash from Investments		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds	885,399,711	425,185,265
30.2 Stocks	4,614,203	0
30.3 Mortgage loans	1,524,675	1,728,385
30.4 Real estate	0	0
30.5 Other invested assets	6,172,675	7,796,557
30.6 Net gains (losses) on cash and short-term investments	0	0
30.7 Miscellaneous proceeds	(1,378,458)	2,617,143
30.8 Total investment proceeds (Lines 30.1 to 30.7)	896,332,806	437,327,350
31. Net tax on capital gains (losses)	0	0
32. Total (Line 30.8 minus Line 31)	896,332,806	437,327,350
33. Cost of investments acquired (long-term only):		
33.1 Bonds	799,156,492	364,551,511
33.2 Stocks	88,227,215	10,141,659
33.3 Mortgage loans	0	0
33.4 Real estate	0	0
33.5 Other invested assets	0	0
33.6 Miscellaneous applications	1,472,888	3,967,228
33.7 Total investments acquired (Lines 33.1 to 33.6)	888,856,595	378,660,398
34. Net increase (or decrease) in policy loans and premium notes	3,082,167	2,835,571
35. Net cash from investments (Line 32 minus Line 33.7 minus Line 34)	4,394,044	55,831,381
Cash from Financing and Miscellaneous Sources		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in	0	0
36.2 Borrowed money \$ less amounts repaid \$	30,575,214	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	10,171,423	6,330,212
36.5 Other cash provided	29,457,576	9,898,319
36.6 Total (Lines 36.1 to 36.5)	70,204,213	16,228,531
37. Cash applied:		
37.1 Dividends to stockholders paid	0	0
37.2 Interest on indebtedness	0	0
37.3 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies	11,946,322	12,649,411
37.4 Other applications (net)	36,054,091	29,107,483
37.5 Total (Lines 37.1 to 37.4)	48,000,413	41,756,894
38. Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5)	22,203,800	(25,528,363)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
39. Net change in cash and short-term investments (Line 29, plus Line 35, plus Line 38)	(5,637,630)	6,131,852
40. Cash and short-term investments:		
40.1 Beginning of year	27,739,471	21,607,620
40.2 End of year (Line 39 plus Line 40.1)	22,101,841	27,739,471
DETAILS OF WRITE-INS		
0701. Policy deductions	523,285	94,856
0702. Surrender charges	3,563,655	3,351,825
0703. Administrative service fees	1,320,168	1,051,835
0798. Summary of remaining write-ins for Line 7 from overflow page	(1,375,445,836)	8,494,652
0799. TOTALS (Lines 0701 thru 0703 plus 0798) (Line 7 above)	(1,370,038,728)	12,993,168
2401. Reserve adjustment on reinsurance assumed	282,293	459,880
2402. Miscellaneous expense	1,447,714	2,178,408
2403. Experience refund	0	29,660
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)	1,730,007	2,667,948

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE INTEGRITY 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	482,513,826	0	(749,415)	453,503,229		0	0	29,760,012	0	0	0	
2. Considerations for supplementary contracts with life contingencies	526,832				526,832							
3. Net investment income	102,330,215		17,140,312	79,684,537	3,162,004		1,688,449	654,913				
4. Amortization of Interest Maintenance Reserve (IMR)	9,767		871	8,632	152		81	31				
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0											
6. Commissions and expense allowances on reinsurance ceded	11,597,195	0	1,668,634	9,690,894		0	174,835	62,832	0	0	0	0
7. Reserve adjustments on reinsurance ceded	1,383,677,255		(873,049)	1,366,215,324			13,487,767	4,847,213				
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	11,074,697		49,719	11,024,978								
8.2 Charges and fees for deposit-type contracts	0											
8.3 Aggregate write-ins for miscellaneous income	(1,369,370,002)	0	297,278	(1,351,332,300)	0	0	(13,487,767)	(4,847,213)	0	0	0	0
9. Totals (Lines 1 to 8.3)	622,359,785	0	17,534,350	568,795,294	3,688,988	0	1,863,365	30,477,788	0	0	0	0
10. Death benefits	6,931,070		6,859,559		71,511							
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0	0				0					
12. Annuity benefits	73,724,714			71,472,590				2,252,124				
13. Disability benefits and benefits under accident and health contracts	0								0	0	0	
14. Coupons, guaranteed annual pure endowments and similar benefits	0											
15. Surrender benefits and withdrawals for life contracts	290,612,830		5,735,103	259,325,389	5,812		1,971,354	23,575,172				
16. Group conversions	0											
17. Interest and adjustments on contract or deposit-type contract funds	2,150,275		77,580	189,946	1,882,749							
18. Payments on supplementary contracts with life contingencies	1,570,086				1,570,086							
19. Increase in aggregate reserves for life and accident and health contracts	(11,088,920)		3,189,086	(11,536,414)	(198,604)		(1,029,301)	(1,513,687)				
20. Totals (Lines 10 to 19)	363,900,055	0	15,861,328	319,451,511	3,331,554	0	942,053	24,313,609	0	0	0	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	22,558,228	0	75,284	20,754,872		0	0	1,728,072	0	0	0	0
22. Commissions and expense allowances on reinsurance assumed	426,705	0	26,239	254,338		0	146,128	0	0	0	0	0
23. General insurance expenses	21,021,361		1,875,312	18,575,873	327,404		175,348	67,424	0	0	0	0
24. Insurance taxes, licenses and fees, excluding federal income taxes (FIT)	985,253		87,894	870,636	15,345		8,218	3,160	0	0	0	0
25. Increase in loading on deferred and uncollected premiums	0											
26. Net transfers to or (from) Separate Accounts	222,404,489		(566,566)	222,971,055								
27. Aggregate write-ins for deductions	1,730,007	0	282,293	1,447,714	0	0	0	0	0	0	0	0
28. Totals (Lines 20 to 27)	633,026,098	0	17,641,784	584,325,999	3,674,303	0	1,271,747	26,112,265	0	0	0	0
29. Net gain from operations before dividends to policyholders and FIT (Line 9 - Line 28)	(10,666,313)	0	(107,434)	(15,530,705)	14,685	0	591,618	4,365,523	0	0	0	0
30. Dividends to policyholders	0								0	0	0	
31. Net gain from operations after dividends to policyholders and before FIT (Line 29 - Line 30)	(10,666,313)	0	(107,434)	(15,530,705)	14,685	0	591,618	4,365,523	0	0	0	0
32. Federal income taxes incurred (excluding tax on capital gains)	0											
33. Net gain from operations after dividends to policyholders and FIT and before realized capital gains or (losses) (Line 31 - Line 32)	(10,666,313)	0	(107,434)	(15,530,705)	14,685	0	591,618	4,365,523	0	0	0	0
DETAILS OF WRITE-INS												
08.301. Policy deductions	1,191,993		177,272	1,014,721								
08.302. Surrender charges	3,563,655		6	3,563,649								
08.303. Administration service fees	1,320,168			1,320,168								
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	(1,375,445,818)	0	120,000	(1,357,230,838)	0	0	(13,487,767)	(4,847,213)	0	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	(1,369,370,002)	0	297,278	(1,351,332,300)	0	0	(13,487,767)	(4,847,213)	0	0	0	0
2701. Miscellaneous expense	1,447,714			1,447,714								
2702. Reserve adjustment of reinsurance ceded	282,293		282,293									
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	1,730,007	0	282,293	1,447,714	0	0	0	0	0	0	0	0

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

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

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	1,515,884,137	0	268,802,715	1,195,306,061	12,562,413	0	28,004,835	11,208,113
2. Tabular net premiums or considerations	9,440,701		192,365	8,721,504	526,832			
3. Present value of disability claims incurred	0				XXX			
4. Tabular interest	92,353,247		13,622,979	76,191,252	904,412		995,912	638,692
5. Tabular less actual reserve released	(1,968,409)			(1,566,742)	(243,761)			(157,906)
6. Increase in reserve on account of change in valuation basis	0							
7. Other increases (net)	0							
8. Totals (Lines 1 to 7)	1,615,709,676	0	282,618,059	1,278,652,075	13,749,896	0	29,000,747	11,688,899
9. Tabular cost	988,379		934,521		XXX		53,858	
10. Reserves released by death	6,726,793		6,726,793	XXX	XXX			XXX
11. Reserves released by other terminations (net)	60,649,579		5,735,104	50,948,648			1,971,354	1,994,473
12. Annuity, supplementary contract and disability payments involving life contingencies	43,996,092			42,426,006	1,570,086			
13. Net transfers to or (from) Separate Accounts	(875,733)		(55,782)	(819,951)				
14. Total Deductions (Lines 9 to 13)	111,485,110	0	13,340,636	92,554,703	1,570,086	0	2,025,212	1,994,473
15. Reserve December 31, current year	1,504,224,566	0	269,277,423	1,186,097,372	12,179,810	0	26,975,535	9,694,426

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EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 2,954,346	3,014,480
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 96,597,618	81,212,786
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 1,460,748	6,974,763
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	480,511	1,011,004
2.21 Common stocks of affiliates		
3. Mortgage loans	(c) 1,750,530	1,717,815
4. Real estate	(d)	
5. Contract loans	8,464,970	8,464,970
6. Cash/short-term investments	(e) 1,152,185	1,166,613
7. Derivative instruments	(f)	
8. Other invested assets	374,965	373,358
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	113,235,873	103,935,789
11. Investment expenses		(g) 1,158,270
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h) 447,304
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		1,605,574
17. Net Investment Income - (Line 10 minus Line 16)		102,330,215
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 5,317,369 accrual of discount less \$ 2,985,416 amortization of premium and less \$ 4,348,902 paid for accrued interest on purchases.
- (b) Includes \$ 5,437,050 accrual of discount less \$ amortization of premium and less \$ 310,646 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 \$ 669 accrual of discount less \$ amortization of premium and less \$ 13,100 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. Government bonds					0
1.1 Bonds exempt from U.S. tax					0
1.2 Other bonds (unaffiliated)	3,613,230	(82,635,600)	(76,237)		(79,098,607)
1.3 Bonds of affiliates					0
2.1 Preferred stocks (unaffiliated)	(797)	(4,193,849)	(88,706)		(4,283,352)
2.11 Preferred stocks of affiliates					0
2.2 Common stocks (unaffiliated)			127,222,864		127,222,864
2.21 Common stocks of affiliates			(18,791,100)		(18,791,100)
3. Mortgage loans					0
4. Real estate					0
5. Contract loans					0
6. Cash/Short-term investments					0
7. Derivative instruments					0
8. Other invested assets	(1,771,289)				(1,771,289)
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	1,841,144	(86,829,449)	108,266,821	0	23,278,516
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
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)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE INTEGRITY 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		8 Accident and Health		9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business						
FIRST YEAR (other than single)																	
1. Uncollected	.0																
2. Deferred and accrued	.0																
3. Deferred, accrued and uncollected:																	
3.1 Direct	.0																
3.2 Reinsurance assumed	.0																
3.3 Reinsurance ceded	.0																
3.4 Net (Line 1 + Line 2)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Advance	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Line 3.4 - Line 4	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Collected during year:																	
6.1 Direct	439,474,118			410,586,462							28,887,656						
6.2 Reinsurance assumed	.0																
6.3 Reinsurance ceded	2,029,489		1,493,163	536,326													
6.4 Net	437,444,629	.0	(1,493,163)	410,050,136	.0	.0	.0	.0	.0	.0	28,887,656	.0	.0	.0	.0	.0	.0
7. Line 5 + Line 6.4	437,444,629	.0	(1,493,163)	410,050,136	.0	.0	.0	.0	.0	.0	28,887,656	.0	.0	.0	.0	.0	.0
8. Prior year (uncollected + deferred and accrued - advance)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. First year premiums and considerations:																	
9.1 Direct	439,474,118	.0	.0	410,586,462	.0	.0	.0	.0	.0	.0	28,887,656	.0	.0	.0	.0	.0	.0
9.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded	2,029,489	.0	1,493,163	536,326	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.4 Net (Line 7 - Line 8)	437,444,629	.0	(1,493,163)	410,050,136	.0	.0	.0	.0	.0	.0	28,887,656	.0	.0	.0	.0	.0	.0
SINGLE																	
10. Single premiums and considerations:																	
10.1 Direct	6,984,852		3,955	6,980,637							260						
10.2 Reinsurance assumed	.0																
10.3 Reinsurance ceded	(349)			(349)													
10.4 Net	6,985,201	.0	3,955	6,980,986	.0	.0	.0	.0	.0	.0	260	.0	.0	.0	.0	.0	.0
RENEWAL																	
11. Uncollected	.0																
12. Deferred and accrued	.0																
13. Deferred, accrued and uncollected:																	
13.1 Direct	.0																
13.2 Reinsurance assumed	.0																
13.3 Reinsurance ceded	.0																
13.4 Net (Line 11 + Line 12)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Advance	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Line 13.4 - Line 14	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
16. Collected during year:																	
16.1 Direct	38,655,575		1,311,389	36,472,090							872,096						
16.2 Reinsurance assumed	551,382		551,382														
16.3 Reinsurance ceded	1,122,961		1,122,978	(17)													
16.4 Net	38,083,996	.0	739,793	36,472,107	.0	.0	.0	.0	.0	.0	872,096	.0	.0	.0	.0	.0	.0
17. Line 15 + Line 16.4	38,083,996	.0	739,793	36,472,107	.0	.0	.0	.0	.0	.0	872,096	.0	.0	.0	.0	.0	.0
18. Prior year (uncollected + deferred and accrued - advance)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
19. Renewal premiums and considerations:																	
19.1 Direct	38,655,575	.0	1,311,389	36,472,090	.0	.0	.0	.0	.0	.0	872,096	.0	.0	.0	.0	.0	.0
19.2 Reinsurance assumed	551,382	.0	551,382		.0	.0	.0	.0	.0	.0		.0	.0	.0	.0	.0	.0
19.3 Reinsurance ceded	1,122,961	.0	1,122,978	(17)	.0	.0	.0	.0	.0	.0		.0	.0	.0	.0	.0	.0
19.4 Net (Line 17 - Line 18)	38,083,996	.0	739,793	36,472,107	.0	.0	.0	.0	.0	.0	872,096	.0	.0	.0	.0	.0	.0
TOTAL																	
20. Total premiums and annuity considerations:																	
20.1 Direct	485,114,545	.0	1,315,344	454,039,189	.0	.0	.0	.0	.0	.0	29,760,012	.0	.0	.0	.0	.0	.0
20.2 Reinsurance assumed	551,382	.0	551,382		.0	.0	.0	.0	.0	.0		.0	.0	.0	.0	.0	.0
20.3 Reinsurance ceded	3,152,101	.0	2,616,141	535,960	.0	.0	.0	.0	.0	.0		.0	.0	.0	.0	.0	.0
20.4 Net (Line 9.4 + 10.4 + 19.4)	482,513,826	.0	(749,415)	453,503,229	.0	.0	.0	.0	.0	.0	29,760,012	.0	.0	.0	.0	.0	.0

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

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

	1 Total	2 Industrial Life	3 Ordinary		5 Credit Life (Group and Individual)	6 Group		8 Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums (Exhibit 4, Line 1)	0										
22. All other (Exhibit 4, Lines 2, 3 & 4)	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	11,633,581		1,705,020	9,690,894		174,835	62,832				
23.2 Reinsurance assumed	146,128					146,128					
23.3 Net ceded less assumed	11,487,453	0	1,705,020	9,690,894	0	28,707	62,832	0	0	0	0
24. Single:											
24.1 Reinsurance ceded	0										
24.2 Reinsurance assumed	0										
24.3 Net ceded less assumed	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded	(36,386)		(36,386)								
25.2 Reinsurance assumed	280,577		26,239	254,338							
25.3 Net ceded less assumed	(316,963)	0	(62,625)	(254,338)	0	0	0	0	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	11,597,195	0	1,668,634	9,690,894	0	174,835	62,832	0	0	0	0
26.2 Reinsurance assumed (Page 6, Line 23)	426,705	0	26,239	254,338	0	146,128	0	0	0	0	0
26.3 Net ceded less assumed	11,170,490	0	1,642,395	9,436,556	0	28,707	62,832	0	0	0	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	19,266,824			17,779,788			1,487,036				
28. Single	201,376		3,562	197,814							
29. Renewal	3,090,028		71,722	2,777,270			241,036				
30. Deposit-type contract funds	0										
31. Totals (to agree with Page 6, Line 21)	22,558,228	0	75,284	20,754,872	0	0	1,728,072	0	0	0	0

EXHIBIT 2 - GENERAL EXPENSES

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Rent	917,003			7,676	924,679
2. Salaries and wages	11,193,050			257,318	11,450,368
3.11 Contributions for benefit plans for employees	1,039,289			14,190	1,053,479
3.12 Contributions for benefit plans for agents					0
3.21 Payments to employees under non-funded benefit plans					0
3.22 Payments to agents under non-funded benefit plans					0
3.31 Other employee welfare	725,874			6,823	732,697
3.32 Other agent welfare					0
4.1 Legal fees and expenses	70,957			180	71,137
4.2 Medical examination fees					0
4.3 Inspection report fees					0
4.4 Fees of public accountants and consulting actuaries	237,228			2,400	239,628
4.5 Expense of investigation and settlement of policy claims					0
5.1 Traveling expenses	598,061			7,744	605,805
5.2 Advertising	1,307,446			3	1,307,449
5.3 Postage, express, telegraph and telephone	1,007,898			8,481	1,016,379
5.4 Printing and stationery	1,003,846			68,997	1,072,843
5.5 Cost or depreciation of furniture and equipment	33,843			219	34,062
5.6 Rental of equipment	532,373			4,457	536,830
5.7 Cost or depreciation of EDP equipment and software	415,795				415,795
6.1 Books and periodicals	58,564			795	59,359
6.2 Bureau and association fees	35,362			870	36,232
6.3 Insurance, except on real estate	130,160				130,160
6.4 Miscellaneous losses					0
6.5 Collection and bank service charges	258,079			2,201	260,280
6.6 Sundry general expenses	234,347			60	234,407
6.7 Group service and administration fees					0
6.8 Reimbursements by uninsured accident and health plans					0
7.1 Agency expense allowance					0
7.2 Agents' balances charged off (less \$ recovered)					0
7.3 Agency conferences other than local meetings					0
9.1 Real estate expenses					0
9.2 Investment expenses not included elsewhere				45,735	45,735
9.3 Aggregate write-ins for expenses	1,222,186	0	0	730,118	1,952,304
10. General expenses incurred	21,021,361	0	0	1,158,267 (a)	22,179,628
11. General expenses unpaid December 31, prior year	6,461,449	0	0	0	6,461,449
12. General expenses unpaid December 31, current year	4,863,429	0	0	0	4,863,429
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)	22,619,381	0	0	1,158,267	23,777,648
DETAILS OF WRITE-INS					
09.301. Data processing services	75,668				75,668
09.302. Benefit plan admin processing	2,078				2,078
09.303. Life block processing	100,306				100,306
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	1,044,134	0	0	730,118	1,774,252
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)	1,222,186	0	0	730,118	1,952,304

(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	19,236				19,236
2. State insurance department licenses and fees	221,340				221,340
3. State taxes on premiums	(4,183)				(4,183)
4. Other state taxes, incl. \$ for employee benefits	5,195				5,195
5. U.S. Social Security taxes	603,980				603,980
6. All other taxes	139,685				139,685
7. Taxes, licenses and fees incurred	985,253	0	0	0	985,253
8. Taxes, licenses and fees unpaid December 31, prior year	3,946,811	0	0	0	3,946,811
9. Taxes, licenses and fees unpaid December 31, current year	3,910,511	0	0	0	3,910,511
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	1,021,553	0	0	0	1,021,553

EXHIBIT 4 - DIVIDENDS OR REFUNDS

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

NONE

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE INTEGRITY 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
A. LIFE INSURANCE:						
0100001.	80 CSO 6.0% CRVM IDB 85-86	159,611,562		144,285,861		15,325,701
0100002.	80 CSO 5.5% CRVM IDB 87-91	118,346,588		106,279,662		12,066,926
0100003.	80 CSO 4.5% MOD CRVM	8,706,132		8,706,132		
0100004.	58 CET MALE ALB 3% ETI	10,536		10,536		
0100005.	58 CET MALE ALB 3.5% ETI	3,078		3,078		
0100006.	58 CET MALE ALB 4.5% ETI	3,959		3,959		
0100007.	58 CSO MALE ALB 3% CRVM	1,879,005		1,879,005		
0100008.	58 CSO MALE ALB 3% GPO	1,851		1,851		
0100009.	58 CSO MALE ALB 3% NL	708,805		708,805		
0100010.	58 CSO MALE ALB 3% RPU	88,016		88,016		
0100011.	58 CSO MALE ALB 3% PD-UP	0		0		
0100012.	EXTRA LIFE & SUBSTND	485,313		485,313		
0100013.	58 CSO MALE ALB 3.5% NL	177,160		177,160		
0100014.	58 CSO MALE ALB 3.5% RPU	35,393		35,393		
0100015.	58 CSO MALE ALB 4.5% RPU	17,662		17,662		
0100016.	58 CSO MALE ALB 4.5% CRVM	227,934		227,934		
0100017.	58 CSO MALE ALB 5% CRVM	475,612		475,612		
0100018.	80 CSO 4.5% Paid Up	29,003		29,003		
0100019.	80 CSO 5% Paid Up	322,238		322,238		
0100020.	80 CSO 5.5% Paid Up	3,265,378		3,265,378		
0100021.	80 CSO 6% Paid Up	4,213,144		4,213,144		
0100022.	EXTRA LIFE	41,564		41,564		
0199997. Totals (Gross)		298,649,933	0	271,257,306	0	27,392,627
0199998. Reinsurance ceded		2,643,776		2,226,684		417,092
0199999. Totals (Net)		296,006,157	0	269,030,622	0	26,975,535
B. ANNUITIES (excluding supplementary contracts with life contingencies):						
0200001.	83a 9.00% CARVM, Deferred - 85	994,026	XXX	994,026	XXX	
0200002.	83a 7.75% CARVM, Deferred - 86	20,704,927	XXX	20,704,927	XXX	
0200003.	83a 6.75% CARVM, Deferred - 87	13,448,882	XXX	10,066,146	XXX	3,382,736
0200004.	83a 7.50% CARVM, Deferred - 88	1,190,869	XXX	173,816	XXX	1,017,053
0200005.	83a 7.25% CARVM, Deferred - 89	3,954,119	XXX	3,888,627	XXX	65,492
0200006.	83a 7.00% CARVM, Deferred - 90-91	10,417,344	XXX	9,689,843	XXX	727,501
0200007.	83a 6.50% CARVM, Deferred - 92	1,342,214	XXX	845,999	XXX	496,215
0200008.	83a 6.00% CARVM, Deferred - 93	1,465,344	XXX	69,293	XXX	1,396,051
0200009.	83a 5.50% CARVM, Deferred - 94	2,087,268	XXX	857,363	XXX	1,229,905
0200010.	83a 6.00% CARVM, Deferred - 95	8,232,745	XXX	7,338,654	XXX	894,091
0200011.	83a 5.50% CARVM, Deferred - 96-97	8,192,865	XXX	7,707,483	XXX	485,382
0200012.	83a 5.25% CARVM, Deferred - 99	256,518,018	XXX	256,518,018	XXX	
0200013.	83a 5.75% CARVM, Deferred - 00	1,688,264	XXX	1,688,264	XXX	
0200014.	83a 5.50% CARVM, Deferred - 01	1,204,940	XXX	1,204,940	XXX	
0200015.	83a 5.50% CARVM, Deferred - 02 N.B.	3,876,491	XXX	3,876,491	XXX	
0200016.	83a 8.50% Immediate 85	93,552,357	XXX	93,552,357	XXX	
0200017.	83a 8.50% Immediate 86	101,869,703	XXX	101,869,703	XXX	
0200018.	83a 8.00% Immediate 87	117,280,847	XXX	117,280,847	XXX	
0200019.	83a 8.50% Immediate 88-89	27,946,518	XXX	27,946,518	XXX	
0200020.	83a 8.25% Immediate 90-91	141,363,780	XXX	141,363,780	XXX	
0200021.	83a 7.75% Immediate 92	31,428,538	XXX	31,428,538	XXX	
0200022.	83a 7.00% Immediate 93	25,544,295	XXX	25,544,295	XXX	
0200023.	83a 6.50% Immediate 94	5,225,816	XXX	5,225,816	XXX	
0200024.	83a 7.25% Immediate 95	11,796	XXX	11,796	XXX	
0200025.	83a 6.75% Immediate 96-97	95,198	XXX	95,198	XXX	
0200026.	a2000 6.25% Immediate 98-99	104,535	XXX	104,535	XXX	
0200027.	a2000 7.00% Immediate 00	99,995	XXX	99,995	XXX	
0200028.	a2000 6.75% Immediate 01	362,258	XXX	362,258	XXX	
0200029.	a2000 6.50% Immediate 02- N.B.	2,584,775	XXX	2,584,775	XXX	
0200030.	83a 8.00% Deferred 87	1,137,550	XXX	1,137,550	XXX	
0200031.	71 IAM 4.00% 75-79	14,755,469	XXX	14,755,469	XXX	
0200032.	71 IAM 5.50% 80-82	15,974,645	XXX	15,974,645	XXX	
0200033.	83a 8.75% CARVM, Deferred 83	2,659,671	XXX	2,659,671	XXX	
0200034.	83a 8.50% CARVM, Deferred 84-85	6,817,095	XXX	6,817,095	XXX	
0200035.	83a 7.25% CARVM, Deferred 86	4,664,664	XXX	4,664,664	XXX	
0200036.	83a 6.50% CARVM, Deferred 87,90	63,389,297	XXX	63,389,297	XXX	
0200037.	83a 7.00% CARVM, Deferred 88-89	77,324,027	XXX	77,324,027	XXX	
0200038.	83a 6.75% CARVM, Deferred 91	50,510,331	XXX	50,510,331	XXX	
0200039.	83a 6.25% CARVM, Deferred 92	24,498,709	XXX	24,498,709	XXX	
0200040.	83a 5.75% CARVM, Deferred 93	24,695,269	XXX	24,695,269	XXX	
0200041.	83a 5.50% CARVM, Deferred 94	18,221,442	XXX	18,221,442	XXX	
0200042.	83a 6.00% CARVM, Deferred 95	14,132,755	XXX	14,132,755	XXX	
0200043.	83a 5.50% CARVM, Deferred 96-97	4,013,480	XXX	4,013,480	XXX	
0299997. Totals (Gross)		1,205,583,131	XXX	1,195,888,705	XXX	9,694,426
0299998. Reinsurance ceded		15,494,333	XXX	15,494,333	XXX	
0299999. Totals (Net)		1,190,088,798	XXX	1,180,394,372	XXX	9,694,426
C. SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:						
0300001.	83a 8.50% Immediate 87	2,016,539		2,016,539		
0300002.	83a 8.50% Immediate 88-89	1,383,293		1,383,293		
0300003.	83a 8.25% Immediate 90-91	1,468,892		1,468,892		
0300004.	83a 7.75% Immediate 92	1,224,569		1,224,569		
0300005.	83a 7.00% Immediate 93	416,806		416,806		
0300006.	83a 6.50% Immediate 94	258,121		258,121		
0300007.	83a 7.25% Immediate 95	686,013		686,013		
0300008.	83a 6.75% Immediate 96-97	2,570,019		2,570,019		
0300009.	a2000 6.25% Immediate 98-99	619,503		619,503		
0300010.	a2000 7.00% Immediate 00	656,617		656,617		
0300011.	a2000 6.75% Immediate 01	415,969		415,969		
0300012.	a2000 6.50% Immediate 02- N.B.	463,469		463,469		
0399997. Totals (Gross)		12,179,810	0	12,179,810	0	0
0399998. Reinsurance ceded		0		0		0
0399999. Totals (Net)		12,179,810	0	12,179,810	0	0
D. ACCIDENTAL DEATH BENEFITS:						
0400001.	58 CSO 59 AD 3%	10,934		10,934		
0499997. Totals (Gross)		10,934	0	10,934	0	0
0499998. Reinsurance ceded		0		0		0
0499999. Totals (Net)		10,934	0	10,934	0	0
E. DISABILITY-ACTIVE LIVES:						
0500001.	58 CSO 52 DB 3% M	10,652		10,652		
0500002.	58 CSO 52 DB 3% W	20,357		20,357		
0599997. Totals (Gross)		31,009	0	31,009	0	0
0599998. Reinsurance ceded		0		0		0
0599999. Totals (Net)		31,009	0	31,009	0	0
F. DISABILITY-DISABLED LIVES:						
0600001.	58 CSO 52 DB 3%	82,545		82,545		
0600002.	Unreported	4,127		4,127		



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

EXHIBIT 5 - INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts?..... Yes [] No [X]
- 1.2 If not, state which kind is issued
Non-Par
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes [] No [X]
- 2.2 If not, state which kind is issued
Non-Par
- 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? \$ 0
 - 4.2 Amount of reserve? \$ 0
 - 4.3 Basis of reserve:
N/A
 - 4.4 Basis of regular assessments:
N/A
 - 4.5 Basis of special assessments:
N/A
 - 4.6 Assessments collected during the year \$ 0
- 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.
N/A
- 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: \$ 180,506,032
 - 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: \$ 212,664,946
 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? \$ 0
 - 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:
N/A
 - 7.3 State the amount of reserves established for this business: \$ 0
 - 7.4 Identify where the reserves are reported in the blank:
N/A

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

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

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE INTEGRITY 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
ACTIVE LIFE RESERVE									
1. Unearned premium reserve									
2. Additional contract reserves (a)									
3. Additional actuarial reserves-Asset/Liability analysis									
4. Reserve for future contingent benefits									
5. Reserve for rate credits									
6. Aggregate write-ins for reserves									
7. Totals (Gross)									
8. Reinsurance ceded									
9. Totals (Net)									
CLAIM RESERVE									
10. Present value of amounts not yet due on claims									
11. Additional actuarial reserves-Asset/Liability analysis									
12. Reserve for future contingent benefits									
13. Aggregate write-ins for reserves									
14. Totals (Gross)									
15. Reinsurance ceded									
16. Totals (Net)									
17. TOTAL (Net)									
18. TABULAR FUND INTEREST									
DETAILS OF WRITE-INS									
0601.									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page									
0699. TOTALS (Lines 0601 thru 0603 plus 0698) (Line 6 above)									
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page									
1399. TOTALS (Lines 1301 thru 1303 plus 1398) (Line 13 above)									

NONE

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

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	38,101,677		38,101,677			
2. Deposits received during the year	10,171,423		10,171,423			
3. Investment earnings credited to the account	2,485,153		2,485,153			
4. Other net change in reserves .....	.0					
5. Fees and other charges assessed	525,081		525,081			
6. Surrender charges .....	.0					
7. Net surrender or withdrawal payments	11,946,322		11,946,322			
8. Other net transfers to or (from) Separate Accounts .....	.0					
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8)	38,286,850	0	38,286,850	0	0	0
10. Reinsurance balance at the beginning of the year .....	.0					
11. Net change in reinsurance assumed .....	.0					
12. Net change in reinsurance ceded .....	.0					
13. Reinsurance balance at the end of the year (Lines 10+11-12) .....	.0	0	0	0	0	0
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	38,286,850	0	38,286,850	0	0	0

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

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and Unpaid:											
1.1 Direct	0										
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	0										
1.4 Net	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted											
2.11 Direct	0										
2.12 Reinsurance assumed	0										
2.13 Reinsurance ceded	0										
2.14 Net	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	0	0	0
2.2 Other											
2.21 Direct	0										
2.22 Reinsurance assumed	0										
2.23 Reinsurance ceded	0										
2.24 Net	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0
3. Incurred but unreported:											
3.1 Direct	138,000		138,000								
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	0										
3.4 Net	138,000	0	(b) 138,000	(b) 0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	(b) 0
4. TOTALS											
4.1 Direct	138,000	0	138,000	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	138,000	(a) 0	(a) 138,000	0	0	0	(a) 0	0	0	0	0

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

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

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

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements During the Year:											
1.1 Direct	95,984,695		8,338,372	71,883,602	13,510,597			2,252,124			
1.2 Reinsurance assumed	347,722		347,722								
1.3 Reinsurance ceded	2,229,547		1,818,535	411,012							
1.4 Net	(d) 94,102,870	0	6,867,559	71,472,590	13,510,597	0	0	2,252,124	0	0	0
2. Liability December 31, current year from Part 1:											
2.1 Direct	138,000	0	138,000	0	0	0	0	0	0	0	0
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
2.4 Net	138,000	0	138,000	0	0	0	0	0	0	0	0
3. Amounts recoverable from reinsurers December 31, current year	0										
4. Liability December 31, prior year:											
4.1 Direct	146,000	0	146,000	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	146,000	0	146,000	0	0	0	0	0	0	0	0
5. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0	0
6. Incurred Benefits:											
6.1 Direct	95,976,695	0	8,330,372	71,883,602	13,510,597	0	0	2,252,124	0	0	0
6.2 Reinsurance assumed	347,722	0	347,722	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded	2,229,547	0	1,818,535	411,012	0	0	0	0	0	0	0
6.4 Net	94,094,870	0	6,859,559	71,472,590	13,510,597	0	0	2,252,124	0	0	0

- (a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
 \$ in Line 6.1 and \$ in Line 6.4.
- (b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
 \$ in Line 6.1 and \$ in Line 6.4.
- (c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
 \$ in Line 6.1 and \$ in Line 6.4.
- (d) Includes \$ premiums waived under total and permanent disability benefits.

EXHIBIT 9
ANALYSIS OF NON-ADMITTED ASSETS AND RELATED ITEMS

	1	2	3
	End of Current Year	End of Prior Year	Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Lines 12 to 17 and 19 to 22, Column 2.....	81,038,263	95,962,457	14,924,194
2. Other Nonadmitted Assets:			
2.1 Bills receivable .....		.0	.0
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) .....	.0	.0	.0
4. Disallowed interest maintenance reserve .....		.0	.0
5. Aggregate write-ins for other assets	0	0	0
6. Total (Line 1 plus Lines 3 to 5)	81,038,263	95,962,457	14,924,194
DETAILS OF WRITE-INS			
0501.			
0502.			
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)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. Ohio has adopted the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual-Version Effective January 1, 2001*, ("NAIC SAP") as a component of prescribed and permitted practices. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

The Company is a wholly owned subsidiary of The Western and Southern Life Insurance Company ("W&S"). The Company, domiciled in the state of Ohio, is currently licensed in 47 states and the District of Columbia, specializes in the asset accumulation business with particular emphasis on retirement savings and investment products. The Company's wholly owned insurance subsidiary, National Integrity Life Insurance Company ("National Integrity"), distributes similar products in the state of New York.

On March 3, 2000, W&S acquired the Company and National Integrity from ARM Financial Group, Inc. pursuant to a purchase agreement dated December 17, 1999 ("Purchase Agreement"). Under the terms of the Purchase Agreement, the \$119.3 million purchase price was placed into a recoverable escrow account and was subject to a number of price adjustments. These price adjustments related primarily to indemnification of losses on the sales or deemed sales of certain securities owned by the Company and National Integrity. As of March 31, 2001, the Company had recovered \$125.0 million related to the sales of these securities and accrued interest on the escrowed funds in full settlement thereof.

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

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

C. Accounting Policy

The Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at either amortized cost using the interest method or the lower of amortized cost or fair market value.
- (3) Common stocks are stated at market value as determined by the Securities Valuation Office of the NAIC and the related net unrealized gains or losses are reported in unassigned surplus along with any adjustment for federal income taxes, if applicable.
- (4) Preferred stocks are stated at either cost or the lower of cost or fair market value.
- (5) Mortgage loans on real estate and policy loans are stated at the aggregate unpaid principal balance plus any unamortized premium less any unaccrued discount.
- (6) Loan-backed bonds and structured securities are stated at either amortized cost using the interest method adjusted retrospectively for differences between anticipated and actual prepayments or the lower of amortized cost or fair market value.
- (7) The Company owns 100% of the capital stock of National Integrity, which is stated at statutory net worth.
- (8) The Company had no investments in joint ventures, partnerships or limited liability companies during the statement periods.
- (9) Derivative instruments, held in the Company's guaranteed separate accounts, are stated at fair value with unrealized gains and losses being recognized in the separate accounts' summary of operations.
- (10) Not Applicable.
- (11) The company had no accident and health contracts on its books during the statement periods.

2. Accounting Changes and Corrections of Errors

A. There were no material errors corrected during the statement periods.

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 NAIC SAP subject to any deviation prescribed or permitted by the State of Ohio insurance commissioner.

NOTES TO FINANCIAL STATEMENTS

Accounting changes adopted to conform to the provisions of NAIC SAP 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 change of accounting principle that decreased unassigned funds (surplus) by \$65.1 million as of January 1, 2001. The change in accounting principle was primarily attributable to write-downs of impaired invested assets, establishment of deferred tax assets, and the accrual of guaranty fund assessments. Despite the negative effect on statutory surplus, management expects the Company to remain in compliance with all regulatory and contractual obligations.

3. Business Combinations and Goodwill

The Company initiated no business combinations during the statement periods.

4. Discontinued Operations

The Company had no discontinued operations during the statement periods.

5. Investments

A. Mortgage Loans

(1) The maximum and minimum lending rates for mortgage loans during 2002 and 2001 were:

Farm loans	none made
City loans	none made
Purchase money mortgages	none made

(2) During 2002 and 2001, the Company did not reduce interest rates on any outstanding loans except in accordance with the terms of certain loans with adjustable rates.

(3) The maximum percentage of any one loan to the value of security, at the time of the loan, did not exceed 80%.

	<u>Current Year</u>	<u>Prior Year</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	NONE	NONE
Total interest due on mortgages with interest more than 180 days past due	NA	NA
(5) Taxes, assessments and any amounts advanced and not included in the mortgage loan total	NONE	NONE
(6) Current year impaired loans with a related allowance for credit losses	NONE	NONE
Related allowance for credit losses	NA	NA
(7) Impaired mortgage loans without an allowance for credit losses	NONE	NONE
(8) Average recorded investment in impaired loans	NA	NA
(9) Investment income recognized during the period the loans were impaired	NA	NA
(10) Amount of income recognized on a cash basis during the period the loans were impaired	NA	NA
(11) Not Applicable		

B. Debt Restructuring

The Company had no investments in restructured loans during the statement periods.

C. Reverse Mortgages

The Company had no investments in reverse mortgages during the statement periods.

D. Loan-Backed Securities

(1) The Company has not elected to use book value as of January 1, 1994 as the cost for applying the retrospective method of adjustment to securities purchased prior to that date.

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

NOTES TO FINANCIAL STATEMENTS

(3) The Company used HUB Data Pricing Service and Fort Washington Investment Advisors, Inc., a subsidiary of W&S, in determining the market value of its loan-backed securities.

(4) The Company had no negative yield situations requiring a change from the retrospective to the prospective methodology.

E. Repurchase Agreements

The Company had no repurchase agreements outstanding during the statement periods.

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company had no investments in joint ventures, partnerships or limited liability companies during the statement periods.

7. Investment Income

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

Due and accrued income was excluded from incurred investment income for bonds in default and for mortgage loans delinquent more than one year, in the process of foreclosure, or where collection of interest was uncertain.

B. No accrued investment income has been excluded from surplus during the statement periods.

8. Derivative Instruments

The Company has offered equity-indexed products through its separate accounts. In connection with these products, the Company purchased over-the-counter call options from Citibank N.A., New York, and custom-tailored options from W&S. These options are recorded at market value. Unrealized market value gains and losses on the option contracts are recorded in the separate accounts statement of operations to hedge against the Company's obligation to pay equity-indexed returns to policyholders.

The Company is exposed to credit-related losses in the event of nonperformance by counterparties to the financial instruments, but does not expect any counterparties to fail to meet their obligations given their high credit ratings.

9. Income Taxes

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

	December 31, 2002	December 31, 2001
Total of all deferred tax assets (admitted and non-admitted)	\$ 168,284,549	\$ 107,996,458
Total of all deferred tax liabilities	\$ 68,180,085	\$ 8,559,785
Total deferred tax non-admitted in accordance with SSAP No. 10, Income taxes	\$ 79,505,208	\$ 95,079,864
Increase (decrease) in deferred tax assets non-admitted	\$ (15,574,656)	\$ 28,512,238

B. The Company has no deferred tax liabilities that are not recognized.

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

Current year income tax expense (benefit)	\$ (4,140,048)	\$ 1,694,749
Prior year over-accrual of tax reserves	-	(1,629,722)
Deferred adjustments – NOL carryover	4,140,048	-
Current income taxes incurred	<u>\$ -</u>	<u>\$ 65,027</u>

NOTES TO FINANCIAL STATEMENTS

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

Deferred Tax Assets (DTAs)	Statutory	Tax	Differences	Tax effect
Reserves	\$ 1,542,511,416	\$ 1,489,844,058	\$ 52,667,358	\$ 18,433,575
Bonds / stocks deferred future losses	1,295,290,395	1,451,508,162	156,217,767	54,676,218
DAC	-	11,248,322	11,248,322	3,936,913
Capital loss carryover	-	190,493,870	190,493,870	66,672,855
Section 197 intangibles	-	5,096,894	5,096,894	1,783,913
Acquisition related goodwill	-	4,835,551	4,835,551	1,692,443
Separate account adjustments	1,790,565,892	1,790,565,892	-	-
Deferred hedge losses	-	7,266,419	7,266,419	2,543,247
Net operating loss carryover	-	19,493,327	19,493,326	6,822,664
Tax credit carryovers	-	8,078,575	8,078,575	2,827,500
Fixed Assets and Other Assets	3,105,280	7,070,196	3,964,916	1,387,721
Reinsurance ceded	-	21,450,000	21,450,000	7,507,500
Total DTAs	\$ 4,631,472,983	\$ 5,006,951,266	\$ 480,812,998	\$ 168,284,549
DTAs non-admitted				\$ 79,505,208
Deferred Tax Liabilities (DTLs)				
Stocks / bonds deferred future gains	\$ 188,664,256	\$ 16,387,104	\$ 172,277,152	\$ 60,297,003
Reserve strengthening	-	22,523,092	22,523,092	7,883,082
Total DTLs	\$ 188,664,256	\$ 38,910,196	\$ 194,800,244	\$ 68,180,085

(1) Changes in the main components of DTAs and DTLs are as follows:

DTAs resulting from book / tax differences in:	December 31, 2002	December 31, 2001	Change
Reserves	\$ 18,433,575	\$ 14,057,252	\$ 4,376,323
Bonds / stocks deferred future losses	54,676,218	9,249,086	45,427,132
DAC	3,936,913	3,547,673	389,240
Capital loss carryovers	66,672,855	67,770,672	(1,097,817)
Section 197 intangibles	1,783,913	4,149,028	(2,365,115)
Acquisition related goodwill	1,692,443	1,841,776	(149,333)
Deferred hedge losses	2,543,247	2,774,451	(231,204)
Net operating loss carryovers	6,822,664	1,779,020	5,043,644
Tax credit carryovers	2,827,500	2,827,500	-
Fixed assets and other assets	1,387,721	-	1,387,721
Reinsurance ceded	7,507,500	-	7,507,500
Total DTAs	\$ 168,284,549	\$ 107,996,458	\$ 60,288,092
DTAs non-admitted	\$ 79,505,208	\$ 95,079,864	\$ (15,574,656)
(DTLs) resulting from book / tax differences in:			
Reserve strengthening	\$ 7,883,082	\$ 8,559,785	\$ (676,703)
Stocks / bonds deferred future gains	60,297,003	-	60,297,003
Total DTLs	\$ 68,180,085	\$ 8,559,785	\$ 59,620,300

NOTES TO FINANCIAL STATEMENTS

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

	Amount	Tax effect
Income before taxes	\$ (95,653,741)	\$ (33,478,809)
Book over tax reserves	2,134,931	747,226
Net DAC adjustment	1,233,983	431,894
Section 197 amortization	(6,757,467)	(2,365,113)
Accrued market discount	(8,423,725)	(2,948,304)
Separate account adjustments	(3,125,409)	(1,093,893)
Deferred hedge losses	(660,584)	(231,204)
Acquisition related goodwill	(426,667)	(149,333)
Elimination of IMR	(257,984)	(90,294)
Reserve strengthening	(3,337,057)	(1,167,970)
Tax vs. book difference in capital gains	87,569,132	30,649,194
Reinsurance ceded	21,450,000	7,507,500
Other	(5,574,121)	(1,950,942)
Taxable income	<u>\$ (11,828,708)</u>	<u>\$ (4,140,048)</u>

E. The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future losses:

Year	Amount
2002	\$ -
2001	\$ -
2000	\$ -
1999	\$ -

F. (1) The Company's federal income tax return is consolidated with the following entity:

National Integrity Life Insurance Company

(2) The method of allocation between companies is subject to a written agreement, approved by the Board of Directors. Allocation is based on separate return calculations with current credit for net losses. Intercompany tax balances are settled annually.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. At December 31, 2002, W&S, an insurance company domiciled in the state of Ohio, owned all shares of the Company.
- B. The Company received a \$6.6 million capital contribution and a \$4.9 million capital contribution from W&S during 2002 and 2001, respectively. The capital contributions were in the form of common stocks having an original cost to W&S of \$6.6 million and a market value at the date of transfer of approximately \$145.0 million for the 2002 capital contribution and an original cost to W&S of \$4.9 million and a market value at the date of transfer of approximately \$50.0 million for the 2001 capital contribution. During 2002, the Company recorded \$55.3 million in capital contributions to National Integrity. The capital contributions were in the form of bonds having an amortized value of \$25.3 million and a market value at the date of transfer of approximately \$25.9 million and \$30.0 million in cash. The Company paid no dividends during 2002 or 2001.
- C. Not Applicable.
- D. At December 31, 2002, the Company had amounts of \$31.1 million, \$4.3 million and \$0.4 million due from W&S, National Integrity and Touchstone Securities, Inc. ("Touchstone"), respectively. Touchstone is an indirect wholly owned subsidiary of the Company's parent, W&S. At December 31, 2001, the Company had amounts due from National Integrity of \$2.4 million, and amounts due to W&S and Touchstone of \$0.1 million and \$0.4 million, respectively. These amounts are generally settled on a monthly basis.

The Company participates in a short-term investment pool with W&S and its other affiliates. Of the \$31.1 million due from W&S at December 31, 2002, \$32.5 million relates to the Company's investment in this short-term investment pool and an amount due to W&S of \$1.4 million relates to charges for certain administrative and special services described in F. below. Additionally certain portfolios in the Company's separate accounts participated in the short-term investment pool. At December 31, 2002, there was \$60.2 million in the short-term investment pool, which is reported as separate account assets on page 2, line 26.

E. The Company has not guaranteed any obligation of its affiliates as of December 31, 2002.

F. W&S performs certain administrative and special services for the Company to assist with its business operations. These services include tax compliance and reporting, payroll functions, administrative support services, and investment functions.

NOTES TO FINANCIAL STATEMENTS

The charges for services are considered reasonable and in accordance with the requirements of applicable insurance law and regulations.

- G. See A above.
- H. The Company does not own any shares of an upstream intermediate or ultimate parent.
- I. The Company owns 100% of outstanding capital stock of National Integrity, which is valued at statutory net worth.
- J. The Company did not recognize any impairment write down for its investments in subsidiary, controlled or affiliated companies during the statement period.

11. Debt

A. Capital Notes

The Company had no capital notes outstanding during the statement periods.

B. All Other Debt

The Company has no outstanding debentures.

The Company had no borrowed money other than that associated with dollar reverse repurchase agreements.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

A. Not Applicable.

B. The Company maintains a Supplemental Executive Retirement Plan ("SERP") for two former executives. The SERP liability as of December 31, 2002 and 2001 was \$367,583 and \$415,498, respectively.

C. Not Applicable.

D. The Company participates in a qualified, company funded defined contribution retirement plan sponsored by W&S. In addition, W&S sponsors a contributory Employee Retirement Savings Plan qualified under the provisions of IRC 401(k). W&S allocates amounts to the Company based on salary ratios. The Company's share of net expense for the qualified, company funded defined contribution retirement plan was \$668,580 and \$616,667 for 2002 and 2001, respectively. The Company's share of net expense for the contributory Employee Retirement Savings Plan was \$102,855 and \$77,030 for 2002 and 2001, respectively. Almost all of the Company's full time employees are eligible to participate in these plans.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Re-organizations

(1) The Company has one class of common stock with a par value of \$2 per share. At December 31, 2002, the Company had 1,500,000 shares authorized, 1,500,000 shares issued and 1,500,000 shares outstanding.

(2) The Company has no preferred stock outstanding.

(3) The ability of the Company to pay dividends is limited by state insurance laws. Under Ohio insurance laws, the Company may pay dividends, without the approval of the Ohio Director of Insurance, only from earned surplus and those dividends may not exceed (when added to other dividends paid in the preceding 12 months) the greater of (i) 10% of the Company's surplus as of the prior December 31, or (ii) the Company's net income for the twelve month period ending the prior December 31.

(4) The Company was not permitted to pay any dividends during 2002 or 2001 without the approval of the Ohio Insurance Commissioner.

(5) Unassigned surplus inures to the benefit of the Company's stockholder. At December 31, 2002, the Company had an unassigned deficit.

(6) At December 31, 2002, there were no advances to surplus that had not been repaid.

(7) There was no stock held by the Company, including stock of affiliated companies, for special purposes.

(8) There was no change in the balance of special surplus funds from the prior year.

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

a. Unrealized gains and losses	\$	171,110,570
b. Non-admitted asset values	\$	(81,038,263)
c. Separate account businesses	\$	(49,731,721)
d. Asset valuation reserves	\$	(67,580,778)
e. Reinsurance in unauthorized companies	\$	-

NOTES TO FINANCIAL STATEMENTS

(10) Surplus Notes

There were no surplus debentures or similar item outstanding during the statement periods.

(11) There have been no restatements of surplus due to quasi-reorganizations.

(12) Not Applicable.

14. Contingencies

A. Contingent Commitments

The Company has not made any commitments or contingent commitments to any subsidiary, controlled or affiliated entity, joint venture, partnership or limited liability company.

B. Assessments

The Company is assessed amounts by the state guaranty funds to cover losses to policyholders of insolvent or rehabilitated insurance companies. At both December 31, 2002 and 2001, the Company had an estimated accrued liability of \$3.6million, for future guaranty fund assessments.

C. All Other Contingencies

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

15. Leases

A. Lessee Leasing Arrangements

(1) The Company leases office equipment and office space under various non-cancelable operating lease agreements that expire through August 31, 2007. Rental expense for 2002 and 2001 was approximately \$1,806,628 and \$1,876,604, respectively.

(2) At December 31, 2002, the minimum aggregate rental commitments are as follows for the five succeeding years:

<u>Year ended December 31 Operating Leases</u>	
2003	\$ 1,768,505
2004	\$ 1,693,771
2005	\$ 1,519,955
2006	\$ 910,870
2007	\$ 110,720

(3) The Company is not involved in any sale-leaseback transactions.

B. Lessor Leases

The Company is not engaged in any contracts in which it acts as a lessor.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentration of Credit Risk

A. Financial Instruments With Off-Balance Sheet Risk

The Company does not own any financial instruments with off-balance sheet risk.

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

A. Transfers of Receivables Reported as Sales

Not Applicable.

B. Transfer and Servicing of Financial Assets

Not Applicable.

C. Wash Sales

(1) Not Applicable.

(2) There were no securities with a NAIC designation of 3 or below which the Company sold and reacquired within 30 days of the sale date during the year ended December 31, 2002 or December 31, 2001.

NOTES TO FINANCIAL STATEMENTS

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

The Company is not engaged in any business using uninsured A&H plans.

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

The Company issued business through the following managing general agents in 2002:

Name and Address	EIN	Exclusive Contract	Type of Business Written	Authority Granted	Total Premiums Written
Signature Financial Services 550 Pinetown Rd., Suite 208 Ft. Washington, PA 19034	232-59-0623	No	Fixed Annuities	Writing premium	\$ 45,135,624
Ann Arbor Annuity Exchange 45 Research Drive Ann Arbor, MI 48103	38-2929874	No	Fixed Annuities	None	\$ 16,769,474
Clarke Financial Group 17780 Fitch, Suite 230 Irvine, CA 92614	33-086281	No	Fixed Annuities	None	\$ 12,503,882

The aggregate remaining premiums written by managing general agents for 2002 was \$42,523,088.

20. Other Items

A. Extraordinary Items

The Company recognized no extraordinary gains or losses during the statement periods.

B. Troubled Debt Restructuring

The Company did not restructure any troubled debt during the statement periods.

C. Other Disclosures

The amounts in this statement pertain to the entire Company's business including, as appropriate, its Separate Account business.

D. Not Applicable.

E. Reinsurance Accounted for as a Deposit

Not Applicable.

F. Multiple Peril Crop Insurance

Not Applicable.

G. Mezzanine Real Estate Loans

Not Applicable.

H. Health Care Receivables

Not Applicable.

I. September 11th Events

- (1) The Company has not recognized any losses as a result of the terrorist attacks of September 11, 2001.
- (2) As of December 31, 2002, the Company does not have any contingent liabilities or unpaid claims or losses resulting from the September 11, 2001 events.
- (3) The Company's inforce reserves are predominantly annuities (fixed, variable and payout) and single premium endowments. None of these products contain a significant death risk. Accordingly, the Company expects the exposure, if any, to be immaterial. The Company adds that it has not received any claims regarding the September 11, 2001 tragedy. Additionally, the Company has contacted its reinsurers and does not anticipate any collectibility issues.
- (4) Not Applicable.

NOTES TO FINANCIAL STATEMENTS

21. Subsequent Events

No events have occurred subsequent to the close of the books of account that would have a material effect on the financial condition of the Company.

22. Reinsurance

A. Ceded Reinsurance Report

Section 1 - 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) which 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.
\$ _____
 - 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? \$ _____
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 reinsurer of amounts which, 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.

Canceling of YRT type reinsurance contracts:	\$ 2,721,776
Canceling of Modified Coinsurance reinsurance contract:	\$ 33,000,000

On December 31, 2002, the Company entered in to a modified coinsurance agreement with W&S, ("the Agreement"). Under the terms of the Agreement, the Company ceded certain blocks of business written prior to July 1, 2002 to W&S in exchange for a \$33.0 million ceding commission. The Agreement is to remain in force until the last policy subject to the Agreement terminates or the parties mutually agree in writing to terminate the Agreement. The Company's best estimate of the effect of terminating the Agreement is represented by the \$33.0 million ceding commission.

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 which 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? \$0

NOTES TO FINANCIAL STATEMENTS

The Agreement did not create an asset or a reduction in a liability; however, the Company received a \$33 million ceding commission.

B. Uncollectible Reinsurance

The Company did not write off any uncollectible reinsurance during 2002.

C. Commutation of Ceded Reinsurance

The Company has no commutation of ceded reinsurance.

23. Retrospectively Rated Contracts

Not Applicable.

24. Change in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses attributable to insured events of prior years has decreased by \$8,000 from \$146,000 in 2001 to \$138,000 in 2002 as a result of reestimation of unpaid losses principally on annuity death claims. Original estimates were decreased as our net amount at risk decreased.

25. Intercompany Pooling Arrangements

Not Applicable.

26. Reserves for Life Contracts and Deposit-Type Contracts

- (1) The Company waives deduction of deferred fractional premiums upon death of the insured and does not return any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
- (2) Traditional Life: Extra premiums are charged for substandard lives. Mean reserves are determined by computing the regular mean reserve for the plan at the rated age and holding, in addition, one-half (1/2) of the extra premium charge for the year. Single Premium Endowment Life: This closed block of life contracts was issued with limited or no underwriting. Mean reserves are based on appropriate multiples of standard rates of mortality.
- (3) As of December 31, 2002, the Company had \$15,959,692 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation law. Reserves to cover the above insurance totaled \$33,222 at year-end and are reported in Exhibit 5, Section G.
- (4) The Tabular Interest, Tabular less Actual Reserve Released and Tabular Cost have been determined by a combination of basic data and formulas as described in the instructions.
- (5) Tabular Interest on funds not involving life contingencies was derived from basic data.
- (6) The Company did not have any other reserve changes.

27. Variable Annuities with Guaranteed Living Benefits

Not Applicable.

NOTES TO FINANCIAL STATEMENTS

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

	Amount	% of Total
A Subject to discretionary withdrawal:		
(1) - With market value adjustment	\$ 947,505,504	31.8%
(2) - At book value less current surrender charge of 5% or more	176,540,933	5.9%
(3) - At market value	696,712,435	23.4%
(4) - Total with adjustment or at market value	1,820,758,872	61.1%
(5) - At book value without adjustment (minimal or no charge or adjustment)	540,003,698	18.1%
B. Not subject to discretionary withdrawal	618,834,314	20.8%
C. Total (gross)	2,979,596,884	100.0%
D. Reinsurance ceded	15,494,333	
E. Total (net) (Line C minus Line D)	\$ 2,964,102,551	
F. Reconciliation of total annuity actuarial reserve and deposit fund liabilities:		
Life & Accident & Health Annual Statement:		
1. Exhibit 5, Section B, Total (net)	\$ 1,190,088,798	
2. Exhibit 5, Section C, Total (net)	12,179,810	
3. Exhibit 7, Column 1, Line 14	38,286,850	
4. Subtotal	1,240,555,458	
Separate Accounts Annual Statement:		
5. Exhibit 3, Column 2, Line 0299999	1,723,547,093	
6. Exhibit 3, Column 2, Line 0399999	-	
7. Policyholder dividends and coupon accumulations	-	
8. Policyholder premiums	-	
9. Guaranteed Interest Contracts	-	
10. Other contract deposit funds	-	
11. Subtotal	1,723,547,093	
12. Combined Total	\$ 2,964,102,551	

29. Premiums and Annuity Considerations Deferred and Uncollected

Deferred and uncollected life insurance premiums as of December 31, 2002 were as follows:

Type	Gross	Net of Loading
Ordinary renewal	\$ 79,545	\$ 83,449

30. Separate Accounts

A. General Nature and Characteristics of Separate Account Business:

The Company's guaranteed separate accounts include indexed products (i.e. equity-indexed annuities) and non-indexed products and options (i.e. guaranteed rate options and systematic transfer options). The guaranteed rate options are sold as a fixed annuity product or as an investment option within the Company's variable annuity products and are included in columns 2 and 3 of the table below. These options carry a minimum interest guarantee based on the guarantee period selected by the policyholder. The fixed annuity products currently offered generally provide a death benefit equal to the account value, with one product offering an optional death benefit ranging from 25% to 40% of the gain in the contract. The fixed investment options currently offered within the Company's variable annuity products provide the death benefits listed below for variable annuities. The Company's equity-indexed annuities provide participation in the S&P 500 Price Index and are included in column 1 of the table below.

The Company's nonguaranteed separate accounts primarily include variable annuities and are included in column 4 of the table below. The net investment experience of variable annuities is credited directly to the policyholder and can be

NOTES TO FINANCIAL STATEMENTS

positive or negative. Variable annuities include minimum guaranteed death benefits that vary by product and include optional death benefits available on some products. The death benefits currently offered by the Company include the following: account value, return of premium paid, a death benefit that is adjusted after 7 years to the current account value, a death benefit that is adjusted periodically to the current account value, a death benefit of premium accumulated at 5% annually up to a maximum of 200% of premium, and an additional death benefit ranging from 25% to 40% of the gain in the contract. The minimum guaranteed death benefit reserve is included on Exhibit 5, Section G. Assets held in separate accounts are carried at estimated fair values.

Information regarding the separate accounts of the Company as of and for the year ended December 31, 2002 is as follows (in thousands):

	Separate Accounts with Guarantees				Total
	Indexed	Nonindexed Guarantee Less than /equal to 4%	Nonindexed Guarantee More than 4%	Nonguaranteed Separate Accounts	
(1) Premiums, deposits, and other considerations for the year ended 12/31/2002	\$ 63	\$ 104,034	\$ 282,548	\$ 89,127	\$ 475,772
Reserves at 12/31/2002					
(2) For accounts with assets at:					
a. Market value	\$ 60,777	\$ 158,782	\$ 807,276	\$ 709,222	\$ 1,736,057
b. Amortized cost	-	-	-	-	-
c. Total reserves	\$ 60,777	\$ 158,782	\$ 807,276	\$ 709,222	\$ 1,736,057
(3) By withdrawal characteristics:					
a. Subject to discretionary withdrawal					
b. With market value adjustment	\$ 39,880	\$ 158,782	\$ 748,844	\$ -	\$ 947,506
c. At book value without market value adjustment and with current surrender charge of 5% or more	-	-	58,432	-	58,432
d. At market value	-	-	-	709,222	709,222
e. At book value without market value adjustment and with current surrender charges less than 5%	-	-	-	-	-
f. Subtotal	39,880	158,782	807,276	709,222	1,715,160
g. Not subject to discretionary withdrawal	20,897	-	-	-	20,897
h. Total	\$ 60,777	\$ 158,782	\$ 807,276	\$ 709,222	\$ 1,736,057

NOTES TO FINANCIAL STATEMENTS

1. Transfers as reported in the Summary of Operations of the Separate Account Statement (in whole dollars):

	Separate Accounts with Guarantees				Total
	Indexed	Nonindexed Guarantee Less than /equal to 4%	Nonindexed Guarantee More than 4%	Nonguaranteed Separate Accounts	
a. Transfers to Separate Accounts (Page 4, Line 1.4)	\$ 62,530	\$104,033,739	\$283,647,262	\$90,145,116	\$477,888,648
b. Transfers from Separate Accounts (Page 4, Line 10)	35,766,616	(59,213,572)	161,712,026	128,819,706	267,084,776
c. Net transfers to (from) Separate Accounts (a)-(b)	\$(35,704,085)	\$163,247,311	\$121,935,236	\$(38,674,590)	\$210,803,872

B. Reconciliation of Net Transfers To (From) Separate Accounts

1. Transfers as reported in the Summary of Operations of the Separate Account Statement:

a. Transfers to Separate Accounts (Page 4, Line 1.4)	\$ 77,888,648
b. Transfers from Separate Accounts (Page 4, Line 10)	267,084,776
c. Net transfers to (from) Separate Accounts (a)-(b)	210,803,872

2. Reconciling adjustments:

Policy deductions and other expenses reported as aggregate write-ins for miscellaneous income	2,742,296
Other changes in surplus in Separate Account Statement	8,858,321

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

\$222,404,489

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	21,137,402	1.218	21,137,402	1.218
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	1,302,498	0.075	1,302,498	0.075
1.22 Issued by U.S. government sponsored agencies		0.000		0.000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)	2,932,964	0.169	2,932,964	0.169
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations	13,320,000	0.768	13,320,000	0.768
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	4,843,407	0.279	4,843,407	0.279
1.512 Issued by FNMA and FHLMC	75,338,134	4.341	75,338,134	4.341
1.513 Privately issued	3,018,269	0.174	3,018,269	0.174
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC	15,740,707	0.907	15,740,707	0.907
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC	17,059,162	0.983	17,059,162	0.983
1.523 All other privately issued	11,189,284	0.645	11,189,284	0.645
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	991,085,940	57.107	991,085,940	57.107
2.2 Unaffiliated foreign securities	29,910,255	1.723	29,910,255	1.723
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated	108,532,493	6.254	108,532,493	6.254
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated	188,664,256	10.871	188,664,256	10.871
3.4 Other equity securities:				
3.41 Affiliated	95,418,115	5.498	95,418,115	5.498
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural	5,044,660	0.291	5,044,660	0.291
4.3 Single family residential properties	30,571	0.002	30,571	0.002
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans	12,989,475	0.748	12,989,475	0.748
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (includes \$ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (\$ including property acquired in satisfaction of debt)		0.000	0	0.000
6. Policy loans	113,317,515	6.529	113,317,515	6.529
7. Receivables for securities	1,378,458	0.079	1,378,458	0.079
8. Cash and short-term investments	22,101,841	1.274	22,101,841	1.274
9. Other invested assets	1,128,906	0.065	1,128,906	0.065
10. Total invested assets	1,735,484,312	100.000	1,735,484,312	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.12/31/1999
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/1999
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).03/12/2001
- 3.4 By what department or departments? Ohio Department of Insurance
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

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

GENERAL INTERROGATORIES

(continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst and Young, LLP, 400 West Market Street, Suite 2100, Louisville, KY 40202.....
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?
Dennis L. Carr, Chief Actuary, Integrity Life Insurance Company, 515 West Market, Louisville, KY 40202.....
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA []

BOARD OF DIRECTORS

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

FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.11 To directors or other officers .. \$.....
- 14.12 To stockholders not officers ... \$.....
- 14.13 Trustees, supreme or grand (Fraternal only) \$.....
- 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 ... \$.....
- 14.22 To stockholders not officers \$.....
- 14.23 Trustees, supreme or grand (Fraternal only) \$.....
- 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					XXX	XXX	XXX	XXX
Common	1,500,000	1,500,000	2.000	XXX				

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

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

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

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

19.21	Loaned to others	\$
19.22	Subject to repurchase agreements	\$
19.23	Subject to reverse repurchase agreements	\$
19.24	Subject to dollar repurchase agreements	\$
19.25	Subject to reverse dollar repurchase agreements	\$30,071,568
19.26	Pledged as collateral	\$
19.27	Placed under option agreements	\$
19.28	Letter stock or other securities restricted as to sale ...	\$
19.29	Other	\$

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

19.31	19.35
19.32	19.36
19.33	19.37
19.34	19.38
	19.39

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

19.4. For category (19.28) provide the following:

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

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

20.2. If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] 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 Name of Custodian(s)	2 Custodian's Address
Bank of New York.....	1 Wall Street, 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)

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
107126.....	Fort Washington Investment Advisors.....	420 East Fourth Street, Cincinnati, Ohio 45202.....

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?..... \$.....68,853

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
AM Best.....	\$.....22,400
Standard & Poors.....	\$.....18,489

24.1 Amount of payments for legal expenses, if any?..... \$.....71,137

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
Morgan, Lewis & Bockius, LLP.....	\$.....34,951
	\$.....
	\$.....

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

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

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

GENERAL INTERROGATORIES

(continued)

PART 2 - LIFE INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [] No [X]
1.2	If yes, indicate premium earned on U. S. business only	\$
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$
	1.31 Reason for excluding	
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above	\$
1.5	Indicate total incurred claims on all Medicare Supplement Insurance	\$
1.6	Individual policies:	
	Most current three years:	
	1.61 Total premium earned	\$0
	1.62 Total incurred claims	\$0
	1.63 Number of covered lives	\$0
	All years prior to most current three years:	
	1.64 Total premium earned	\$0
	1.65 Total incurred claims	\$0
	1.66 Number of covered lives	\$0
1.7	Group policies:	
	Most current three years:	
	1.71 Total premium earned	\$0
	1.72 Total incurred claims	\$0
	1.73 Number of covered lives	\$0
	All years prior to most current three years:	
	1.74 Total premium earned	\$0
	1.75 Total incurred claims	\$0
	1.76 Number of covered lives	\$0
2.1	Does this reporting entity have Separate Accounts?	Yes [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?	\$68,396,111
2.4	State the authority under which Separate Accounts are maintained: Ohio State Insurance Laws	
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:	\$1,180,087
	3.22 Received:	\$8,789,395
4.1	Does the reporting entity write any guaranteed interest contracts?	Yes [] No [X]
4.2	If yes, what amount pertaining to these items is included in:	
	4.21 Page 3, Line 3	\$
	4.22 Page 4, Line 1	\$
5.	For stock reporting entities only:	
5.1	Total amount paid in by stockholders as surplus funds since organization of the reporting entity:	\$305,795,338
6.	Total dividends paid stockholders since organization of the reporting entity:	
	6.11 Cash:	\$53,550,000
	6.12 Stock:	\$
7.1	Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?	Yes [] No [X]
	7.11 Name of real estate holding company	
	7.12 Number of parcels involved	
	7.13 Total book/adjusted carrying value	\$
7.2	If yes, provide explanation:	

GENERAL INTERROGATORIES

(continued)

PART 2 - LIFE INTERROGATORIES

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

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

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

FIVE-YEAR HISTORICAL DATA

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

	1 2002	2 2001	3 2000	4 1999	5 1998
Life Insurance in Force					
(Exhibit of Life Insurance)					
1. Ordinary - Whole Life and Endowment (Line 34, Col. 4)	708,619	747,904	792,444	876,340	2,077,184
2. Ordinary - Term (Line 21, Col. 4, less Line 34, Col. 4)	16,478	18,201	18,643	21,258	22,107
3. Credit Life (Line 21, Col. 6)	0	3	17	44	63
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	60,600	64,322	66,884	75,780	98,985
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)	785,697	830,430	877,988	973,422	2,198,339
New Business Issued					
(Exhibit of Life Insurance)					
8. Ordinary - Whole Life and Endowment (Line 34, Col. 2)	0	0	0	0	0
9. Ordinary - Term (Line 2, Col. 4, less Line 34, Col. 2)	0	0	0	0	0
10. Credit Life (Line 2, Col. 6)	0	0	0	0	0
11. Group (Line 2, Col. 9)	0	0	0	0	0
12. Industrial (Line 2, Col. 2)	0	0	0	0	0
13. Total (Line 2, Col. 10)	0	0	0	0	0
Premium Income - Lines of Business					
14. Industrial Life (Exhibit 1-Part 1, Line 20.4, Col. 2)	0	0	0	0	0
15.1 Ordinary-Life Insurance (Exhibit 1-Part 1, Line 20.4, Col. 3)	(749,415)	(693,254)	(513,843)	(511,046)	(649,955)
15.2 Ordinary-Individual Annuities (Exhibit 1-Part 1, Line 20.4, Col. 4)	453,503,229	360,159,590	156,746	111,459	404,629
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)	0	0	0	0	0
17.2 Group Annuities (Exhibit 1-Part 1, Line 20.4, Col. 7)	29,760,012	32,156,129	0	0	0
18.1 A & H-Group (Exhibit 1-Part 1, Line 20.4, Col. 8)	0	0	0	0	0
18.2 A & H-Credit (Group and Individual) (Exhibit 1-Part 1, Line 20.4, Col. 9)	0	0	0	0	0
18.3 A & H-Other (Exhibit 1-Part 1, Line 20.4, Col. 10)	0	0	0	0	0
19. Aggregate of All Other Lines of Business (Exhibit 1-Part 1, Line 20.4, Col. 11)	0	0	0	0	0
20. Deposit-type funds	XXX	XXX	179,265,986	576,356,579	1,868,552,948
21. Total	482,513,826	391,622,465	178,908,889	575,956,992	1,868,307,622
Balance Sheet Items (Pages 2 & 3)					
22. Total Admitted Assets Excluding Separate Accounts Business (Page 2, Line 25, Col. 3)	1,813,860,727	1,758,300,403	1,799,755,905	1,887,986,660	5,284,315,135
23. Total Liabilities Excluding Separate Accounts Business (Page 3, Line 26)	1,615,271,984	1,583,923,722	1,639,245,504	1,801,164,158	5,060,127,675
24. Aggregate Life Reserves (Page 3, Line 1)	1,504,224,566	1,515,884,136	1,548,856,983	1,673,062,475	1,476,154,370
25. Aggregate A & H Reserves (Page 3, Line 2)	0	0	0	0	0
26. Deposit-type contract funds (Page 3, Line 3)	38,286,850	38,101,677	XXX	XXX	XXX
27. Asset Valuation Reserve (Page 3, Line 24.1)	67,580,778	31,530,178	22,024,106	24,941,711	34,577,934
28. Capital (Page 3, Lines 29 and 30)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
29. Surplus (Page 3, Line 37)	223,591,813	199,376,681	185,510,401	83,822,502	243,687,459
Risk-Based Capital Analysis					
30. Total Adjusted Capital	296,635,184	239,008,758	215,516,199	115,290,252	284,468,953
31. Authorized Control Level Risk - Based Capital	45,864,366	44,696,452	44,467,325	41,245,741	61,117,744
Percentage Distribution of Assets					
(Page 2, Col. 3) (Line No. / Page 2, Line 11, Col. 3) x 100.0					
32. Bonds (Line 1)	68.4	78.8	81.4	74.3	87.0
33. Stocks (Lines 2.1 and 2.2)	22.6	11.6	8.8	7.1	1.8
34. Mortgage Loans on Real Estate (Lines 3.1 and 3.2)	1.0	1.1	1.2	0.5	0.2
35. Real Estate (Lines 4.1, 4.2 and 4.3)	0.0	0.0	0.0	0.0	0.0
36. Policy Loans (Line 5)	6.5	6.4	6.2	5.7	2.0
37. Premium Notes (Line 6)	0.0	0.0	0.0	0.0	0.0
38. Cash and Short - Term Investments (Line 7)	1.3	1.6	1.2	9.7	7.9
39. Other Invested Assets (Line 8)	0.1	0.5	1.1	2.7	1.0
40. Receivable for Securities (Line 9)	0.1	0.0	0.1	0.0	0.0
41. Aggregate Write-ins for Invested Assets (Line 10)	0.0	0.0	0.0	0.0	0.1
42. Cash and Invested Assets (Line 11)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
Investments in Parent, Subsidiaries and Affiliates					
43. Affiliated Bonds (Schedule D Summary, Line 25, Col. 1)	0	0	0	0	0
44. Affiliated Preferred Stocks (Schedule D Summary, Line 39, Col. 1)	0	0	0	0	0
45. Affiliated Common Stocks (Schedule D Summary, Line 53, Col. 2)	95,418,115	58,907,525	72,422,485	55,179,041	59,503,275
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	95,418,115	58,907,525	72,422,485	55,179,041	59,503,275
Total Non-admitted and Admitted Assets					
50. Total Non admitted Assets (Page 2, Line 27, Col. 2)	81,038,263	95,962,457	0	641,665	52,207
51. Total Admitted Assets (Page 2, Line 27, Col. 3)	3,632,429,689	3,394,926,274	3,326,290,990	3,545,356,880	7,408,565,610
Investment Data					
52. Net Investment Income (Exhibit of Net Investment Income)	102,330,215	118,797,509	133,427,868	250,298,448	321,469,386
53. Realized Capital Gains (Losses)		(15,437,349)	(9,004,139)	(129,488,911)	(446,982)
54. Unrealized Capital Gains (Losses)		63,605,297	(24,581,041)	(4,324,234)	5,475,464
55. Total of above Lines 52, 53 & 54	102,330,215	166,965,457	99,842,688	116,485,303	326,497,868
Benefits and Reserve Increases (Page 6)					
56. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15, Col.1 less Lines 10, 11, 12, 13, 14, and 15, Cols. 9, 10 & 11)	371,268,614	335,825,440	523,920,378	1,435,760,853	543,964,404
57. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	0	0	0	0	0
58. Increase in Life Reserves - Other than Group and Annuities (Line 19, Cols. 2 and 3)	3,189,086	1,971,028	(2,357,842)	1,847,499	(2,253,281)
59. Increase in A & H Reserves (Line 19, Cols. 9, 10 & 11)	0	0	0	0	0
60. Dividends to Policyholders (Line 30, Col. 1)	0	0	0	0	0
Operating Percentages					
61. Insurance Expense Percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus group annuity contribution funds) x 100.0	6.7	10.7	22.9	19.6	15.2
62. Lapse Percent (Ordinary Only) (Exhibit of Life Insurance, Col. 4, Lines 14 & 15) x 100.0 / 1/2 (Lines 1 & 21)	3.9	3.9	7.2	3.8	6.1
63. A & H Loss Percent (Schedule H, Part 1, Lines 3 and 4, Col. 2)	0.0	0.0	0.0	0.0	0.0
64. A & H Expense Percent (Schedule H, Pt. 1, Line 8, Col. 2)	0.0	0.0	0.0	0.0	0.0
A & H Claim Reserve Adequacy					
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
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
69. Industrial Life (Col. 2)	0	0	0	0	0
70. Ordinary - Life (Col. 3)	(107,434)	1,804,112	(260,853)	3,201,715	2,684,542
71. Ordinary - Individual Annuities (Col. 4)	(15,530,705)	(9,373,693)	6,538,152	4,385,808	13,274,291
72. Ordinary-Supp. Contracts (Col. 5)	14,685	875,719	(221,874)	1,997,037	435,911
73. Credit Life (Col. 6)	0	0	0	0	0
74. Group Life (Col. 7)	591,618	2,263,252	5,833,681	2,691,678	1,174,772
75. Group Annuities (Col. 8)	4,365,523	10,975,939	3,490,130	(170,978,268)	19,249,939
76. A & H-Group (Col. 9)	0	0	0	0	0
77. A & H-Credit (Col. 10)	0	0	0	0	0
78. A & H-Other (Col. 11)	0	0	0	0	0
79. Aggregate of All Other Lines of Business (Col. 12)	0	0	0	(38,069,616)	0
80. Total (Col. 1)	(10,666,313)	6,545,329	15,379,236	(196,771,646)	36,819,455

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

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1	2	3	4	5	6	Number of		9	
	Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Individual Policies and Group Certificates	Amount of Insurance (a)	7 Policies	8 Certificates	Amount of Insurance (a)	
1. In force end of prior year	0	0	9,280	766,105	6	3	20	275	64,322	830,430
2. Issued during year	0	0	0	0	0	0	0	0	0	0
3. Reinsurance assumed										0
4. Revived during year										0
5. Increased during year (net)				180						180
6. Subtotals, Lines 2 to 5	0	0	0	180	0	0	0	0	0	180
7. Additions by dividends during year	XXX		XXX		XXX		XXX	XXX		0
8. Aggregate write-ins for increases	0	0	144	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8)	0	0	9,424	766,285	6	3	20	275	64,322	830,610
Deductions during year:										
10. Death			110	8,374			XXX			8,374
11. Maturity							XXX			0
12. Disability							XXX			0
13. Expiry										0
14. Surrender			181	21,541				12	3,722	25,263
15. Lapse			48	7,863						7,863
16. Conversion							XXX	XXX	XXX	0
17. Decreased (net)			63	3,410	6	3				3,413
18. Reinsurance										0
19. Aggregate write-ins for decreases	0	0	0	0	0	0	0	0	0	0
20. Totals, (Lines 10 to 19)	0	0	402	41,188	6	3	0	12	3,722	44,913
21. In force end of year, (Line 9 minus Line 20)	0	0	9,022	725,097	0	0	20	263	60,600	785,697
22. Reinsurance ceded end of year	XXX		XXX	508,598	XXX	XXX	XXX	XXX	47,894	556,492
23. Line 21 minus Line 22	XXX	0	XXX	216,499	XXX	(b)	XXX	XXX	12,706	229,205
DETAILS OF WRITE-INS										
0801. ETI and RPU policies were excluded from last year's policy count			144	0						0
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	144	0	0	0	0	0	0	0
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page	0	0	0	0	0	0	0	0	0	0
1999. TOTALS (Lines 1901 thru 1903 plus 1998) (Line 19 above)	0	0	0	0	0	0	0	0	0	0

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

(b) Group \$; Individual \$

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

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	
25. Other paid-up insurance			5,482	460,031
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			48	941
28. Term policies - other			207	15,119
29. Other term insurance - decreasing .....	.XXX		.XXX	
30. Other term insurance .....	.XXX		.XXX	10
31. Totals, Line 27 to 30	0	0	255	16,070
Reconciliation to Page 30, Lines 2 and 21:				
32. Term additions .....	.XXX		.XXX	
33. Totals, extended term insurance .....	.XXX	.XXX	60	408
34. Totals, whole life and endowment			8,707	708,619
35. Total (Lines 31 to 34)	0	0	9,022	725,097

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			725,097	
38. Credit Life (Group and Individual)				
39. Group			60,600	
40. Totals (Lines 36 to 39)	0	0	785,697	0

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	263	.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			263	60,600

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	7,240
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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
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			739	1,306				
49. Disability Income			388	642				
50. Extended Benefits .....			.XXX	.XXX				
51. Other								
52. Total	0 ^(b)	0	1,127 ^(b)	1,948	0 ^(b)	0	0 ^(b)	0

(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	283	2,101	0	0
2. Issued during year	8	405		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	291	2,506	0	0
Deductions during year:				
6. Decreased (net)	9	284		
7. Reinsurance				
8. Totals (Lines 6 and 7)	9	284	0	0
9. In force end of year	282	2,222	0	0
10. Amount on deposit	(a)		(a)	
11. Income now payable	282	2,222		
12. Amount of income payable	(a) 1,595,991	(a) 10,654,653	(a)	(a)

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	2,388	58,694	4	350
2. Issued during year	37	7,242		
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	2,425	65,936	4	350
Deductions during year:				
6. Decreased (net)	89	4,582		40
7. Reinsurance				
8. Totals (Lines 6 and 7)	89	4,582	0	40
9. In force end of year	2,336	61,354	4	310
Income now payable:				
10. Amount of income payable	(a) 39,875,488	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance	XXX	(a) 512,719,897	XXX	(a) 9,694,426
Deferred not fully paid:				
12. Account balance	XXX	(a) 1,888,614,391	XXX	(a)

ACCIDENT AND HEALTH INSURANCE

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

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year	0	0
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Total (Lines 1 to 4)	0	0
Deductions During Year:		
6. Decreased (net)		
7. Reinsurance		
8. Totals (Lines 6 and 7)	0	0
9. In force end of year	0	0
10. Amount of account balance	(a)	(a)

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

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

SCHEDULE D - SUMMARY BY COUNTRY

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

Description	1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS				
Governments (Including all obligations guaranteed by governments)	1. United States 50,722,741 2. Canada 403,080 3. Other Countries 15,244,514 4. Totals 66,370,335	52,700,849 382,940 13,156,779 66,240,568	50,772,893 405,532 15,694,792 66,873,217	50,639,521 400,000 15,476,112 66,515,633
States, Territories and Possessions (Direct and guaranteed)	5. United States 0 6. Canada 0 7. Other Countries 0 8. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States 0 10. Canada 0 11. Other Countries 0 12. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States 74,426,254 14. Canada 0 15. Other Countries 0 16. Totals 74,426,254	74,184,014 0 0 74,184,014	74,360,861 0 0 74,360,861	79,562,339 0 0 79,562,339
Public Utilities (unaffiliated)	17. United States 81,338,362 18. Canada 0 19. Other Countries 1,756,309 20. Totals 83,094,671	85,001,526 0 1,915,280 86,916,806	81,112,436 0 1,755,560 82,867,996	88,098,882 0 2,000,000 90,098,882
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States 918,355,931 22. Canada 6,975,995 23. Other Countries 37,654,836 24. Totals 962,986,762	922,387,068 7,756,530 42,489,591 972,633,189	919,245,838 6,974,630 37,826,221 964,046,689	1,124,435,439 7,000,000 47,980,000 1,179,415,439
Parent, Subsidiaries and Affiliates	25. Totals 0 26. Total Bonds 1,186,878,022	0 1,199,974,577	0 1,188,148,763	0 1,415,592,293
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States 0 28. Canada 0 29. Other Countries 0 30. Totals 0	0 0 0 0	0 0 0 0	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States 0 32. Canada 0 33. Other Countries 22,112,337 34. Totals 22,112,337	0 0 22,210,305 22,210,305	0 0 22,112,337 22,112,337	0 0 22,112,337 22,112,337
Industrial and Miscellaneous (unaffiliated)	35. United States 72,841,650 36. Canada 0 37. Other Countries 13,578,506 38. Totals 86,420,156	73,289,790 0 13,644,304 86,934,094	54,934,123 0 13,578,506 68,512,629	0 0 0 0
Parent, Subsidiaries and Affiliates	39. Totals 0 40. Total Preferred Stocks 108,532,493	0 109,144,399	0 90,624,966	0 0
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States 4,002,592 42. Canada 0 43. Other Countries 0 44. Totals 4,002,592	4,002,592 0 0 4,002,592	3,109,451 0 0 3,109,451	0 0 0 0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States 119,463,019 46. Canada 0 47. Other Countries 0 48. Totals 119,463,019	119,463,019 0 0 119,463,019	1,999,235 0 0 1,999,235	0 0 0 0
Industrial and Miscellaneous (unaffiliated)	49. United States 65,198,645 50. Canada 0 51. Other Countries 0 52. Totals 65,198,645	65,198,645 0 0 65,198,645	11,398,539 0 0 11,398,539	0 0 0 0
Parent, Subsidiaries and Affiliates	53. Totals 95,418,115 54. Total Common Stocks 284,082,371	95,418,115 284,082,371	73,124,621 89,631,846	0 0
	55. Total Stocks 392,614,864 56. Total Bonds and Stocks 1,579,492,886	392,614,864 1,593,201,347	180,256,812 1,368,405,575	0 0

(a) The aggregate value of bonds which are valued at other than actual fair value is \$732,082,871 .

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year 1,549,304,283	6. Foreign Exchange Adjustment:
2. Cost of bonds and stocks acquired, Column 6, Part 3 887,383,707	6.1 Column 17, Part 1 0
3. Increase (decrease) by adjustment:	6.2 Column 13, Part 2, Sec. 1 0
3.1 Column 16, Part 1 (81,944,788)	6.3 Column 11, Part 2, Sec. 2 0
3.2 Column 12, Part 2, Sec. 1 1,154,495	6.4 Column 11, Part 4 0
3.3 Column 10, Part 2, Sec. 2 108,431,764	7. Book/adjusted carrying value at end of current period 1,579,492,884
3.4 Column 10, Part 4 1,564,904	8. Total valuation allowance 29,206,375
4. Total gain (loss), Col. 14, Part 4 3,612,433	9. Subtotal (Lines 7 plus 8) 1,579,492,884
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4 890,013,914	10. Total nonadmitted amounts 0
	11. Statement value of bonds and stocks, current period 1,579,492,884

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

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1	Direct Business Only					
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Deposit-Type Contract Funds	6 Other Considerations	
		2 Life Insurance Premiums	3 Annuity Considerations				
1. Alabama	AL	Yes	21,820	9,411,362	.0	.0	.0
2. Alaska	AK	Yes	3,551	104,986	.0	.0	.0
3. Arizona	AZ	Yes	28,931	8,496,198	.0	106,202	.0
4. Arkansas	AR	Yes	4,858	1,120,651	.0	.0	.0
5. California	CA	Yes	1,101	58,558,844	.0	1,853,745	.0
6. Colorado	CO	Yes	16,962	5,314,127	.0	84,520	.0
7. Connecticut	CT	Yes	1,172	14,644,820	.0	88,537	.0
8. Delaware	DE	Yes	16,178	436,224	.0	.0	.0
9. District of Columbia	DC	Yes	.0	80,536	.0	.0	.0
10. Florida	FL	Yes	81,689	92,005,076	.0	135,733	.0
11. Georgia	GA	Yes	83,777	3,819,647	.0	75,142	.0
12. Hawaii	HI	Yes	.0	4,405,634	.0	420,926	.0
13. Idaho	ID	Yes	.0	553,293	.0	4,186	.0
14. Illinois	IL	Yes	80,150	22,375,064	.0	203,302	.0
15. Indiana	IN	Yes	19,233	9,955,077	.0	41,462	.0
16. Iowa	IA	Yes	10,648	3,064,022	.0	122,819	.0
17. Kansas	KS	Yes	10,918	2,113,868	.0	.0	.0
18. Kentucky	KY	Yes	7,259	5,389,130	.0	185,952	.0
19. Louisiana	LA	Yes	47,761	3,458,874	.0	.0	.0
20. Maine	ME	No	.0	315	.0	.0	.0
21. Maryland	MD	Yes	48,450	5,270,333	.0	.0	.0
22. Massachusetts	MA	Yes	.0	15,257,390	.0	57,761	.0
23. Michigan	MI	Yes	.0	9,700,415	.0	23,718	.0
24. Minnesota	MN	Yes	15,892	11,557,790	.0	551,210	.0
25. Mississippi	MS	Yes	29,643	364,354	.0	.0	.0
26. Missouri	MO	Yes	41,256	9,135,826	.0	29,581	.0
27. Montana	MT	Yes	.0	137,849	.0	19,820	.0
28. Nebraska	NE	Yes	30,199	1,292,506	.0	.0	.0
29. Nevada	NV	Yes	1,598	1,367,793	.0	1,071,016	.0
30. New Hampshire	NH	No	.0	413,344	.0	.0	.0
31. New Jersey	NJ	Yes	18,272	37,209,781	.0	1,442,751	.0
32. New Mexico	NM	Yes	23,655	3,051,627	.0	14,381	.0
33. New York	NY	No	4,752	12,918,026	.0	30,056	.0
34. North Carolina	NC	Yes	4,523	9,012,731	.0	19,409	.0
35. North Dakota	ND	Yes	.0	265,993	.0	.0	.0
36. Ohio	OH	Yes	258,364	24,798,578	.0	88,589	.0
37. Oklahoma	OK	Yes	23,088	15,386,102	.0	1,882	.0
38. Oregon	OR	Yes	58,532	7,620,834	.0	749,315	.0
39. Pennsylvania	PA	Yes	67,857	33,426,156	.0	268,546	.0
40. Rhode Island	RI	Yes	.0	594,314	.0	.0	.0
41. South Carolina	SC	Yes	76,220	1,137,169	.0	31,712	.0
42. South Dakota	SD	Yes	.0	978,122	.0	.0	.0
43. Tennessee	TN	Yes	18,538	6,553,560	.0	73,238	.0
44. Texas	TX	Yes	15,256	15,788,780	.0	412,608	.0
45. Utah	UT	Yes	.0	1,038,888	.0	1,431	.0
46. Vermont	VT	No	.0	100,000	.0	91,330	.0
47. Virginia	VA	Yes	15,120	6,089,369	.0	73,558	.0
48. Washington	WA	Yes	102,104	1,041,899	.0	1,786,983	.0
49. West Virginia	WV	Yes	21,389	1,342,928	.0	.0	.0
50. Wisconsin	WI	Yes	781	5,458,129	.0	6,296	.0
51. Wyoming	WY	Yes	2,959	180,350	.0	.0	.0
52. American Samoa	AS	No	.0	.0	.0	.0	.0
53. Guam	GU	No	.0	.0	.0	.0	.0
54. Puerto Rico	PR	No	.0	.0	.0	.0	.0
55. US Virgin Islands	VI	No	.0	.0	.0	.0	.0
56. Canada	CN	No	.0	.0	.0	.0	.0
57. Aggregate Other Alien	OT	XXX	888	516	.0	3,706	.0
58. Subtotal	(a)	47	1,315,344	483,799,200	.0	10,171,423	.0
90. Reporting entity contributions for employee benefit plans	XXX						
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX						
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX						
93. Premium or annuity considerations waived under disability or other contract provisions	XXX						
94. Aggregate of other amounts not allocable by State	XXX		.0	.0	.0	.0	.0
95. Totals (Direct Business)	XXX		1,315,344	483,799,200	.0	10,171,423	.0
96. Plus Reinsurance Assumed	XXX		551,382				
97. Totals (All Business)	XXX		1,866,726	483,799,200	.0	10,171,423	.0
98. Less Reinsurance Ceded	XXX		2,616,141	535,960			
99. Totals (All Business) less Reinsurance Ceded	XXX		(749,415)	483,263,240	(b)	10,171,423	.0
DETAILS OF WRITE-INS							
5701. Alien	XXX		888	516	.0	3,706	.0
5702.	XXX						
5703.	XXX						
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX		.0	.0	.0	.0	.0
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX		888	516	.0	3,706	.0
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX		.0	.0	.0	.0	.0
9499. Totals (Lines 9401 thru 9403 plus 9498)(Line 94 above)	XXX		0	0	0	0	0

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

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

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9 and 10, or with Schedule H, Part 1, Line 1, indicate which .

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

SCHEDULE Y

		<u>NAIC#</u>	<u>TIN#</u>
PARENT	WESTERN - SOUTHERN MUTUAL HOLDING COMPANY, OH (NON-INSURER)		31-1732405
SUBSIDIARY	WESTERN - SOUTHERN FINANCIAL GROUP, INC., OH (NON-INSURER)		31-1732404
SUBSIDIARY	THE WESTERN AND SOUTHERN LIFE INSURANCE COMPANY, OH (INSURER)	70483	31-0487145
SUBSIDIARY	WESTERN-SOUTHERN LIFE ASSURANCE COMPANY, OH (INSURER)	92622	31-1000236
SUBSIDIARY	COLUMBUS LIFE INSURANCE COMPANY, OH (INSURER)	99937	31-1191427
SUBSIDIARY	INTEGRITY LIFE INSURANCE COMPANY, OH (INSURER)	74780	86-0214103
SUBSIDIARY	NATIONAL INTEGRITY LIFE INSURANCE COMPANY, NY (INSURER)	75264	16-0958252